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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 2021¹

UNDP BUSINESS PLAN FOR 2021–2023

1. This document presents the UNDP business plan for 2021–2023² 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 UNDP's business plan for 2021–2023 is attached to the present document.

Planned activities during the 2021–2023 period

2. Table 1 sets out, by year, the value of activities included in UNDP's business plan.

Table 1. Resource allocation in the UNDP 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)	23,773	9,066	17,420	50,259	22,371
HPMP project preparation (PRP) – stage II	10	0	0	10	0
HPMP stage II	1,161	204	871	2,237	188
HPMP PRP – stage III	563	399	192	1,155	
HPMP stage III	75	7,013	33,418	40,506	67,883
HCFC activities subtotal	25,582	16,682	51,902	94,166	90,442
HFC activities					
HFC phase-down plan – PRP	1,319	1,246	377	2,942	0
HFC phase-down plans	0	22,918	24,512	47,430	16,467
HFC activities subtotal	1,319	24,164	24,889	50,372	16,467

¹ Due to coronavirus disease (COVID-19)

² Given the constraints imposed by the COVID-19 pandemic, the Secretariat's comments on the initial submission of the UNDP business plan for 2021–2023 were addressed through bilateral discussions and numerous exchanges of electronic messages. All issues were satisfactorily addressed.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Description	2021	2022	2023	Total (2021–2023)	Total after 2023
Standard activities					
Institutional strengthening (IS)	4,100	1,752	4,100	9,953	0
Core unit	2,128	2,143	2,158	6,429	0
Standard activities subtotal	6,228	3,895	6,258	16,382	0
Total	33,130	44,740	83,049	160,920	106,909

* Including agency support costs where applicable.

Secretariat's comments

Stage II of HPMPs

3. 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 \$627,003 for 2021–2023, and to meet a 100 per cent reduction amount to US \$1.28 million (including US \$1.09 million for 2021–2023).

4. The total levels of funding for stage II of HPMPs for non-LVC countries amount to US \$522,000 for the refrigeration servicing sector for the period 2021–2023 only.

Stage III of HPMPs

5. A total of US \$108.39 million is included in the business plan for stage III of the HPMPs for 10 countries (Brazil, Colombia, India, Indonesia, Islamic Republic of Iran, Lebanon, Malaysia, Mexico, Nigeria, and the Republic of Moldova) (including US \$40.51 million 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)).

HFC-related activities

6. HFC activities include HFC phase-down plan preparation³ for 26 countries amounting to US \$2.94 million in 2021–2023; and HFC phase-down management plans for 39 countries amounting to US \$63.90 million (including US \$47.43 million in 2021–2023).

7. Fifteen of the 26 countries for which preparation activities for HFC phase-down have been included have not ratified the Kigali Amendment. Three of the 15 countries have not submitted the required letter from the Government indicating their intent to make best efforts to ratify the Kigali Amendment.

8. Regarding HFC phase-down management plans, decision 84/46(g) allowed inclusion of such plans in the business plan only for countries that had ratified the Kigali Amendment. Fifteen of the 39 countries included in the business plan have not ratified the Kigali Amendment.

Core unit costs

9. The core unit costs⁴ are expected to increase at an annual rate of 0.7 per cent as agreed.

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.

⁴ UNDP's 2021 core unit cost has been approved at the intersessional approval process for the 86th meeting (UNEP/OzL.Pro/ExCom/86/37).

Proposed adjustments by the Secretariat

10. The adjustments to the UNDP 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

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

Table 3. Adjustments to the UNDP business plan for 2021–2023 (US \$000)

Adjustment	2021–2023	After 2023
HPMP values to reflect the actual amounts approved under the Agreements	(279)	0
Stage II of HPMPs for LVC countries to the maximum allowable value to meet the 100 per cent reduction of the HCFC baseline, based on decision 74/50(c)(xii)	(55)	0
PRP for stage III of HPMPs pursuant to decision 84/46(e)	(192)	0
Stage III of HPMPs for non-LVC countries with the refrigeration servicing sector based on a maximum cost-effectiveness of US \$4.80/kg	(84)	(103)
PRP for HFC phase-down plans pursuant to decision 56/16(c) or decision 84/46(f)	(917)	0
HFC phase-down management plans pursuant to decision 84/46(g)	(21,895)	(6,620)
IS pursuant to decision 74/51(c)	1,068	0

12. Table 4 presents the results of the Secretariat’s proposed adjustments to the UNDP 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

Table 4. Resource allocation in UNDP’s adjusted business plan for 2021–2023 (US \$000s)*

Description	2021	2022	2023	Total (2021–2023)	Total after 2023
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	23,908	9,128	16,945	49,981	22,371
HPMP project preparation (PRP) – stage II	10	0	0	10	0
HPMP stage II	1,157	199	825	2,182	188
HPMP PRP – stage III	563	399	0	962	
HPMP stage III	75	6,957	33,390	40,421	67,780
HCFC activities subtotal	25,713	16,683	51,160	93,556	90,339
HFC activities					
HFC phase-down plan – PRP	1,099	814	112	2,025	0
HFC phase-down plans	0	22,918	2,617	25,535	9,847
HFC activities subtotal	1,099	23,732	2,729	27,560	9,847
Standard activities					
Institutional strengthening (IS)	4,635	1,752	4,635	11,021	0
Core unit	2,128	2,143	2,158	6,429	0
Standard activities subtotal	6,763	3,895	6,792	17,450	0
Total	33,575	44,310	60,681	138,566	100,186

* Including agency support costs where applicable.

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.

⁶ UNEP/OzL.Pro/ExCom/86/25

Performance indicators

13. UNDP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. The Secretariat informed UNDP of the targets shown in Table 5.

Table 5. Performance indicators for UNDP for 2021

Type of indicator	Short title	Calculation	2021 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	28
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	37
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$22,419,984
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	368.84 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	49
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	70%
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time (3)
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 lead or cooperating agency, if agreed by that agency.

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

Policy issues

14. UNDP presents the following policy issues related to the cost guidelines for HFC phase-down under consideration by the Executive Committee:

- (a) Funding the market transformation by using the incremental operating cost in a more flexible and inclusive manner, rather than bundled with specific eligible industries;
- (b) Challenges of LVC countries in terms of the demonstration of alternative technologies and ability to scale up with limited funding available;
- (c) Special attention to the assembly sub-sector in the servicing sector and treating activities in this sub-sector differently from other activities in the servicing sector; and
- (d) In the context of the Kigali Amendment, taking into account cost-effectiveness based on CO₂-equivalent, and the coordination and synergy with the broader climate actions and institutions at the national and international levels in the preparation and implementation of HFC phase-down management plans.

RECOMMENDATION

15. The Executive Committee may wish:

- (a) To note the UNDP business plan for 2021–2023, contained in document UNEP/OzL.Pro/ExCom/86/27; and
 - (b) To approve the performance indicators for UNDP as set out in Table 5 of document UNEP/OzL.Pro/ExCom/86/27.
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**Executive Committee of the Multilateral Fund
for the Implementation of the Montreal Protocol**

UNDP 2021

Business Plan Narrative

85th and 86th Meetings, 8-12 March 2021

I. Introduction

The 2021-2023 UNDP Business Plan for the Multilateral Fund for the Montreal Protocol provides the Executive Committee with estimates of the funding levels needed to achieve the 2025 control measure for HCFCs and to support the early phase-down of HFCs.

It should be noted that planned activities included in the 2021 column are relatively firm, while future years are indicative and are provided for planning purposes only.

In 2020, while the COVID-19 pandemic had imposed limitations on project implementation, Article 5 countries and UNDP were able to adapt some of our operations in order to ensure the continuation of the implementation of activities under the Multilateral Fund. We expect the COVID-related limitations, especially on travel, to continue at least for the first half of 2021 but we will continue to provide assistance to countries to ensure that they meet their control targets under the Montreal Protocol on a timely basis. Furthermore, recognizing the importance and the need for capacity building for the implementation of the Kigali Amendment, UNDP aims to continue to organize several online webinars on technical topics to exchange information among Article 5 countries and provide training to the NOUs and stakeholders remotely.

This narrative is based on an excel table that is included as Annex 1 to this report. The excel table lists all the ongoing and planned UNDP activities for which funding is expected during the period 2021 through 2023. Figures are also provided for the years 2024-2030, which are mainly related to Stage II HPMP approvals and Stage III HPMPs and HFC phase-down activities, which may be requested 5 years before the first commitment (for Group 1 countries: 2024; Group 2 countries: 2028).

In preparing this business plan, the relevant Executive Committee decisions on Business Planning, Stage I and Stage II HPMPs, HCFC investment and demonstration projects, and HFC enabling activities and stand-alone investment projects (60/44, 71/18, 71/42, 72/20, 72/40, 73/27, 74/18, 74/50, 74/51, 78/3, 79/45, 79/46, 79/47 and 84/46) as well as country requests have been taken into consideration. As agreed with the Secretariat, activities which were included in UNDP's 2020 Business Plan, but were not submitted in 2020 were reflected in the 2021 Business Plan as well.

The activities included for 2021 can be summarized as follows:

- Several HCFC-related activities, some of which have resulted directly from the approval of Stage I and II in the previous years worth almost US\$ 25 million;
- Stage III preparation requests for five countries (Brazil, India, Iran, Malaysia and Mexico) to meet the 2025 control target and beyond;
- One Stage III request for Moldova to meet the 2025 control target;
- HFC management preparation requests for eleven countries (Bangladesh, Cambodia, Chile, Fiji, Mali, Panama, Paraguay, Sri Lanka, Trinidad and Tobago, Turkey, and Viet Nam);
- 22 ongoing institutional strengthening activities, of which 14 will request an extension in 2021 for a combined amount of US\$ 4.1 million; and
- One global request for the Core Unit support cost.

The countries' needs have been calculated based on approved HPMPs and reported HCFC baseline consumption. Most HPMPs for non-LVCs include investment projects for the conversion of manufacturing enterprises to HCFC-free alternatives.

Figures for the new Stage III HPMP activities in 2021 and beyond were based on the Stage II guidelines that were approved at the 74th meeting and on a calculation of up to 67.5% of the value of phase-out for most countries. The year of the first tranche and the duration of Stage II were determined on a country basis depending on the local context of the country. Stage III PRP was entered one to two years before the last tranche of Stage II of the HPMP is due in most cases with the exception of a few cases.

For countries that have requested preparation funding for HFC management plans but not ratified Kigali yet, letters of intention to ratify Kigali have been sought. In order to estimate the funding levels for HFC preparation, since the Executive Committee has not agreed on guidelines yet, the approved guidelines for Stage I HPMP preparation amounts ([Decision 56/16](#)) were applied, plus another 20% was added due to the complexities and challenges involved with the work ahead. Considering the high demand of cooling in developing countries, the HFC phase-down is very challenging in terms of the high growth rate in recent years and the dramatic technology changes that will be needed and requires interventions in advance to curb the growth and transform the market. In addition, the proliferation of HFC blends (some are mixtures of HCFCs + HFCs; many new products recently launched) and the difficulties of the servicing sector to handle the blends and alternatives as compared to the HCFC phaseout, among other factors, will cause the HFC phasedown to be more complicated and challenging.

Taking into factor these considerations, the expected business planning value is **US\$ 32.9 million for 2021** and **US\$ 44.7 million for 2022** (including support costs). This funding translates to the phase out of 368.36 ODP tonnes in 2021 and 199.28 ODP tonnes in 2022.

II. Resource allocation

As referenced in the Introduction section, UNDP’s primary focus in 2021-2023 will be on assisting countries to meet the 2025 HCFC control target and supporting them for the upcoming HFC phasedown. In addition, the renewal of institutional strengthening projects is also a component of UNDP’s 2021-2023 Business Plan.

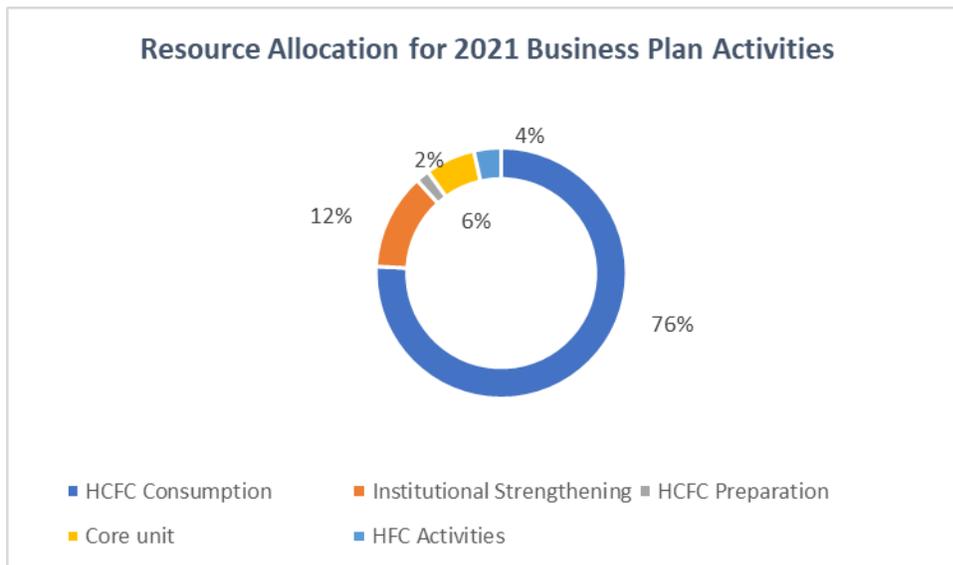
The total budget for 2021 for the above activities is US\$ 30.8 million (including support costs) plus US\$ 2.1 million core unit funding for UNDP. Table 1 below summarizes the resource allocation of UNDP’s 2021 Business Plan. The projects are grouped into various categories, which are described in the following summary table.

Table 1: UNDP 2021-2023 Business Plan Resource Allocations¹

Category	2021 Value (000’s)	2022 Value (000’s)	2023 Value (000’s)
HCFC Consumption Sector	25,009	16,283	51,710
Institutional Strengthening	4,100	1,752	4,100
HCFC Preparation	573	399	192
Core Unit	2,128	2,143	2,158
HFC Activities	1,159	24,164	24,889
Grand Total	32,970	44,740	83,049

¹ All values include agency support costs.

Chart 1: UNDP Resource Allocation for 2021 Business Plan Activities



III. Geographical distribution

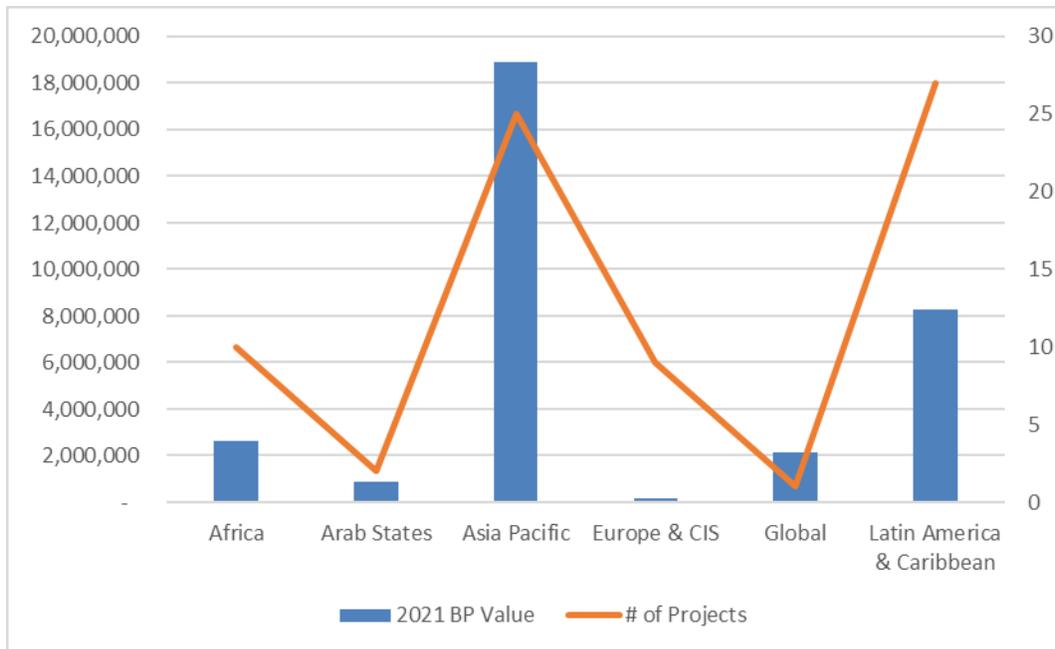
The UNDP Business Plan will once again cover all five regions (Africa, Arab States, Asia Pacific, Europe & CIS, Global, and Latin America and the Caribbean), with approved and new activities in 55 countries, 38 of which have funding requests in 2021. The number of activities and budgets per region for 2021 is listed in Chart 1.

It should be noted that the budget amounts are in direct correlation with the amount of ODS that a country/region consumes. The main priority areas of focus in the five regions will be Stage II and III HPMPs, preparatory assistance for Stage II and III HPMPs, preparing countries for the HFC phasedown, and institutional strengthening projects.

Chart 2: UNDP 2021 MYA Tranches² and New Activities per Region³

²All values include agency support costs.

³ EUR contains CIS-countries that receive MLF funding.



*This graph doesn't include the Ozone programmes in the CIS that are funded by the GEF.

IV. Programme Expansion in 2021

4.1. Background

UNDP's 2021-2023 Business Plan has mostly been developed by taking previous years' business plans into consideration, applying the relevant Executive Committee decisions on Business Planning, Stage I and Stage II HPMPs, investment and demonstration projects, and through communication with Article 5 countries that have expressed an interest in working with UNDP to address their compliance and other needs.

Clarifications were sought and overlaps were resolved during discussions with the MLF Secretariat and other Implementing and bilateral Agencies through virtual means due to the coronavirus pandemic.

Countries Contacted. All activities listed are either deferred from the prior year's business plan, or have active project preparation accounts ongoing, or were included based on requests from the countries concerned. UNDP will continue to provide technical and advisory support to all the countries assisted during Stage I and Stage II.

Coordination with other bilateral and implementing agencies. As in the past, during 2021, UNDP will continue to collaborate with both bilateral and other implementing agencies, as lead agency or cooperating agency. Collaborative arrangements in programming will continue with bilateral agencies, including the Governments of Canada, France, Italy, and Japan.

4.2. Non-investment projects

UNDP's planned non-investment projects in 2021 are worth more than US\$ 3.8 million, including support costs. This list excludes institutional strengthening and includes one global request under the core unit, preparation funding and HFC activities.

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2021.

Table 3: Individual Non-Investment projects (DEM/TAS) in 2021*

Country	Sector and Subsector	Value in 2021
Bangladesh	PRP for HFC phase-down plan	137,571
Brazil	Stage III HPMP Preparation	40,000
Cambodia	PRP for HFC phase-down plan	27,201
Chile	PRP for HFC phase-down plan	80,250
Fiji	PRP for HFC phase-down plan	80,452
Global	Core Unit Support	2,127,939
India	Stage III HPMP Preparation (air-conditioning)	150,000
India	Stage III HPMP Preparation (overarching)	90,000
India	Stage III HPMP Preparation (refrigeration)	100,000
Iran	Stage III HPMP Preparation (overarching)	20,806
Iran	Stage III HPMP Preparation (RAC servicing)	29,128
Malaysia	Stage III HPMP Preparation (overarching)	93,090
Mali	PRP for HFC phase-down plan	99,875
Mexico	Stage III HPMP Preparation	40,000
Panama	PRP for HFC phase-down plan	160,500
Paraguay	PRP for HFC phase-down plan	117,647
South Sudan	Stage II HPMP Preparation	10,000
		3,859,817

* HFC preparation funding was requested for Bhutan, Costa Rica, Cuba, Ghana, Grenada, Kyrgyzstan, Lao PDR, Lebanon, Maldives, Nigeria, Peru, and Uruguay in 2020 and will be considered at the next meeting.

In addition, UNDP will prepare 14 non-investment Institutional Strengthening project extensions in 2021, as indicated in the table below. The total value of IS renewal programming in 2021 is US\$ 4.1 million. An additional 7 IS renewals (Brazil, Georgia, Ghana, Iran, Lebanon, Nigeria, Sri Lanka) will be submitted in 2022 and are thus not shown in the table below.

Table 4: Non-Investment Institutional Strengthening requests

Country	Sector and Subsector	Value in 2021
Argentina	Several Ozone unit support	426,722
Bangladesh	Several Ozone unit support	178,048
Chile	Several Ozone unit support	255,498
Colombia	Several Ozone unit support	377,462
Costa Rica	Several Ozone unit support	192,447
Cuba	Several Ozone unit support	204,161
India	Several Ozone unit support	511,176
Indonesia	Several Ozone unit support	371,499
Malaysia	Several Ozone unit support	382,803
Pakistan	Several Ozone unit support	204,755
Panama	Several Ozone unit support	90,950
Trinidad and Tobago	Several Ozone unit support	206,536
Uruguay	Several Ozone unit support	390,994
Venezuela	Several Ozone unit support	204,755
		4,100,480

V. Activities included in the Business plan that needs special consideration

While Section IV dealt specifically with 2021 activities only, section V is related to all years.

HCFC Demonstration Projects

Implementation of HCFC Phase-out Management Plans (HPMPs) in developing countries involves technology and policy interventions for phasing out HCFCs, to comply with the control targets of the accelerated HCFC phase-out schedule. UNDP has significant experience in facilitating technology assessments of emerging alternatives (Methyl formate, Methyl Al, CO₂, R-32, Ammonia, hydrocarbons, etc.) in various sectors which demonstrated low GWP alternatives to HCFCs using various technologies in a number of priority sectors. The factsheets on these projects are available on the [MLF website](#).

All of these projects have been completed and the final detailed reports showcasing the results of the demonstrations have been submitted to the Executive Committee.

HFC Enabling Activities and Stand-alone Investment Projects

As per ExCom decision 79/46, the Executive Committee has allowed for the submission of HFC enabling activities, which will support the early ratification of the Kigali Amendment. The activities to be implemented will support Parties in the ratification process. Countries can undertake a range of enabling activities to help their national ozone units to fulfill their initial obligations with regards to HFC phase-down, in line with the Kigali Amendment, including country-specific activities aimed at initiating support on institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production and the national strategies. UNDP is assisting 19 countries and preparing them for ratification of the Kigali Amendment, out of which two countries (Peru and Trinidad and Tobago) have completed these activities. Overall, the general conclusion that can be drawn so far is that the initial 18 months allocated to undertake the tasks required under the enabling activities was not sufficient. These activities require more time than originally planned due to the need to consult an extended range of stakeholders and to review, assess and analyze the complex regulatory frameworks that starts with the ratification process in Parliaments and is extended to all pieces of legislation that currently only consider ozone depleting substances. Additionally, for some countries, the linkages of the Kigali Amendment Enabling Activities with energy-efficiency related entities is complex and needs to be built from scratch. It is critical to highlight that EA activities are country-driven actions, owned by NOUs, and for this reason, internal bureaucratic processes need to be respected in order to assure the buy-in of all stakeholders involved. As of January 2021, among the 19 countries for which UNDP supported the EAs, 11 have ratified the Kigali Amendment.

The Executive Committee (ExCom decision 79/45) has also allowed for the preparation of stand-alone investment projects, which will support the phase-down of HFCs. Investment projects that will help to reduce the HFCs consumption at the enterprise level will be considered by the ExCom on a case-by-case basis. UNDP has assisted seven countries (Bangladesh, China, Colombia, Dominican Republic, Egypt, Mexico, and Zimbabwe) with preparing such projects. Of these countries, five countries (Bangladesh, China, Dominican Republic, Mexico and Zimbabwe) have been approved by the Executive Committee. The projects in Bangladesh and Mexico are the most advanced. In Bangladesh, the project has been completed and the final report was submitted to the Executive Committee. In Mexico, the international expert has made two visits to Mexico to support the reconversion process of MABEs plant in Celaya. The final part of the installation was completed in May 2020 and the safety audit was conducted in June 2020. The plant can now safely produce domestic refrigerators with Isobutane. There is still some pending work on the field testing of certain new refrigerator models which has been delayed due to COVID-19. This

work continued in the second half of 2020. The reconversion of the compressor manufacturing plant has been completed and safety audits have been completed.

VI. General Overview on Assistance to Countries in Non-Compliance

In UNDP’s portfolio, all countries are currently in compliance with the HCFC phase-out schedule. The activities presented in UNDP’s business plan aim at providing assistance to Article 5 countries to comply with their obligations towards the Montreal Protocol. UNDP would like to note that some SIDS face challenges in the coming years for the HCFC-22 reduction target due to the lack of alternatives of HCFCs in the fishery sector. In some countries, the complete phase-out of HCFC-141b occurred in 2020 as per the Agreement between the country and the Executive Committee, which required faster implementation of the HPMP. If any risk is identified under UNDP’s portfolio, UNDP will work closely with the country concerned to resolve the challenges and bring it back to compliance and will assist them to report the required data to the Secretariat of the Multilateral Fund and the Ozone Secretariat.

In the case of the Kigali Amendment, UNDP thinks that it is time to start the preparation of HFC management plans in order to ensure compliance in 2024. UNDP will be actively supporting the Article 5 countries to apply for preparation funding in 2021 and beyond.

VII. Policy Issues

The cost guidelines of the HFC phase-down is yet to be established by the Executive Committee. UNDP has exchanged its views on the implementation of the Kigali Amendment during the Inter-agency coordination meetings with the Multilateral Fund Secretariat and other bilateral and implementing agencies. One key point is to consider funding the market transformation by using the incremental operating cost (IOC) in a more flexible and inclusive manner, rather than bundled with specific eligible industries. UNDP also highlighted the challenges of LVCs in terms of the demonstration of alternative technologies and ability to scale-up with limited funding available. UNDP suggests that the assembly sub-sector in the servicing sector should be paid special attention and separated from other activities in the servicing sector with different treatment.

In the context of the Kigali Amendment, UNDP believes that cost-effectiveness based on CO2-eq should be taken into account, and the coordination and synergy with the broader climate actions and institutions at the national and international levels are necessary to be considered in the preparation and implementation of HFC phase-down management plans.

VIII. 2021 PERFORMANCE INDICATORS

Decision 71/28 of the Executive Committee approved the following indicators to allow for the evaluation of performance of implementing agencies, with the weightings indicated in the table below. UNDP has added a column containing the “2021 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2021 business plan to be approved at the 86th and 87th ExCom meetings in March 2021. It should however be noted that this table is usually revised at that meeting, depending on the decisions that are taken. Other targets will be known once the prior year’s progress report is submitted.

Category of performance indicator	Item	Weight	UNDP’s target for 2021	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	26	16 approved multi-years, 10 planned
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	24	14 IS, 1 TAS, 9 PRP

Category of performance indicator	Item	Weight	UNDP's target for 2021	Remarks
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	\$22,792,722	As determined by the 2019 Progress Report.
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	368.36	ODS Phaseout associated with 26 tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	73	As determined by the 2019 Progress Report.
Administrative	The extent to which projects are financially completed 12 months after project completion	10	55	70% of those due as determined by the 2019 Progress Report.
Administrative	Timely submission of project completion reports vs. those agreed	5	On time	TBD
Administrative	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time	TBD

* The target of an agency will be reduced if we could not submit a tranche owe to another cooperating/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.

Note: As per usual practice, all the above indicators will be revised during the 86th and 87th ExComs, depending on which programmes are allowed to stay in the business plan in those meetings.