|  |  |
| --- | --- |
| **UNITEDNATIONS** | **EP** |
|  | **United Nations****Environment****Programme** | Distr.GENERALUNEP/OzL.Pro/ExCom/88/32/Rev.112 November 2021ORIGINAL: ENGLISH |

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

Montreal, 15-19 November 2021[[1]](#footnote-1)

**UNIDO'S WORK PROGRAMME AMENDMENTS FOR 2021\***

\*The present document is issued to reflect the removal of the request for preparation of the Kigali HFC implementation plan (stage I) for Liberia, which was approved at the 87th meeting. For ease of reference, changes to the document are highlighted.

**COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT**

# UNIDO is requesting approval from the Executive Committee for US $1,651,468, plus agency support costs of US $118,603, for its 2021 work programme amendments listed in Table 1. The submission is attached to the present document.

# **Table 1: UNIDO’s work programme amendments for 2021**

| **Country** | **Activity/Project** | **Amount requested (US $)** | **Amount recommended (US $)** |
| --- | --- | --- | --- |
| **SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL** |
| **A1: Renewal of institutional strengthening projects** |
| North Macedonia | Renewal of institutional strengthening project (phase VII) | 169,404 | 169,404 |
| Serbia | Renewal of institutional strengthening project (phase VIII) | 168,064 | 168,064 |
| Subtotal for A1 | 337,468 | 337,468 |
| Agency support costs | 23,623 | 23,623 |
| Total for A1 | 361,091 | 361,091 |
| **A2: Project preparation for HCFC phase-out management plans (HPMPs)** |
| Brazil a, b | Preparation of an HPMP (stage III) | 25,000 | 25,000 |
| Jordan c | Preparation of an HPMP (stage III) | 25,000 | 25,000 |
| Philippines | Preparation of an HPMP (stage III) | 70,000 | 70,000 |
| Somalia | Preparation of an HPMP (stage II) | 60,000 | 60,000 |
| Subtotal for A2 | 180,000 | 180,000 |
| Agency support costs | 12,600 | 12,600 |
| Total for A2 | 192,600 | 192,600 |
| **A3: Technical assistance to prepare a verification report on HCFC consumption** |
| Albania | Verification report for stage II of the HPMP | 30,000 | 30,000 |
| Honduras | Verification report for stage II of the HPMP | 30,000 | 30,000 |
| Montenegro | Verification report for stage II of the HPMP | 30,000 | 30,000 |
| Serbia | Verification report for stage II of the HPMP | 30,000 | 30,000 |
| Turkmenistan | Verification report for stage II of the HPMP | 30,000 | 30,000 |
| Subtotal for A3 | 150,000 | 150,000 |
| Agency support costs | 13,500 | 13,500 |
| Total for A3 | 163,500 | 163,500 |
| **A4: Project preparation for Kigali HFC implementation plans (KIPs)** |
| Argentina | Preparation of a KIP (stage I) | 220,000 | 220,000 |
| Cameroon | Preparation of a KIP (stage I) | 190,000 | 190,000 |
| Lesotho d | Preparation of a KIP (stage I) | 39,000 | 39,000 |
| Malawi d | Preparation of a KIP (stage I) | 51,000 | 51,000 |
| Namibia d | Preparation of a KIP (stage I) | 51,000 | 51,000 |
| Rwanda d | Preparation of a KIP (stage I) | 39,000 | 39,000 |
| Sierra Leone d | Preparation of a KIP (stage I) | 39,000 | 39,000 |
| Syrian Arab Republic d | Preparation of a KIP (stage I) | 66,000 | 66,000 |
| Tunisia | Preparation of a KIP (stage I) | 190,000 | 190,000 |
| Uganda d | Preparation of a KIP (stage I) | 30,000 | 30,000 |
| Zambia d | Preparation of a KIP (stage I) | 39,000 | 39,000 |
| Lebanon | Preparation for KIP investment activities (stage I) (residential air-conditioning) | 30,000 | 30,000 |
| Subtotal for A4 | 984,000 | 984,000 |
| Agency support costs | 68,880 | 68,880 |
| Total for A4 | 1,052,880 | 1,052,880 |
| Grand total (A1, A2, A3, A4) | 1,770,071 | 1,770,071 |

a Government of Germany as cooperating bilateral agency

b UNDP as lead implementing agency

c World Bank as lead implementing agency

d UNEP as lead implementing agency

**SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL**

**A1: Renewal of institutional strengthening projects**

**Project description**

# UNIDO submitted requests for the renewal of the institutional strengthening (IS) projects for the countries listed in section A1 of Table 1. The description for these projects are presented in Annex I to the present document.

**Secretariat’s comments**

# The Secretariat reviewed the requests for the renewal of two IS projects on behalf of the Governments concerned against the guidelines and relevant decisions regarding eligibility and funding levels. The requests were cross-checked against the original IS work plans for the previous phase, country programme and Article 7 data, the latest report on implementation of their HCFC phase‑out management plans (HPMPs), the agency’s progress report, and any relevant decisions of the Meeting of the Parties. It was noted that these countries have submitted their 2020 country programme data and are in compliance with the control targets under the Montreal Protocol, and their annual HCFC consumption does not exceed the annual maximum allowable consumption indicated in their HPMP Agreements with the Executive Committee. Furthermore, the requests submitted included performance indicators for the planned activities for the next phase of the IS projects, in accordance with decision 74/51(e).

**Secretariat’s recommendation**

# The Secretariat recommends blanket approval of the institutional strengthening renewal requests for North Macedonia and Serbia at the level of funding indicated in section A1 of Table 1 of the present document. The Executive Committee may wish to express to the aforementioned Governments the comments presented in Annex II to the present document.

**A2: Project preparation for HCFC phase-out management plans**

**Project description**

# UNIDO submitted requests for the preparation of stage II of the HPMP for Somalia and the preparation of stage III of the HPMP for the Philippines as designated implementing agency; and for the preparation of stage III of the HPMPs for Brazil and Jordan, as cooperating implementing agency with UNDP and the World Bank as the lead implementing agencies, respectively, as shown in section A2 of Table 1.

# UNIDO provided descriptions of the activities to support the request for project preparation for the Philippines and Somalia, which included: justification for the requested project preparation funding; a progress report on the implementation of stage I and/or stage II of their respective HPMPs; and the list of potential activities and the corresponding budgets.

# UNDP as the lead implementing agency for Brazil has requested US $40,000, plus agency support costs of US $2,800 in its work programme amendments;[[2]](#footnote-2) and the Government of Germany as the cooperating bilateral agency has requested US $25,000, plus agency support costs of US $3,250 under bilateral cooperation.[[3]](#footnote-3) The World Bank as the lead implementing agency for Jordan has requested US $65,000, plus agency support costs of US $4,550 in its work programme amendments for 2021.[[4]](#footnote-4)

# **Secretariat’s comments**

# In reviewing these requests, the Secretariat took into account the guidelines for funding the preparation of HPMPs for Article 5 countries contained in decision 71/42,[[5]](#footnote-5) stage II of the HPMP for the Philippines and stage I of the HPMP for Somalia; and the status of implementation of the tranches as at the preparation of the present document; and decision 84/46(e).[[6]](#footnote-6) The Secretariat noted that the funding requested is in line with decision 71/42, and UNIDO confirmed that the remaining funding tranches will be submitted as scheduled in the Agreements between the Governments of the Philippines and Somalia, and the Executive Committee, where applicable.

# UNIDO confirmed that stage III of the HPMP for the Philippines will phase out 67.5 per cent of the HCFC baseline by 1 January 2025; and stage II of the HPMP for Somalia will phase out 100 per cent by 1 January 2030.

# **Secretariat’s recommendations**

# The Secretariat recommends blanket approval for project preparation for stage II of the HCFC phase-out management plan (HPMP) for Somalia, and for stage III of the HPMPs for Brazil, Jordan, and the Philippines, at the level of funding shown in section A2 of Table 1.

**A3: Technical assistance to prepare a verification report on HCFC consumption**

**Project description**

# The Executive Committee requested relevant bilateral and implementing agencies to include in their respective work programme amendments for submission to the 88th meeting, funding for the preparation of verification reports on HCFC consumption for stage II of the HPMP for selected Article 5 countries. UNIDO as lead implementing agency is requesting funding for the verification for stage II of the HPMP for Albania, Honduras, Montenegro, Serbia, and Turkmenistan.[[7]](#footnote-7)

# **Secretariat’s comments**

# The Secretariat noted that the funding requested for the preparation of verification reports for the five countries was consistent with the funds approved for similar verifications in previous meetings. It further noted that the verification report has to be submitted at least 10 weeks prior to the applicable Executive Committee meeting where the next funding tranche for the HPMP is being sought.

**Secretariat’s recommendation**

# The Secretariat recommends blanket approval for the preparation for the verification reports for stage II of the HCFC phase-out management plans (HPMPs) for Albania, Honduras, Montenegro, Serbia, and Turkmenistan at the level of funding shown in section A3 of Table 1, on the understanding that the verification report should be submitted at least 10 weeks prior to the applicable Executive Committee meeting where the next funding tranche for the HPMP is being sought.

# **A4: Project preparation for Kigali HFC implementation plans (KIP)**

**Project description**

# UNIDO submitted requests for the preparation of stage I of the KIPs for three countries as the designated implementing agency, and for eight countries as the cooperating implementing agency with UNEP as the lead implementing agency, as shown in section A4 of Table 1. In addition, UNIDO requested project preparation funding for investment activities in the air-conditioning (AC) sector for the conversion of production of residential air‑conditioning from R-410A to R-290 for one enterprise (Lematic),[[8]](#footnote-8) in line with decision 87/50(e).[[9]](#footnote-9)

# UNIDO as designated implementing agency, provided descriptions of the activities to support the requests for project preparation for stage I of the KIPs for Argentina, Cameroon, and Tunisia, and UNEP for the other eight countries.[[10]](#footnote-10)

# UNEP as lead implementing agency for Lesotho, Malawi, Namibia, Rwanda, Sierra Leone, the Syrian Arab Republic, Uganda and Zambia, has requested US $826,000, plus agency support costs of US $107,380 in its work programme amendments for 2021.[[11]](#footnote-11)

**Secretariat’s comments**

# In reviewing these requests, the Secretariat took into account the guidelines for the preparation of KIPs as contained in decision 87/50; the activities proposed for project preparation and their connection with enabling activities and other HFC-related projects in the country. The Secretariat noted that each funding request is in line with decision 87/50, and that as lead implementing agency, UNIDO provided a description of the activities required for the preparation of the overarching strategies for stage I of the KIPs for Argentina, Cameroon, and Tunisia, using the format for requests for project preparation for KIPs. The submissions included estimated imports of HFCs and HFC blends (i.e., 2012‑2015, 2016‑2020 or 2018‑2020); an analysis of sectoral distribution and consumption of HFCs, and stakeholder consultations for the overarching HFC phase-down plans; capacity building activities in the RAC sector, preparation of initial HFC‑related policies and legislation to support HFC phase-down strategy, and development of outreach and communication strategies for two countries (Argentina and Cameroon); and development of the energy efficiency detailed strategy for the RAC sector in one country (Tunisia). In the case of the request for the preparation of an investment project in the AC manufacturing sector for Lebanon, UNIDO provided detailed information on the enterprise (e.g., HFC consumption, production capacity and process, date of establishment, baseline equipment).

# UNIDO clarified that the project preparation for the overarching strategies for HFC phase-down for the three countries would draw on the activities implemented under the enabling activities, as these were the first actions associated with the phase-down of HFCs and had contributed to the ratification of the Kigali Amendment.

# With regard to the request for the preparation of an investment project for one enterprise (Lematic[[12]](#footnote-12)) submitted by the Government of Lebanon, UNIDO, clarified that the project will be submitted to the 91st meeting, and that this will support the phase out of R-410A in the country where the enterprise is the largest consumer. The commitment of the enterprise to phase out the use of R-410A and the actual amount that will be phased out, will be provided when the project proposal is submitted for consideration of the Executive Committee. In addition, the Government of Lebanon through UNIDO has confirmed that the phase-out of HFCs in this enterprise will be deducted from the HFC consumption eligible for funding, and that the final proposal will include a description of the overall link of this investment project to the overarching strategy in the KIP.

# Following this review, the Secretariat noted that all 12 countries have ratified the Kigali Amendment;[[13]](#footnote-13) that the countries have provided endorsement letters signifying their intention to take early action on HFC phase-down; and that the funding requested is in accordance with decision 87/50.

# **Secretariat’s recommendation**

# The Secretariat recommends blanket approval for project preparation for Kigali HFC implementation plans (KIPs) for Argentina, Cameroon, Lesotho, Malawi, Namibia, Rwanda, Sierra Leone, the Syrian Arab Republic, Tunisia, Uganda, and Zambia, and for the project preparation for an investment project to convert one residential air-conditioning manufacturing enterprise from R‑410A to R‑290 as part of stage I of the KIP for Lebanon, at the level of funding shown in section A4 of Table 1.

**Annex I**

**institutional strengthening project proposals[[14]](#footnote-14)**

**North Macedonia: Renewal of institutional strengthening**

| **Summary of the project and country profile** |  |
| --- | --- |
| Implementing agency: | UNIDO |
| Amounts previously approved for institutional strengthening (US $): |  |
| Phase I: | Oct-96 | 152,900 |
| Phase II: | Mar-00 | 101,950 |
| Phase III: | Dec-01 | 101,950 |
| Phase IV: | Apr-04 | 132,347 |
| Phase V: | Apr-06 | 132,347 |
| Phase VI: | Apr-09 | 132,347 |
|  Total: | 753,841 |
| Amount requested for renewal (phase VII) (US $): | 169,404 |
| Amount recommended for approval for phase VII (US $):  | 169,404 |
| Agency support costs (US $): | 11,858 |
| Total cost of institutional strengthening phase VII to the Multilateral Fund (US $): | 181,262 |
| Date of approval of country programme: | 1995 |
| Date of approval of HCFC phase-out management plan: | 2010 |
| Baseline consumption of controlled substances (ODP tonnes): |  |
| (a) Annex A Group I (CFCs) (Average 1995-1997) | 519.7 |
| (b) Annex A Group II (Halons) (Average 1995-1997) | 32.1 |
| (c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000) | 0.1 |
| (d) Annex B Group III (Methyl chloroform) (Average 1998-2000) | 0.0 |
| (e) Annex C, Group I (HCFCs) (average 2009-2010) | 1.8 |
| (f) Annex E (Methyl bromide) (Average 1995-1998) | 12.2 |
| Latest reported ODS consumption (2020) (ODP tonnes) as per Article 7: |  |
| (a) Annex A Group I (CFCs)  | 0.00 |
| (b) Annex A Group II (Halons)  | 0.00 |
| (c) Annex B Group II (Carbon tetrachloride)  | 0.00 |
| (d) Annex B Group III (Methyl chloroform)  | 0.00 |
| (e) Annex C, Group I (HCFCs)  | 0.37 |
| (f) Annex E (Methyl bromide)  | 0.00 |
|  Total: | 0.37 |
| Year of reported country programme implementation data: | 2020 |
| Amount approved for projects (as at July 2021) (US $): | 6,442,993 |
| Amount disbursed (as at December 2020) (US $): | 5,985,985 |
| ODS to be phased out (as at July 2021) (ODP tonnes): | 576.5 |
| ODS phased out (as at December 2020) (ODP tonnes): | 576.5 |

# Summary of activities and funds approved by the Executive Committee:

|  |  |
| --- | --- |
| **Summary of activities** | **Funds approved (US $)** |
| (a) | Investment projects: | 4,442,328 |
| (b) | Institutional strengthening: | 753,841 |
| (c) | Project preparation, technical assistance, training and other non-investment projects: | 1,246,824 |
|  | Total: | 6,442,993 |
| (d) | HFC activities funded from additional voluntary contributions | 95,000 |

Progress report

# Following the completion of the previous phases of IS projects, IS was incorporated into the overall stage I of the HPMP. The IS component of the HPMP was successful in: monitoring HCFC trade and imports through legislation introducing a licensing and quota system; increasing stakeholder and public awareness through outreach and training; submitting timely Article 7 and country programme data to the respective Secretariats; assisting in completing the enabling activities for HFC phase-down; celebrating World Ozone Day; and participating in meetings relating to the Montreal Protocol.

Plan of action

# Under phase VII, the NOU will continue supporting the drafting and implementation of the legislation including the HCFC licensing and quota system and the HFC licensing system; coordination of the activities relating to recording and labelling of equipment, recovery and recycling, and import/export control; coordinating the HPMP and ensuring a synergy with the development of the Kigali HFC implementation plan; reporting Article 7 data of the Montreal Protocol and country programme implementation data; participation in Montreal Protocol meetings; and continuing public awareness and communication activities, including the upgrade of the NOU website.

**Serbia: Renewal of institutional strengthening**

| **Summary of the project and country profile** |  |
| --- | --- |
| Implementing agency: | UNIDO |
| Amounts previously approved for institutional strengthening (US $): |  |
| Phase I: | Jul-98 | 151,500 |
| Phase II: | Dec-04 | 131,300 |
| Phase III: | Nov-09 & Apr-10 | 131,300 |
| Phase IV: | Nov-11 | 131,300 |
| Phase V: | Dec-13 | 131,300 |
| Phase VI: | Nov-17 | 168,064 |
| Phase VII: | Dec-19 | 168,064 |
|  Total: | 1,012,828 |
| Amount requested for renewal (phase VIII) (US $): | 168,064 |
| Amount recommended for approval for phase VIII (US $):  | 168,064 |
| Agency support costs (US $): | 11,764 |
| Total cost of institutional strengthening phase VIII to the Multilateral Fund (US $): | 179,828 |
| Date of approval of country programme: | 1997 |
| Date of approval of HCFC phase-out management plan: | 2010 |
| Baseline consumption of controlled substances (ODP tonnes): |  |
| Annex B, Group III (methyl chloroform) (average 1998-2000) | 0.0 |
| Annex C, Group I (HCFCs) (average 2009-2010) | 8.4 |
| Annex E (methyl bromide) (average 1995-1998) | 8.3 |
| Latest reported ODS consumption (2020) (ODP tonnes) as per Article 7: |  |
| Annex B, Group III (methyl chloroform) | 0.00 |
| Annex C, Group I (HCFCs) | 5.26 |
| Annex E (methyl bromide) | 0.00 |
|  Total: | 5.26 |
| Year of reported country programme implementation data: | 2020 |
| Amount approved for projects (as at July 2021) (US $): | 10,329,758 |
| Amount disbursed (as at December 2020) (US $): | 8,533,263 |
| ODS to be phased out (as at July 2021) (ODP tonnes): | 1,121.2 |
| ODS phased out (as at December 2020) (ODP tonnes): | 1,121.2 |

# Summary of activities and funds approved by the Executive Committee:

|  |  |
| --- | --- |
| **Summary of activities** | **Funds approved (US $)** |
| (a) | Investment projects: | 7,275,618 |
| (b) | Institutional strengthening: | 1,012,828 |
| (c) | Project preparation, technical assistance, training and other non-investment projects: | 2,041,312 |
|  Total: | 10,329,758 |
| (d) | HFC activities funded from additional voluntary contributions | 150,000 |

Progress report

# During phase VII, Serbia continued implementation of the Montreal Protocol and ODS phase-out activities and reported consumption data to both the Multilateral Fund and Ozone Secretariats. The NOU continued implementing planned activities including the establishment of a certification system for service technicians; public awareness activities with the involvement of non-governmental organizations, local schools and other stakeholders, celebrations of World Ozone Day, and preparation activities for implementation of the Kigali Amendment following its ratification. All performance indicators for this phase were achieved.

Plan of action

# The objectives of phase VIII will include continuing implementation of ODS phase-out activities leading towards sustainable ODS phase-out; submitting Article 7 and country programme implementation data to the respective Secretariats; continuing implementation of the HPMP and preparing for the HFC phase-down; and continuing work with national technical experts and industry organizations through organization of exhibitions, conferences and other private initiatives, and participating in meetings related to the Montreal Protocol.

**Annex II**

**DRAFT VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 88th MEETING**

**North Macedonia**

# The Executive Committee reviewed the report presented with the request for the renewal of the institutional strengthening (IS) project (phase VII) for North Macedonia and noted with appreciation that the Government of North Macedonia reported country programme implementation data and Article 7 data indicating that the country achieved its 2020 HCFC reduction target as agreed. The Committee also took note of the country’s continued effort in enforcement of control measures to sustain ODS phase-out, with the update of rules and regulations and HCFC licensing and quota system. The Committee commended North Macedonia for the steps taken to enable the ratification of the Kigali Amendment. The Executive Committee is, therefore, confident that the Government of North Macedonia will continue implementing its HCFC phase-out management plan and IS project activities, both at the policy and project levels to meet the next targets of the Montreal Protocol.

**Serbia**

# The Executive Committee reviewed the report presented with the request for the renewal of the institutional strengthening (IS) project (phase VIII) for Serbia and noted with appreciation that the Government of Serbia reported 2019 and 2020 data to the Ozone Secretariat indicating that the country in compliance with the Montreal Protocol and country programme implementation data to the Fund Secretariat. The Committee also noted that the Government of Serbia has taken steps to establish a certification system for service technicians and participate in outreach and awareness-raising activities. The Committee further noted with appreciation the ratification of the Kigali Amendment by Serbia and activities initiated to implement the Amendment. The Executive Committee acknowledged the efforts of the Government of Serbia and is, therefore, hopeful that, during the next two years, it will continue implementation of the HCFC phase-out management plan and IS project activities to achieve the next targets of the Montreal Protocol.

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

1. Online meetings and an intersessional approval process will be held in November and December 2021 due to coronavirus disease (COVID-19) [↑](#footnote-ref-1)
2. UNEP/OzL.Pro/ExCom/88/30 [↑](#footnote-ref-2)
3. UNEP/OzL.Pro/ExCom/88/29 [↑](#footnote-ref-3)
4. UNEP/OzL.Pro/ExCom/88/33 [↑](#footnote-ref-4)
5. Guidelines for funding the preparation of stage II of the HCFC phase-out management plans for Article 5 countries [↑](#footnote-ref-5)
6. 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. [↑](#footnote-ref-6)
7. Decision 87/27 [↑](#footnote-ref-7)
8. UNIDO submitted an endorsement letter from the Government of Lebanon confirming the request. [↑](#footnote-ref-8)
9. That, for countries that chose to implement individual HFC investment projects or sector plans in advance of submission of stage I of the KIPs, the approval of each project should result in a phase-out of HFCs to count against the eligible consumption identified in the KIPs and should indicate how the investment project would relate to meeting the overarching strategy for the country, and when the KIPs would be submitted. Funding for preparation of stage I of the KIP for Lebanon was approved at the 87th meeting for UNDP as lead implementing agency. [↑](#footnote-ref-9)
10. UNEP/OzL.Pro/ExCom/88/31 [↑](#footnote-ref-10)
11. Ibid. [↑](#footnote-ref-11)
12. At the 81st meeting, funding was approved for Lematic for the conversion of three domestic refrigerator manufacturing lines from HFC-134a and R-404A to isobutane (R-600a) and propane (R-290) as refrigerants, in line with decision 78/3(g). [↑](#footnote-ref-12)
13. Date of ratification (or acceptance) of the Kigali Amendment: Argentina, 22 November 2019; Cameroon, 24 August 2021; Lebanon, 5 February 2020, Lesotho, 7 October 2019; Malawi, 21 November 2017; Namibia, 16 May 2019 A; Rwanda, 23 May 2017; Sierra Leone, 15 June 2020; Syrian Arab Republic, 5 April 2021; Tunisia, 27 August 2021; Uganda, 21 June 2018; and Zambia, 15 March 2021. [↑](#footnote-ref-13)
14. Data as at December 2020 are based on document UNEP/OzL.Pro/ExCom/88/12 [↑](#footnote-ref-14)