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EXECUTIVE COMMITTEE OF
 THE MULTILATERAL FUND FOR THE
 IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting

Montreal, 2-6 November 2020

Postponed to 8-12 March 2021[[1]](#footnote-1)

UNEP BUSINESS PLAN FOR 2021–2023

# This document presents the UNEP business plan for 2021–2023[[2]](#footnote-2) and includes: the planned activities for the phase-out of controlled substances under the Montreal Protocol (controlled substances) during the 2021–2023 period; the business plan performance indicators; policy issues; and a recommendation for consideration by the Executive Committee. The narrative of UNEP’s business plan for 2021–2023 is attached to the present document.

**Planned activities during the 2021–2023 period**

# Table 1 sets out, by year, the value of activities included in UNEP’s business plan.

**Table 1. Resource allocation in the UNEP business plan for 2021–2023 as submitted (US $000s)\***

| **Description** | **2021** | **2022** | **2023** | **Total** **(2021–2023)** | **Total after 2023** |
| --- | --- | --- | --- | --- | --- |
| **HCFC activities**  |
| Approved HCFC phase-out management plans (HPMPs) | 3,633 | 3,387 | 4,032 | 11,052 | 14,836 |
| HPMP project preparation (PRP) – stage II | 102 | 28 |  0 | 130 | 34 |
| HPMP stage II  | 3,646 | 1,310 | 1,491 | 6,447 | 9,033 |
| HPMP PRP – stage III |  0 |  0 | 23 | 23 | 0 |
| HPMP stage III | 97 | 624 | 78 | 799 | 1,630 |
| HCFC technical assistance | 509 |  0 |  0 | 509 |  0 |
|  **HCFC activities subtotal** | **7,986** | **5,349** | **5,623** | **18,959** | **25,532** |
| **HFC activities** |
| HFC – demonstration | 57 |  0 |  0 | 57 |  0 |
| HFC – enabling activities | 268 | 214 |  0 | 482 |  0 |
| HFC phase-down plan – PRP | 2,737 | 1,701 |  0 | 4,438 |  0 |
| HFC – technical assistance | 0  | 678 |  0 | 678 | 678 |
|  **HFC activities subtotal** | **3,061** | **2,593** | **0** | **5,654** | **678** |
| **Standard activities** |
| Institutional strengthening (IS) | 8,522 | 3,255 | 8,522 | 20,298 |  0 |
| Compliance Assistance Programme (CAP) | 11,095 | 11,428 | 11,771 | 34,294 |  0 |
|  **Standard activities subtotal** | **19,617** | **14,683** | **20,292** | **54,592** | **0** |
| **Total** | **30,664** | **22,625** | **25,916** | **79,205** | **26,210** |

\* Including agency support costs where applicable.

# **Secretariat’s comments**

Stage II of HPMPs

# The total levels of funding for stage II of HPMPs for low-volume-consuming (LVC) countries to meet the 67.5 per cent reduction of the HCFC baseline amount to US $6.38 million (including US $2.29 million for 2021–2023), and to meet 100 per cent reduction amount to US $1.06 million (including US $514,149 for 2021–2023).

# The total levels of funding for stage II of HPMPs for non-LVC countries amount to US $8.04 million (including US $3.65 million for 2021–2023).

# Stage III of HPMPs

# A total of US $2.43 million is included in the business plan for stage III of HPMPs for four countries (Armenia, Oman, Pakistan and the Republic of Moldova) (including US $799,033 for 2021–2023). Inclusion of stage III of HPMPs in the business plan is allowed only for those countries with an approved stage II of HPMPs with reduction targets below the 2025 compliance targets (decision 84/46(e)).

# HCFC technical assistance regional project

# UNEP has included one HCFC technical assistance regional project for “promoting low-global warming potential refrigerants for air-conditioning sectors in high ambient temperature countries (PRAHA‑III),” amounting to US $508,500 in 2021. No funding window for such demonstration project is available.

HFC-related activities

# HFC activities include one demonstration activity in Egypt amounting to US $56,500 in 2021, enabling activities amounting to US $481,500 in 2021 and 2022 for three countries (Antigua and Barbuda, the Central African Republic and India), one technical assistance activity amounting to US $1.36 million (US $678,000 for 2021–2023) and HFC phase-down plan preparation[[3]](#footnote-3) for 48 countries amounting to US $4.44 million in 2021 and 2022.

# UNIDO has included in its business plan for 2021–2023, an investment project for the conversion of one production line of a compressor manufacturing company (ZMC) in Egypt, and UNEP has included a non-investment component related to policy preparation and market readiness assessment; the non‑investment component is not eligible under decision 78/3(g).

# All three countries for which enabling activities have been included, submitted the required letter from their Government indicating their intent to make best efforts to ratify the Kigali Amendment as early as possible, in line with decision 79/46(d)(i).

# Fifteen of the 48 countries for which preparation activities for HFC phase-down have been included have not ratified the Kigali Amendment, but have submitted the required letter from their Government indicating their intent to make best efforts to ratify the Amendment.

# UNEP has included one HFC technical assistance global project for “Twinning of Ozone Officers and National Energy Policymakers to support Kigali Amendment Objectives” which is not eligible for funding.

CAP

# The cost for CAP is expected to increase at an annual rate of 3 per cent as agreed by the Executive Committee. The total level of funding for CAP is US $34.29 million for 2021–2023. CAP budget for 2021 was approved at the IAP for the 86th meeting.[[4]](#footnote-4)

**Proposed adjustments by the Secretariat**

# The adjustments to the UNEP business plan for 2021–2023 were based on relevant decisions of the Executive Committee. Further adjustments may be required pending a decision by the Parties on the level of the replenishment of the Multilateral Fund for the 2021–2023 triennium.[[5]](#footnote-5)

# In reviewing the revised UNEP business plan for 2021–2023, the Secretariat noted that the following adjustments were not included:

**Table 2. Adjustments to the UNEP business plan for 2021–2023 (US $000)**

|  |  |  |
| --- | --- | --- |
| **Adjustment** | **2021–2023** | **After 2023** |
| HPMP values to reflect the actual amounts approved under the Agreements  | 0 | (0.004) |
| Stage II of HPMPs for LVC countries to the maximum allowable value to meet the 67.5 or 100 per cent reduction in the HCFC baseline based on decision 74/50(c)(xii) | (5) | (13) |
| PRP for stage III of HPMPs pursuant to decision 84/46(e) | (11) | 0 |
| HCFC technical assistance  | (509) | 0 |
| HFC demonstration  | (57) | 0 |
| PRP for HFC phase-down plans pursuant to decision 56/16(c)  | (404) | 0 |
| HFC technical assistance | (678) | (678) |
| IS project for the Democratic People’s Republic of Korea pursuant to decision 80/34(c)(iii)b.  | (333) | 0 |

# Table 3 presents the results of the Secretariat’s proposed adjustments to the UNEP business plan for 2021–2023, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2021–2023.[[6]](#footnote-6)

**Table** **3. Resource allocation in UNEP’s adjusted business plan for 2021–2023 (US $000s)\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **2021** | **2022** | **2023** | **Total (2021–2023)** | **Total after 2023** |
| **HCFC activities**  |
| Approved HPMPs | 3,633 | 3,387 | 4,032 | 11,052 | 14,836 |
| HPMP PRP – stage II | 102 | 28 | 0 | 130 | 34 |
| HPMP stage II  | 3,643 | 1,308 | 1,491 | 6,441 | 9,020 |
| HPMP PRP – stage III | 0 | 0 | 11 | 11 | 0 |
| HPMP stage III | 97 | 624 | 78 | 799 | 1,630 |
| HCFC technical assistance | 0 | 0  | 0  | 0 | 0  |
|  **HCFC activities subtotal** | **7,474** | **5,347** | **5,612** | **18,434** | **25,519** |
| **HFC activities** |
| HFC – demonstration | 0 | 0 | 0 | 0 | 0 |
| HFC – enabling activities | 268 | 214 | 0 | 482 | 0 |
| HFC phase-down plan – PRP | 2,458 | 1,576 | 0 | 4,034 | 0 |
| HFC – technical assistance | 0 | 0 | 0 | 0 | 0 |
|  **HFC activities subtotal** | **2,725** | **1,790** | **0** | **4,515** | **0** |
| **Standard activities** |
| IS | 8,355 | 3,255 | 8,355 | 19,965 | 0 |
| CAP | 11,095 | 11,428 | 11,771 | 34,294 | 0 |
|  **Standard activities subtotal** | **19,450** | **14,683** | **20,126** | **54,259** | **0** |
| **Total** | **29,650** | **21,820** | **25,738** | **77,208** | **25,519** |

\* Including agency support cost where applicable.

**Performance indicators**

#  UNEP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. The Secretariat informed UNEP of the targets shown in Table 4.

**Table 4. Performance indicators for UNEP for 2021**

| **Type of indicator**  | **Short title** | **Calculation** | **2021 target** |
| --- | --- | --- | --- |
| Planning--Approval  | Tranches approved | Number of tranches approved vs. those planned\* | 69 |
| Planning--Approval  | Projects/activities approved | Number of projects/activities approved vs. those planned (including project preparation activities)\*\* | 112 |
| Implementation  | Funds disbursed | Based on estimated disbursement in progress report | US $20,561,656 |
| Implementation | ODS phase-out | ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans | 87.68 ODP tonnes |
| Implementation  | Project completion for activities | Project completion vs. planned in progress reports for all activities (excluding project preparation) | 104 |
| Administrative | Speed of financial completion | The extent to which projects are financially completed 12 months after project completion | 14 months |
| Administrative  | Timely submission of project completion reports | Timely submission of project completion reports vs. those agreed | On time (7) |
| Administrative  | Timely submission of progress 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 5 presents UNEP’s performance indicators for its CAP, which were adopted in decision 48/7(e).

**Table 5: Performance indicators for UNEP’s CAP for 2021**

| **Performance Indicator** | **Data** | **Assessment** | **2021 target** |
| --- | --- | --- | --- |
| Efficient follow-up to regional network/ thematic meetings  | List of recommendations emanating from 2018-2019 regional network/thematic meetings  | Implementation rate of those meeting recommendations that are to be implemented in 2020  | 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 receive capacity 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  | Suspended during the COVID-19 pandemic due to UN and national travel restrictions |

Policy issues

# UNEP seeks guidance from the Executive Committee about the eligibility and guidelines for the preparation of HFC phase-down national implementation plans.

RECOMMENDATION

# The Executive Committee may wish:

## To note the UNEP business plan for 2021–2023, contained in document UNEP/OzL.Pro/ExCom/86/28; and

## To approve the performance indicators for UNEP as set out in Tables 4 and 5 of document UNEP/OzL.Pro/ExCom/86/28.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

1. Due to coronavirus disease (COVID-19) [↑](#footnote-ref-1)
2. Given the constraints imposed by the COVID-19 pandemic, the Secretariat’s comments on the initial submission of the UNEP business plan for 2021–2023 were addressed through bilateral discussions and numerous exchanges of electronic messages. All issues were satisfactorily addressed. [↑](#footnote-ref-2)
3. Funding for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of HFCs could be provided, at the earliest, five years prior to those obligations, after a country had ratified the Kigali Amendment and on the basis of guidelines to be approved in the future (decision 79/46(b)(iii)). In addition, decision 84/46(f) allowed the inclusion of HFC phase-down preparation activities in the business plan for countries that had not ratified the Kigali Amendment but had submitted a letter indicating their Government’s intent to make best efforts to ratify the Kigali Amendment. [↑](#footnote-ref-3)
4. UNEP/OzL.Pro/ExCom/86/36 [↑](#footnote-ref-4)
5. In the absence of a decision by the Parties on the level of the replenishment of the Multilateral Fund for the 2021‑2023 triennium, and in light of decision XXXII/1, the indicative budget for resource allocation of the business plan for 2021–2023 was assumed at the same level of the replenishment of the 2018–2020 triennium. This issue is discussed in UNEP/OzL.Pro/ExCom/86/25. [↑](#footnote-ref-5)
6. UNEP/OzL.Pro/ExCom/86/25 [↑](#footnote-ref-6)