UNEP 2017-2019 Business Plan

Presented to the

77th Meeting of the Executive Committee

of the Multilateral Fund for the Implementation

of the Montreal Protocol

October 2016



United Nations Environment Programme

**Table of Contents**

[Executive Summary 3](#_Toc456004113)

[I. Methodology 4](#_Toc456004114)

[II. Multilateral Fund Targets 4](#_Toc456004115)

[A. Objectives of the Three-Year Business Plan 4](#_Toc456004116)

[B. Resource Allocation 5](#_Toc456004117)

[III. Planned Business Plan Activities 5](#_Toc456004118)

[A. National Level 5](#_Toc456004119)

[B. Regional Level 6](#_Toc456004120)

[C. Global Level 6](#_Toc456004121)

[D. New Project Types 6](#_Toc456004122)

[IV. Performance Indicators 6](#_Toc456004123)

[V. POLICY, ADMINISTRATIVE AND FINANCIAL ISSUES 8](#_Toc456004124)

**Executive Summary**

The United Nations Environment Programme (UNEP) is submitting this document for the consideration to the 77th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. The document presents UNEP’s three-year rolling Business Plan for its Montreal Protocol-related activities covering the years 2017-2019. It comprises:

* Narrative.
* Annex I: Projects planned for submission.

The focus and orientation of UNEP’s work under this Business Plan continues to be defined by the evolving needs of countries operating under Article 5 of the Protocol (“Article 5 countries”) as they progress in their implementation of the Montreal Protocol, and as they meet and sustain compliance with specific obligations. Through the activities identified in this Business Plan, UNEP will assist the countries with implementing their HCFC phase-out responsibilities including preparing for the 2020 target and subsequent reduction steps, strengthening the government institutions in Article 5 countries responsible for implementing and reporting on their national strategies to comply with the Montreal Protocol, and sustaining Article 5 countries’ compliance with ozone depleting substance (ODS) phase out targets already met.

UNEP will achieve its Business Plan objectives by a combination of compliance assistance services delivered through the 2017 Compliance Assistance Programme (CAP),[[1]](#footnote-1) as well as the ongoing and planned national, regional and global projects detailed in this document. The project services include preparation and implementation of HCFC Phase out Management Plans (HPMPs) for both Stages I and II, Institutional Strengthening projects, and technical assistance. In addition to the anticipated Business Plan activities, UNEP will implement HPMP verification projects as and when requested by the Executive Committee during the course of 2017-2019.

UNEP will deliver the projects in this 2017-2019 Business Plan and perform the project development, monitoring and reporting duties required of all Implementing Agencies through the proposed 2017 CAP Work Programme and Budget. In addition to the projects detailed in this Business Plan, UNEP continues to assist several bilateral agencies with the implementation of their Multilateral Fund projects through CAP and also engages in select partnerships for Montreal Protocol objectives complementary to the Multilateral Fund (including projects and activities).[[2]](#footnote-2)

UNEP is planning project submissions over the next three years as follows: US$ 26,066,689 for 2017, US$ 28,099,335 for 2018, and US$ 24,531,310 for 2019, all inclusive of the respective annual CAP budgets and programme support costs (PSC).

For 2017, UNEP will prepare and submit 99 projects to the Executive Committee, including new projects, planned tranches of previously-approved multi-year agreements (MYAs), and the annual CAP Work Programme and Budget for the year 2018.

UNEP proposes to adopt performance indicators for this Business Plan in line with Decisions 73/30 and the guidance received during the two Inter-Agency Coordination Meetings of 2016 (1-3 March and 31 August to 1 September).

**I. Methodology**

This section describes the methodology, consultations, guidance and inputs UNEP used when developing this Business Plan:

* During the first half of 2016, UNEP consulted with National Ozone Officers in Article 5 countries on their countries’ business planning needs, through dialogues during meetings of Regional Networks of Ozone Officers, as well as via direct contact with Ozone Officers.
* UNEP reviewed and drew experiences gained from implementation of its 2016-2018 Business Plan (UNEP/OzL.Pro/ExCom/75/24), taking into account new trends and emerging developments. UNEP also considered the programmatic direction and activities included in its approved 2016 CAP Work Programme and Budget (UNEP/OzL.Pro/ExCom/75/33/Rev.1).
* UNEP used the Multilateral Fund’s 2015-2017 consolidated business plan (UNEP/OzL.Pro/ExCom/75/21) endorsed by the Executive Committee meeting (Decision 75/22) as a guidance document for resource planning for the triennium and identification of countries requiring assistance.
* UNEP also followed the guidance provided by the Multilateral Fund Secretariat during the 2016 Inter-Agency Coordination Meetings.
* UNEP consulted with the other Implementing Agencies and bilateral agencies to increase collaborative and mutually-supportive initiatives and to avoid duplication of effort.
* UNEP considered various Executive Committee decisions as guidance for this Business Plan.

**II. Multilateral Fund Targets**

**A. Objectives of the Three-Year Business Plan**

The focus and orientation of UNEP’s work continues to be defined by the evolving needs of Article 5 countries as they progress in their implementation of the Montreal Protocol, and as they meet and sustain compliance with specific obligations.

UNEP’s proposed 2017 CAP Work Programme and Budget submitted for the consideration of the 77thExecutive Committee meeting details UNEP’s vision and approach for CAP in that year. Following that approach, UNEP will provide assistance to Article 5 countries according to four overarching objectives:

* Assisting countries to comply with their upcoming HCFC phase-out commitments.
* Sustaining and enforcing compliance of phase-out targets already met.
* Building capacity to adopt alternatives to HCFCs to achieve climate co-benefits.
* Leveraging partnerships for Montreal Protocol objectives complementary to the Multilateral Fund.
* Clearing house function, regional networks, capacity building, technical cooperation and awareness.

**B. Resource Allocation**

During this Business Plan period, UNEP plans to prepare and submit for approval the projects as detailed in Annex I: Projects planned for submission 2017-2019. UNEP’s proposed resource allocation plan for these projects is as follows:

| Project | Type | Value (US$ inclusive of PSC)  | Total2017-2019 |
| --- | --- | --- | --- |
| 2017 | 2018 | 2019 |
| **Required for compliance** |
| HPMP Stage I | PHA | 2,933,978 | 2,069,964 | 203,400 | 5,207,342 |
| HPMP Stage II preparation | PRP | 135,600 | 2,316,048 | 0 | 2,451,648 |
| HPMP Stage II | PHA | 5,013,219 | 7,930,518 | 5,678,341 | 18,622,078 |
| Institutional Strengthening  | INS | 7,053,227 | 4,524,220 | 7,053,227 | 18,630,674 |
| Compliance Assistance Programme | TAS | 10,930,665 | 11,258,585 | 11,596,342 | 33,785,592 |
| **Grand total**  | **26,066,689** | **28,099,335** | **24,531,310** | **78,697,334** |

 **III. Planned Business Plan Activities**

This section describes costed projects at the national, regional and global levels proposed by UNEP in the 2017-2019 Business Plan period. All of the projects are included in Annex I.

**A. National Level**

Through this Business Plan, UNEP plans to deliver the following projects at the national level:

* HPMP project preparation and implementation*.* UNEP will assist 73 with Stage II preparation in accordance with Executive Committee policies and guidelines. UNEP will also assist countries with the implementation of the non-investment components of the HPMPs (both Stages I and II), in cooperation with other Implementing Agencies and bilateral agencies. In total, during this Business Plan UNEP will be the HPMP Lead Agency for 72 countries and Cooperating Agency for 30 countries.
* Institutional Strengthening projects*.* UNEP provides 104 countries with ongoing technical assistance and administrative support for the implementation of their IS projects, including the submission of IS renewals and assistance with activities covered by these projects. UNEP will submit such projects as per the appropriate timing and when all the necessary pre-conditions have been met (e.g. disbursal rate, reporting obligations). This service is performed as part of CAP services, with 0% PSC to UNEP.
* New project types. There are no new projects included in this Business Plan for the years of 2017-2019.

**B. Regional Level**

Through this Business Plan, UNEP plans to deliver the following projects at the regional level:

* Regional PIC HPMP preparation (Stage II). The preparation funds will be requested in the year of 2018.

**C. Global Level**

Through this Business Plan, UNEP does not plan to deliver the additional project at the global level.

**D. New Project Types**

UNEP does not plan to submit the new type of projects during the 2017-2019 period.

**IV. Performance Indicators**

UNEP expects that the services, activities and projects identified in the proposed 2017-2019 Business Plan and 2017 CAP Work Programme and Budget the will result in:

* Improved capabilities and technical skills of NOUs staff to effectively carry out approved phase-out programmes and thus ensure sustained compliance;
* Countries in non-compliance received necessary support enabling swift return to compliance;
* Increased high level political commitment to the ozone agreements;
* ODS phase-out obligations mainstreamed into national environmental strategies/policies;
* Early action taken by countries on the HCFC phase out due to HPMP preparation and information services.
* Increased number of Parties to the Montreal Protocol Amendments;
* Enhanced awareness of users and other relevant stakeholders of forthcoming reductions in ODS supply and availability of viable alternatives;
* All client countries reported Article 7 data by established deadlines and quality of reported data improved;
* Majority of client countries submitted outstanding reports on implementation of their Country Programmes to the Multilateral Fund Secretariat;
* Improved and enforced ODS related legal instruments particularly the addition of HCFCs to licensing systems and initiation of HCFC quota systems;
* NOUs provided with best available information that enable them to make decisions on alternative technologies, sound approaches and methodologies;
* Broadened and strengthened regional cooperation in the implementation of the ozone treaties;
* Increased number of countries benefiting from direct country-to-country assistance;
* Concerted actions taken at national and regional levels to combat illegal trade in ODS;
* Improved access to ODS-related technical information and enhanced experience exchange;
* Indirect support provided for the implementation of investment projects through strengthened institutional and legal frameworks.

For 2017, UNEP proposes to use the following performance indicators in line with Decision 75/25and guidance received during the 2016 Inter-Agency Coordination Meetings:

Table 1: Performance Indicators applicable to all agencies

| Type of Indicator (Existing, Modified, New) | Short Title | Calculation | UNEP proposal for 2017 |
| --- | --- | --- | --- |
| Planning--Approval  | Tranches approved  | Number of tranches approved vs. those planned\* | 37 |
| Planning--Approval  | Projects/activitiesapproved | Number of projects/activities approved vs. those planned (including project preparation activities)\*\*  | 63 |
| Implementation  | Funds disbursed | Based on estimated disbursement in progress report US | US$ 8,151,324 |
| Implementation  | ODS phase-out | ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans | 27.9 ODP tonnes |
| Implementation  | Project completion foractivities | Project completion vs. planned in progress reports for all activities (excluding project preparation) | 51 |
| Administrative  | Speed of financialcompletion | The extent to which projects are financially completed 12 months after project completion | 14 |
| Administrative  | Timely submission of project completionreports | Timely submission of project completion reports vs. those agreed | On time |
| Administrative  | Timely submission ofprogress reports | Timely submission of progress reports and business plans and responses unless otherwise agreed | On time |

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

Table 2: Performance Indicators applicable to UNEP’s Compliance Assistance Programme

| Performance Indicator | Data | Assessment | UNEP’s proposal for 2017 |
| --- | --- | --- | --- |
| Efficient follow-up to regional network/ thematic meetings  | List of recommendations emanating from 2015-2016 regional network/thematic meetings  | Implementation rate of those meeting recommendations that are to be implemented in 2017  | 90% implementation rate |
| Effective support to NOUs in their work, particularly guidance to new NOUs  | List of innovative ways/means/products/ services for supporting NOUs in their work, with specification of those destined for new NOUs  | Number of innovative ways, means, products, services for supporting NOUs in their work, with specification of those destined for new NOUs  | - 7 such ways, means,products, services;-All new NOUs receivecapacity building support.  |
| Assistance to countries in actual or potential noncompliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)  | List of countries in actual or potential on compliance that received CAP assistance outside the network meetings  | Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings | All such countries |
| Innovations in production and delivery of global and regional information products and services  | List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways  | Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways  | 7 such products and services  |
| Close cooperation between CAP regional teams and Implementing and bilateral agencies working in the regions  | List of joint missions/ undertakings of CAP regional staff with Implementing and bilateral agencies | Number of joint missions/undertakings  | 3 in each region  |

**V. POLICY, ADMINISTRATIVE AND FINANCIAL ISSUES**

None.

1. In addition to the projects indicated in this Business Plan, during 2017 UNEP will also provide through its CAP 1,062 country-specific special compliance services, the operation of 10 Regional/sub-Regional Networks of Ozone Officers, facilitation of South-South cooperation, assistance with regional awareness activities, and provision of a global Information Clearinghouse that provides National Ozone Units with services that include information, communication, education, electronic knowledge management and capacity building. [↑](#footnote-ref-1)
2. This Business Plan provides details about the individual *projects* proposed for UNEP implementation from 2017 through 2019. UNEP will report details on its performance with implementing the projects through its UNEP’s Annual and Financial Progress Report. For details about *non-project-related* activities and services delivered by UNEP through the CAP, please refer to the 2017 CAP Work Programme and Budget submitted to this same meeting. [↑](#footnote-ref-2)