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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 8(d)(ii) of the provisional agenda[1]

UNDP BUSINESS PLAN FOR 2025–2027

Introduction

1. This document presents UNDP business plan for 2025–2027 and includes the planned activities for the reduction of controlled substances and other activities under the Montreal Protocol during the period 2025–2027. The narrative of UNDP's business plan for 2025–2027 is attached to the present document.

2. This document consists of the following sections:

I. Planned activities during the period 2025–2027

II. Secretariat's comments

III. Proposed adjustments by the Secretariat

IV. Performance indicators

V. Recommendation

I. Planned activities during the period 2025–2027

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

[1] UNEP/OzL.Pro/ExCom/95/1

Table 1. Resource allocation in the UNDP business plan for 2025–2027 (US $)* – as submitted

Description	2025	2026	2027	Total (2025–2027)	Total after 2027
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	17,142,461	20,420,783	10,570,777	48,134,021	16,251,370
HPMP stage II	563,840	55,000	87,200	706,040	222,560
HPMP stage III	609,542	996,000	899,662	2,505,204	1,287,000
HPMP stage IV	0	3,691,000	5,537,000	9,228,000	0
HPMP – energy efficiency (decision 89/6)	200,909	0	76,000	276,909	0
HCFC activities subtotal	**18,516,752**	**25,162,783**	**17,170,639**	**60,850,174**	**17,760,930**
HFC activities					
Approved Kigali HFC implementation plans (KIPs)	2,196,994	2,423,439	1,791,841	6,412,274	750,372
KIP stage I – project preparation (PRP)	401,730	0	0	401,730	0
KIP stage I	7,034,456	15,807,879	23,041,355	45,883,689	14,717,259
HFC investment – PRP	85,600	0	0	85,600	0
HFC investment	0	96,000	0	96,000	0
HFC demonstration	650,000	0	0	650,000	0
HFC-23 investment	0	8,000,000	0	8,000,000	0
HFC activities subtotal	**10,368,780**	**26,327,318**	**24,833,196**	**61,529,293**	**15,467,631**
Other activities					
Pilot project for energy efficiency – demonstration (decision 91/65)	5,370,000	0	0	5,370,000	0
National inventories of banks of waste-controlled substances – PRP (decision 91/66)	192,000	0	0	192,000	0
Other activities subtotal	**5,562,000**	**0**	**0**	**5,562,000**	**0**
Standard activities					
Institutional strengthening (IS)	368,559	9,048,789	4,095,018	13,512,366	0
Core unit	2,388,150	2,203,467	2,218,892	6,810,510	0
Standard activities subtotal	**2,756,710**	**11,252,256**	**6,313,910**	**20,322,876**	**0**
Total	**37,204,242**	**62,742,357**	**48,317,744**	**148,264,343**	**33,228,561**

* Including agency support costs where applicable.

II. Secretariat's comments

II.1 HCFC activities

Stage II of HPMPs

4. A total of US $928,600 is planned for stage II of the HPMPs for four low-volume-consuming (LVC) countries to meet 100 per cent reduction of the HCFC baseline (including US $706,040 for 2025-2027 and US $222,560 for the period after 2027).

Stage III of HPMPs

5. A total of US $3.79 million is planned for stage III of the HPMPs for five countries (including US $2.51 million for 2025–2027 and US $1.29 million for the period after 2027).

Stage IV of HPMPs

6. A total of US $9.23 million is planned for stage IV of the HPMP for one country for 2025–2027. Project preparation for this activity was submitted to the 95th meeting.

Energy efficiency for LVC countries (decision 89/6)[2]

7. A total of US $276,909 is included in the business plan for energy efficiency activities for four LVC countries for 2025–2027.

II.2 HFC-related activities

KIP project preparation

8. A total of US $401,730 is included in the business plan for KIP project preparation activities for four countries in 2025.

9. Three of the four countries for which KIP project preparation activities have been included have not yet ratified the Kigali Amendment but have submitted the required letter from their respective Government indicating their intent to make best efforts to ratify the Kigali Amendment in line with decision 84/46(f).

Stage I of KIPs

10. A total of US $60.6 million is included in the business plan for stage I of KIPs for 23 countries (including US $45.88 million for 2025–2027 and US $14.72 million for the period after 2027). All these countries have ratified the Kigali Amendment.

HFC investment and project preparation

11. UNDP's business plan included an HFC investment project for one country amounting to US $96,000 in 2026. The project preparation for this activity amounting to US $85,600 is included in the 2025 business plan. This country has ratified the Kigali Amendment.

HFC demonstration

12. UNDP's business plan included an HFC demonstration project for one country amounting to US $650,000 in 2025. The project preparation for this project was approved at the 93rd meeting.

HFC-23 investment

13. UNDP's business plan included an investment project for HFC-23 emissions control for one country amounting to US $8 million in 2026. This country has ratified the Kigali Amendment.

II.3 Other activities

Pilot projects for energy efficiency (decision 91/65)[3]

14. A total of US $5.37 million is included in the business plan under the funding window for pilot projects for energy efficiency for 2025 for seven countries and one global project on demonstrating digital monitoring and management tools to enhance energy efficiency and reduce emission of greenhouse gases

[2] Decision 89/6 allowed bilateral and implementing agencies, when submitting existing and future stages of HPMPs for LVC countries, to include the funding associated with the need for the introduction of alternatives to HCFCs with low- or zero-global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

[3] The Executive Committee established a funding window and criteria for pilot projects to maintain and/or enhance energy efficiency of replacement technologies and equipment in the context of HFC phase-down.

in the space cooling and cold chain sectors in Colombia, Lebanon, and Trinidad and Tobago. The project preparation for the global project was approved at the 94th meeting.

Project preparation for national inventories of banks of waste-controlled substances (decision 91/66)[4]

15. A total of US $192,000 is included in the business plan for the preparation of national inventories of banks of waste-controlled substances for 2025 for two countries.

II.4 Core unit costs

16. The core unit costs[5] are expected to increase at an annual rate of 0.7 per cent as agreed, and include additional core unit funding in the amount of US $200,000 in 2025 for 2026, pursuant to decision 93/95(b).[6]

III. Proposed adjustments by the Secretariat

17. The adjustments to the UNDP business plan for 2025–2027 were based on relevant decisions of the Executive Committee. In reviewing the revised UNDP business plan for 2025–2027, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the UNDP business plan for 2025–2027 (US $)* – as proposed by the Secretariat

Adjustment	2025–2027	After 2027
MYA values to reflect the actual amounts approved under the Agreements that have been submitted to the 95th meeting	43,600	0
Energy efficiency for LVC countries pursuant to decision 89/6 or submitted to the 95th meeting	(76,063)	0
Servicing sector for stage I of KIPs pursuant to decision 92/37	(1,364)	0
Preparation for national inventories of banks of waste-controlled substances submitted to the 95th meeting	(96,000)	0

* Including agency support costs where applicable.

18. Table 3 presents the results of the Secretariat's proposed adjustments to the UNDP business plan for 2025–2027, which are also addressed in the context of the consolidated business plan of the Multilateral Fund for 2025–2027.[7]

Table 3. Resource allocation in UNDP's adjusted business plan for 2025–2027 (US $)*

Description	2025	2026	2027	Total (2025–2027)	Total after 2027
HCFC activities					
Approved HPMPs	17,186,061	20,420,783	10,570,777	48,177,621	16,251,370
HPMP stage II	563,840	55,000	87,200	706,040	222,560
HPMP stage III	609,542	996,000	899,662	2,505,204	1,287,000
HPMP stage IV	0	3,691,000	5,537,000	9,228,000	0
HPMP – energy efficiency (decision 89/6)	124,846	0	76,000	200,846	0
HCFC activities subtotal	**18,484,289**	**25,162,783**	**17,170,639**	**60,817,711**	**17,760,930**

[4] The Executive Committee established a funding window and criteria for the preparations of national inventories of banks of used or unwanted controlled substances and a plan for the collection, transport, and disposal of such substances.
[5] UNDP's 2025 core unit costs will be considered at the 95th meeting (UNEP/OzL.Pro/ExCom/95/84).
[6] The Executive Committee approved an increase in the core unit funding for UNDP by US $200,000, for each year of the triennium 2024–2026, for the strengthening of its capacity to provide technical and policy support to Article 5 countries, on the understanding that the increase only applied to the triennium 2024–2026.
[7] UNEP/OzL.Pro/ExCom/95/25

Description	2025	2026	2027	Total (2025–2027)	Total after 2027
HFC activities					
Approved KIPs	2,196,994	2,423,439	1,791,841	6,412,274	750,372
KIP stage I – PRP	401,730	0	0	401,730	0
KIP stage I	7,034,049	15,807,879	23,040,398	45,882,325	14,717,259
HFC investment – PRP	85,600	0	0	85,600	0
HFC investment	0	96,000	0	96,000	0
HFC demonstration	650,000	0	0	650,000	0
HFC-23 investment	0	8,000,000	0	8,000,000	0
HFC activities subtotal	**10,368,373**	**26,327,318**	**24,832,239**	**61,527,929**	**15,467,631**
Other activities					
Pilot project for energy efficiency – demonstration (decision 91/65)	5,370,000	0	0	5,370,000	0
National inventories of banks of waste-controlled substances – PRP (decision 91/66)	96,000	0	0	96,000	0
Other activities subtotal	**5,466,000**	**0**	**0**	**5,466,000**	**0**
Standard activities					
IS	368,559	9,048,789	4,095,018	13,512,366	0
Core unit	2,388,150	2,203,467	2,218,892	6,810,510	0
Standard activities subtotal	**2,756,710**	**11,252,256**	**6,313,910**	**20,322,876**	**0**
Total	**37,075,372**	**62,742,357**	**48,316,787**	**148,134,517**	**33,228,561**

* Including agency support costs where applicable.

IV. Performance indicators

19. UNDP submitted performance indicators pursuant to decision 93/8(d) in its business plan narrative. The Secretariat informed UNDP of the targets shown in table 4.

Table 4. Performance indicators for UNDP for 2025

Type of indicator	Short title	Calculation	2025 target
Planning-Approval	Tranches approved	Number of tranches approved vs. those planned*	33
Planning-Approval	Individual projects/ activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	19
Implementation	Funds disbursed	Based on estimated disbursement in progress reports	19,663,303
Implementation	ODS phase-out for HCFC-related projects	ODS phase-out for HCFC-related projects in ODP tonnes vs. those planned per progress reports	942.9 ODP tonnes
Implementation	HFC phase-down for HFC-related projects	HFC phase-down for HFC-related projects in CO_2-eq tonnes vs. those planned per progress reports	462,857 CO_2-eq tonnes
Implementation	Project operational completion	Project operational completion vs. planned in progress reports for all activities (excluding project preparation)**	36
Implementation	Gender mainstreaming	Operational policy on gender mainstreaming applied to all approved projects	100%
Administrative	Speed of financial completion	The extent to which projects are financially completed within 12 months after project operational completion	12 months after operational completion
Administrative	Timely submission of project completion reports	Timely submission of project completion reports based on the progress report	0

Type of indicator	Short title	Calculation	2025 target
Administrative	Timely submission of progress reports and business plans	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

* The targets of an agency will be reduced if it cannot submit a tranche owing to another cooperating agency or lead agency or if the HCFC phase-out management plan or Kigali HFC implementation plan submitted for consideration by the Executive Committee is not approved as a result of factors beyond the control of the national ozone unit and agency.
** The targets of an agency will be reduced if an extension of the completion date has been approved by the Executive Committee.

V. Recommendation

20. The Executive Committee may wish:

(a) To note the UNDP business plan for 2025–2027 contained in document UNEP/OzL.Pro/ExCom/95/27; and

(b) To approve the performance indicators for UNDP set out in table 4 of document UNEP/OzL.Pro/ExCom/95/27.

Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

UNDP 2025 Business Plan Narrative

95th meeting, 4–8 December 2024, Montreal, Canada

I. Introduction

The 2025-2027 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 phase-down of HFCs.

It should be noted that planned activities included in the 2025 column are relatively firm, while future years are indicative and are provided for planning purposes only.

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 2025 through 2027. Figures are also provided for the years 2028-2030, 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, HFC stand-alone investment projects, preparation and Stage I Kigali Implementation Plans, energy efficiency, and Preparatory funding for inventories of banks of used/unwanted controlled substances (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, 82/45, 84/46, 87/50, 89/6, 91/65, 91/66, 92/37, 93/95, and 94/60) as well as country requests have been taken into consideration. As agreed with the Secretariat, activities which were included in UNDP's 2024 Business Plan, but were not submitted in 2024 were reflected in the 2025 Business Plan as well. Given the limited time for consultation with the A5 parties on the pipeline related to the Decision of 94/60, projects weren't included in the BP for its specific funding window, but UNDP may submit the projects for this window in the work programme in 2025.

The activities included for 2025 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 US$ 17.1 million;
- New Stage II and III HPMP requests for five countries (Angola, Haiti, Iran, Mali and St. Kitts & Nevis) to meet the 2025 and 2030 control targets;
- HFC preparation requests for four countries (Guyana, India, Iran and Nepal);
- Preparatory funding for inventories of banks of used/unwanted controlled substances in Indonesia and Lebanon as per ExCom Decision 91/66;
- Approved Stage I Kigali Implementation Plan for Mexico;
- Planned Stage I Kigali Implementation Plans for fourteen countries worth $7.0 million.
- 22 ongoing institutional strengthening activities, of which one (Bangladesh) will request an extension in 2025 for US$ .365 million;
- Activities to introduce alternatives to HCFCs with low or zero GWP and for maintaining energy efficiency in the refrigeration servicing sector (Decision 89/6) in three countries (Angola, Georgia, St. Kitts & Nevis);
- Preparation for one HFC investment demonstration project in Cuba;
- One HFC investment demonstration project in India worth $.65 million;
- Six demonstration activities "Demonstrating digital monitoring and management tools to enhance energy efficiency and reduce emission of green-house gases in the space cooling and cold chain sectors in Columbia, Lebanon, and Trinidad and Tobago in accordance with ExCom Decision 91/65 and a "Pilot project to maintain and/or enhance energy efficiency in the context of HFC

phase-down" in Chile, Cuba, Panama, Paraguay, and Trinidad & Tobago in accordance with ExCom Decision 91/66;

- If the PRP for Stage I KIP for China is approved by the 95th meeting, the KIP might be submitted to the second meeting of 2025 or the first meeting of 2026. Estimated amounts of the KIP was not included in the BP at this time; 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 2025 and beyond were based on the Stage II guidelines that were approved at the 74th meeting and on a calculation of up to 67.5% or total phase-out for most countries. The year of the first tranche and the duration 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 with the exception of a few cases.

For countries that have requested preparation funding for Kigali Implementation Plans but not ratified Kigali yet, letters of intention to ratify Kigali have been sought. It should be noted that UNDP will request HFC preparation for a few countries that weren't included in the business plan once they ratify the Kigali Amendment. In order to calculate the funding levels, the guidelines for HFC preparation contained in ExCom document 87/46 were applied.

The calculation of countries' KIPs funding needs was more challenging for a number of reasons. First, it was difficult to provide data in metric tonnes in the business plan. In the absence of a defined starting point for aggregate reductions in HFC consumption and the associated global warming potential of the HFCs that will be phased-down, the amounts of HFCs in metric tonnes are for indicative purposes only as countries' compliance will be in CO2 equivalent. Second, it was also challenging to provide better estimates as many of the larger non-LVCs have not decided on which sectors they will prioritize yet. Finally, funding guidelines for the manufacturing sector have not been agreed upon or approved yet for many sectors. Nonetheless, we assumed that countries are phasing down 10% of their HFC consumption for Stage I KIPs. For LVCs, we based the amounts on the Guidelines for Funding for HFC phase down in the refrigeration servicing sector (Decision 92/37). We took the average HFC consumption in servicing in baseline years (2020-2022) as reported in countries' Country Programme (CP) reports and applied 10% reductions as the first target. As highlighted above, it was difficult to report on metric tonnes in the business plan as the baseline and reduction targets are measured in CO2 equivalent. For non-LVCs, we took the average HFC baseline in servicing and/or manufacturing for the years 2020-2022 and multiplied the 10% reductions by the cost-effectiveness threshold of $5.10 per kilogram.

Taking into factor these considerations, the expected business planning value is **US$ 35.7 million for 2025** and **US$ 64.2 million for 2026** (including support costs). This funding translates to the phase out of **271.1** ODP tonnes in 2025 and **407.2** ODP tonnes in 2026.

II. Resource allocation

As referenced in the Introduction section, UNDP's primary focus in 2025-2027 will be on assisting countries to meet the 2025 HCFC control target and supporting them for the HFC freeze and phasedown. The consumption of HFCs in 2023 in a few countries has exceeded the baseline level of the Kigali Amendment. UNDP will be working closely with these countries for meeting their compliance target of freeze for the Kigali Amendment in 2024 and beyond. In addition, the renewal of institutional strengthening projects is also a component of UNDP's 2025-2027 Business Plan.

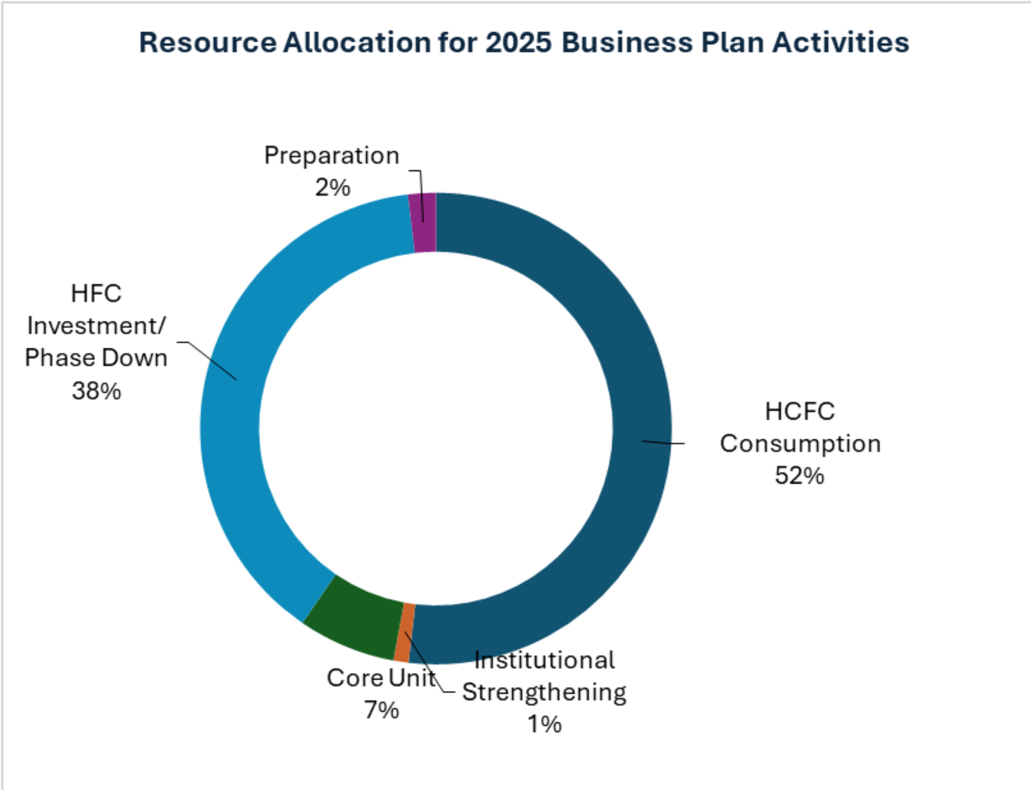
The total budget for 2025 for the above activities is US$ **33.3** million (including support costs) plus US$ 2.4 million core unit funding for UNDP. Table 1 below summarizes the resource allocation of UNDP's 2025 Business Plan. The projects are grouped into various categories, which are described in the following summary table.

Table 1: UNDP 2025-2027 Business Plan Resource Allocations[1]

Category	2025 Value	2026 Value	2027 Value
Approved HPMP Stages	17,142,461	20,420,783	10,570,777
New HPMP Stages	1,173,382	4,742,000	6,523,862
HFC Phase Down Investment Project	650,000	8,096,000	0
HFC Phase Down Preparation	401,730	0	0
Approved HFC Phase Down Stages	2,196,994	2,423,439	1878841
New HFC Phase Down Stages	7,034,456	15,807,879	22,954,355
Institutional Strengthening	368,559	9,048,789	4,095,018
Core Unit	2,388,150	2,203,467	2,218,892
HPMP - Additional	200,909	0	76000
ODS Inventory PRP	192,000	0	0
Demonstration	3,870,000	1,500,000	0
HFC Investment Preparation	85,600	0	
Total	**35,704,242**	**64,242,357**	**48,317,744**

[1] All values include agency support costs.

Chart 1: UNDP Resource Allocation for 2025 Business Plan Activities

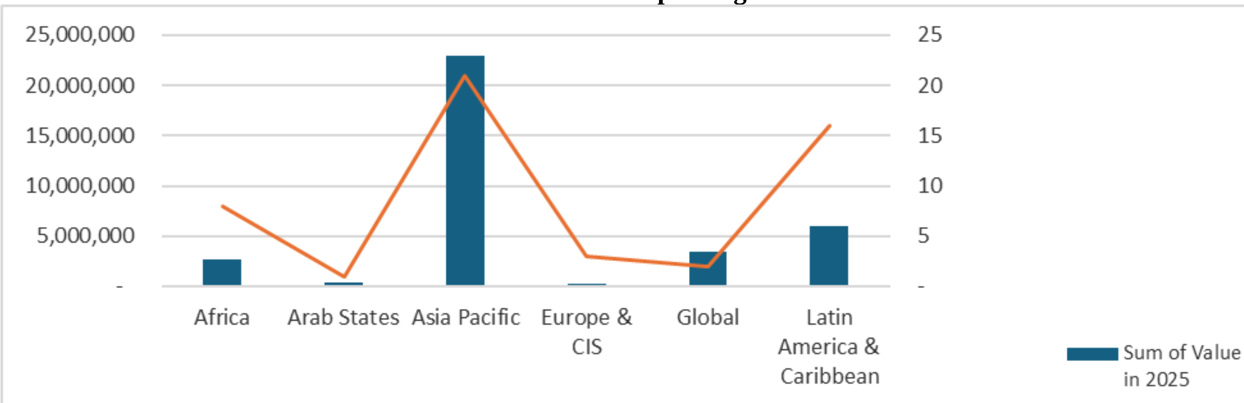


III. Geographical distribution

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 54 countries, 34 of which have funding requests in 2025. The number of activities and budgets per region for 2025 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, preparing countries for the HFC freeze and 10% reduction target, and institutional strengthening projects.

Chart 2: UNDP 2025 MYA Tranches[2] and New Activities per Region[3]



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

IV. Programme Expansion in 2025

4.1. <u>Background</u>

UNDP's 2025-2027 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, HFC preparation, Kigali Implementation Plans, 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 prior to, during and post the Inter-Agency Coordination meeting held on 10 – 12 October 2024 in Montreal.

<u>Countries Contacted.</u> 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.

<u>Coordination with other bilateral and implementing agencies.</u> As in the past, during 2025, 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. <u>Non-investment projects</u>

UNDP's planned non-investment projects in 2025 are worth more than US$ .68 million, including support costs. This list excludes institutional strengthening and includes one global request under the core unit, and HCFC and HFC preparation funding.

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

[2]All values include agency support costs.
[3] EUR contains CIS-countries that receive MLF funding.

throughout 2025.

Table 3: Individual Non-Investment projects (DEM/TAS) in 2025

Country	Sector and Subsector	Value in 2025
Guyana	PRP for HFC phase-down plan	41,730
India	PRP for HFC phase-down plan	165,000
Iran (Islamic Republic of)	PRP for HFC phase-down plan	158,000
Nepal	PRP for HFC phase-down plan	37,000
Indonesia	Preparatory funding for inventories of bans of used/unwanted controlled substances	96,000
Lebanon	Preparatory funding for inventories of bans of used/unwanted controlled substances	96,000
Cuba	Preparatory funding for HFC Investment Project (RAC and MDI)	85,600
		679,330

In addition, UNDP will prepare one non-investment Institutional Strengthening project extension in 2025, as indicated in the table below. The total value of IS renewal programming in 2025 is US$ .37 million.

Table 4: Non-Investment Institutional Strengthening requests

Country	Sector and Subsector	Value in 2025
Bangladesh	Several Ozone unit support	368,559
		368,559

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

While Section IV dealt specifically with 2025 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_2, R-32, Ammonia, hydrocarbons, etc.) in various sectors which demonstrated low GWP alternatives to HCFCs using various technologies in a number of priority sectors. Please see below the table for a detailed list of the countries, project titles and status of these projects. The factsheets on these projects are available on the MLF website.

The table below provides details on all the UNDP demonstration projects funded by the MLF for HCFC phaseout.

Project Title	**Country**	**Sector/Subsector/Applications**	**Status**
Pilot project to validate methylal as blowing agent in the manufacture of polyurethane foam	Brazil	PU Foam Non-insulation and insulation foam	Completed
Pilot project for validation of methyl formate as a blowing agent in the manufacture of polyurethane foam	Brazil	PU Foam/Flexible, integral skin, rigid insulation foam	Completed
Demonstration project for conversion from HCFC-22 technology to ammonia/CO2 technology in the manufacture of two-stage	China	Industrial and commercial refrigeration (ICR) /Cold storage and freezing applications	Completed

refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd.			
Demonstration project for conversion from HCFC-22 technology to HFC-32 technology in the manufacture of commercial air-source chillers/heat pumps at Tsinghua Tong Fang Artificial Environment Co. Ltd.	China	Industrial and commercial air-conditioning Unitary and multi-connected air-conditioning (AC) and heat pumps	Completed
Demonstration of the application of an ammonia/carbon dioxide refrigeration system in replacement of HCFC-22 for the medium-sized producer and retail store of Premezclas Industriales S.A.	Costa Rica	Industrial and commercial refrigeration	Completed
Assessment of the use in Colombia of the supercritical CO2 technology	Colombia	PU Foam/Spray foam	Completed
Demonstration project to validate the use of hydrofluoro-olefins for discontinuous panels in Article 5 parties through the development of cost-effective formulations	Colombia	Rigid Foam	Completed
Demonstration of low-cost options for the conversion to non-ODS technologies in polyurethane foams at very small users	Egypt	Rigid Foam	Completed
Conversion from HCFC-22/HCFC-142b technology to CO2 with methyl formate co-blowing technology in the manufacture of extruded polystyrene foam at Feininger	China	Extruded polystyrene (XPS) foam	Completed
Validation of use of HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam board stock	Turkey	Extruded polystyrene (XPS) foam	Completed
Validation/Demonstration of low-cost options for the use of hydrocarbons as foaming agent in the manufacture of PU foam	Egypt	PU Foam Rigid and integral skin foam	Completed
Pilot project for validation of methyl formate in microcellular polyurethane applications (phase I)	Mexico	Integral skin foam	Completed
Demonstration project for conversion from HCFC-141b-based technology to isoparaffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	China	Solvents	Completed
Demonstration project for ammonia semi-hermetic frequency convertible screw refrigeration compression unit in the industrial and commercial refrigeration industry at Fujian Snowman Co. Ltd.	China	Industrial and Commercial Refrigeration Compressor	Completed
Demonstration project (R290) for HCFC phase-out in the manufacturing of commercial air conditioning equipment in industrials THERMOTAR LTDA.	Colombia	Commercial Air-Conditioning	Completed
Demonstration Project for Fisheries Sector in the Maldives	Maldives	Refrigeration in Fishery Sector	Completed
Punta Cana District Cooling Feasibility Study	Dominican Republic	Air conditioning sector/not-in-kind technology	Completed

Stand-alone HFC Investment Projects

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 already assisted five countries (Bangladesh, China, Dominican Republic, Mexico, and Zimbabwe) with preparing such projects, out of which all have been completed. In 2025 and beyond, UNDP will assist the governments of Cuba and India with preparing HFC investment projects. Preparatory funding has been requested in 2023 in most cases.

Kigali Implementation Plan Preparatory Funds

As of September 2024, UNDP has received approval from the Multilateral Fund to provide support to 33 countries to prepare their Kigali Implementation Plans as the lead or cooperating agency. Of these countries, 20 countries have submitted their Stage I Kigali Implementation Plans. For more details, please see the table below.

Country	MLF Number	Project Title	KIP Status
Angola	ANG/KIP/88/PRP/24	Preparation of Kigali HFC implementation plan	In process
Bangladesh	BGD/KIP/90/PRP/58	Preparation of Kigali HFC implementation plan	In process
Bhutan	BHU/KIP/87/PRP/29	Preparation of Kigali HFC implementation plan	In process
Brazil	BRA/KIP/93/PRP/333	Preparation of Kigali HFC implementation plan	In process
Cambodia	KAM/KIP/88/PRP/40	Preparation of Kigali HFC implementation plan	Submitted
Chile	CHI/KIP/88/PRP/207	Preparation of Kigali HFC implementation plan	Submitted
Colombia	COL/KIP/87/PRP/110	Preparation of Kigali HFC implementation plan	Submitted
Costa Rica	COS/KIP/87/PRP/63	Preparation of Kigali HFC implementation plan	Submitted
Cuba	CUB/KIP/87/PRP/65	Preparation of Kigali HFC implementation plan	Submitted
Dominican Republic	DOM/KIP/87/PRP/73	Preparation of Kigali HFC implementation plan	Submitted
Egypt	EGY/KIP/93/PRP/156	Preparation of Kigali HFC implementation plan	In process
El Salvador	ELS/KIP/88/PRP/44	Preparation of Kigali HFC implementation plan	Submitted
Eswatini	SWA/KIP/87/PRP/33	Preparation of Kigali HFC implementation plan	Submitted
Fiji	FIJ/KIP/88/PRP/41	Preparation of Kigali HFC implementation plan	In process
Ghana	GHA/KIP/87/PRP/51	Preparation of Kigali HFC implementation plan	Submitted
Grenada	GRN/KIP/88/PRP/28	Preparation of Kigali HFC implementation plan	Submitted
Kyrgyzstan	KYR/KIP/87/PRP/45	Preparation of Kigali HFC implementation plan	Submitted
Laos PDR	LAO/KIP/87/PRP/39	Preparation of Kigali HFC implementation plan	Submitted
Lebanon	LEB/KIP/87/PRP/98	Preparation of Kigali HFC implementation plan	In process
Maldives	MDV/KIP/87/PRP/36	Preparation of Kigali HFC implementation plan	In process
Mali	MLI/KIP/93/PRP/47	Preparation of Kigali HFC implementation plan	In process
Mexico	MEX/KIP/87/PRP/195	Preparation of Kigali HFC implementation plan	Submitted
Mozambique	MOZ/KIP/90/PRP/36	Preparation of Kigali HFC implementation plan	Submitted
Nigeria	NIR/KIP/87/PRP/156	Preparation of Kigali HFC implementation plan	In process
Panama	PAN/KIP/87/PRP/53	Preparation of Kigali HFC implementation plan	Submitted
Paraguay	PAR/KIP/87/PRP/42	Preparation of Kigali HFC implementation plan	Submitted
Peru	PER/KIP/87/PRP/59	Preparation of Kigali HFC implementation plan	Submitted
Philippines	PHI/KIP/91/PRP/109	Preparation of Kigali HFC implementation plan	In process

Sri Lanka	SRL/KIP/87/PRP/59	Preparation of Kigali HFC implementation plan	In process
Trinidad & Tobago	TRI/KIP/87/PRP/40	Preparation of Kigali HFC implementation plan	Submitted
Turkiye	TUR/KIP/90/PRP/112	Preparation of Kigali HFC implementation plan	Submitted
Uruguay	URU/KIP/87/PRP/77	Preparation of Kigali HFC implementation plan	In process
Zimbabwe	ZIM/KIP/91/PRP/66	Preparation of Kigali HFC implementation plan	Submitted

Preparatory funding for another four countries (Guyana, India, Iran, and Nepal) have been included in the business plan for 2025-2027.

Energy Efficiency for LVCs

ExCom Decision 89/6 allows for low-volume consuming countries (LVCs) to consider additional activities for inclusion in existing and future HCFC phase-out management plans (HPMPs) when needed for the introduction of alternatives to HCFCs with low or zero global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector. These activities were included for four countries (Angola, Georgia, Republic of Moldova, and Saint Kitts and Nevis) in UNDP's Business Plan, mostly for the year 2025.

Pilot projects to maintain and/or enhance energy efficiency in the context of HFC phase-down

ExCom Decision 91/65 establishes a funding window for pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down. UNDP has included projects in seven countries (Chile, Cuba, Ghana, Indonesia, Panama, Paraguay and Trinidad and Tobago) to maintain and/or enhance energy efficiency in the context of HFC phase-down as well as a global proposal on Demonstrating digital monitoring and management tools to enhance energy efficiency and reduce emission of green-house gases in the space cooling and cold chain sectors in Columbia, Lebanon, and Trinidad and Tobago.

Preparatory funding for inventories of bans of used/unwanted controlled substances

As per ExCom Decision 91/66, a funding window was established for countries to prepare national inventories of banks of used or unwanted controlled substances and a plan for the collection, transport and disposal of such substances, including consideration of recycling, reclamation and cost-effective destruction. Preparation funding in accordance with this decision was included for two countries (Indonesia and Lebanon) in UNDP's Business Plan in 2025.

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 actions have been taken by the NOUs, with support from UNDP, when there are discrepancies in data reporting and issues related to the licensing system were identified either in the review process by the MLF Secretariat or in the verification report.

Some parties are facing challenges for compliance with the Kigali Amendment to freeze the consumption of HFCs in 2024 and beyond. The consumption of HFCs in 2023 in several countries UNDP is supporting were above the baseline level of the Kigali Amendment given the high growth of the cooling demand and low penetration of low GWP alternatives in the local market. UNDP is working closely with these countries for meeting their compliance target of freeze through license system and the implementation of the KIP.

VII. Policy Issues

None.

VIII. 2023 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 "2025 targets" for those indicators. Some of these targets can be extracted from UNDP's 2025 business plan to be approved at the 95th ExCom meeting in December 2024. 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 2025	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	32	12 approved HPMPs, 5 planned HPMPs, 1 approved KIP, 14 planned KIPs
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	16	7 DEM, 1 IS, 7 PRP, 1 TAS
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	19,668,056	As determined by the 2023 Progress Report.
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	271.1	ODS Phaseout associated with 19 HPMP tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	45	As determined by the 2022 Progress Report.
Administrative	The extent to which projects are financially completed 12 months after project completion	10	TBD	70% of those due as determined by the 2023 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.

<u>Note:</u> As per usual practice, all the above indicators will be revised during the 95th ExCom, depending on which programmes are maintained in the business plan in those meetings.