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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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UNDP BUSINESS PLAN FOR THE YEARS 2010-2012

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of UNDP’s planned activities for the phase-out of ozone depleting substances (ODS) during the 2010-2012 triennium. It also contains UNDP’s business plan performance indicators, general comments, and recommendations for consideration by the Executive Committee. UNDP’s 2010-2012 business plan narrative is contained in Annex I.

2. Table 1 presents, by year, the value of activities included in the business plans according to the categories “required for compliance” and “not required” according to the Model rolling three-year phase-out plan.

Table 1

RESOURCE ALLOCATION IN THE BUSINESS PLAN OF UNDP (2010-2014) (US \$000s)

Required by Model	2010	2011	2012	2013	2014	Total (2010 to 2014)
Required for compliance (MYAs and Standard costs)	6,943	2,736	6,482	2,660	6,550	25,372
Required for compliance (HCFCs)	95,150	64,366	156,925	159,289	91,203	566,932
Not Required for compliance (Resource mobilization)	269					269
Not Required for compliance (ODS disposal)	4,750					4,750
Not Required for compliance (Chiller, Illegal trade, CTC, MBR, MDI, Studies, Workshops)						0
Grand Total	107,112	67,102	163,407	161,950	97,753	597,323

3. UNDP had included activities valued at US \$107.11 million in 2010 and a total value of US \$597.32 million over the period 2010 to 2014.

MYAs and standard costs

4. Table 2 presents information on UNDP’s multi-year agreements (MYAs), new methyl-bromide (MBR) activities, terminal phase-out management plans (TPMPs), institutional strengthening (IS), and core unit activities that are considered to be required for compliance.

Table 2

REQUIRED FOR COMPLIANCE FOR MYAS AND STANDARD COSTS (2010 to 2014) (US \$000s)

Required by model	2010	2011	2012	2013	2014	Total (2010 to 2014)
Approved multi-year	501	59	59			619
New MBR activities						0
TPMP	140	140		0		280
IS	4,332	507	4,332	507	4,332	14,010
Core unit	1,971	2,030	2,091	2,153	2,218	10,463
Total (required for compliance for MYAs and standard costs)	6,943	2,736	6,482	2,660	6,550	25,372

5. The Consolidated Business Plan (UNEP/OzL.Pro/ExCom/60/7) addresses several issues relevant to UNDP’s activities required for compliance for MYAs and standard costs including the following:

- (a) UNDP included MYA values that corresponded to those in the Secretariat’s records on MYAs;

- (b) UNDP plans to submit annual tranches for TPMPs valued at US \$139,750 after 2010 for Angola.

6. No issues were raised with respect to those activities also considered required for compliance. UNDP's core unit costs are projected to increase at a rate of 3 per cent per year.

HCFC activities

HCFC tonnage

7. UNDP used the 2010-2012 model rolling three-year phase-out plan as a basis for its tonnage estimates according to the formula indicated in its business plan narrative (Annex I).

8. Agencies were asked to indicate if they included accelerated phase-out activities in their business plans. With respect to those countries for which HCFC phase-out activities covered volumes greater than 10 ODP tonnes, the implementing agencies included HCFC activities in their business plan whose combined tonnage was more than that required by the model for China (105.7 ODP tonnes); Colombia (34.2 ODP tonnes); Costa Rica (15.9 ODP tonnes); Indonesia (154.2 ODP tonnes); Jordan (39 ODP tonnes); Mongolia (26 ODP tonnes); Philippines (12.7 ODP tonnes); Seychelles (13.6 ODP tonnes); and Thailand (57.2 ODP tonnes). UNDP's business plan covers HCFC tonnage for some of these countries.

9. UNDP noted discrepancies in the figures reported. With respect to China, UNDP noted that the model uses projections, not actual consumption figures, so it is difficult to say with certainty if the phase-out level is what will be needed for compliance, or if it will lead to accelerated phase-out. Any tonnage data based on estimates might be adjusted on the basis of those estimates.

10. The tonnage for Costa Rica represents an unavoidable accelerated phase-out because one large company is responsible for the foam sector.

11. With respect to Colombia, the additional tonnage did not represent an accelerated phase-out, but reflected instead the fact that the information used in the model for Colombia was based on the data collected in the field and on estimates of growth made for the preparation of the HCFC phase-out management plan (HPMP). That is why the number is different from the general estimate in the business plan model.

12. For those countries where HCFC phase-out representing more than 10 ODP tonnes above that required by the model was included, UNDP's business plan had HCFC activities in: China (3,418.7 ODP tonnes); Colombia (94 ODP tonnes); Costa Rica (19.4 ODP tonnes); Indonesia (74.7 ODP tonnes); Philippines (13 ODP tonnes); and Thailand (28.7 ODP tonnes). Concerning those countries for which phase-out levels below those required by the model had been included, UNDP's business plan covered HCFC activities in: Argentina (26.4 ODP tonnes); India (460 ODP tonnes); Mexico (149.6 ODP tonnes); and Nigeria (31.9 ODP tonnes). The Executive Committee's consideration of this issue in the context of the Consolidated Business Plan might have an impact on UNDP's business plan tonnage.

13. The Executive Committee may wish to consider:

- (a) Maintaining the HCFC tonnage in UNDP's business plan for:
 - (i) Costa Rica as it represents an unavoidable acceleration; and
 - (ii) Colombia since the data represents actual data collected and not accelerated phase-out; and

- (b) Adjusting tonnage for China according to the model to reflect the estimated nature of the data.

HCFC demonstration projects

14. UNDP has five demonstration projects in its business plan, four of which are to be submitted in 2010 and one of which is to be submitted in 2011. All of UNDP's demonstration projects cover a level of phase-out except those proposed for Turkey (US \$222,525) and Kuwait (US \$376,250). None of these activities have had project preparation funds. UNDP is requesting US \$150,500 in project preparation to prepare these HCFC demonstration projects. The HCFC demonstration preparation budget exceeds the eligible funding limit for this type of activity for China (UNDP and UNIDO). The Executive Committee's consideration of HCFC demonstration projects may have an impact on UNDP's HCFC demonstration projects.

15. The Executive Committee may wish to modify the figure associated with the conversion of HCFC XPS foams to methyl formate and the co-blowing demonstration project in China from US \$86,000 to US \$30,000, plus agency support costs, as UNDP agreed that the figure in its business plan included some duplication.

HCFC servicing sector in low-volume-consuming (LVC) countries

16. The total value of HCFC servicing sector activities in LVC countries in UNDP's business plan amounts to US \$6.09 million. This amount exceeds the level under discussion by US \$3.66 million. The Executive Committee's consideration of the levels of funding for HCFC activities might have an impact on UNDP's business plan.

HCFC for non-LVC countries

17. The total value of activities for non-LVC countries in UNDP's business plan amounts to US \$556.49 million for 5,064 ODP tonnes (excluding project preparation). Of this, US \$404.99 million is for China, which represents 3,419 ODP tonnes of consumption. The Committee's consideration of the maximum cost-effectiveness levels and HCFC tonnage for business planning might have an impact on UNDP's business plan.

ODS disposal activities

18. UNDP has ODS disposal projects valued at US \$4.75 million in 2010 in its business plan. All of UNDP's ODS disposal projects have received project preparation funding except for activities in India (US \$1 million leading to the destruction of 1,200 ODP tonnes). All of UNDP's ODS disposal activities with tonnage estimates have a cost-effectiveness lower than US \$13.2/kg. of ODS to be destroyed, in accordance with decision 58/19, paragraph (a) (ii) c. The Executive Committee's consideration of this issue in the context of the Consolidated Business Plan may have an impact on UNDP's business plan.

Other activities not required for compliance (resource mobilization, studies and workshops)

19. For 2010, UNDP did not include any other activities not required for compliance, except resource mobilization amounting to US \$269,000. The Executive Committee deferred consideration of resource mobilization for UNDP to its 60th Meeting (decision 59/21).

Response from agency on high value of business plan activities

20. The total value of UNDP's business plan is US \$107 million in 2010 and US \$67 million in 2011. This represents US \$174 million of the US \$397 million remaining for all Multilateral Fund (MLF)

programming for the current triennium. UNDP's figures are therefore disproportionate to the level of available resources.

21. The methodology used to calculate values that have been included in the business plan is explained in the narrative. UNDP noted that for most countries (except for the few where the HPMP formulation is in an advanced stage, and most recent consumption data and forecast information is available), it followed the forecasting methodology used by the Secretariat (document UNEP/OzL.Pro/ExCom/59/7). Cost-effectiveness values are based on existing values when available. However, these values are only estimates and could change based on information that becomes available in the process of developing HPMPs.

Co-funding

22. None of the values included in UNDP's business plan include co-funding. The figures are all MLF grant funding estimates based on the Secretariat's ODS phase-out and cost model. UNDP made the following points during the inter-agency coordination meeting in January 2010 with respect to co-funding:

- (a) The MLF does not cover additional costs for maximizing climate benefits. Where additional climate benefits might accrue as a result of additional investments in conjunction with HCFC reductions/phase-out there will be a need for additional funding, which would need to come from non-MLF sources. UNDP will make an effort to identify and access such sources of additional funding, and advise on ways to pursue opportunities associated with Clean Development Mechanism (CDM) and voluntary carbon markets;
- (b) Historically, during CFC phase-out, enterprises typically provided co-funding where MLF funding was either not adequate (due to cost-effectiveness thresholds) or due to ineligibility of certain cost elements under MLF policies. UNDP noted that during the phase out of HCFCs it will monitor any co-funding, taking lessons from the experience of CFC phase-out.

23. UNDP indicated that co-funding will depend on the availability, sustainability, commercial viability and selection of appropriate replacement technologies along with appropriate policies to ensure the achievement of the objectives of the Montreal Protocol, including those related to climate. At present these technologies are only available for limited applications.

24. With respect to levels of co-funding and the specific institutions that will be involved, UNDP noted that the co-funding needs will only become clear once the HCFC funding policies have been clarified and the HPMPs have been prepared. Once co-funding needs have been identified the sources of the co-funding will be identified, to the extent feasible.

Performance indicators

25. A summary of UNDP's performance indicators pursuant to decisions 41/93, 47/51 and 49/4(d) is provided below in Table 3.

Table 3

PERFORMANCE INDICATORS

Item	2010 Targets
Number of annual programmes of multi-year agreements approved versus those planned (new plus tranches of ongoing MYAs)	45
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	15
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	9
ODS phased-out for individual projects versus those planned per progress reports	tbd
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	tbd
Number of policy/regulatory assistance completed versus that planned	1/1 (100%)
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

26. UNDP's target for the number of annual tranches should include 44 new HPMPs, one new TPMP and 9 approved agreements for a total of 54 annual tranches. Its target for the number of approved projects should be 28, which includes 5 disposal projects, 4 HCFC demonstration projects, 18 IS projects, and one global technical assistance project. As per the 2008 progress report excluding MYA projects, the phase-out target should be 250.5 ODP tonnes. UNDP's target for project completion should be 45, including IS, but excluding MYAs and project preparation. UNDP agreed with these targets following the submission of its narrative document.

RECOMMENDATIONS

27. The Executive Committee may wish to consider:

- (a) Endorsing the 2010-2012 business plan of UNDP as contained in UNEP/OzL.Pro/ExCom/60/9 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of:
 - (i) Those activities associated with issues addressed in the Consolidated Business Plan including:
 - a) Terminal phase-out management plan (TPMP) activities after 2010;
 - b) HCFC tonnage;
 - c) HCFC demonstration projects;

- d) HCFC servicing sector in low-volume-consuming countries (LVC countries);
 - e) HCFC projects for non-LVC countries;
 - f) ODS disposal activities;
- (ii) Maintaining the HCFC tonnage in UNDP's business plan for:
- a) Costa Rica as it represents an unavoidable acceleration; and
 - b) Colombia since the data represents actual data collection and not accelerated phase-out;
- (iii) Adjusting the HCFC tonnage for China according to the model rolling three-year phase-out plan to reflect the estimated nature of the data;
- (iv) To modify the figure associated with the conversion of HCFC XPS foams to methyl formate and the co-blowing demonstration project in China from US \$86,000 to US \$30,000, plus agency support costs;
- (b) Approving the performance indicators for UNDP set out in Table 3 as contained in document UNEP/OzL.Pro/ExCom/60/9 while setting a target of 54 for the number of annual tranches approved, a target of 28 for the number of individual projects approved, a target of 250.5 tonnes for ODP phase-out, and a target of 45 for project completion .

Annex I

60th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol (Montreal, 12 - 16 April 2010)

UNDP 2010 BUSINESS PLAN NARRATIVE

1. Introduction

This narrative is based on an excel table that is included as **Annex 1** to this report. This table lists all the ongoing and planned activities for which funding is expected during the period 2010 through 2014. While activities are included for 2010 and future years, it should be noted that planned activities included in the 2010/2011 columns are firm and those for future years are indicative and are provided for planning purposes only.

To summarize, the activities included for 2010 can be summarized as follows:

- There are only 9 ongoing non-HCFC multi-year agreements left which will receive funding tranches in 2010 for a combined amount of US\$ 500,000.
- There are 21 ongoing institutional strengthening activities of which 18 will request an extension in 2010 for a combined amount of US\$ 4.3 million.
- Two global requests have been included: one for resource mobilization to address climate co-benefits regarding HCFCs (which was deferred in 2009) and the usual Core Unit support cost.
- There is only one request left with regards to new TPMPs which is for Angola. Indeed, Angola has received project preparation funds with the condition that a TPMP may only be submitted after Angola ratifies the London Amendment. The Committee may wish to consider if this activity should still be maintained.
- UNDP has included a large number of HCFC-related activities, most of which directly result from previously approved project preparation funds. In addition, there are 6 requests for new project preparation funds and 4 requests for pilot-demonstration projects in 2010 and an additional request for 1 pilot-demonstration project in 2011.
- Finally, 5 ODS-Waste/Destruction project proposals were included as well which directly result from previously approved project preparation funds.

The value of UNDP's 2010 and 2011 Business Plan is US\$ 174.2 million (including support costs). The expected value in 2010 is US\$ 107.1 million and US\$ 67.1 million in 2011. The higher level of funding as compared to previous years is because several activities that were developed in 2009 are expected to be submitted in 2010 and beyond.

Figures for the HPMP-related activities were obtained using an excel-based model using the following methodology:

1. We have used a slightly revised format provided by the Secretariat and split up rows into two when there is more than one chemical involved (e.g. HCFC 141b and HCFC 22).
2. As requested, we have based tonnages on Document UNEP/OzL.Pro/ExCom/59/7 Annex III, Table 7 for establishing the ODP phase-out for the freeze/2015 reduction steps.
3. We then used document UNEP/OzL.Pro/ExCom/59/7 Annex III Table 7 which was modified and extrapolated in the following way:

- a. Apart from HCFC-141b, all other HCFCs were grouped into one line called “HCFC-22 and others”. In annex 1 of this document however the latter is re-named as HCFC-22 due to lack of space.
 - b. The original HCFC consumption table which we obtained from the Secretariat provides a full breakdown of all consumption by sector/chemical for all HCFCs reported as of end of 2009. However the amounts to be addressed for the freeze/2015 measures were given as an aggregate. We therefore extrapolated the original data-set so that they would match the associated freeze/2015 figures.
 - c. We had to estimate sector information for China, Brazil and Egypt, as those countries did not report sector breakdowns. For those countries we thus had no other choice but to use the total averages of sector breakdowns for all other countries and apply it to them.
4. We then listed all sectors for which PRP was approved for all agencies from the MLFS Inventory (and a few where we expect new PRP in 2010).
 5. We then calculated how much HCFC 141b and 22/others are to be addressed (till 2015) in each of the sectors that were allocated for UNDP. However it was realized that sometimes, other agencies received PRP approvals in the same sector, so that we sometimes had to divide the consumption in a sector within various agencies.
 6. ODP sector allocations in a given country were then compared to total HCFCs to be addressed by 2015, and the balance of any remaining ODP is then given to the “HPMP-overarching strategy”.
 7. We then converted this information into US\$ using cost-effectiveness (CE) numbers. For countries consuming less than 360 metric tonnes of HCFCs we made following assumptions:
 - a. ODS Metric Tonnes < 320 --> US\$ 192,000 plus 9% = US\$ 209,280
 - b. ODS Metric Tonnes > 320 and < 360 --> US\$ 216,000 plus 7.5% = US\$232,200
 - c. ODS Metric Tonnes > 360 --> non-LVC, so CE-values were applied, also taking into account the ODP and the support cost.
 8. CE-values were however capped at 7.8 US\$/kg for the more expensive sectors.
 9. In a next iteration, lines were split where there is more than one HCFC into two rows. Higher amounts were then spread over several years where necessary.
 10. Amounts were then adjusted so that the totals for 2010 and 2011 take the maximums available for HCFCs into account for the remaining two years of this replenishment (2010/2011). The excess-amounts were then added to the columns for 2012 and beyond (next triennium).

Notes:

a) Although the above model was used to calculate the figures for the majority of the HPMP activities, there were some instances where we did not utilize the model described above (i.e. if better information was available).

(b) The funding and reductions/phase-out figures for 2013/2015 compliance are essentially derived based on MLF Secretariat’s considerations/guidance in the relevant documents cited above. Given that the policies for funding of HCFC activities are not yet finalized by ExCom and considering the relatively low level of reliable information on alternative technologies and relevant costs particularly in the Refrigeration and Air Conditioning sectors, UNDP considers that estimates of incremental costs and funding levels are purely speculative at this time and made based on estimations of available funding including the level of replenishment of the MLF for the 2012-2014 triennium. This should not be construed as an endorsement or confirmation that the required phase-out activities will or can be carried out within the funding levels mentioned.

2. Resource allocation

The projects are grouped into various categories, which are described in the following summary table.

Table 1: UNDP Business Plan Resource Allocations¹

Category	2010 Value (000s)	2011 Value (000s)	2012 Value (000s)	2013-14 Value (000s)	Total
1. Approved Multi-Year	501	59	59	-	619
2. Planned Inst. Str.	4,332	507	4,332	4,839	14,010
3. Core and Mobilization	2,240	2,030	2,091	2,153	8,514
4. Planned TPMPs	140	140	-	-	280
6b. HCFC Pilots/Demos	8,500	376	-	-	8,876
6c. HCFC HPMPs	86,190	63,990	156,925	250,492	557,596
6d. PRP	460	-	-	-	460
7. ODS Waste	4,750	-	-	-	4,750
	107,112	67,102	163,407	257,484	595,105

3. Geographical distribution

UNDP will once again cover all the regions, with approved and new activities in 85 countries, 50 of which have funding requests in 2010. The number of countries, activities and budgets per region for 2010 is listed in table 2.

Table 2: UNDP 2010 MYA Tranches² and New Activities per Region³

Region	# of Countries	# of Projects	2010 Value (000s)
AFR	12	20	5,735
ASP	14	67	63,750
EUR	4	7	1,474
GLO	1	2	2,240
LAC	19	64	33,913
	50	160	107,112

4. Programme Expansion in 2010

4.1. Background

UNDP's 2010-2011 Business Plan has been developed by drawing upon the analysis provided by the Multilateral Fund's strategic planning framework, through communication with countries that have expressed an interest in working with UNDP to address their compliance and other needs, as well as through negotiation and discussions with the MLF Secretariat and other Implementing Agencies during and post the Inter-Agency meeting held on 28-29 January 2010 in Montreal.

Countries Contacted. Most activities listed are either deferred from last year's business plan, or have active project preparation accounts ongoing, or were included based on written requests from the

¹ All values include agency support costs.

² All values agency support costs.

³ EUR contains CIS-countries

countries concerned.

Coordination with other bilateral and implementing agencies. As in the past, during 2010 UNDP will continue to collaborate with both bilateral and other implementing agencies. Collaborative arrangements in programming will continue with the Government of Canada, the Government of Japan, the Government of Germany and the Government of Italy, as well as with UNEP, UNIDO and the World Bank.

4.2. ODP Impact on the 3-year Phase-out Plan

In the next table, which is also based on **Annex 1**, the ODP amount listed in a given year corresponds to the US\$ amount that is approved in that same year. This is even the case for the approved/multi-year category, where the overall cost-effectiveness was applied to each individual funding tranche.

Table 3: Impact upon Project Approval (in ODP T)⁴

Chemical	2010 Value	2011 Value	2012 Value	2013-14 Value	Total
CFC	34.3	18.6	14.3	-	67.3
HCFC	-	-	-	-	-
HCFC-141b	396.1	252.2	231.7	356.6	1,236.6
HCFC-22 & Others	448.8	378.5	1,183.6	1,883.0	3,893.9
MULTI	-	-	-	-	-
ODS Waste	2,916.5	-	-	-	2,916.5
	3,795.8	649.3	1,429.6	2,239.5	8,114.3

However, if the ODP impact was calculated at the time of project completion rather than at the time of approval, the table would look as in the Table 4. As there is no longer any CFC consumption available, there is no longer any phaseout from “ongoing individual projects of the past”. As such the two tables have the same ODP numbers, and only differ because of the timing of the ODP phase-out.

Table 4: Impact upon project completion (phase-out in ODP T)⁵

Chemical	2012 Value	2013 Value	2014 Value	After 2014	Total
CFC	34.3	18.6	14.3	-	67.3
HCFC	-	-	-	-	-
HCFC-141b	396.1	252.2	231.7	356.6	1,236.6
HCFC-22 & Others	448.8	378.5	1,183.6	1,883.0	3,893.9
MULTI	-	-	-	-	-
ODS Waste	2,916.5	-	-	-	2,916.5
	3,795.8	649.3	1,429.6	2,239.5	8,114.3

4.3. Project preparation

As most requests for project preparation for HCFCs were already approved in prior years, only a few will be submitted in 2010 as listed in **Annex 1**. The table below shows that there are 6 such activities relating to HCFCs, which amount to US\$ 459,750, including support costs. More details on these requests are provided in paragraph 5.1 related to HCFCs and will also be included in the respective 2010 Work Programmes to be submitted. Of course, there are no longer any new requests to prepare TPMPs or MDI-projects in 2010.

⁴ Tonnage in ODP and based on date of project approvals. The figures for ODP related to ODS-waste management and destruction projects are very raw estimates. In addition it has to be clear that those figures are not phase-out as they represent ODS “use” and not “consumption”

⁵ Tonnage in ODP and based on date of project completions

Table 5: Project Preparation in 2010

Category	Country	Type	Chemical/	Short Title	Budget
6d. PRP	Argentina	PRP	HCFC-22	PRP for HPMP Sector Plan in Foams	\$161,000
6d. PRP	China	PRP	HCFC-22	Demo: XPS Foams to Methyl Formate and co-blowing	\$86,000
6d. PRP	China	PRP	HCFC-22	Demo: Medical devices cleaning (IPA+HC)	\$32,250
6d. PRP	China	PRP	HCFC-22	Demo: Medical devices cleaning (Solvent-free)	\$32,250
6d. PRP	Jamaica	PRP	HCFC-141b	PRP for Foam in Seal Spray Solns (indiv proj)	\$30,000
6d. PRP	Thailand	PRP	HCFC-22	PRP for HPMP Preparation and Air Conditioning Sectors (\$118,250
					\$459,750

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4.4. Non-investment projects

Also included in **Annex 1** are UNDP's 11 individual planned non-investment projects with a total value of US\$ 15,489,758, including support costs. This list includes 4 Pilots/Technology-Validation-projects for HCFCs and 2 global requests under the core unit and the resource mobilization categories. No new demonstration projects in ODS-Waste Destruction or Management were included for 2010 further to a decision taken at the 59th ExCom meeting stipulating that the Committee would only entertain two more such requests to be submitted by UNIDO. The 5 projects listed below in ODS-Waste were therefore those that were already agreed with in principle in 2009, but that will be submitted (or resubmitted) in 2010.

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2010.

Table 6: Individual Non-Investment projects (DEM/TAS) in 2010

Category	Country	Chemical/ Substance	Sector / Sub-Sector	Value (\$000) in 2010	ODP in 2010
3. Core and Mobilization	Global	CFC	Resource Mobilization to address climate co-benefits re HC	269	
3. Core and Mobilization	Global	Several	Core Unit Support	1,971	
6b. HCFC Pilots/Demos	China	HCFC-22	Demo: Commercial air-source heat pumps (HFC-32)	2,258	3.9
6b. HCFC Pilots/Demos	China	HCFC-22	Demo: Reciprocating open compressors (NH3+CO2)	4,623	2.2
6b. HCFC Pilots/Demos	China	HCFC-22	Demo: XPS Foams to Methyl Formate and co-blowing	1,398	1.4
6b. HCFC Pilots/Demos	Turkey	HCFC-22	Validation of HFO in XPS foams	223	-
7. ODS Waste	Brazil	ODS Waste	Demo on ODS Banks Mgt and Destruction	1,000	1,200
7. ODS Waste	Colombia	ODS Waste	Demo on ODS Banks Mgt and Destruction	1,000	144.5
7. ODS Waste	Cuba	ODS Waste	Demo on ODS Banks Mgt and Destruction	1,000	222.0
7. ODS Waste	Ghana	ODS Waste	Demo on ODS Banks Mgt and Destruction	750	150.0
7. ODS Waste	India	ODS Waste	Demo: ODS Bank Management/Destruction	1,000	1,200.0
				15,490	2,924.0

In addition, UNDP will prepare 18 non-investment Institutional Strengthening project extensions in 2010, as indicated in the table below. The total value of IS renewal programming in 2010 is US \$4,332,048. An additional 3 IS renewals (Chile, Georgia, and Pakistan) will be submitted after 2010 and are thus not shown in the table below.

Table 7: Non-Investment Institutional Strengthening requests

Category	Country	Chemical	Short Title	Budget	ODP
2. Planned Inst. Str.	Argentina	MULTI	Several Ozone unit support	\$334,981	-
2. Planned Inst. Str.	Bangladesh	MULTI	Several Ozone unit support	\$139,750	-
2. Planned Inst. Str.	Brazil	MULTI	Several Ozone unit support	\$377,325	-
2. Planned Inst. Str.	China	MULTI	Several Ozone unit support	\$419,250	-
2. Planned Inst. Str.	Colombia	MULTI	Several Ozone unit support	\$296,270	-
2. Planned Inst. Str.	Costa Rica	MULTI	Several Ozone unit support	\$151,100	-
2. Planned Inst. Str.	Cuba	MULTI	Several Ozone unit support	\$160,200	-
2. Planned Inst. Str.	Ghana	MULTI	Several Ozone unit support	\$149,533	-
2. Planned Inst. Str.	India	MULTI	Several Ozone unit support	\$401,222	-
2. Planned Inst. Str.	Indonesia	MULTI	Several Ozone unit support	\$291,588	-
2. Planned Inst. Str.	Iran	MULTI	Several Ozone unit support	\$186,524	-
2. Planned Inst. Str.	Lebanon	MULTI	Several Ozone unit support	\$166,722	-
2. Planned Inst. Str.	Malaysia	MULTI	Several Ozone unit support	\$300,463	-
2. Planned Inst. Str.	Nigeria	MULTI	Several Ozone unit support	\$279,500	-
2. Planned Inst. Str.	Sri Lanka	MULTI	Several Ozone unit support	\$144,110	-
2. Planned Inst. Str.	Trinidad and Tobago	MULTI	Several Ozone unit support	\$64,500	-
2. Planned Inst. Str.	Uruguay	MULTI	Several Ozone unit support	\$162,110	-
2. Planned Inst. Str.	Venezuela	MULTI	Several Ozone unit support	\$306,900	-
18				\$4,332,048	-

4.5. Submission of new tranches of ongoing Multi-Year agreements in 2010.

UNDP currently only has 9 ongoing non-HCFC Multi-Year agreements left which would receive an additional funding tranche in 2010. The total from these tranches in 2010 would amount to US\$ 500,714. They are listed below.

Table 8 – Ongoing Multi-Year Agreements and their funding in 2010

Category	Country	Chemical/	Short Title	Budget
1. Approved Multi-Year	Bangladesh	CFC	Phaseout plan CFC phase out plan	\$59,125
1. Approved Multi-Year	Dominica	CFC	CFC phase out plan	\$6,540
1. Approved Multi-Year	DR Congo	CFC	CFC phase out plan	\$77,266
1. Approved Multi-Year	Kyrgyzstan	CFC	Phaseout plan CFC phase out plan	\$64,500
1. Approved Multi-Year	Paraguay	CFC	Terminal Phaseout Management Plan	\$22,575
1. Approved Multi-Year	Peru	CFC	Terminal Phaseout Management Plan	\$197,263
1. Approved Multi-Year	Saint Kitts and Nevis	CFC	Phaseout plan CFC phase out plan	\$3,270
1. Approved Multi-Year	Sierra Leone	CFC	Terminal Phaseout Management Plan	\$21,800
1. Approved Multi-Year	Uruguay	CFC	Phaseout plan CFC phase out plan	\$48,375
9				\$500,714

4.6. Formulation of new TPMPs in 2010

One new TPMP request for Angola will be formulated in 2010 with preparation funds which were approved in prior years. Similar to last year, however, Angola's TPMP is ready but still cannot be submitted in view of an ExCom decision taken at the 51st meeting that the country must first ratify the London Amendment. As already mentioned in the introduction, guidance is being sought from the Executive Committee as to whether this request should be maintained.

Table 9: New TPMPs in 2010

Category	Country	Chemical/	Short Title	Budget
4. Planned TPMPs	Angola	CFC	Terminal Phaseout Management Plan	\$139,750
1				\$139,750

4.7. Formulation of new HPMPs in 2010

An important priority in 2010 and 2011 will be activities related to HCFC Phase-out Management Plans. We have included in our business plan activities covering 44 countries worth a combined US\$ 150 million over the next two years, which are expected to eliminate 1,468.17 ODP tonnes to meet the 2012/2015 compliance targets. While the number of rows corresponding to these activities in annex 1 amounts to 111, it should be noted that most are counted twice (per HCFC) chemical so that 111 doesn't correspond to the number of such programmes.

Table 10: New HPMPs in 2010⁶

Category	Country	Chemical/	Short Title	Budget
6c. HCFC HPMPs	Angola	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Argentina	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,156,640
6c. HCFC HPMPs	Armenia	HCFC	HCFC Phaseout Management Plan Related Activities	\$623,713
6c. HCFC HPMPs	Bangladesh	HCFC	HCFC Phaseout Management Plan Related Activities	\$855,113
6c. HCFC HPMPs	Bhutan	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Bolivia	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Brazil	HCFC	HCFC Phaseout Management Plan Related Activities	\$6,320,845
6c. HCFC HPMPs	Cambodia	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Chile	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,319,315
6c. HCFC HPMPs	China	HCFC	HCFC Phaseout Management Plan Related Activities	\$32,468,254
6c. HCFC HPMPs	Colombia	HCFC	HCFC Phaseout Management Plan Related Activities	\$4,925,810
6c. HCFC HPMPs	Costa Rica	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,517,524
6c. HCFC HPMPs	Cuba	HCFC	HCFC Phaseout Management Plan Related Activities	\$627,840
6c. HCFC HPMPs	Dominican R	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,108,428
6c. HCFC HPMPs	Egypt	HCFC	HCFC Phaseout Management Plan Related Activities	\$919,320
6c. HCFC HPMPs	El Salvador	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Fiji	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Gambia	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Georgia	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Ghana	HCFC	HCFC Phaseout Management Plan Related Activities	\$180,704
6c. HCFC HPMPs	India	HCFC	HCFC Phaseout Management Plan Related Activities	\$5,762,291
6c. HCFC HPMPs	Indonesia	HCFC	HCFC Phaseout Management Plan Related Activities	\$2,946,131
6c. HCFC HPMPs	Iran	HCFC	HCFC Phaseout Management Plan Related Activities	\$2,209,822
6c. HCFC HPMPs	Jamaica	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Kyrgyzstan	HCFC	HCFC Phaseout Management Plan Related Activities	\$627,840
6c. HCFC HPMPs	Lebanon	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,004,764
6c. HCFC HPMPs	Malaysia	HCFC	HCFC Phaseout Management Plan Related Activities	\$3,007,176
6c. HCFC HPMPs	Mali	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Mauritania	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Mexico	HCFC	HCFC Phaseout Management Plan Related Activities	\$7,448,076
6c. HCFC HPMPs	Moldova	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Mozambique	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Nepal	HCFC	HCFC Phaseout Management Plan Related Activities	\$209,280
6c. HCFC HPMPs	Nigeria	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,333,291
6c. HCFC HPMPs	Panama	HCFC	HCFC Phaseout Management Plan Related Activities	\$513,711
6c. HCFC HPMPs	Paraguay	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Peru	HCFC	HCFC Phaseout Management Plan Related Activities	\$808,165
6c. HCFC HPMPs	Philippines	HCFC	HCFC Phaseout Management Plan Related Activities	\$799,729
6c. HCFC HPMPs	Sri Lanka	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Swaziland	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Tanzania	HCFC	HCFC Phaseout Management Plan Related Activities	\$418,560
6c. HCFC HPMPs	Thailand	HCFC	HCFC Phaseout Management Plan Related Activities	\$1,094,139
6c. HCFC HPMPs	Trinidad and	HCFC	HCFC Phaseout Management Plan Related Activities	\$940,616
6c. HCFC HPMPs	Uruguay	HCFC	HCFC Phaseout Management Plan Related Activities	\$438,866
	111			\$86,190,121

⁶ As discussed in Section 1, these figures are estimates derived based on preliminary assumptions and existing funding envelope and do not represent actual phase-out cost.

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

While the preceding paragraph 4 of this report dealt specifically with 2010 activities only, section 5 is related to all years.

5.1. HCFCs

UNDP has been a pioneer in initiating work related to HCFCs. In 2006-07, UNDP was the first agency to assist twelve countries to complete their HCFC surveys. Since then, the 19th Meeting of the Parties of the Montreal Protocol took the decision to include HCFCs in the list of substances that are eligible for funding by the Multilateral Fund (MLF). As a result, various decisions were taken by the Executive Committee of the MLF, allowing UNDP to advance quickly in this new area.

In 2008-09, UNDP received approvals of 83 HCFC project preparation (PRP) activities for 38 countries, mostly with a view to formulate HCFC Phase-out Management Plans (HPMPs), HCFC Sector Plans, or individual phase-out projects. In 2010, as most countries have been covered, as far as preparation of HPMPs and other projects. HPMPs and related projects should be approved as soon as possible in order to achieve the 2013 and 2015 HCFC-reduction-benchmarks. UNDP hopes to finalize the remaining HPMPs very soon for approval in 2010 and 2011. The lack of decisions, mainly on cut off date, will delay HPMP submission process for countries with manufacturing capacity.

While four HCFC Technology Validation projects were approved for UNDP in 2009 (two for Brazil, Mexico, and Egypt to test the use of alternative technologies to HCFCs, such as methyl formate, methylal, and hydrocarbons in the Foams, Refrigeration, and Solvents sectors), a few additional demonstration projects are envisaged for two countries (China and Turkey) in 2010. As in the past, a major objective of such types of demonstrations is to find cost-saving methods to the MLF in order to carry out HCFC-investment activities in future years, bearing in mind the impact on climate.

Table 5 above lists the 6 remaining requests for project preparation, while table 6 contains the 4 HCFC pilot- projects that will be submitted in 2010. Detailed information on these new project preparation proposals will be made available in the respective work programme and WP amendments to be submitted in 2010.

5.2. Waste Management/Destruction

For the last several years, the UNDP Montreal Protocol & Chemicals Unit has been requested by countries for support to assist them to manage their stocks of ODS which cannot be reused in a sound way. The potential for recovery, proper management and final disposal of such unwanted ODS and ODS containing appliances/equipments banked, have been proven as being possible in developed countries if the proper legislation and price incentives, as well as business opportunities, exist. However, the applicability of banks management schemes in developed countries needed to also be demonstrated in Article 5 countries. The Executive Committee has approved four preparation activities for Brazil, Colombia, Cuba, and Ghana, to address ODS waste management leading to ODS destruction.

Furthermore, we considered the high probability to find synergies with other sources of funds such as the GEF (via market transformation for EE and appliances replacement).UNDP's GEF programme on energy-efficiency, as related to refrigeration sector is significant and often provides links with ODS-waste management/destruction efforts and brings the volume of waste required for such schemes. The most important point concerning these management schemes is the huge potential for mitigating climate

change and the opportunities to tap into the voluntary carbon market to finance the destruction of ODS banks. The Executive Committee has approved four preparation activities for Brazil, Colombia, Cuba, and Ghana, to address ODS-waste management leading to ODS destruction. Annex 1 (category 7) to this report lists the 5 pilot ODS-Waste projects for which project preparation was already approved, and which we hope to submit in 2010.

5.3. Resource Mobilization for Climate Benefits

In accordance with Executive Committee Decision 59/21, UNDP has kept the request for “resources mobilization for climate benefits” in 2010 and is re-submitting a revised proposal for consideration at the 60th Executive Committee meeting. This proposal has been amended to take recent developments into account.

The overall objective of this proposal is for UNDP to explore the different funding solutions and barriers to finance the climate benefits of HCFC phase-out and ODS destruction activities. Specifically, this will focus on non-MLF funding solutions, including funding sources as GEF, the carbon markets (compliance and voluntary), bilateral donors and private sector partners. In seeking to achieve this objective, UNDP will leverage its experience as a *one-stop-shop* in environmental finance, with the emphasis on efficiently and seamlessly bringing together these different funding sources.

This proposal also relates closely to the ongoing work on a possible Special Funding Facility for Additional Income (SFFAI) under the MLF, still to be discussed and decided by the Executive Committee.

UNDP considered the high probability to find synergies with other sources of existing funds such as UNDP’s GEF programme on energy-efficiency, which often provides links with ODS-waste management/destruction efforts and brings the volume of waste required for such schemes. The most important point concerning these management schemes is the huge potential for mitigating climate change and the opportunities to tap into the voluntary carbon market to finance the destruction of ODS banks.

Ozone phase-out programmes have a significant mitigation effect on global warming. We can see clear opportunities for linkages and synergies with climate in at least three areas:

1. Co-funding opportunities in HCFC phase-out where additional climate benefit can be gained by additional investment in technology selection.
2. Bank management and ODS disposal projects, particularly for end-of-life management of appliances.
3. Carbon Finance

For example, there are clear possibilities to use linkages with other programmes, such as market transformation for energy efficiency actions under the GEF, to identify projects and leverage finance. The opportunity exist to also increase access to old appliances in order to ensure ODS collection and recovery and therefore appropriate end-of-life management, tapping into country specific initiatives towards energy savings gains, such as in appliance replacement national programmes, green building initiatives, etc..

Apart from the evaluation of climate benefit itself, the UNDP Montreal Protocol & Chemicals Unit is keen to work with UNDP MDG-Carbon Facility and GEF Climate Change mitigation teams to identify

mechanisms for accessing co-funding; developing robust voluntary market methodologies that will help to enhance the reputation (and value) of credits generated and placed on the carbon market in the face of some concern among some stakeholders that projects involving high-GWP gases are likely to result in a glut of poorly defined credits.

UNDP has recently progressed in the official carbon financing arena which it can leverage to assist in the development of a sound approach to the co-financing of incremental climate benefits resulting from MP interventions in industrial conversion and ODS destruction activities.

The Montreal Protocol & Chemicals Unit has vast experience in the area of ODS projects but has no dedicated budget to seek to apply the carbon financing ‘best practice’ possessed within UNDP via the MDG-Carbon Facility and the GEF climate change mitigation teams. UNDP has made several presentations at Executive Committee and Meeting of the Parties (MOP) meetings throughout 2009 in the hope to facilitate understanding of the needs for a special facility for funding climate benefits and its governance. As mentioned, UNDP had already submitted to the ExCom (at the 58th and 59th meetings) this resource mobilization project proposal. If approved it would help to bridge the knowledge gap that currently exists in this regard and enable better assistance to countries to find funding opportunities for elements not covered under the MLF. UNDP has invested personnel time and efforts in trying to share ideas and knowledge during the discussions. Nevertheless a decision about funding has been postponed to 2010 and we have therefore again re-submitted the amended proposal for attention of the 60th ExCom (as part of UNDP’s work programme).

6. Measures to expedite implementation of projects and those critical to compliance

6.1. Phase-out from Approved Ongoing Individual Projects.

Whatever ongoing individual there may still remain, it should be noted that all CFCs should be phased out by 1 January 2010 so that it doesn’t make sense to list remaining ODP from such projects as was done in previous year. Apart from a few exceptions, most HCFC project would be considered under multi-year agreements rather than as individual projects. Also, HCFC demonstration projects were approved as pilot projects without any phase-out associated to them.

While we therefore feel that this information is not of relevance, we do list the few projects that remain in this category of projects. Kindly also note that information on which projects are completed and which are ongoing is only estimated in this table, as this information will only be fully known at the time of our progress report.

Table 13 below indicates the amount that will be phased out from approved, ongoing individual projects.

Chemical	MLF Nr	Short Title *	ODP Balance			
			2010	2011	2012	2013
CFC	BGD/ARS/52/INV/26	MDI Investment Program		76.3		
CFC	CHI/FOA/48/INV/161	Terminal umbrella for foam	15.0			
CFC	CHI/REF/48/INV/160	Terminal umbrella for manuf in refrigeration	10.7			
CFC	COL/ARS/56/INV/71	Manufacturing of MDIs		7.4		
CFC	IND/ARS/56/INV/423	Manufacturing of MDIs				564.6
CFC	PAK/ARS/56/INV/71	Manufacturing of MDIs		83.8		
CFC	URU/ARS/43/INV/42	Manufacture of MDIs	10.0			
CTC	CHI/SOL/41/TAS/154	TAS for Solvents	2.1			
CTC	COL/PAG/48/INV/66	CTC as process agent at Prodesal S.A.	2.0			
Halons	DOM/HAL/51/TAS/39	National halon bank update		1.2		
MeBr	FIJ/FUM/47/TAS/17	TAS for methyl bromide	2.1			
MeBr	MAL/FUM/43/TAS/151	TAS for non-QPS uses of MeBr	4.7			
HCFC	MEX/FOA/59/INV/148	HCFC-141b phaseout in dom ref at Mabe				55.8
			46.6	168.7	0	620.4

As can be seen, most of the CFCs remaining in this table comes from ongoing MDI projects and correspond to consumption measured *at time of project approval*. This shows why we believe the above table is of little relevance.

6.2. Strengthening the Network of UNDP staff and Experts in the Field and Challenges

- During 2009, UNDP continued its efforts to reinforce its capacities both at the field level and at HQ in anticipation of work related to HPMPs. The UNDP Montreal Protocol & Chemicals Unit, added one outpost technical position in Bangkok, and maintained the ones in Bratislava and Panama. In addition MPU has continued strengthening its presence in the field in regions where the bulk of HPMP work will be carried out, mainly Asia and Latin America, where additional staff were placed at country offices in 2009 to assist with the increasing workload due to the phase out of HCFCs activities and our lead implementing agency role in so many large consuming countries. These measures will allow for better monitoring and trouble-shooting assistance at the field level. MPU also continues to strive to improve its capacity at headquarters to assist with recruitments and contracting, be it at the global level or to provide specific assistance at the national level. Specifically, UNDP has recruited one additional professional staff at Headquarters and is finalizing the recruitment of another professional to be on board before June 2010.
- As far as technical support to countries, UNDP has introduced for approval at the 21 January 2010 meeting of the UNDP Contracts, Assets, and Procurement Committee (CAP) a proposal for a competitive selection process for “bulk recruitment” of experts and succeeded in getting this modality approved. This will enable the Unit to issue individual contracts for the selected experts, when the countries need them for assignments during the next three years, and without having to go through individual and long procurement processes. This exercise has led to a roster of 45 experts in various fields: foams, refrigeration, solvents, MDI, energy efficiency, carbon markets, etc... This roster is also at the disposition of Country Offices who can recruit these experts without undertaking further competitive process.
- With regards to procurement of the very specialized equipment required for Montreal Protocol projects, MPU (through its Programme Support Unit based in New York) is also offering its assistance to Country Offices to undertake the bidding and evaluation part of the purchasing process from New York, when needed.

- MPU's strategy remains deeply rooted in the "Country Driven" concept: working consistently with national experts and institutions, and national Governments, so as to better address the needs of countries and speed up response time at the field level; conducting monitoring and evaluation of multi-year performance-based phase-out projects with agreements in close cooperation with national experts and government focal points as well as with other IAs; and continuing with the National Execution (NEX) modality, that serves to enhance the role of national experts and national institutions, and thereby building national capacity.
- UNDP wishes to emphasize again that while it believes that enhanced field presence allows for more direct supervision of activities, UNDP continues to encounter difficulties to work in some countries, mainly LVCs, where the current (and future) portfolio of projects does not bring the level of support cost that allow for reimbursing the country office at a rate that would bring sufficient level of monitoring and/or allow for the level of consultancy components to ensure smooth implementation. UNDP will have to consider these situations on a case by case basis in future.
- Finally, UNDP will continue to focus on following up with executing agencies and country offices to financially close outstanding operationally completed projects in order to return remaining funds to MLF. Our finance team will continue to ensure adequate management of financial reporting and follow-up on requirements related to the implementation of national and sector phase-out plans, and maintain close contacts with the Secretariat and Treasurer.

6.3. Management and Supervision of National/Sector Plans

There are currently 42 ongoing Performance Based National and Sector Plans with UNDP.

- UNDP will continue to assist the countries in which it is implementing national and sector phase-out plans to establish and sustain the infrastructure for the National Implementation and Monitoring/Management Units approved under the national/sector Plans, working closely with Government and operating under MLF and UNDP guidelines related to procurement of goods, data verification requirements, proper financial management and auditing, as well as required reporting on the progress of the Plans.
- National ODS legislative and regulatory frameworks are assessed and, if deemed inadequate to support and sustain the target reductions contained in a performance-base agreement, are presented to the relevant Government authorities with suggested revisions. Monitoring of ODS imports and distribution will continue to be strengthened as a mechanism to prevent enterprises (who have converted) from making future purchases of these ODS. UNDP will also continue to assist countries put in place, or strengthen, verification mechanisms, both from a top-down approach - ensuring that appropriate licensing systems are in place, as well as a bottom-up approach – supporting enhancement of government registries that detail purchasers of ODS, as well as enterprises that have been assisted by the Fund.
- As far as meeting agreed targets, UNDP and Government staff will continue to work in partnership to establish the mechanisms for preparation of projects to be funded under the Plans (in accordance with MLF guidelines, independent technical reviews etc.), as well as to monitor their implementation (procurement of equipment/materials, list of equipment to be destroyed, technology selection regulations, etc.). Reports on progress, key to measuring success of implementation and phase-out, as well as identifying challenges, are the result of a collaborative effort between National Management teams and UNDP.

UNDP believes that the aforementioned measures will continue to assist countries to expedite implementation of ongoing programmes and also enable them to efficiently implement the upcoming HPMPs. Specific ODP related information on on-going UNDP projects, on a country-by-country basis, has been provided as part of the BP tables.

The measures above are intended, as before, to be extended to all programming, on-going and planned programmes, so as to maintain momentum, accelerate implementation where required, improve supervision, as well as financial accountability, at the field level.

Since the workload has risen significantly due to the new control measures related to HCFCs, and as already mentioned, MPU has addressed and continue to address the need for additional staff and finding ways to facilitate procurement and technology transfer processes to ensure speedy implementation. Therefore changes are ongoing in the MPU business model, such as new staff recruitment, an improved roster of internal and external partners and experts, as well as greater internal partnerships across focal areas. UNDP senior management has offered full support to the MPU team to address these issues as they understand that the overall success of this programme will not only help countries to comply with the accelerated phase-out of HCFCs but will also bring significant climate mitigation benefits.

6.4. Country Developments and UNDP Efforts to Address Compliance

6.4.1. UNDP efforts in countries addressed by the Implementation Committee and by the MOP

UNDP is continuing to assist countries address their compliance commitments, following issues raised by the Implementation Committee in 2009 and corresponding decisions taken by the 21st Meeting of the Parties. These include countries where UNDP manages the Institutional Strengthening programmes, as well as countries where UNDP is playing a significant role in a particular sector. In addition to the measures mentioned above, there are no new compliance issues for UNDP countries as discussed in the last Implementation Committee and MOP meetings in Egypt, with the exception of Bangladesh, listed below:

In 2009, UNDP continued its support to Bangladesh for expediting implementation of the national ODS phase-out plan and the MDI project, in close collaboration with government, industry and UNEP, the partner agency:

- UNDP introduced a fast-track mechanism for executing enterprise/field-level activities in mid-2009, followed by a high-level mission in June 2009, jointly with UNEP, to ensure buy-in from decision makers in the government on the importance of country initiatives for the MDI projects
- UNDP assisted Bangladesh in preparing a plan of action to reduce dependence on CFCs both in servicing as well as in MDI manufacturing, including exploring reclaimed CFCs and drop-in substitutes
- A second high-level mission was arranged jointly with UNEP in October 2009, with the participation of the ExCom Chair, Chief Officer of the MLF, President of the Implementation Committee, Ozone Secretariat and the UN Resident Coordinator. This helped consolidate the government's commitment to make every effort to ensure quick and coordinated actions to support execution of field-level activities
- Memorandum of Agreement (MOA) between government and the three MDI manufacturers was signed in October 2009. Two of the three MDI manufacturers already launched two non-CFC MDI formulations during the remainder of 2009.
- UNDP is working closely with government and UNEP, to ensure completion of the remaining activities under the national ODS phase-out plan.

6.4.2. UNDP efforts to support verification of Article 7 data (in support of Decision 41/16)

As part of the activities that UNDP will continue to undertake in 2010, and as done in the past for UNDP-IS countries, UNDP will continue to work with National Ozone Units in partner countries to verify the consistency of their Article 7 data reporting and project phase-out data presented. The underlying aim of such an exercise is to ensure the accuracy of data in order to facilitate verification of phase-out

achievements and identify potential and/or existing problem areas, such that remedial action, as necessary, may be initiated. In addition, lessons learned and recommendations gathered from independent verification reports are taken into consideration by UNDP and partner Governments in order to enhance reliability and consistency of data reporting.

7. 2010 PERFORMANCE INDICATORS

Decision 41/93 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 “2010 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2010 business plan to be approved at the 60th ExCom meeting in April 2010. It should however be noted that this table is usually being revised at that meeting, depending on the decisions that are taken. Also, most indicators can better be determined at the time the progress report is submitted in May 2010.

Category of performance indicator	Item	Weight	UNDP’s target for 2010	Remark
Approval	Number of annual programmes of multi-year agreements approved vs. those planned (new plus tranches of ongoing MYAs).	20	45	(1 from table-9 + 44 countries listed in table 10; we assumed that on average, one MYA would be submitted per country listed even though for some there are only individual INV projects and for others there may be more than one sector plans.)
Approval	Number of individual projects/activities (DEM, INV, TAS, one-off TPMPs, TRA, IS) approved vs. those planned	20	15	(1 Global TAS, 4 HCFC-Demos, 5 ODS-Waste Demos, 5 individual INV-projects)
Implementation	Milestone activities completed /ODS levels achieved for approved multi-year annual tranches vs. those planned	20	9	(See paragraph 4.5 above → 1 milestone per ongoing MYA)
Implementation*	ODP phased-out for individual projects vs. those planned per progress reports	5	tbd	Will be known when submitting progress report
Implementation*	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	tbd	This can be better determined after progress report is submitted in May.
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	100%	1 out of 1 country with compliance issues as listed in paragraph 6.4.1. will have received policy assistance by UNDP
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	On time	
Administrative*	Timely submission of project completion reports vs. those agreed	5	On time	
Administrative*	Timely submission of progress reports and responses unless otherwise agreed	5	On time	

Note: tbd = to be determined