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COMITÉ EJECUTIVO DEL  
FONDO MULTILATERAL PARA LA  
APLICACIÓN DEL PROTOCOLO DE MONTREAL  
Octogésima sexta Reunión  
Montreal, 2-6 de noviembre de 2020  
Pospuesta: 8-12 de marzo de 2021<sup>1</sup>

**PLAN ADMINISTRATIVO DEL PNUD PARA 2021–2023**

1. Este documento presenta el plan administrativo del PNUD para 2021-2023<sup>2</sup> e incluye: las actividades previstas para la eliminación gradual de sustancias controladas con arreglo al Protocolo de Montreal (sustancias controladas) durante el período 2021-2023; los indicadores de desempeño del plan administrativo; y una recomendación para consideración del Comité Ejecutivo. El texto del plan administrativo del PNUD para 2021-2023 se adjunta al presente documento.

**Actividades planificadas durante el período 2021–2023**

2. En el cuadro 1 se indica, por año, el valor de las actividades incluidas en el plan administrativo del PNUD.

<sup>1</sup> Debido al coronavirus (COVID-19)

<sup>2</sup> Dadas las limitaciones impuestas por la pandemia del COVID-19, las observaciones de la Secretaría sobre la presentación inicial del plan administrativo del PNUD para 2021–2023 se abordaron por medio de deliberaciones bilaterales y numerosos intercambios de mensajes electrónicos. Todas las cuestiones se abordaron satisfactoriamente.

**Cuadro 1. Asignación de recursos en el plan administrativo del PNUD para 2021–2023, tal como se presentó (000 \$EUA)\***

Descripción	2021	2022	2023	Total (2021–2023)	Total después de 2023
<b>Actividades relativas a los HCFC</b>					
Planes de gestión de eliminación de los HCFC (PGEH) aprobados	23 773	9 066	17 420	50 259	22 371
Etapa II - Preparación de proyectos de producción de HCFC	10	0	0	10	0
Etapa II del PGEH	1 161	204	871	2 237	188
Etapa III - Preparación de proyectos de producción de HCFC	563	399	192	1 155	
Etapa III del PGEH	75	7 013	33 418	40 506	67 883
<b>Subtotal para actividades relativas a los HCFC</b>	<b>25 582</b>	<b>16 682</b>	<b>51 902</b>	<b>94 166</b>	<b>90 442</b>
<b>Actividades relativas a los HFC</b>					
Plan de reducción de los HFC – PRP	1 319	1 246	377	2 942	0
Planes de reducción de los HFC	0	22 918	24 512	47 430	16 467
<b>Subtotal para actividades relativas a los HFC</b>	<b>1 319</b>	<b>24 164</b>	<b>24 889</b>	<b>50 372</b>	<b>16 467</b>
<b>Actividades corrientes</b>					
Fortalecimiento institucional	4 100	1 752	4 100	9 953	0
Dependencia central	2 128	2 143	2 158	6 429	0
<b>Subtotal para actividades corrientes</b>	<b>6 228</b>	<b>3 895</b>	<b>6 258</b>	<b>16 382</b>	<b>0</b>
<b>Total</b>	<b>33 130</b>	<b>44 740</b>	<b>83 049</b>	<b>160 920</b>	<b>106 909</b>

\* Con inclusión de los gastos de apoyo al organismo, si procede.

## Observaciones de la Secretaría

### Etapa II de los PGEH

3. Los niveles totales de financiación para la etapa II de los planes de gestión de eliminación de HCFC en los países de bajo consumo para alcanzar una reducción del 67,5% respecto del consumo de referencia de HCFC ascienden a 627 003 \$EUA para el período 2021–2023, y para alcanzar la reducción del 100 % ascienden a 1,28 millones \$EUA (incluidos 1,09 millones de \$EUA para el período de 2011 a 2023).

4. Los niveles totales de financiación para la etapa II de los planes de gestión de eliminación de los HCFC en los países que no son de bajo consumo ascienden a 522 000 \$ EUA para el sector de mantenimiento de equipos de refrigeración durante el período 2021–2023 solamente.

### Etapa III de los PGEH

5. En el plan administrativo de la etapa III de los PGEH se incluye un total de 108,39 millones de \$EUA para 10 países (Brasil, Colombia, India, Indonesia, Líbano, Malasia, México, Nigeria, República Islámica del Irán y República de Moldova) (de ellos, 40,51 millones de \$EUA para 2021–2023). Se permite la inclusión de la etapa III de los PGEH en el plan administrativo solo para aquellos países que tengan aprobada la etapa II de los PGEH con metas de reducción inferiores a las metas de cumplimiento de 2025 (decisión 84/46 e)).

Actividades relativas a los HFC

6. Las actividades relativas a los HFC incluyen la preparación de un plan de reducción de los HFC<sup>3</sup> para 26 países por un monto de 2,94 millones de \$ EUA en 2021–2023; y planes de gestión de la reducción de los HFC para 39 países por un monto de 63,9 millones de \$ EUA (de ellos, 47,43 millones de \$ EUA en 2021–2023).

7. Quince de los 26 países para los que se han incluido actividades de preparación durante la reducción de los HFC no han ratificado la Enmienda de Kigali. Tres de esos 15 países no han presentada la carta de sus gobiernos requerida, en que se indique su intención de hacer todo lo posible para ratificar la Enmienda de Kigali.

8. Respecto de los planes de gestión de reducción de los HFC, en la decisión 84/46 g) se permite la inclusión de dichos planes en el plan administrativo solo en el caso de países que hayan ratificado la Enmienda de Kigali. Quince de los 39 países incluidos en el plan administrativo no han ratificado la Enmienda de Kigali.

Costos de la dependencia central

9. Cabe prever que los costos de la dependencia central<sup>4</sup> aumenten a una tasa anual de 0,7 %, según lo convenido.

**Ajustes propuestos por la Secretaría**

10. Los ajustes al plan administrativo del PNUD para 2021–2023 se basaron en las decisiones pertinentes del Comité Ejecutivo. Tal vez sea necesario introducir nuevos ajustes cuando las Partes adopten una decisión sobre el nivel de reposición del Fondo Multilateral para el trienio 2021–2023<sup>5</sup>.

11. Al examinar el plan administrativo revisado del PNUD para 2021–2023, la Secretaría observó que no se habían incluido los ajustes siguientes:

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<sup>3</sup> La financiación para la preparación de planes nacionales de ejecución para cumplir las obligaciones iniciales de reducción para la reducción de los HFC se podría proporcionar, como mínimo, cinco años antes de la fecha de cumplimiento de esas obligaciones, después de que un país haya ratificado la Enmienda de Kigali y sobre la base de las directrices que se hayan de aprobar en el futuro (decisión 79/46 b) iii)). Además, en la decisión 84/46 f) se permite la inclusión en el plan administrativo de actividades de preparación para la reducción de los HFC para los países que no hubieran ratificado la Enmienda de Kigali pero que hubiesen presentado una carta en que se indicara la intención de sus gobiernos de hacer todo lo posible para ratificar la Enmienda de Kigali.

<sup>4</sup> El costo de la dependencia central del PNUD para 2021 se ha aprobado en el proceso de aprobación entre reuniones para la 86ª reunión (UNEP/OzL.Pro/ExCom/86/37).

<sup>5</sup> Debido a que las Partes no han adoptado una decisión sobre el nivel de reposición del Fondo Multilateral para el trienio 2021–2023, y teniendo en cuenta la decisión XXXII/1, se partió del supuesto de que el presupuesto indicativo para la asignación de recursos del plan administrativo para 2021–2023 tendría el mismo nivel que la reposición del trienio 2018–2020. Esta cuestión se analiza en el documento UNEP/OzL.Pro/ExCom/86/25.

**Cuadro 3. Ajustes al plan administrativo del PNUD para 2021–2023 (000 \$ EUA)**

Ajuste	2021–2023	Después de 2023
Valores de los PGEH que reflejan las cifras reales aprobadas en el marco de los acuerdos	(279)	0
Etapa II de los PGEH para países de bajo consume al valor máximo admisible para cumplir el 100 % de reducción del nivel de referencia de HCFC, basado en la decisión 74/50 c) xii)	(55)	0
PRP para la etapa III de los PGEH conforme a la decisión 84/46 e)	(192)	0
Etapa III de los PGEH para países que no tienen un bajo consumo con el sector de mantenimiento de equipos de refrigeración basado en la eficacia máxima en función de los costos de 4,80 \$ EUA/kg	(84)	(103)
Preparación de planes de reducción de los HFC conforme a la decisión 56/16 c) o la decisión 84/46 f)	(917)	0
Planes de gestión de reducción de los HFC conforme a la decisión 84/46 g)	(21 895)	(6 620)
Fortalecimiento institucional de conformidad con la decisión 74/51c)	1 068	0

12. En el cuadro 4 se presentan los resultados de los ajustes propuestos por la Secretaría al plan administrativo del PNUD para 2021–2023, que se abordan también en el contexto del Plan administrativo consolidado del Fondo Multilateral para 2021–2023<sup>6</sup>.

**Cuadro 4. Asignación de recursos en el plan administrativo ajustado del PNUD para 2021–2023 (000 \$ EUA)\***

Descripción	2021	2022	2023	Total (2021–2023)	Total después de 2023
<b>Actividades relativas a los HCFC</b>					
Planes de gestión de eliminación de los HCFC (PGEH) aprobados	23 908	9 128	16 945	49 981	22 371
Etapa II de preparación de proyectos de PGEH	10	0	0	10	0
Etapa II de los PGEH	1 157	199	825	2 182	188
Etapa II de preparación de proyectos de PGEH	563	399	0	962	
Etapa III del PGEH	75	6 957	33 390	40 421	67 780
<b>Subtotal para actividades relativas a los HCFC</b>	<b>25 713</b>	<b>16 683</b>	<b>51 160</b>	<b>93 556</b>	<b>90 339</b>
<b>Actividades relativas a los HFC</b>					
Preparación de proyectos de planes de reducción de los HFC	1 099	814	112	2 025	0
Planes de reducción de los HFC	0	22 918	2 617	25 535	9 847
<b>Subtotal para actividades relativas a los HFC</b>	<b>1 099</b>	<b>23 732</b>	<b>2 729</b>	<b>27 560</b>	<b>9 847</b>
<b>Actividades corrientes</b>					
Fortalecimiento institucional	4 635	1 752	4 635	11 021	0
Dependencia central	2 128	2 143	2 158	6 429	0
<b>Subtotal para actividades corrientes</b>	<b>6 763</b>	<b>3 895</b>	<b>6 792</b>	<b>17 450</b>	<b>0</b>
<b>Total</b>	<b>33 575</b>	<b>44 310</b>	<b>60 681</b>	<b>138 566</b>	<b>100 186</b>

\* Con inclusión de los gastos de apoyo al organismo, si procede.

<sup>6</sup> UNEP/OzL.Pro/ExCom/86/25

## Indicadores de desempeño

13. El PNUD presentó indicadores de desempeño de conformidad con la decisión 71/28 en la descripción de su plan administrativo. La Secretaría informó al PNUD acerca de las metas que se indican en el cuadro 5.

**Cuadro 5. Indicadores de desempeño del PNUD para 2021**

Tipo de indicador	Título corto	Cálculo	Meta para 2021
Planificación-- Aprobación	Tramos aprobados	Número de tramos aprobados respecto de los planificados *	28
Planificación-- Aprobación	Proyectos/actividades aprobados	Número de proyectos/actividades aprobados respecto de los planificados (incluidas las actividades de preparación de proyectos)**	37
Aplicación	Fondos desembolsados	Basado en el desembolso estimado en el informe sobre los progresos realizados	22 419 984 \$EUA
Aplicación	Eliminación de SAO	Eliminación de SAO durante el tramo cuando se aprueba el tramo siguiente en comparación con lo previsto en los planes administrativos	368,84 toneladas PAO
Aplicación	Terminación de proyectos en relación con las actividades	Terminación de proyectos respecto de lo planificado en los informes sobre la marcha de las actividades en lo referente a todas las actividades (excluida la preparación de proyectos)	49
Administrativo	Rapidez de terminación financiera	Grado en que se completan los proyectos en el aspecto financiero 12 meses después de terminados los proyectos	70%
Administrativo	Presentación en fecha de informes de terminación de los proyectos	Presentación en fecha de informes sobre proyectos terminados en comparación con los convenidos	En fecha (3)
Administrativo	Presentación en fecha de informes sobre la marcha de las actividades	Presentación en fecha de informes sobre la marcha de las actividades y planes administrativos y respuestas a menos de que se convenga lo contrario	En fecha

\* La meta de un organismo se reduciría si este no pudiese presentar un tramo a causa de otro organismo principal o de cooperación, si este está de acuerdo.

\*\* La preparación de proyectos no debería evaluarse, si el Comité Ejecutivo no ha adoptado una decisión sobre su financiación.

## Cuestiones normativas

14. El PNUD somete a consideración del Comité Ejecutivo las cuestiones normativas relacionadas con las directrices sobre costos para la reducción de los HFC, que se indican a continuación:

- a) Financiación de la transformación del mercado mediante el uso del costo adicional de funcionamiento de manera más flexible e inclusiva y no en combinación con industrias específicas admisibles;
- b) Las dificultades que tienen los países de bajo consumo en cuanto a la demostración de tecnologías alternativas y la capacidad de ampliación debido a la limitada financiación disponible;

- c) Atención especial al subsector de ensamblaje en el sector de mantenimiento y el tratamiento de las actividades de este subsector de manera diferente a otras actividades del sector de mantenimiento; y
- d) En el contexto de la Enmienda de Kigali y teniendo en cuenta la eficacia en función de los costos basada en el equivalente de CO<sub>2</sub>, la coordinación y la sinergia con las medidas e instituciones más amplias relacionadas con el clima a niveles nacional e internacional en la preparación y aplicación de los planes de gestión de reducción de los HFC.

## **RECOMENDACIÓN**

15. El Comité Ejecutivo tal vez desee:

- a) Tomar nota del plan administrativo del PNUD para 2021–2023, que figura en el documento UNEP/OzL.Pro/ExCom/86/27; y
- b) Aprobar los indicadores de desempeño para el PNUD establecidos en el cuadro 5 del documento UNEP/OzL.Pro/ExCom/86/27.



Empowered lives.  
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**Executive Committee of the Multilateral Fund  
for the Implementation of the Montreal Protocol**

**UNDP 2021**

**Business Plan Narrative**

85<sup>th</sup> and 86<sup>th</sup> 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 74<sup>th</sup> 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.

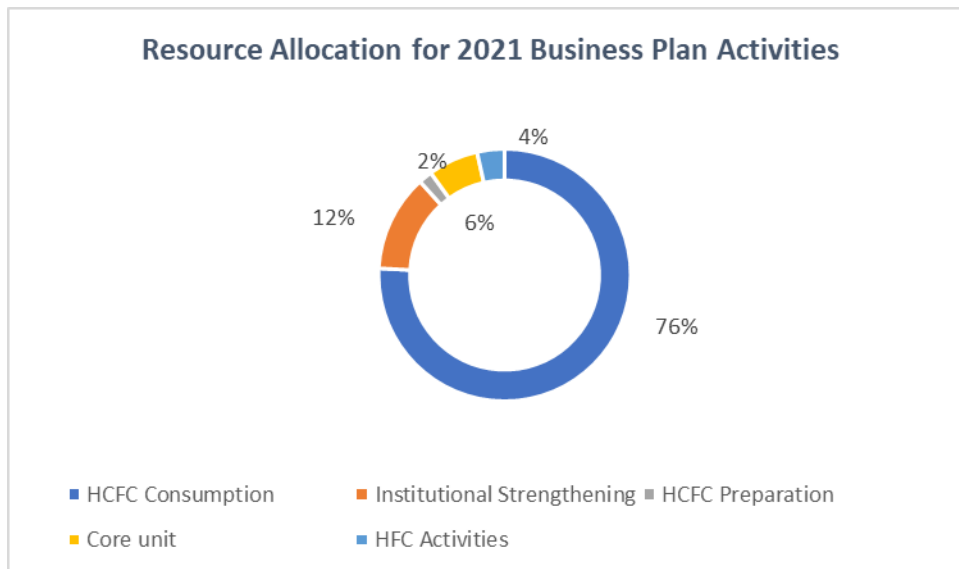
The total budget for 2021 for the above activities is US\$ 30.8 million (including support costs) plus US\$ 2.1 million core unit funding for UNDP. Table 1 below summarizes the resource allocation of UNDP’s 2021 Business Plan. The projects are grouped into various categories, which are described in the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

**Table 1: UNDP 2021-2023 Business Plan Resource Allocations<sup>1</sup>**

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
<b>Grand Total</b>	<b>32,970</b>	<b>44,740</b>	<b>83,049</b>

<sup>1</sup> All values include agency support costs.

**Chart 1: UNDP Resource Allocation for 2021 Business Plan Activities**



### ***III. Geographical distribution***

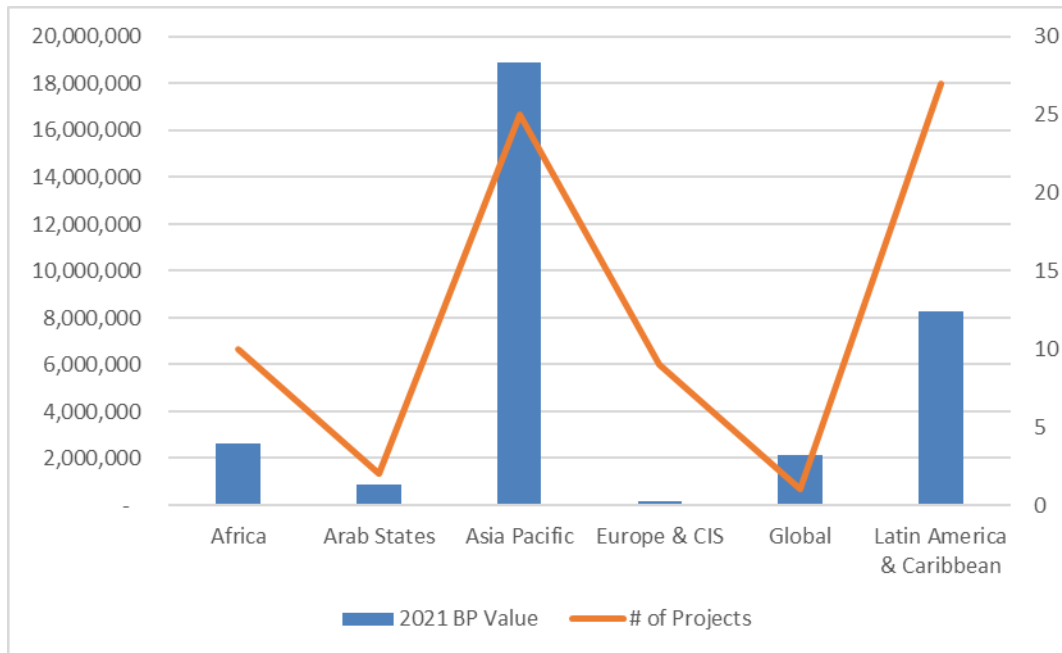
The UNDP Business Plan will once again cover all five regions (Africa, Arab States, Asia Pacific, Europe & CIS, Global, and Latin America and the Caribbean), with approved and new activities in 55 countries, 38 of which have funding requests in 2021. The number of activities and budgets per region for 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 Tranches<sup>2</sup> and New Activities per Region<sup>3</sup>**

<sup>2</sup>All values include agency support costs.

<sup>3</sup> 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
		<b>3,859,817</b>

\* 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
		<b>4,100,480</b>

## ***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, CO<sub>2</sub>, 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 86<sup>th</sup> and 87<sup>th</sup> 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 86<sup>th</sup> and 87<sup>th</sup> ExComs, depending on which programmes are allowed to stay in the business plan in those meetings.