PROJECT DOCUMENT

Country: India

Project Title: Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III

Project Number: 01001462

Output Number: 01001462

Project Implementation Modality: DIM

Implementing Partner: UNDP

Start Date: 17 July 2023 **End Date:** 31 December 2031 **PAC Meeting date:** 22 June 2023

Brief Description

The present Project Document is for implementation of the Stage-III of the Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP Stage-III) for the period 2023-2030.

As Party to the Montreal Protocol, India is mandated to phase-out substances, including HCFCs, which are controlled under the Montreal Protocol. The Multilateral Fund (MLF) for the Implementation of the Montreal Protocol established under Article 10 of the Montreal Protocol provides funds for meeting the compliance obligations for phase-out of Ozone Depleting Substances (ODSs) to parties operating under Article 5 (developing countries) of the Montreal protocol. The funding provided by MLF is linked to quantitative phase-out target for specific Ozone Depleting substance in Metric Tonne (MT) for meeting compliance obligation under the Montreal Protocol and includes technology conversion by participating enterprises to non-ODS technologies, technical assistance, training and capacity building.

In the past, India has already successfully phased out the production and consumption of Chlorofluorocarbons (CFCs), Carbontetrachloride (CTC), Halons, Methyl Bromide and Methyl Chloroform, with the financial support of MLF. Currently, the phase-out of production and consumption of Hydrochlorofluorocarbons (HCFCs) is being implemented as per the accelerated phase-out schedule of the Montreal Protocol vide decision vide XIX/6 of the 19th Meeting of the Parties (MOP) to the Montreal Protocol. India through the HCFC Phase-out Management Plan (HPMP) Stage-I met the phase-out of the HCFCs set under the Montreal Protocol for the year 2013 and 2015 and through the HPMP Stage-II met the phase-out of the HCFCs set under the Montreal Protocol for the year 2020.

The Executive Committee (ExCom) of the MLF in its 91st meeting vide decision 91/45 approved the HPMP Stage-III for India, to be implemented from 2023 to 2030 for the complete phase-out of HCFCs in line with the accelerated phase-out schedule of the Montreal Protocol for HCFCs. The funding approved vide the above said decision is US $27,351,569, consisting of US $14,835,060, plus agency support costs of US $1,038,454 for UNDP, US $3,370,000, plus agency support costs of US $380,700 for UNEP and US $6,952,572, plus agency support costs of US $774,783 to GIZ Proklima, Government of Germany. The UNDP is the lead implementing agency for implementation HPMP Stage-III. UN Environment Programme

(UNEP) and Deutsche Gesellschaftfür Internationale Zusammenarbeit, (GIZ) Proklima, Government of Germany are the cooperating agencies.

Implementation of HPMP Stage-III will enable India to achieve compliance with the Montreal Protocol 2025 and 2030 control targets for consumption of HCFCs. The project will also enable complete phase-out by 1.1.2025 of HCFC-22 in all manufacturing sectors as per the ODS (Control and Regulation) Rules 2000, as amended in 2014. In addition, HPMP Stage-III addresses phase-out of HCFC-22 and HCFC 123 in the RAC and firefighting servicing sectors by 2030, capacity building, project activities, policy and regulations, enforcement training, etc. for the successful and sustainable implementation of complete phase-out of HCFCs by 2030, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol.

Implementation of HPMP-Stage-III will result in complete phase out of HCFCs in line with the accelerated phase out schedule of the Montreal Protocol with sustainable reductions of 10,678.87 MT or 579.99 ODP tonne of HCFCs consumption from the starting point, contributing to India's compliance with the 2025 and 2030 control targets for Annex-C, Group-I substances (HCFCs) under the Montreal Protocol. In addition, the project will result in net direct CO2-equivalent emission reductions of about 19,239,929 tonnes CO2-eq. from 2030 onwards.

Contributing Outcome (CPD):

Cooperation Framework (or equivalent) Outcome involving UNDP #5: - By 2027, Government of India, state governments, communities, private sector and other actors take informed actions to address climate change, pollution, biodiversity loss and restore ecological integrity through improved knowledge, capacity and mainstreaming of relevant actions across sectoral programmes, policies and plans.

Indicative CPD Output(s) with Gender marker:

Output 3.2 Innovative solutions developed, demonstrated and upscaled at national and subnational levels for vulnerable communities and businesses to benefit from sustainable management of natural resources (land, water, air), chemicals and circular economy

Gender marker[3] – 2

Total resources required:	US$ 14,835,060	
Total resources allocated:		
	UNDP TRAC:	
	Fund made available to UNDP by MLF:	US$ 14,835,060
	Government:	
	In-Kind:	
Unfunded:		

Agreed by (signatures)[1]:

UNDP	Government[2]

[1]Note: Adjust signatures as needed

[2]The project will be implemented under DIM modality. In view of Ex-Com note, MOEF&CC (Ozone Cell) shall support project activities and is countersigning here in the capacity of Responsible Party.

[3]The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

Ms. Caitlin Wiesen, Resident Representative a.i., UNDP India	Ozone Cell, Ministry of Environment, Forest & Climate Change (MOEFCC)
Date: 10.04.2024	Date:

I. DEVELOPMENT CHALLENGE

Background

India acceded to the Vienna Convention for the Protection of the Ozone Layer in March 1991 and ratified the Montreal Protocol on Substances that Deplete the Ozone Layer in June 1992. The Multilateral Fund (MLF) for the Implementation of the Montreal Protocol established under Article 10 of the Montreal Protocol provides funds for meeting the compliance obligations for phase-out of Ozone Depleting Substances (ODSs) to parties operating under Article 5 (developing countries) of the Montreal protocol, including India.

The funding provided by MLF is linked to quantitative phase-out target for specific Ozone Depleting substance towards meeting compliance obligation under the Montreal Protocol and includes for conversion of enterprises to non-ODS technologies, technical assistance, training and capacity building, etc. as specified in the Decision of the Executive Committee of the MLF. The funding sought from the MLF is based upon a proposal submitted by the Country, which is developed with assistance of the designated implementing agency and covers domestic enterprises to be converted to non-ODS technologies to meet the phase-out targets, technical assistance and training / capacity building activities etc.

The Empowered Steering Committee (ESC) constituted by the Ministry of Environment, Forest and Climate Change (MoEF&CC), vide decision of the Union Cabinet no. 47/1/94 dated 27.1.94, is the apex body for all matters concerning the implementation of Montreal Protocol. A separate Ozone Cell set up by the MoEF&CC coordinates the implementation of the Montreal Protocol activities in India.

Hydrochlorofuorocarbons (HCFC) phase-out management plan (HPMP)

Currently, the phase-out of production and consumption of Hydrochlorofuorocarbons (HCFCs) is being implemented as per the accelerated phase-out schedule of the Montreal Protocol vide decision vide XIX/6 of the 19th Meeting of the Parties (MOP) to the Montreal Protocol held in September 2007 took a to accelerate the phase-out of production and consumption of HCFCs. The phase-out schedule for Article 5 Parties (developing countries) as per the decision of the 19th MOP is as follows:

- Base level : average of 2009 and 2010.
- Freeze : January 1, 2013
- 10% reduction : January 1, 2015
- 35% reduction : January 1, 2020
- 67.5%reduction : January 1, 2025
- 100% reduction : January 1, 2030, with a service tail of 2.5% annual average during the period 2030-2040.

HCFCs are widely used chemicals and India is a second largest producer of HCFCs after China in the world. HCFCs are used in various applications including Refrigeration and Air-conditioning manufacturing and servicing, Foam Manufacturing, Solvents and Fire Fighting. The phase-out of HCFCs poses a significant challenge in developing economies with high growth in these sectors. These challenges inter-alia include cost effective availability of sustainable environment friendly alternatives. Some of the new alternatives have associated issues of flammability and safety, limiting their wider unhindered use. Many small and

medium enterprises also operate in these sectors, which would require adequate facilitation and technical assistance for phase-out of HCFCs.

The baseline for HCFC production and consumption has been calculated as an average for the years 2009 and 2010, which is 1608.2 ODP tonnes. An additional amount of 83.05 ODP tonnes for pre-blended polyol systems with HCFC-141b available in the country at that time was added to 1608.2 ODP to set up a starting point for phase-out of HCFCs at 1691.25 ODP tonne.

The Stage-I of HCFC Phase-out Management Plan (HPMP) for India was approved at the 66th meeting of the Executive Committee (ExCom) of the MLF, held in April 2012. The total funding approved was US$21.3 million which included US$18.44 million for implementation by UNDP (Lead IA), US$1.99 million for implementation by GIZ, and US$0.86 million by UNEP. The funding was approved for achieving a total phase-out of 341.77 Ozone Depleting Potential (ODP) tonnes from the starting point of 1,691.25 ODP tonnes. The implementation of the Stage-I was successfully completed by 31 December 2017.

The Stage-II of HPMP for India was approved at the 77th meeting of the ExCom of the MLF, for the period 2016 to 2024, to reduce HCFC consumption by 60 per cent of the baseline, for the total amount of US $ 48,315,261, consisting of: US $38,911,459, plus agency support costs of US $ 2,723,802 for UNDP, US $ 900,000, plus agency support costs of US $ 109,000 for UNEP, and US $ 5,100,000, plus agency support costs of US $ 571,000 for the Government of Germany. The Implementation of the HPMP-Stage-II will result in sustainable reductions of 8,190 MT or 769.49 ODP tonne of HCFC consumption from the starting point of 1691.25 ODP Tonnes by 2023, contributing to India's compliance well in advance with the control targets for HCFCs under the Montreal Protocol. The ongoing implementation of Stage-II will result in net direct CO2-equivalent emission reductions of about 7.8 million MT CO2 eq. per year from 2023 onwards. The implementation of HPMP Stage-II will be completed by December 2024.

The ExCom of the MLF at its 91st meeting approved the HPMP Stage-III for India for the period from 2023 to 2030 for the complete phase-out of HCFC consumption, with a funding of US $ US $27,351,569, consisting of US $14,835,060, plus agency support costs of US $1,038,454 for UNDP, US $3,370,000, plus agency support costs of US $380,700 for UNEP and US $6,952,572, plus agency support costs of US $774,783 to GIZ Proklima, Government of Germany. UNDP is the lead implementing agency and UNEP and GIZ Proklima are the cooperating agencies.

While India has successfully achieved the targets under HPMP Stage-I and HPMP Stage-II, the key challenges in HPMP stage-III are:

a) To implement phase-out of HCFCs without adversely affecting industrial and economic growth in the HCFC consuming sectors, especially for the small and medium enterprises (SME) while protecting consumer and public interests.
b) To meet the demand for substitutes for HCFCs, as far as possible from indigenous sources.
c) To reflect India's commitment to achieve compliance with the Montreal Protocol obligations including the Kigali amendment.
d) Exploring and getting right technology options as per the decision XIX/9 of the 19th MOP which emphasises introducing safe and sustainable non-HCFC and climate friendly technologies to maximize the environmental benefits, particularly on climate.

To address the above challenges, some of the measures that need to be undertaken include the following:

- Development of a roadmap for the RAC industries in SME sector and industry specific solutions.
- Technical assistance to enable RAC industries in SMEs to select appropriate replacement options.

The HPMP Stage-III needs to be implemented not only with in the limited time frame available, especially for the refrigeration and air-conditioning manufacturing sectors while addressing the challenges, but also towards meeting the compliance obligations of the country, in accordance with the agreement between the Ex-Com of the MLF and the Government of India.

II. STRATEGY

As per the Ozone Depleting Substances (Regulation and Control) Rules 2000 as amended in 2014, HCFCs in manufacturing of air-conditioners, manufacturing of other refrigeration and air-conditioning products (excluding compressors), manufacturing of fire extinguishers or fire extinguishing systems and manufacturing of all other equipment or products using HCFC is to be phased out by 1.1.2025. Accordingly, the HPMP Stage-III will address the complete phase-out of HCFCs in all the manufacturing sectors by 31.12.2024. The activities in the Refrigeration and Airconditioning (RAC) servicing sector would continue until 2030.

The strategy of Stage-III of the HPMP would be to follow the Montreal Protocol phase-out schedule and the provisions of the Ozone Depleting Substances (Regulation and Control) Rules as amended in 2014 and the principles enshrined in the Country Program of India for phase-out of Ozone Depleting Substances, comprising to have minimum economic dislocation and obsolescence cost and maximize indigenous production for twin environment and economic gains.

The strategy will focus on reducing the demand of HCFCs by supporting penetration of new/alternative technologies in the country in sectors using HCFCs, reduce the HCFC usage through training the technicians for better service practices, creating awareness and capacity in relevant stakeholders for new/alternative technologies. This will be done through various activities including policy design and implementation, technology transfer for enterprises using HCFCs, capacity building and awareness for key stakeholders. In addition, the strategy is based on the following guiding principles.

(a) It should reflect national context, priorities, national policies and be country-driven.
(b) It should be based on developing and demonstrating a strengthened and proactive partnership between government and industry.
(c) It should draw upon the lessons learnt from functioning of institutional arrangements and operational mechanisms in implementation of ODS phase-out in past.
(d) It should integrate and build upon existing infrastructures and introduce new mechanisms as needed; and
(e) It should be dynamic and evolving and be open for revisions and adaptation as necessary in response to evolving situations.

The selection of non-HCFC technology, especially by the MSMEs, is based on factors like economics and easiness of use. Towards competency enhancement of the MSMEs, training and awareness programmes on non-ODS and low-GWP alternatives to HCFCs including adoption of such alternatives are planned associating a technical institution, as done for HPMP Stage-II in the foam manufacturing sector. MSMEs will also be facilitated for adequate tie-ups with laboratories for trials, in addition to organizing study tours, field visits, etc.

The Ozone Depleting Substances (Regulation and Control) Rules, 2000 and its amendments continue to be the overarching legal framework for implementation of HPMP Stage-III. Additional measures will be considered including *inter alia* development of framework for technician certification in the refrigeration and air-conditioning servicing sector along with implementation modalities, strengthening monitoring and reporting framework including of illegal trade of ODS.

Regulatory actions will also be critical to support and sustain the phase-out of HCFCs, particularly in sub-sectors/companies not eligible to receive assistance from MLF. Besides participating enterprises, the stakeholders comprise, the industry associations, nodal line Ministries, R&D and academic institutions, etc. Periodic stakeholder consultations will be carried out for effective implementation of the HPMP Stage-III. In addition of periodic consultations, review meetings with the participating enterprises will be taken to address issues of concern, which will facilitate timely and effective implementation of the project.

The HPMP Stage-III shall be implemented as per the procedures and guidelines laid down by the ExCom, with country specific project management arrangements between Implementing Agencies, Government, Implementing partner and the participating enterprises.

A competency enhancement arrangement with the MSMEs in the manufacturing sector will be deployed for training and capacity building on non-ODS and low-GWP alternatives to HCFCs including adoption of such alternatives to assure smooth introduction of alternatives and compliance with the HPMP requirements.

III. RESULTS AND PARTNERSHIPS

Expected Results

Stage-III of the HPMP will focus on strengthening regulatory measures, supporting RAC manufacturing enterprises in transitioning to low-global-warming-potential (GWP) technologies, further strengthening the capacity of the servicing sector, and raising awareness on low-GWP technologies and implementation of the HPMP. Activities will be coordinated closely to allow for cohesive implementation across the country. The results expected from the HPMP Stage-III would be as follows:

- Comply with the HCFC phase-out targets resulting in sustained reductions in the consumption of 579.99 ODP tonne of HCFCs by 1.1.2030.
- Technology conversion to non-HCFC and low-GWP alternatives in both refrigeration and air-conditioning manufacturing sectors
- Complete phase-out of HCFCs by 1.1.2030
- Net direct CO_2-equivalent emission reductions of about 19,239,929 tonnes annually from 2030
- Competency enhancement of MSMEs in terms of adopting environmentally and safe alternatives to HCFCs, thus resulting in increased business opportunities

Resources required to achieve the Expected Results

The approved funding of USD 14,835,060 by the MLF to UNDP shall be utilised for implementing the HPMP Stage-III in close cooperation with the industry stakeholders and other agencies associated with the ODS phase-out activities.

The government in collaboration with UNDP will assist the implementation of the project through regular monitoring, guiding and implementation of its components, as approved by the ExCom.

Partnerships

UNDP, as the lead implementing agency for HPMP in India, will work closely with Ozone Cell, MoEF&CC and the cooperating agencies, viz. UNEP and GIZ for implementing the HPMP Stage-III in India. International experiences through the MPU team of UNDP will also appropriately be leveraged for effective implementation of the HPMP Stage-III. Concerned nodal line ministries /departments will also be associated as needed.

Risks and Assumptions

The programme is susceptible to the risks listed below. A detailed Risk Analysis has been included with this programme document as in Annexure I. The HPMP Stage-III project shall be implemented as per the procedures and guidelines laid down by the Ex-Com of the MLF with country specific project management arrangements between Implementing Agencies, Government, Implementing partner and Responsible parties - enterprises.

The key risks for timely implementation of the project are as follows:

- *Limited awareness among small and medium enterprises*

Following the MLF Guidelines, HCFC based technologies can be widely replaced by alternatives having GWP of 675 or less. Currently the small and medium enterprises have limited awareness on the alternatives which fits to their business technically and economically.

- *Market and resource barriers for small and medium enterprises*

The small scale units are less resourceful and unorganised. These units like other similarly placed units in other industrial sectors are affected by the shortage of working capital, reach to market, branding, and logistics. These units are also not fully aware of the chemistry involved and have to be always guided and led by the suppliers of chemicals and machinery manufacturers. Considerable investment of resources and time in retraining is needed for the SMEs.

Other measures to mitigate the risks

Financial

Moderate risk is envisaged since the funding of incremental capital costs (ICC) and incremental operating costs (IOC) of conversion to non-HCFC technologies by the enterprises is provided by the MLF to those eligible enterprises while they also commit to provide co-financing over and above the ICC and IOC. Financing is made available through technical assistance on result based approach where the enterprises gets finance on the completion of the technology conversion, though it is done through intermediate milestones. This ensures the co -financing by the enterprises.

Regulatory

The implementation of the Montreal Protocol is governed by the Ozone Depleting Substances (Regulation and Control) Rules, framed under the Environment Protection Act of the Government of India. The Ozone Depleting Substances Amendment Rules 2014 address the various provisions for phase out of Production and Consumption of HCFCs as per the accelerated phase out schedule of the Montreal Protocol for HCFCs. Though the regulatory aspects are clearly articulated ,the implementation of the same, especially by small enterprises is a challenge. Awareness of the small enterprises of the regulations and close monitoring on the same is needed to ensure the regulations are followed by the small enterprises. A Management Information System (MIS) shall be used to carry out the entire ODS management process electronically in an efficient and effective manner.

Strategic

The time available to implement actions for achieving the objectives of the HPMP Stage-III is limited and keeping in view the large number of enterprises, particularly the Small and Medium enterprises in the refrigeration and air-conditioning manufacturing sector, there are likely to be challenges in implementation. However, sound implementation framework supported by an effective monitoring mechanism will ensure timely and successful implementation.

Stakeholder Engagement

A strong coordination and involvement among different stakeholders have been established during HPMP Stage-I and Stage-II. The same will continue to achieve the phase-out targets of India. The project is expected to continue with minimum disruption to business and different industry stakeholders.

Besides participating enterprises, the stakeholders comprise, the industry associations, line Ministries, R&D and academic institutions, traders including importers and exporters of ODSs, equipment suppliers. Periodic stakeholder consultation will be carried out for effective implementation of the HPMP Stage-III.

Periodic consultation and review meetings with the participating enterprises will also be conducted to address issues of concern which will facilitate timely and effective implementation of the project.

South-South and Triangular Cooperation (SSC/TrC)

A Study tour comprising delegation of small and medium scale foam enterprises was organised to China to learn their experiences on adoption Zero ODP and Low-GWP alternatives during HPMP Stage-II implementation. A study tour of Fiji Government delegation was held in India in 2021 for sharing experiences and ideas. Similar initiatives will be planned for facilitating sharing of information on low-GWP alternatives and their adoption during the implementation of HPMP Stage-III.

Knowledge

Case studies on successful conversions carried out during HPMP Stage-III will be developed. In addition, handbooks in the form of an implementer's guide will serve as a guidebook for the

enterprises, especially SMEs during transition to alternative non-ODS and low-GWP technologies.

To ensure timely and effective implementation, the Management Information System (MIS) will have a module for ODS projects being implemented, which can be used as an effective tool for monitoring the implementation of the project.

Sustainability and scaling up

A structured project implementation framework based on the learnings from the implementation of HPMP Stage-I and HPMP Stage-II will be used for implementing HPMP Stage-III. The project will allow the penetration of alternative technologies in the market, create awareness about the same in all stakeholders, demonstrate benefits of newer technologies and capacity build the entire sector for leading the technology advancement in the sector. The project will formulate required policy measures and monitoring systems. All these will ensure the sustainability and scaling up in the sector.

IV. PROJECT MANAGEMENT

Cost efficiency and Effectiveness

A combination of various approaches shall be used to derive the cost efficiency in the implementation of HPMP Stage-III. The participating refrigeration and air-conditioning manufacturing enterprises are divided into large, medium and small including micro as per the scale of their operation. Using the implementing experiences and learnings gained in HPMP Stage-I, and HPMP Stage-II, the technology conversion in large and medium enterprises will be rolled out. The micro and small enterprises have limited resources and knowledge of alternative technologies which could be adopted. Stakeholder awareness workshops and technical assistance activities will be conducted with the small and medium enterprises to address these challenges. These activities will be conducted in parallel to the implementation of HPMP in large enterprises. The concerned industry associations and expert institutions will be associated wherever needed.

Project Management

The HPMP Stage-III shall be implemented by UNDP and supported by Ozone Cell, MoEF&CC. GIZ, Proklima and UN Environment Programme are the cooperating agencies, however projects implemented by GIZ, Proklima and UNEP will be implemented following their Rules and Procedures and are not included in this Project Document.

The Ozone cell, MoEF&CC will support activities for the HPMP Stage-III, as per Direct Implementation Modality as per specific implementation arrangement as agreed in this project document between UNDP and Ozone Cell, MoEF&CC, the activities of HPMP Stage-III shall be carried out as per approved Annual Work Plans, to be approved by the Project Steering Committee (PSC), the composition of which is given in the following sections. The scope of assistance and implementation services to be delivered by UNDP are detailed in the following sections.

Specific funding has been made available for the project Management Unit component for HPMP Stage-III to UNDP. UNDP shall facilitate utilisation of funding approved for Project Management component under HPMP Stage-III, for activities, including to other cooperating agencies, as decided by the Project Steering Committee (PSC).

Project Implementation Procedure

Preparation of Annual Work Plan (AWP)

For each year of the duration of the HPMP Stage-III, an AWP indicating both physical and financial targets shall be prepared, which shall be approved by the Project Steering Committee (PSC)

Performance-based Memorandum of Agreement with participating enterprises

The implementation of conversion activities in the enterprises in the refrigeration and air-conditioning manufacturing sectors will be through a Memorandum of Agreement (MOA) to be signed with each participating enterprise by the Ozone Cell, MoEF&CC and containing schedule of milestones to be achieved by the participating enterprises for the conversion of the enterprise from ODS technology to non-ODS technology. The template of MOA shall be finalised by the Ozone Cell, MoEF&CC, with assistance from UNDP and approved by the Competent Authority in the MoEF&CC.

Role of the Participating Enterprises

The role of the recipient enterprises are specified in the MOA.

Verification of milestones at enterprise level as per MoA

The completion of the milestones for each of the participating enterprise shall be independently verified by a third-party. The UNDP shall appoint an independent third-party agency having required technical expertise in the area to verify and carry out due diligence that the participating enterprises in both refrigeration and air-conditioning manufacturing sectors have successfully met the deliverables as per the MOA. The terms of reference for appointing the agency shall be developed by UNDP in consultation with the Ozone Cell, MoEF&CC. The UNDP MPU shall carry out technical review of the third-party verification reports and submit its recommendations to the Ozone Cell, MoEF&CC. The Ozone Cell, MoEF&CC shall review the recommendations of the UNDP MPU and give its concurrence to the technical review and endorse release of payment. These shall form part of UNDP's Project Assurance services.

Disbursement of funds to enterprises

The UNDP Country office shall sign a separate Letter of Agreement (LOA) with Ozone Cell, MoEF&CC for the disbursement of payments directly to the participating enterprises. The payment shall be processed upon receiving technical clearance from UNDP MPU and endorsement from the Ozone Cell, MoEF&CC that the endorsed amounts are eligible amounts as per the MOA signed with the enterprises and that the required supporting documentation has been obtained from the concerned enterprise. Such disbursements shall be made within 5 working days from the date of endorsement by the Ozone Cell, MoEF&CC.

National Level Annual Verification for production and consumption of HCFCs

In accordance with the agreement between the Ex-Com and the Government of India, the UNDP Country Office shall appoint an agency for carrying out verification at national level to ensure that the phase-out targets as per the said agreement have been achieved at country level. The terms of reference for appointing the agency shall be developed by UNDP in consultation with the Ozone Cell, MoEF&CC.

Procurement

The procurement of equipment and services required in the implementation of HPMP Stage-III will be done by UNDP Country Office as per its procedures and as per the timelines mutually agreed with the Ozone Cell, MoEF&CC, considering the overall timelines of the project and the reporting requirements to the MLF Secretariat.

The above procedure shall be reviewed and modified as deemed necessary by the PSC.

Gender Equality and the Empowerment of Women

The project has been designed while giving due consideration to identify actionable points that promote gender equality and women's empowerment activities in the implementation plan. During the preparation of project funding requests, a gender baseline assessment was conducted in line with best practices. The budget of each of the Technical Assistance and Servicing components of the plan take into account allocations for gender responsive interventions i.e., striving for equal and meaningful participation of women and men in stakeholder sessions, knowledge dissemination and other capacity-building trainings for female technicians.

The following gender responsive measures will be conducted during project implementation:

a) Ensure meaningful participation of women in consultation meetings and address gender inequalities in terms of access to safe non-ODP, low-GWP technologies, finance and decision-making, and benefits through development of targeted materials/ activity towards promoting gender equality (such as training, awareness campaign, etc.)

b) Active promotion of women technicians and engineers' participation in training and capacity-building programmes through eight targeted workshops for women in the RAC sector

c) Promoting the STEM field for girls and women in schools and universities by spreading awareness and closing the technology gender gap through active gender mainstreaming activities like trainings and campaigns and availability of relevant awareness reading materials

d) Consult with women's groups, stakeholders like women leaders in industry sectors and associations on gender issues in the industry and including women health and safety, risks, equal opportunity and insurance provisions, as well as, gender-specific impacts of industry activities on communities through eight targeted workshops for women in RAC sector

e) Tackling under-representation and unequal treatment of women already in the field by ensuring financial benefits, equal pay, safety in workplaces, and POSH trainings through development of a systematic plan for advancing gender equality and women's empowerment

f) Identification of relevant gender needs prior to and during project preparation and implementation in the RAC and Firefighting sectors through active gender mainstreaming interventions, including but not limited to workshops, trainings and campaigns

g) Integration of gender into project objectives, outcomes, and outputs based on measurable gender-specific targets and/or indicators through development of a systematic plan for addressing gender equality and women's empowerment

h) Codification of measures for the industry to mitigate and minimize gender-based adverse impacts and discrimination of women through development of a systematic plan for addressing gender equality and women's empowerment

V. RESULTS FRAMEWORK

Intended Outcome: By 2027, Government of India, state governments, communities, private sector and other actors take informed actions to address climate change, pollution, biodiversity loss and restore ecological integrity through improved knowledge, capacity and mainstreaming of relevant actions across sectoral programmes, policies and plans.

Outcome indicators as stated in the Country Programme Document Results and Resources Framework, including baseline and targets:

Indicator 3.2.4: Amount of chemicals reduced, disposed, or avoided (metric tons)
Baseline (2023): HCFC phase-out- 965 MT (60% reduction from original baseline)
Target (2025): HCFC phase-out- 1085.5 MT (67.5% reduction from baseline)
Target (2030): HCFC phase-out- 1568 MT (100% reduction from baseline).

(HCFCs – Starting Point: 1691.25 ODP tonnes)
Baseline of 1608.20 ODP tonne +83.05 ODP tonne HCFC141b contained in imported pre-blended polyols.

Particulars	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Montreal Protocol reduction schedule of HCFC (ODP tonnes)	1045.33	1045.33	522.67	522.67	522.67	522.67	522.67	0
Maximum allowable total consumption of HCFC (ODP tonnes) as per HPMP-III	643.28	643.28	75.85	75.85	75.85	75.85	75.85	0

Applicable Output(s) from the UNDP Strategic Plan as mentioned in the CPD: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste

Project title and Atlas Project Number: HPMP Stage-III (project no. 00140590)

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: The project results will be monitored and evaluated periodically during project implementation to ensure the project effectively achieves these results. The monitoring and evaluation framework shall be developed by the PSC.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost (if any)
Track results progress	To ensure progress of the HPMP Stage-III is as per the timelines prescribed and the maximum allowable consumption of HCFCs at the country level as stated in the agreement between the ExCom and the Government of India is complied with. The maximum allowable consumption of HCFCs at the country level is given in the results framework format. To achieve the compliance level maximum allowable consumption of HCFCs at the country level, the enterprise level conversion projects in the participating enterprises to assess the progress of the project in achieving the agreed outputs shall be reviewed by the Project Steering Committee (PSC) A MIS tool will be used for tracking the progress of the project and take corrective actions as required.	Quarterly	Slower than expected progress will be addressed by the Project Steering Committee (PSC).	Ozone Cell, MoEF&CC and UNDP	Subsumed in the Planned budget

Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. UNDP, in consultation with the Ozone Cell, MoEF&CC will appoint an agency for carrying out independent verification of each participating enterprise and give its recommendations on achieving the milestones by the enterprise. The report of the verifying agency will be reviewed by UNDP and submit its recommendations to the Ozone Cell, MoEF&CC for taking further necessary action for releasing of payment due to the enterprise in accordance the provisions of the MOA.	Subject to accomplishment of milestones by each participating enterprises, verification by an independent consultant, appointed by UNDP will be carried out.	The risks identified will be addressed by the PSC and appropriate action, as needed will be taken.	Ozone Cell, MoEF&CC and UNDP	Subsumed in the Planned budget
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from projects implemented in other countries and integrated back into the project.	At least annually	The lessons and good practices will be put up to the PSC for consideration.	Ozone Cell, MoEF&CC and UNDP	Subsumed in the Planned budget
Annual Project Quality Assurance	The HPMP Stage-III shall be implemented under the overall oversight of Empowered Steering Committee and the quality of project implementation shall be reviewed by the Project Steering Committee. Additionally, the quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed and suggestions will be put up to the PSC for consideration	UNDP	Subsumed in the Planned budget
Review and Mid Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually, PSC shall meet at least once	Performance data, risks, lessons and quality will be	Ozone Cell, MoEF&CC	Subsumed in the

		a year and as per requirement	discussed PSC and used to make course corrections.		Planned budget
Project Report	A progress report will be presented to the ESC consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	Actions as proposed by the ESC will be taken	Ozone Cell, MoEF&CC	Subsumed in the Planned budget
Project Review (Project Board)	The project's governance mechanism (PSC) will hold project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. The progress of the project will be also presented to the ESC In the project's final year, the PSC shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. The outcomes will be presented to the ESC	At least annually	Any quality concerns or slower than expected progress shall be discussed by the PSC and actions agreed to address the issues identified will be taken	Ozone Cell, MoEF&CC and UNDP	Subsumed in the Planned budget

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Evaluation	PSC	Solutions developed at national and subnational levels	Growth and development are inclusive and	December 2024(refrigeration and air-conditioning manufacturing	Ozone Cell, MoEF&CC and UNDP	Subsumed in the

		for sustainable management of natural resources and ecosystems, ozone depleting substances, chemicals and wastes	sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded;	sectors) and December 2029 servicing sector		Planned budget
	Ozone Cell, MoEF&CC and UNDP under the guidance of PSC and ESC			In accordance with the HPMP agreement between the Executive Committee of the Multilateral Fund and Government of India, performance verification will need to be carried out for each year for which national level consumption targets are stipulated and a tranche release is requested.	Ozone Cell, MoEF&CC and UNDP and the Multilateral Fund Secretariat on the advice of the ExCom of the MLF	Subsumed in the Planned budget

VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	Expected Annual Output Results	PLANNED ACTIVITIES	Planned Budget by Year								RESPONSIBLE PARTY	PLANNED BUDGET		
			2023	2024	2025	2026	2027	2028	2029	2030		Funding Source	Budget Description	Amount
Output Innovative solutions developed, demonstrated and upscaled at national and subnational levels for vulnerable communities and businesses to benefit from sustainable management of natural resources (land, water, air), chemicals and circular economy **Gender marker.** **GEN 2**	**Output result** Refrigeration manufacturing enterprises to convert from HCFC 22 technology to non-HCFC and low-GWP technology *Indicator: Nos of enterprises participating and completing technology conversion* *Baseline: 0* *Target: 48*	Technology conversion support to the refrigeration manufacturing enterprises	1,000,000	1,00,0000	634,117						NOU	MLF	72100	2,634,117
	Output result: Air Conditioning manufacturing enterprises to convert from HCFC 22 technology to non-HCFC and low-GWP technology *Indicator: Nos of enterprises participating and completing technology conversion* *Baseline: 0* *Target: 16*	Technology conversion support to the air conditioning manufacturing enterprises	1,000,000	1,00,0000	514,814						NOU	MLF	72100	2,514,814
	Output result Equipment support to servicing sector enterprises *Indicator: Nos of enterprises participating and completing technology conversion* *Baseline: Nil* *Target: TBD*	Equipment support and capacity building activities for the RAC servicing sector	500,000	1,500,000	1,500,000	1,500,000	1,000,000	500,000	440,303		NOU	MLF	72100	6,940,303

	Output result Project management support activities, awareness raising and capacity development *Indicator: Number of stakeholder awareness workshop, meetings, and industry visits with enhanced women participation of at least 25% of total participation* *Baseline: 100% (CTP)* *Target: 100% (CTP)* *Indicator: Nos of verification of enterprises conducted* *Baseline: 100% (CTP)* *Target: 100% (CTP)* *Indicator: No. of verification of production and consumption of HCFCs at national level* *Baseline: 1* *Target: 1* *Indicator: Number of in-depth gender screening and analysis of the project and its interventions in the refrigeration and air-conditioning manufacturing and servicing sector* *Baseline: 0* *Target: 1*	• Supervision and monitoring of implementation. • Stakeholder meetings including with industry • Awareness workshops on low-GWP alternatives to SMEs • Technical Assistance, monitoring and evaluation activities • Industry visits for monitoring and coordination • Verification of the implementation of activities at enterprise level • National Level verification as per agreement with the ExCom of the MLF • Documentation and Materials including contingency expenditure	100,000	300,000	600,000	600,000	400,000	300,000	250,000	195,826	NOU	MLF	60000/ 70000	2,745,826
TOTAL														14,835,060

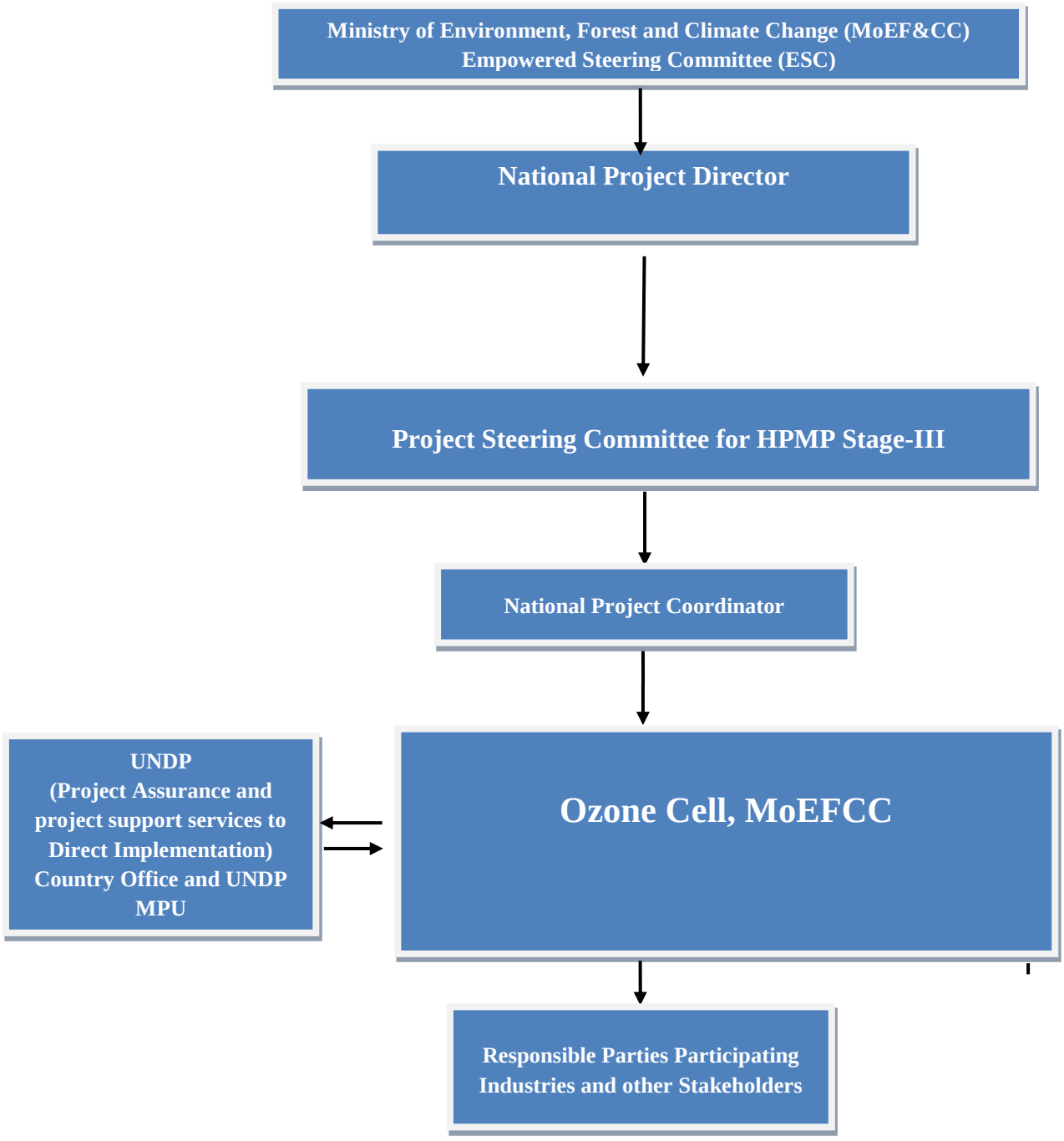
Note: The yearly work plan (AWP) shall be prepared by UNDP and Ozone Cell, MoEF&CC and approved by the PSC.

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The HPMP Stage-III shall be implemented by UNDP with support from the Ozone Cell, MoEF&CC. GIZ, Proklima and UN Environment Programme (UNEP) are the cooperating agencies, however projects implemented by GIZ, Proklima and UNEP will be implemented following their Rules and Procedures and; are not included in this Project Document.

The institutional arrangements for implementation of HPMP Stage-III shall be as follows:

Figure 1: Institutional arrangements for implementation of HPMP Stage-III



Empowered Steering Committee

The ESC is the apex body for all matters concerning the implementation of Montreal Protocol in the country including HPMP Stage-III vide cabinet decision no. 47/1/94 dated 27.1.94.

Ozone Cell

The Ozone Cell set up by the MoEF&CC is the National Ozone Unit to coordinate the implementation of the Montreal Protocol activities in India, shall be responsible for implementation of the HPMP Stage-III in close coordination with the implementing agencies, participating enterprises, line ministries and other concerned stakeholders.

National Project Director (NPD)

The Joint Secretary/equivalent in the MoEF&CC handling the affairs of the Ozone Cell shall be the NPD.

Project Steering Committee (PSC)

The PSC shall be Co-Chaired by the National Project Director and Deputy Resident Representative, UNDP and shall oversee, guide and steer the implementation of HPMP Stage-III. The PSC shall comprise representatives from UNDP, Ozone Cell, MoEF&CC , SPPU and PMU. The PSC can co-opt experts, as deemed necessary.

The PSC will meet, as required, and would *inter-alia* review the progress of implementation of HPMP Stage-III including the following:

- Review and finalise the Annual Work Plan and its implementation
- Commit project resources required by Annual Work Plan
- Allocation of PMU funding approved by the Ex-Com of the MLF as part of the HPMP Stage-III project for activities relating to HPMP Stage-III implementation, including manpower associated in the project implementation as well as allocation to be made to UNEP and GIZ, as cooperating agencies, for implementing the enabling component and servicing sector activities respectively.
- Review the progress made by each participating enterprise on the achievement of performance-based milestones indicated in the MOA signed with the enterprise
- Review physical and financial activities undertaken under HPMP Stage- III including monthly progress report (both activities and financial) submitted by UNDP
- Assure that all projected outputs are delivered
- Any other issues arising, if any, in project implementation and suggest midcourse corrections
- Any other action required for implementation of HPMP Stage-III

National Project Coordinator (NPC)

The In-Charge of the Ozone Cell shall be the NPC.

National Programme Manager (NPM)

UNDP, as lead implementing agency, will place the services of a National Programme Manager, who will assist the Ozone Cell, MoEFCC in the timely and effective implementation of the HPMP Stage-III project, as the agreement with the ExCom for the project.

Implementation modality

The HPMP Stage-III shall be implemented by UNDP with support from the Ozone Cell, MoEF&CC. GIZ, Proklima and UN Environment Programme (UNEP) are the cooperating agencies, however projects implemented by GIZ, Proklima and UNEP will be implemented following their Rules and Procedures and are not included in this Project Document.

The activities of HPMP Stage-III shall be carried out as per approved Annual Work Plans, to be approved by the PSC. UNDP shall also provide Project Assurance services.

The enterprise level payment for conversion from HCFC to non-HCFC and low-GWP technology based on completion of performance-based milestones shall be made to the enterprises based upon the endorsement of Ozone Cell by UNDP.

In line with the decision no. 47/1/94 dated 27.1.1994 of the Union Cabinet, the funds allocated for implementation of HPMP Stage-III and made available with the UNDP from the MLF shall not be routed through Government accounts. Vide the said cabinet decision, it had been decided that funds for the implementation of Montreal Protocol activities shall be directly transferred to the beneficiaries without being routed through the Central Government budget

The funds made available by the MLF to projects for phase-out of ODSs including HCFC Phase-out Management Plan in developing countries are distinct from development assistance and funding of the country. The funding provided by MLF to developing countries is provided by Multilateral and Bilateral bodies in nature of claim under an international multilateral treaty - the Montreal protocol for meeting international compliance obligations of the country.

Roles and Responsibilities

- Ozone Cell, MoEF&CC and UNDP shall assume the roles and responsibilities stated in the agreement between the Ex-Com of the MLF and the Government of India and the Executive Primer: An introduction to the Ex-Com of the MLF for the Implementation of the Montreal Protocol with specific reference to the project.
- MoEF&CC, as Party to the Montreal Protocol, will have the responsibility for meeting the compliance obligations of the Montreal Protocol and achievement of targets specified in the agreement between the Ex-Com and the Government of India.

UNDP

- The UNDP shall provide project support to DIM and project assurance to HPMP Stage-III.
- The UNDP Montreal Protocol Unit (MPU) shall be the focal point for the Montreal Protocol for all communications with the MLF Secretariat, technical backstopping for implementation, including providing technical advice and resolve eligibility issues with

respect to enterprises as well as monitoring and oversight, as Lead Implementing Agency for the HPMP Stage-III.

- The UNDP shall the responsible to ensure quality of procurement of equipment and services relating to the project including equipment relating to the Refrigeration and Air-conditioning (RAC) servicing sector, to be done as part of the HPMP Stage-III project.
- The UNDP Country Office in India shall be involved in implementation of the project including procurement, disbursement of funds, project support activities including organization of supervision missions, verifications, awareness initiatives and training programmes as per national circumstances and in consultation with Ozone Cell, MoEF&CC.
- The UNDP Country office shall disburse the funds relating to HPMP Stage-III.
- The UNDP Country office shall submit financial progress report relating to HPMP Stage-III on a quarterly basis to the Ozone Cell, which shall include the charges of UNDP for activities associated with the project implementation.

Ozone Cell, MoEF&CC

- Overall responsibility for achieving the HCFC reduction targets specified in the Agreement between the Ex-Com and the Government of India
- Monitoring implementation of HPMP Stage-III with the assistance of the UNDP.
- Endorse all information/documents concerning HPMP Stage-III to be submitted to the ExCom through the MLF by the UNDP
- Enter into a separate performance-based MOA with each of the enterprises approved for participation in HPMP Stage-III in the refrigeration and air-conditioning manufacturing sectors for implementing the technology conversions to non-ODS technologies in line with the ExCom decision 91/45, Agreement between the Government of India and the Ex-Com, the ODS (Regulation and Control) Rules and its amendments.
- Provide necessary and facilitation where required to UNDP for successful achievements of the objectives of this agreement and HPMP Stage-III.
- Facilitate performance verification of the participating enterprises with respect to the achievement of performance-based milestones indicated in the MOA with the participating enterprises.
- Endorse disbursements to the enterprises based on meeting of performance-based milestones as per the MOA based on technical review by UNDP.

Agreement on the intellectual property rights and use of logo on the project's deliverables

Ministry of Environment, Forests & Climate Change, Ozone Cell and UNDP logos shall appear on all relevant project publications with due adherence to the respective branding guidelines.

Funds Flow Arrangements and Financial Management:

1. The project follows DIM (Direct Implementation) modality and UNDP takes on the role of implementing partner.

2. The project will be directly implemented by UNDP in close cooperation and consultation of MoEF&CC. Ozone Cell, MOEF&CC will support furtherance of project mandate and engage with industries in the capacity of Responsible party.
3. UNDP would follow all policies and procedures established for its own operations and will be responsible for all financial management, reporting, procurement and recruitment services.
4. UNDP may also identify other Responsible Party to carry out activities within the project. A responsible party is defined as an entity that has been selected to act on behalf of the UNDP on the basis of a written agreement or contract to purchase goods or provide services using the project budget. All Responsible Parties are directly accountable to UNDP in accordance with the terms of their agreement or contract with UNDP. The Responsible party may follow its own procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP . Where the financial governance of the Responsible party does not provide the required guidance to ensure best value for money, fairness, integrity, transparency and effective international competition, then the financial rules of UNDP shall apply.

Audit: The audit will be done as per UNDP rules and regulations.

Project closure: The project would be closed as per UNDP rules and regulations.

IX. LEGAL CONTEXT

The project document shall be the instrument envisaged and defined in the Supplemental Provisions to the Project Document, attached hereto and forming an integral part hereof, as "the Project Document".

This project will be implemented by UNDP ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

Consistent with the provisions to this project document, UNDP, as custodian of the funds for HPMP Stage-III approved by the Ex-Com of the MLF, shall follow its financial regulations, rules, practices and procedures and ensure best value for money, fairness, integrity, transparency, and effective international competition. UNDP project assurance should ensure that:

- Funds are made available to the project.
- The project is making progress towards intended outputs.
- Regular monitoring and assurance activities take place, including periodic monitoring visits and 'spot checks' of expenses and results achieved.
- Resources entrusted to UNDP are utilized appropriately.
- Critical project information is monitored and updated in the UNDP Atlas

- Financial reports are submitted on time, and combined delivery reports are prepared quarterly and submitted.
- Risks are properly managed, and the risk log in Atlas is regularly update.
- Reports from the government are reviewed and used to design assurance procedures.
- DIM audit reports are reviewed and identified corrective actions are taken.

- All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments. This includes providing access to project sites, relevant personnel, information, and documentation.
- The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
- Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing.
- All obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this document.

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]3 [UNDP funds received pursuant to the Project Document]4 are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to

[3] To be used where UNDP is the Implementing Partner

[4] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:

a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
   i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or

perceptions, the perspective of the person who is the target of the conduct shall be considered.

d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
   i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
   ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
   iii. Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
   iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
   v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor

and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

k. Choose one of the three following options:

Option 1: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take

appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

LIST OF ANNEXURES:

1. Risk Analysis and Register
2. Gender Mainstreaming- Baseline Assessment undertaken during project design of HPMP Stage-3
3. Social and Environmental Screening Form
4. Project Quality Assurance Report

Annexure I- Risk Analysis and Register

Title	PROJECT RISK REGISTER
Responsible Unit	India Country Office Montreal Protocol Unit / Chemicals (NCE/GPN/BPPS)
Date approved	*(upon signature of Project Document)*
Applicability	Applicable to all UNDP Development Projects, Development Services, Engagement Facilities, Multi-Country and South-South Projects, Development and Institutional Effectiveness Projects
Is part of	UNDP Programme & Operations Policies and Procedures: – Programme and Project Management - Accountability / Enterprise Risk Management

I. PURPOSE OF THE PROJECT RISK REGISTER

UNDP's Enterprise Risk Management Policy applies to risks across all levels of the organization, including project level. Risks at the Programme/Unit level are tracked through the IWP Risk Register. Risks at the Project Level are tracked through the Project Risk Register.

Risk is defined as the effects of uncertainty on organizational objectives. An effect can be positive and/or negative. It is best practice to formulate risk in terms of "future event."

In order to contribute to a project's success, risks must be identified, assessed, prioritized and mitigated. Risk treatment and mitigation measures need to be considered and an appropriate risk management plan needs to be developed and implemented. This involves planning for and implementing resources to carry out selected actions to address the risks. These actions must be incorporated in the project work-plan, including project monitoring and reporting to ensure that all risk management activities are being implemented and have the desired effect.

Risks must be identified and assessed using the project Risk Register, which shall be submitted to the Project Appraisal Committee (PAC) as an annex to the project document. The Risk Register must then be maintained and updated as needed in Atlas for the duration of the project, no less than once a year during implementation.

II. PROJECT BACKGROUND

Implementation of HPMP-Stage-III will result in complete phase out of HCFCs in line with the accelerated phase out schedule of the Montreal Protocol with sustainable reductions of 10678.87 MT or 579.99 ODP tonne of HCFCs consumption from the starting point, contributing to India's compliance with the 2025 and 2030 control targets for Annex-C, Group-I substances (HCFCs) under the Montreal Protocol. The over-arching strategy to phase-out of HCFCs in Stage III of the HPMP is founded in the implementation of the following Components:

(a) *Regulatory Actions (under Servicing Sector activities):* will also be critical to support and sustain the phase-out of HCFCs, particularly in sub-sectors/companies not eligible to receive

assistance from MLF. Through this, 194.644 metric tonnes of HCFC-22 consumption in the AC/R manufacturing sector will be phased-out with no additional costs to the MLF.

(b) *Air Conditioning - Room Air-Conditioner Manufacturing Sector Plan (UNDP):* conversion of 13 companies to low-GWP alternative technologies (HFC-32).

(c) *Air-Conditioning - Light Commercial & Chiller Manufacturing Sector Plan (UNDP):* conversion of 3 companies to low-GWP alternatives (HFC-32 / R-448A – a lower GWP blend of HFO/HFC) in medium-to-large manufacturing enterprises.

(d) *Refrigeration Manufacturing Sector Plan (UNDP):* In the refrigeration manufacturing sector 48 companies (mostly MSMEs) will receive funding and technical assistance for converting to low GWP alternatives (HC-290 and HFC-32) in the subsectors of commercial refrigeration and process chillers.

(e) *Servicing Sector– Technical Assistance Plan (UNDP and GIZ):* Activities to strengthen and considerably expand the reach of technicians training, improve training capacities of national training entities on installation commercial refrigeration units to uptake low GWP alternatives as well as streamline training curricula. In addition, targeted technical assistance activities including equipment support to technicians and national training institutions will be undertaken.

(f) *Servicing Sector - Enabling Activities Plan (UNEP):* Expand activities related to awareness generation, stakeholders' interaction and technical assistance related to AC-R targeted issues that may challenge, hinder or be a barrier to the full implementation of the Servicing Sector Plan.

(g) *Project implementation and Monitoring (PMU) (UNDP):* is a critical part of this over-arching strategy so to allow additional human capacities to be added to the Ozone Cell structure and allow the full realization of the proposed Action Plan, particularly given the national settings of India, a large country with large consumption spread out in sectors and companies located in diverse areas of country. The PMU will continue to ensure close coordination of activities between the IAs and the Ozone Cell, MOEF&CC, assure the proper reporting lines and deployment of joint activities.

III. COMPOSITION OF PROJECT RISK REGISTER

- Risk ID number: reference number to allow grouping of all information on this risk
- Description: brief description of the risk, including potential future event and its cause
- Date identified: when was the risk identified
- Type (i.e. as per ERM risk categories): Social and Environmental, Financial, Operational, Organizational, Reputational, Regulatory, Strategic, Safety and Security. NOTE: In Atlas the "Environmental" risk category is equivalent to the ERM "Social and Environmental" risk category. The "Other" category should not be selected and any old risks categorized as "Other" should be updated to identify one of the 8 ERM risk categories.
- Impact and Likelihood:
  - Impact: effect on the project if the risk were to occur on a scale of 1 (negligible) to 5 (extreme)
  - Likelihood: estimate of the likelihood of the risk occurring on a scale of 1 (not likely) to 5 (expected)
- Risk Owner: the person or entity with the responsibility to manage the risk.
- Risk Treatment(s): what actions have been taken/will be taken to counter this risk
- Current status of Risk Treatment(s): implementation status of risk treatment/management measures and their effectiveness and relevant changes in context (online only)

Risks are identified using the ERM Risk Categories (Annex 1) and relevant risk tools such as the HACT, Social and Environmental Screening Procedure, Private Sector Due Diligence, Theory of Change, Procurement Risk Radar, etc. Project risks can be identified and updated at any time. They may also derive from risks identified at the Programme/Unit level or may contribute to risks at the Programme/Unit level.

The Risk Register will be maintained and updated as needed (but at least once a year) in Atlas for the duration of the project; the information entered will be reflected in the Project Progress Report. There must be a check for any new risks every time the Risk Register is updated.

IV. RESPONSIBILITIES & ACCOUNTABILITY

- The Project Developer drafts the initial Risk Register as part of the Project Document preparation process and submits it to the PAC for Review.
- The PAC must review and endorse the initial draft of the Risk Register.
- The Project Developer has the responsibility to create the Risk Register in Atlas following project approval, based on consensus reached during the PAC.
- Throughout the implementation of the project, it is the responsibility of the Project Manager to maintain and update the Risk Register, to ensure that risks are communicated and to implement countermeasures as decided by the Project Board.
- It is the responsibility of Project Assurance (e.g. Programme Officer) to ensure that details of identified risks are regularly updated in Atlas and properly reflected as part of the Project Progress Report (PPR).
    - If the project management team does not have access to Atlas, the Project Assurance should be responsible for entering risk updates into the system, based on information submitted by the Project Manager using the standard template.
    - If the project management team has external access to Atlas, they will update the details of identified risks in the system. However, the UNDP Project Assurance should review the inputs by the project management team, prior to the submission of the PPR.
- The Project Board has the responsibility to continually scan for emerging risks.
- It is the responsibility of the Project Manager to inform in a timely manner the Board regarding any new risks, changes to existing risks, or escalation of risks.
- In cases where a Project Document or Project Board are not required (e.g. Development Services, Engagement Facility, Development and Institutional Effectiveness Project), the Risk Register is still created and maintained in Atlas to inform decision making.

V. ADDITIONAL RESOURCES

Enterprise Risk Management (ERM) section of the POPP. Additional relevant policies and tools include:

- Harmonized Approach to Cash Transfer
- UNDP Anti-Fraud Policy
- UN Programme Criticality Framework
- UNSMS Security Policy Manual
- Business Continuity Management
- Private Sector Partnerships
- Quality Standards for Programming
- Social and Environmental Standards Toolkit

- Theory of Change
- Procurement Risk Dashboard
- Crisis Risk Dashboard

Annexure-II: Gender Mainstreaming- Baseline Assessment undertaken during project design of HPMP Stage-3

Gender-Sensitive Approaches

1. The Executive Committee considered at its 83rd and 84th meetings the elements of the gender policy for the Multilateral Fund. During the discussion, several members recalled that the implementing agencies already had gender policies, and the key issue therefore was to ensure that any gender policy of the Fund was aligned with and complemented those policies in a consistent and coherent manner, while avoiding duplication. Members also emphasized that the objectives, targets and scope of a gender policy should be clear, consistent with the key elements outlined in the document. Subsequently, the ExCom, in the Decision 84/92, requested Implementing and Bilateral Agencies to "apply the operational policy on gender mainstreaming mentioned in sub-paragraph (b), above, throughout the project cycle, beginning with projects proposed for consideration at the 85th meeting".

2. Due consideration has been given to identify actionable points that promote gender equality and women's empowerment activities in the implementation plan. During the preparation of project funding requests, a gender baseline assessment will be conducted in line with best practices. The budget of each the Technical Assistance and Servicing components of the plan take into account allocations for gender mainstreaming i.e., striving for equal participation of women and men in stakeholder sessions, knowledge dissemination and other capacity-building training for female technicians.

3. Gender mainstreaming entails identifying gaps in gender equality through the use of sex-disaggregated data, developing measures to close those gaps, putting resources and expertise into implementing measures for gender equality, monitoring implementation, and levying accountability. To this end, the following gender equality and women's empowerment aspects will be covered during project preparation and implementation:

    i) Promote participation of women in consultation meetings and address gender inequalities in terms of access to safe non-ODP, low-GWP technologies, finance and decision-making, and benefits through development of targeted materials/ activity towards promoting gender mainstreaming (such as training, awareness campaign, etc.)

    j) Active promotion of women technicians and engineers' participation in training and capacity-building programmes through eight targeted workshops for women in RAC sector

    k) Promoting the STEM field for girls and women in schools and universities by spreading awareness and closing the technology gender gap through active gender mainstreaming activities like trainings and campaigns and availability of relevant awareness reading materials

    l) Consult with women's groups, stakeholders like women leaders in industry sectors and associations on gender issues in the industry and including women health and safety, risks, equal opportunity and insurance provisions, as well as, gender-specific impacts of industry activities on communities through eight targeted workshops for women in RAC sector

    m) Tackling under-representation and unequal treatment of women already in the field by ensuring financial benefits, equal pay, safety in workplaces, and POSH trainings through development of a systematic plan for addressing gender equality and women's empowerment

    n) Identification of relevant gender needs prior during project preparation and implementation in the RAC and Firefighting sectors through active gender mainstreaming activities like ideation workshops, trainings and campaigns

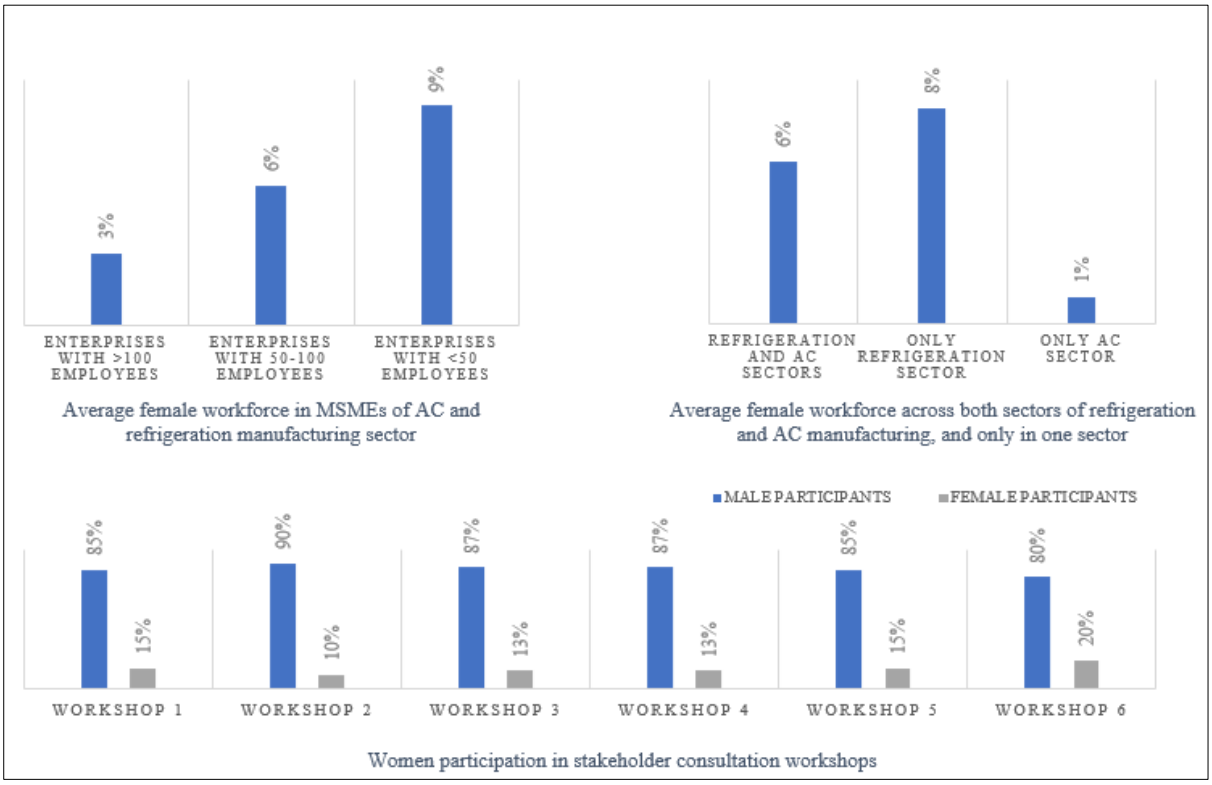
    o) Integration of gender into project objectives, outcomes, and outputs based on measurable gender-specific targets and/or indicators through development of a systematic plan for addressing gender equality and women's empowerment

    p) Codification of measures for the industry to mitigate and minimize gender-based adverse impacts and discrimination of women through development of a systematic plan for addressing gender equality and women's empowerment

4. A gender-balanced approach has been followed during all stages and activities in the preparation of the HPMP Stage-III strategy including development of data collection templates, physical site verification of enterprises, and data analysis; sector-wise strategy development has been led by women in managerial and decision-making positions in the MoEF&CC and M/s Ernst & Young LLP as the firm implementing baseline data collection, analysis, enterprise site verification and making recommendations for the inclusion of enterprises in the HPMP Stage-III. Further, participation and engagement with women from the industry, as well as, women implementing the training programmes for the RAC servicing sector has been sought and encouraged in a transparent fashion across the 6

stakeholder consultation workshops. A few observations from India's current gender scenario in the workforce of AC and refrigeration manufacturing sectors is presented below.

Figure: Women representation in refrigeration and air conditioning sectors



5. Women workforce participation has been observed in more than 50% of enterprises visited for site verification with participation of women up to more than a third of the total workforce in some enterprises.

    q) 62% of the eligible enterprises reported an average of 11% female workforce share with the highest reported being 35%, at an enterprise level.

    r) A larger share of women was observed to be employed for back office, accounts and administrative roles and less on enterprise shopfloors.

    s) The female workforce participation across levels of total employment and participation in stakeholder consultation workshops is depicted graphically below:

6. Within activities in HPMP Stage-III implementation the project team intends to promote women participation of women in all consultation and decision-making meetings, and address access to trainings for green jobs for women in the RAC manufacturing and servicing sector by providing planned institutional and technological support to ITIs and vocational institutions. During implementation of projects, gender-based assessments, and monitoring & reporting procedures will be put into place to incentivize gender empowerment activities and gender-balanced job creation. A gender specialist will be onboarded to conduct gender-baselining assessment of all projects.

7. Barriers for low women participation in RAC sector manufacturing and servicing, and important consultation meetings:

    t) Limited women participation in consultative meetings

    u) Lack of adequate number of female role models in leadership roles in RAC manufacturing and servicing

    v) Perception of women not being able to cope with jobs on the factory shopfloor resulting in low share of women in workforce

8. Indicative actions to achieve adequate women participation in RAC sector manufacturing and servicing, and important consultation meetings:

    w) Adopting gender sensitive mode of meeting moderation by proactively offering opportunity for women

participants to provide opinion

x) Hosting of targeted workshops for women in RAC sector

y) Developing gender mainstreamed training materials and conducting frequent targeted campaigns to encourage women and apprise all of possible capabilities

9. Therefore, during the preparation activities, the Government of India and the relevant implementing agencies had consistently applied the requisites of the Gender Mainstreaming Policy of the MLF, particularly in collecting gender-sensitive data during surveys and analyzing baseline gender-sensitive actions undertaken by companies and stakeholders that will be involved in the Stage III implementation. This proposal has also applied MLF's Gender Analysis Checklist, as contained in Annex II.

10. Therefore, proposed activities to be implemented as part of the Stage III of the HPMP will seek to provide significant contribution to gender equality.

LIST OF GENDER RESULTS AND INDICATORS

Table: List of Gender Results and Indicators

Result	Indicators
Gender-responsive human resource management (recruitment focused)	• Percentage of applications received from women and men • Number of efforts undertaken to encourage women to apply and recruiting women • Number and percentage of male and female consultants/experts/technical assistants etc. recruited through the project • TORs include provision that encourages women to apply **and/or include gender sensitivity for diversity as a competency** (yes/no) • Number and percentage of women and men in recruitment panel • Number and percentage of women and men in management/leadership positions • Work environments are gender-friendly (yes/no) • Gender focal point for project identified (yes/no)
Documents prepared under the project are gender-responsive (e.g. policies, strategies, training materials, knowledge products)	• Technical reports have gender section (yes/no) • **Technical reports have section of adverse impacts of project on women including bias or discrimination in access to opportunities or benefits (yes/no)** • Number and percentage of gender-specific questions included in assessments • Number and percentage of women and men involved in development of document • Number of associations/networks/stakeholders focusing specifically on gender equality and women's empowerment (GEWE) that were consulted throughout the process • Presented data is disaggregated by sex (yes/no) • Good gender practices and lessons learned on gender are documented (yes/no)
Gender-responsive knowledge management/dissemination	• Number of gender-specific content disseminated (e.g., through online platforms, events) • **Number of events focusing on gender held (e.g., trainings, workshops, discussions, round tables, side events at conferences)** • Number of women and men that received/accessed information • **Number of efforts for targeted awareness outreach to increase women participation**
Gender-responsive capacity building (for gender-responsive training see above)	• Number and percentage of male and female participants • Number and percentage of trainings that include targeted session on gender • Number and percentage of women presenting in trainings • Trainers have gender competence (yes/no) • **Project managers have completed gender-sensitive training (UN Women's eLearning)** • Gender specialist involved in preparation of training and information material (yes/no) • Training/information material is gender-sensitive (yes/no)
Work environments are gender-friendly	• Number of stakeholders (e.g., private sector partners) sensitized on the need for gender-friendly work environments • Flexible working hours possible (yes/no) • Separate washrooms for women and men available (yes/no) • Provision for childcare (yes/no) • Protection of pregnant workers and workers who have recently given birth **including maternity leave and flexible working**

Result	Indicators
	• Transport for women and men available to workplace (yes/no) • **Equal duration of working life years possible (yes/no)** • **Provision of women wellness programs (such as doctor camps, additional health supplement distribution campaigns)** • **Evidence of secure channel for reporting harassment and protection against retaliation**
Enhanced economic empowerment of women	• Number and percentage of women and men in formal employment (by sector and type) • Number and percentage of women and men in leadership positions • Number and percentage of women and men trained • Number and percentage of women and men in managerial positions • **Evidence of equal remuneration for women and men for work of equal value** • Evaluation of perception of women's empowerment (e.g., testimonies, interviews that include both women and men) • **Number of national/regional legislation, policies, strategies that incorporate gender perspective** • **Evidence that access, participation and benefits (pension schemes, holiday entitlements, health insurance, maternity leave, etc.) redress any gender inequalities**
Enhanced understanding of GEWE among project staff / stakeholders and beneficiaries	• Number and percentage of staff / stakeholders / male and female beneficiaries who received training on gender • Evidence that women are more aware of their rights (e.g., through interviews/testimonies) • Evidence that men are supportive of GEWE (e.g., through interviews/testimonies) • **Inclusion of gender dimension in project staff performance appraisals (through women employee of the month recognition program)**

LETTER OF AGREEMENT

BETWEEN

THE UNITED NATIONS DEVELOPMENT PROGRAMME (hereinafter referred as UNDP)

AND

OZONE CELL, MINISTRY OF ENVIRONMENT, FOREST AND CLIMCATE CHANGE, GOVERNMENT OF INDIA (hereinafter referred as OZONE CELL, MOEF&CC)

TO CARRY OUT TECHNOLOGY CONVERSION ACTIVITIES UNDER THE

'HYDROCHLOROFLUOROCARBONS PHASE-OUT MANAGEMENT PLAN STAGE-3 PROJECT'

1. Reference is made to the consultations between officials of UNDP and Ozone Cell, MOEF&CC with respect to the the India's Hydrochlorofluorocarbons Phase out Management Plan Stage-III (hereinafter called HPMP Stage-III) approved by the Executive Committee of the Multilateral Fund for Implementation of the Montreal Protocol (hereinafter called ExCom of the MLF) in its 91st meeting held in December 2022, to be implemented from 2023 to 2030 for the complete phase-out of HCFCs in line with the accelerated phase-out schedule of the Montreal Protocol for HCFCs. The United Nations Development Programme (hereinafter called UNDP) is the lead implementing agency for implementation HPMP Stage-III. The HPMP Stage-III is to be implemented in close cooperation with the Ozone Cell, Ministry of Environment, Forest and Cliamte Change (hereinafter called Ozone Cell, MoEFCC) and in association with UN Environment Programme (UNEP) and Deutsche Gesellschaftfür Internationale Zusammenarbeit, (GIZ) Proklima, Government of Germany, the cooperating agencies for HPMP Stage-III.

2. Whereas a Project Document for Implementation of HPMP Stage-III (hereinafter called "ProDoc for HPMP Stage-III") is signed between UNDP and Ozone Cell, MoEFCC after the approval of the same by Local Project Appraisal Committee (L-PAC), Chaired by the Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India. The ProDoc for HPMP Stage-III prescribes the implementation framework for HPMP Stage-III including roles and responsibilities of all concerned associated with the implementation of HPMP Stage-III.

3. Whereas the ProDoc specifies that UNDP shall sign a separate Letter of Agreement (hereinafter called LOA) with Ozone Cell, MoEF&CC for the disbursement of payments directly to the participating enterprises/ entities for carrying out activities relating to phase out of HCFCs and transititon to non-HCFC and low global warming potential alternative technologies.

4. Upon signature of this Letter, UNDP will make payments to the enterprises/ entities participating in HPMP Stage-III according to the schedule of payments specified in the work plan and budget (Attachment-2) and the payments will be made only after endorsement by Ozone Cell, MOEF&CC. The work plan and budget will be finalized each year by the Project Steering Committee (hereinafter called PSC) to be Co-chaired by the National Project Director, the concerned Joint Secretary/equivalent handling the affairs of the Ozone Cell in the MoEFCC and the Deputy Resident Representative, UNDP. The approved workplan and budget for each year will be based on the Memorandum of Agreement (MOA) signed between Ozone Cell, MoEF&CC and the corresponding participating enterprises for implementation of technology conversion activities in the refrigeration and air-conditinining manufacturing sectors.

5. Both UNDP and Ozone Cell, MOEF&CC shall carry out the respective roles and responsibilities as specified in the ProDoc for HPMP Stage-III, as part of the implementation of HPMP Stage-III. Ozone Cell.MOEF&CC shall be fully responsible for carrying out, with due diligence and efficiency, identification, selection and review of progress by a participating enterprise/ entity, in accordance with its Financial regulations, rules and other directives, only to the extent they are consistent with UNDP's Financial Regulations and Rules. In all other cases, UNDP's Financial Regulations and Rules must be followed.

6. In carrying out the Activities under this Letter, the personnel and sub-contractors of the Ozone Cell, MoEF&CC shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of the Ozone Cell, MoEF&CC or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Ozone Cell, MoEF&CC and its personnel as a result of their work pertaining to the Activities.

7. Any subcontractors, including NGOs under contract with the Ozone Cell, MoEF&CC, shall work under the supervision of the designated official of the Ozone Cell, MoEF&CC. These subcontractors shall remain accountable to the Ozone Cell, MoEF&CC for the manner in which assigned functions are discharged.

8. UNDP shall have no obligation to provide any funds or to make any reimbursements for expences incurred by Ozone Cell, MOEF&CC. UNDP will have no obligation in excess of the payments to the enterprises participating in HPMP Stage-III according to the schedule of payments specified in the work plan and budget (Attachment-2)

9. Ozone Cell, MOEF&CC shall furnish a report on the progress of implementation at the end of this LOA period after the completion or termination of the Activities.

10. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and the Ozone Cell, MoEF&CC.

11. Any changes to the Project Document which would affect the work being performed by Ozone Cell, MoEF&CC in accordance with Attachment 2 shall be made only after concurrence of Project Steering Committee.

12. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be as per the decision of the PSC resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the Ozone Cell, MOEF&CC and UNDP.

13. The arrangements described in this Letter will remain in effect until the end of the LOA period, or the completion of activities of Ozone Cell, MOEF&CC according to Attachment 2, or until terminated in writing (with 30 days notice) by either party. The schedule of payments specified in Attachment 2 remains in effect based on continued performance by Ozone Cell, MOEF&CC unless it receives written indication to the contrary from UNDP.

14. Any amendment to this Letter shall be effected by mutual agreement, in writing.

15. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Resident Representative, UNDP, 55, Lodhi Estate, New Delhi – 110003, India.

16. Ozone Cell, MOEF&CC shall keep the UNDP Country Director/Resident Representative fully informed of all actions undertaken by them in carrying out this Letter.

17. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

18. Any dispute between the UNDP and the PMU Ozone Cell, MoEF&CC arising out of or relating to this LOA which is not settled by negotiation or other agreed mode of settlement, shall be discussed and resolved in project steering committee (PSC). Any dispute between the UNDP and Ozone Cell, MOEF&CC arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement by PSC, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

19. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for your Ozone Cell, MOEF&CC participation in the implementation of the project.

Yours sincerely,
Signed on behalf of **UNDP**

Mr Dennis Curry
Deputy Resident Representative
Date : March , 2023

Accepted and Signed on behalf of **Ozone Cell, Ministry of Environment, Forest and Climate Change (MoEF&CC)**

Mr. Aditya Narayan Singh,
Additional Director, Ozone Cell, MoEF&CC
Government of India
1st Floor, 9 Institutional Area, Lodhi Road,
New Delhi -110003

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Attachment 1

PROJECT DOCUMENT

A. Project Description :

The Hydrochlorofluorocarbons Phase out Management Plan (HPMP) Stage-III will enable India to achieve compliance with the Montreal Protocol 2025 and 2030 control targets for consumption of HCFCs. The project will also enable complete phase-out by 1.1.2025 of HCFC-22 in all manufacturing sectors as per the ODS (Control and Regulation) Rules 2000, as amended in 2014. In addition, HPMP Stage-III addresses phase-out of HCFC-22 and HCFC 123 in the RAC and firefighting servicing sectors by 2030, capacity building, project activities, policy and regulations, enforcement training, etc. for the successful and sustainable implementation of complete phase-out of HCFCs by 2030, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol.

Implementation of HPMP Stage-III will result in complete phase out of HCFCs in line with the accelerated phase out schedule of the Montreal Protocol with sustainable reductions of 10678.87 MT or 579.99 ODP tonne of HCFCs consumption from the starting point, contributing to India's compliance with the 2025 and 2030 control targets for Annex-C, Group-I substances (HCFCs) under the Montreal Protocol. In addition, the project will result in net direct CO2-equivalent emission reductions of about 19,239,929 mt Co2-eq. from 2030 onwards based on the revised MLF climate impact indicator.

UNDP, appointed as the lead agency for implementation of HPMP Stage-III will support the MoEFCC, Government of India and the participating enterprises in the effective phase out of HCFCs, to enable India to meet the compliances under Montreal Protocol. The key elements of support will include:

- strategy to phase out HCFCs and conversion to non-ODS and non-HCFC technologies,
- implementing the policy and regulatory measures formulated for Ozone Depleting Substances,
- awareness and capacity building of the concerned industry and other stakeholders for implementing the HCFC phase out activities in the medium and small enterprises.

The complete document with the implementation arrangement agreed between the Ozone Cell, Ministry of Environment, Forest and Climate Change (MoEFCC) and UNDP during LPAC meeting dated xxx, xxx for implementation of HPMP Stage-III forms an integral part of this Attachment (#1).

Attachment 2

ANNUAL WORK PLAN AND BUDGET AS FINALIZED AND APPROVED BY THE PSC FOR THE CALENDAR YEAR 2023

(As per Annual Workplan (AWP) approved by the PSC held on xxx March, 2023 (copy attached))

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES	SUB ACTIVITIES List all activities to be undertaken during the year towards stated outputs	Timeframe				Planned Budget (USD)	Schedule of payments by UNDP			
			Q 1	Q 2	Q 3	Q 4	Amount to be funded by UNDP through MLF Funds	Q 1	Q 2	Q 3	Q 4
Output 1: Refrigeration manufacturing enterprises to convert from HCFC 22 technology to non-HCFC and low-GWP technology *Indicator: Nos of enterprises participating and completing technology conversion* *Baseline: 0* *Target: 48*	Activity 1.1 Provide technology conversion support to refrigeration manufacturing enterprises	Sub Activity 1.1.1 Signing of MOA between Ozone Cell, MoEF&CC and the enterprise to carry out technology conversion activities under the HPMP Stage-III Project		√	√	√	USD 300,000		√	√	√
		Sub Activity 1.1.2 Acquistion of technology by the participating enteprises for the phase-out of agreed HCFC-22 consumption			√	√	USD 200,000			√	√
Output 2: Air Conditioning manufacturing enterprises to convert from HCFC 22 technology to non-HCFC and low-GWP technology *Indicator: Nos of enterprises participating and completing technology conversion* *Baseline: 0* *Target: 16*	Activity 2.1 Provide technology conversion support to AC manufacturing enterprises	Sub Activity 2.1.1 Signing of MOA between Ozone Cell, MoEF&CC and the enterprise to carry out technology conversion activities under the HPMP Stage-III Project		√	√	√	USD 300,000		√	√	√
		Sub Activity 2.1.2 Acquistion of technology by the participating enteprises for the phase-out of agreed HCFC-22 consumption			√	√	USD 200,000			√	√
Output 3: Equipment support to servicing sector enterprises	Activity 3.1 Provide equipment support to servicing sector entities	Sub Activity 3.1.1 Strengthening training infrastructure for servicing sector and enterprises for safe handling and disposal of chemicals					-				

Indicator: Nos of entities participating and completing technology conversion *Baseline: Nil* *Target: TBD*		Sub Activity 3.1.2 Provide support for retrofitting packages for installation and assembly of infrastructure/ manufacturing equipments					-				
		Sub Activity 3.1.3 Procurement of basic tools and servicing equipment for sector enterprises					-				
		Sub Activity 3.1.4 Provide basic tools to trained technicians and learnings from best practices in the sector					-				
Total for Output 1 & 2											
TOTAL FOR C.Y. 2023 (USD) AS PER APPROVED AWP							**USD 1,000,000**				
TOTAL TO BE DISBURSED TO THE PARTICIPATING ENTERPRISES (USD)							**USD 1,000,000**				

Note: All the budget details are in USD.

Attachment 3

QUARTERLY PROGRESS REPORT

This template is attached in Excel Format

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PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

OVERALL PROJECT

EXEMPLARY (5) ◎◎◎◎◎	HIGHLY SATISFACTORY (4) ◎◎◎◎○	SATISFACTORY (3) ◎◎◎○○	NEEDS IMPROVEMENT (2) ◎◎○○○	INADEQUATE (1) ◎○○○○
At least four criteria are rated Exemplary, and all criteria are rated High or Exemplary.	All criteria are rated Satisfactory or higher, and at least four criteria are rated High or Exemplary.	At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The Principled criterion must be rated Satisfactory or above.	At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement.	One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement.

DECISION

- **APPROVE** – the project is of sufficient quality to be approved in its current form**.** Any management actions must be addressed in a timely manner.
- **APPROVE WITH QUALIFICATIONS** – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.
- **DISAPPROVE** – the project has significant issues that should prevent the project from being approved as drafted.

RATING CRITERIA

For all questions, select the option that best reflects the project

STRATEGIC

1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?

- **3:** The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks.
- **2:** The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change.
- **1:** The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change.

**Note: Projects not contributing to a programme must have a project-specific Theory of Change. See alternative question under the lightbulb for these cases.*

3	2
1	

Evidence

The project is implemented in accordance with the Montreal Protocol on Substances that Deplete the Ozone Layer. India has obligation to reduce and phase-out in accordance with the scheduled targets. Implementation of HPMP Stage-III will enable India to achieve compliance with the Montreal Protocol 2025 and 2030 control targets for consumption of HCFCs. The project will also enable complete phase-out of HCFC-22 by Jan 1st, 2025 in all manufacturing sectors as per the ODS Rules 2000, as amended in 2014. Please refer section III (Results and Partnerships) of ProDoc for more details.

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PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

2. Is the project aligned with the UNDP Strategic Plan? • **3:** The project responds to at least one of the development settings as specified in the Strategic Plan[1] and adapts at least one Signature Solution[2]. The project's RRF includes all the relevant SP output indicators. *(all must be true)* • **2:** The project responds to at least one of the development settings as specified in the Strategic Plan[4]. The project's RRF includes at least one SP output indicator, if relevant. *(both must be true)* • **1:** The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF.	3	2 1 **Evidence** The project will be working with enterprises to provide technology conversion support in refrigeration and air-conditioning manufacturing and servicing sectors. The project is aligned with structural transformation in cooling sector; and building resilience of the country from ozone-depleting substances. The project aims to achieve greater results for the environment protection and climate resilience with systematic approach and strategic innovation.
3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)	**Yes**	**No**

RELEVANT

4. Does the project target groups left furthest behind? • **3:** The target groups are clearly specified, prioritising discriminated and marginalized groups left furthest behind, identified through a rigorous process based on evidence. • **2:** The target groups are clearly specified, prioritizing groups left furthest behind. • **1:** The target groups are not clearly specified. *Note: Management Action must be taken for a score of 1. *Projects that build institutional capacity should still identify targeted groups to justify support*	3	2 1 **Evidence** The target groups are enterprises in micro, small, medium and large-scale category, in refrigeration and air-conditioning manufacturing and servicing sectors. The eligible enterprises are identified as per the defined criteria of multilateral fund of the Montreal Protocol. All relevant stakeholders are

[1] The three development settings in UNDP's 2018-2021 Strategic Plan are: a) Eradicate poverty in all its forms and dimensions; b) Accelerate structural transformations for sustainable development; and c) Build resilience to shocks and crises

[2] The six Signature Solutions of UNDP's 2018-2021 Strategic Plan are: a) Keeping people out of poverty; b) Strengthen effective, inclusive and accountable governance; c) Enhance national prevention and recovery capacities for resilient societies; d) Promote nature based solutions for a sustainable planet; e) Close the energy gap; and f) Strengthen gender equality and the empowerment of women and girls.

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PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

	covered for the HPMP Stage-III implementation plan.
5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design? • **3:** Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project. • **2:** The project design mentions knowledge and lessons learned backed by evidence/sources, but have not been used to justify the approach selected. • **1:** There is little or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence. *Note: Management Action or strong management justification must be given for a score of 1	3 2 1 **Evidence** UNDP has been the lead implementing agency for HPMP Stage-I and Stage-II projects. The Stage-III of HPMP has been designed with consideration of learnings and feedback from previous stages of implementation which includes insights on stakeholder engagement, knowledge and scaling up initiatives.
6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national/regional/global partners and other actors? • **3:** An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. *(all must be true)* • **2:** Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans. • **1:** No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance. *Note: Management Action or strong management justification must be given for a score of 1	3 2 1 **Evidence** The project is taking advantage of its networks promoted by UNDP, UNEP and GIZ at regional and global levels. It shares the results and lessons learned with others. Besides, it also facilitates potential bilateral network with other countries in the region through knowledge exchange.
PRINCIPLED	
7. Does the project apply a human rights-based approach? • **3:** The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. *(all must be true)* • **2:** The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. *(both must be true)*	3 2 1 **Evidence** The project has direct impact towards protection of environment by eliminating the ozone depleting substances from use; and also has impact on climate change with substantial reduction on

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• **1:** No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered. *Note: Management action or strong management justification must be given for a score of 1	net direct CO2 emissions by promoting low-GWP alternatives. Eventually, the project helps in protection of our rights to live in a safe and healthier environment.
8. Does the project use gender analysis in the project design? • **3:** A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. *(all must be true)* • **2:** A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. *(all must be true)* • **1:** The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document. *Note: Management Action or strong management justification must be given for a score of 1	3 2 1 **Evidence** The project has been designed while giving due consideration to identify actionable points that promote gender equality and women's empowerment activities in the implementation plan. During the preparation of project funding requests, a gender baseline assessment was conducted in line with best practices. Please refer Annex-II to the Prodoc for gender sensitive approaches for HPMP Stage-III.
9. Did the project support the resilience and sustainability of societies and/or ecosystems? • **3:** Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. *(all must be true)*. • **2:** The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. *(both must be true)* • **1:** Sustainability and resilience dimensions and impacts were not adequately considered. *Note: Management action or strong management justification must be given for a score of 1	3 2 1 **Evidence** The project will lead to a substantial reduction in the emissions of ozone-depleting substances (ODS). These reduction, while protecting the ozone layer, have the additional benefit of reducing the human contribution to climate change as many ODSs are also potent greenhouse gases that contribute to climate forcing when they accumulate in the atmosphere. The core project output addresses structural and sustainable transformation in RAC sector.

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PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]	Yes	No
	Attached as Annexure-III	

MANAGEMENT & MONITORING

11. Does the project have a strong results framework? • **3:** The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. *(all must be true)* • **2:** The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. *(all must be true)* • **1:** The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. *(if any is true)* *Note: Management Action or strong management justification must be given for a score of 1	3	2
	1	
	Evidence Please refer the section V (Results Framework) and section VII (Multiyear work plan) in the Prodoc.	
12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board? • **3:** The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. *(all must be true)*. • **2:** The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. *(all must be true)* • **1:** The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided. *Note: Management Action or strong management justification must be given for a score of 1	3	2
	1	
	Evidence Please refer the section VIII (Governance and Management Arrangements) in the Prodoc.	
13. Have the project risks been identified with clear plans stated to manage and mitigate each risk? • **3:** Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders. Clear and complete plan in place to manage and mitigate each risk, reflected in project budgeting and monitoring plans. *(both must be true)* • **2:** Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk.	3	2
	1	
	Evidence Please refer the section X (Risk Management) and Annexure-I (Risk Analysis and Register) in the Prodoc.	

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- **1:** Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified and/or no initial risk log is included with the project document.

*Note: Management Action must be taken for a score of 1

EFFICIENT

14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example: i) using the theory of change analysis to explore different options of achieving the maximum results with the resources available; ii) using a portfolio management approach to improve cost effectiveness through synergies with other interventions; iii) through joint operations (e.g., monitoring or procurement) with other partners; iv) sharing resources or coordinating delivery with other projects, v) using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.

(Note: Evidence of at least one measure must be provided to answer yes for this question)

Yes (3)	No (1)

15. Is the budget justified and supported with valid estimates?

- **3:** The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated.
- **2:** The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates.
- **1:** The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget.

3	2	1

Evidence

The budget is allocated based on the result of a preparation study and baseline assessment.

16. Is the Country Office/Regional Hub/Global Project fully recovering the costs involved with project implementation?

- **3:** The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.)
- **2:** The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant.
- **1:** The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project.

*Note: Management Action must be given for a score of 1. The budget must be revised to fully reflect the costs of implementation before the project commences.

3	2	1

Evidence

The Direct Project Cost is included under the project management support budget.

EFFECTIVE

17. Have targeted groups been engaged in the design of the project?

- 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.)
- 2: Some evidence that key targeted groups have been consulted in the design of the project.

3	2	1

Evidence

Kindly refer stakeholder engagement section under section II in the ProDoc.

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- 1: No evidence of engagement with targeted groups during project design.

18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?	Yes (3)	No (1)
19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum. *Note: Management Action or strong management justification must be given for a score of "no"	Yes (3)	No (1)

Evidence

The gender marker for project is GEN2. Please refer Gender Equality and the empowerment of women under section IV in the Prodoc.

SUSTAINABILITY & NATIONAL OWNERSHIP

20. Have national/regional/global partners led, or proactively engaged in, the design of the project?

- **3:** National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP.
- **2:** The project has been developed by UNDP in close consultation with national/regional/global partners.
- **1:** The project has been developed by UNDP with limited or no engagement with national partners.

3 | 2 | 1

Evidence

The project has been designed by UNDP in collaboration with national partner, MoEF&CC. Please refer section on Stakeholder Engagement under section II in the ProDoc.

21. Are key institutions and systems identified, and is there a strategy for strengthening specific/ comprehensive capacities based on capacity assessments conducted?

- **3:** The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly.
- **2:** A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment.
- **1:** Capacity assessments have not been carried out.

3 | 2 | 1

Evidence

One of the output results of the project is to raise awareness and develop capacity of MSMEs.

22. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?	Yes (3)	No (1)
23. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?	Yes (3)	No (1)

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UNDP Social and Environmental Screening Template (v. July 2022)

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

Project Information

Project Information	
1. Project Title	Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III
2. Project Number (i.e. Quantum project ID, PIMS+)	00140590
3. Location (Global/Region/Country)	India
4. Project stage (Design or Implementation)	Design
5. Date	12-06-2023

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
The project will deliver an equitable and positive impact on affected populations, individuals and groups, and enhance the quality of and access to resources and systems. The project design and implementation strategies recognize specific targets under SDGs including SDG 12 on Sustainable Consumption and Production, SDG 9: Industry, Innovation and Infrastructure and SDG 13 on Climate Action. The project is relevant for implementing the Montreal Protocol guidelines for Phase-out of Ozone Depleting Substances and creating enabling environments which are inclusive and could support the minimization of adverse impacts caused by relevant sectors.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
The project will gather data and evidence on the relevance of measures to address gender inequalities and empowerment of women especially with regards to access to opportunities and services and different roles and positions. This will contribute in mitigating knowledge gaps. The project will identify and recommend potential adjustments to existing systems as appropriate to address gender sensitive impacts.
Briefly describe in the space below how the project mainstreams sustainability and resilience
The project proposes to expand operations further towards Montreal Protocol Implementation, mainstreaming key components of sustainability on environment, social and economic aspects in focus and enhancing the resilience against chemicals and environmental risks associated with the manufacturing and servicing sectors of Air-conditioning, Refrigeration, Firefighting. By designing the programme to phase-out next set of ODS chemicals, the project helps to facilitate mainstreaming environmental sustainability.
Briefly describe in the space below how the project strengthens accountability to stakeholders
This project extends the Technical and Programme Assistance to prepare the HPMP stage-III plan through consultations, preparatory activities, Data-collection, surveys, site verification, strategy formulation and development of implementation plan for HCFCs phase out from 2023 till 2030. Through the means of transparency, participation of relevant parties, periodic monitoring and evaluation and response mechanism are to strengthen the accountability to stakeholders.

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Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: **No Risks identified**	I = L =			
Risk 2 ….	I = L =			
[add additional rows as needed]				

QUESTION 4: What is the overall project risk categorization?		
Low Risk	✓	**No Risks identified**
Moderate Risk	☐	
Substantial Risk	☐	
High Risk	☐	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)

Question only required for Moderate, Substantial and High Risk projects

Is assessment required? (check if "yes")	☐			***Status? (completed, planned)***
if yes, indicate overall type and status		☐	Targeted assessment(s)	
		☐	ESIA (Environmental and Social Impact Assessment)	
		☐	SESA (Strategic Environmental and Social Assessment)	
Are management plans required? (check if "yes)	☐			
If yes, indicate overall type		☐	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	

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			☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
			☐	ESMF (Environmental and Social Management Framework)	
	Based on identified <u>risks</u>, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	☐			
	Gender Equality and Women's Empowerment	☐			
	Accountability	☐			
	1. Biodiversity Conservation and Sustainable Natural Resource Management	☐			
	2. Climate Change and Disaster Risks	☐			
	3. Community Health, Safety and Security	☐			
	4. Cultural Heritage	☐			
	5. Displacement and Resettlement	☐			
	6. Indigenous Peoples	☐			
	7. Labour and Working Conditions	☐			
	8. Pollution Prevention and Resource Efficiency	☐			

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	***Date***	***Description***
QA Assessor DocuSigned by: Anusha Sharma 9A1D4B7E92D3489...	12-06-2023	Head, Programme Support Unit (PSU)
QA Approver DocuSigned by: E8E7785BF178481...	12-06-2023	Deputy Resident Representative (DRR)

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SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.		
Overarching Principle: Leave No One Behind **Human Rights**		**Answer (Yes/No)**
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	No
P.3	Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	No
Would the project potentially involve or lead to:		
P.4	adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [16]	No
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7	exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment		
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
Would the project potentially involve or lead to:		
P.9	adverse impacts on gender equality and/or the situation of women and girls?	No
P.10	reproducing discriminations against women based on gender, especially regarding participationin design and implementation or access to opportunities and benefits?	No
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12	exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc*.	No

[16] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

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Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
Would the project potentially involve or lead to:		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No
P.14	grievances or objections from potentially affected stakeholders?	No
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
Would the project potentially involve or lead to:		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12	handling or utilization of genetically modified organisms/living modified organisms?[17]	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[18]	No
1.14	adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks		
Would the project potentially involve or lead to:		

[17] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.
[18] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

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2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	No
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
Standard 3: Community Health, Safety and Security		
Would the project potentially involve or lead to:		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	No
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	No
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No

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5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	risk of forced evictions?[19]	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to screening question 6.3 is "yes", then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above.* *	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above*	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.*	No
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	No
7.2	working conditions that may deny freedom of association and collective bargaining?	No
7.3	use of child labour?	No
7.4	use of forced labour?	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	No
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	No

[19] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

* Note: revised July 2022 modifying presumption of risk significance from Substantial or higher to Moderate or higher.

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Standard 8: Pollution Prevention and Resource Efficiency		
Would the project potentially involve or lead to:		
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
8.2	the generation of waste (both hazardous and non-hazardous)?	No
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	No
8.4	the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	No
8.5	the application of pesticides that may have a negative effect on the environment or human health?	No
8.6	significant consumption of raw materials, energy, and/or water?	No

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F. No. 22/7/2023-UN&SF
Government of India
Ministry of Finance
Department of Economic Affairs
*****

New Delhi, Dated: 06th July, 2023

To,

Ms. Lazima Onta Bhatta,
Deputy Resident Representative,
UNDP India
55 Lodi Estate, New Delhi- 110003
Email- lazima.ontabhatta@undp.org

Subject: Minutes of the LPAC Meeting held on 22nd June 2023 to consider project proposal from UNDP- Regarding

Madam,

Please refer to the meeting of the Local Project Appraisal Committee (LPAC) held on 22nd June 2023 (virtually) to consider UNDP project proposal **"Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III".** The approved Minutes of the meeting are enclosed herewith for necessary action.

Yours faithfully,



(Navjot Singh)
Deputy Secretary (UN&SF)
Ph: 011-23095741
Email: navjot.singh@nic.in

Copy to:

a) Mr. Aditya Narayan Singh, Additional Director, Ozone Cell, M/o Environment, Forest & Climate Change, Indira Paryavaran Bhawan, Jorbagh Road, New Delhi, Email: aditya.narayan@nic.in

b) Shri Venugopa Mothkoor, Sr. Specialist/Director, NITI Aayog, New Delhi Email - venu.mothkoor@nic.in

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Ministry of Finance
Department of Economic Affairs (DEA)

The meeting of the Local Project Appraisal Committee to consider the approval for MoEFCC-UNDP-MLF project on 'Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III' was held on **22 June 2023** at 11 am, under the chairmanship of Mr. Avanish Kumar Mishra, Deputy Director General, Department of Economic Affairs, Ministry of Finance, Government of India, through virtual mode. The agenda of the meeting along with the list of participants is attached as **Annex I** and **Annex II** respectively.

The Chair welcomed all the participants to the meeting and requested to make the presentation for the project.

Project Information

Project name: Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III
Location: PAN India
Duration: 8 years (June 2023- Dec 2031)
GEN Marker: GEN 2
Project Budget: USD 14,835,060
Implementation Modality: DIM (Direct Implementation Modality)

Discussion Points:

1. Mr. Aditya Narayan Singh, Additional Director, Ozone Cell, MoEFCC made a presentation covering an overview of the Montreal Protocol including the accelerated phase out schedule for Hydrochlorofluorocarbons (HCFCs), highlights of implementation of HPMP Stage-I and Stage-II. As part of HPMP Stage-II implementation as against 35% reduction target as per Montreal Protocol schedule, India achieved 44% and was also one of the first among the developing countries to completely phase-out of HCFC-141b in the foam manufacturing sector. He then presented an overview of HPMP Stage-III project components, the expected outcomes, and the governance mechanism for the project.

2. The Committee was apprised that the implementation of HPMP Stage-III will enable India to achieve compliance with the Montreal Protocol 2025 and 2030 control targets, with complete phase out of HCFCs by 2030. The project will also enable phase-out of HCFC-22 by 2025 in all the manufacturing sectors, in accordance with the provisions of the Ozone Depleting Substances (Regulation and Control) ODS Rules 2000, as amended in 2014. It was also informed that the HPMP Stage-III was developed in close cooperation with all the concerned line Ministries/departments/ agencies, namely Department of Chemicals and Petrochemicals (DCPC), Department of Promotion of Industry and Internal Trade (DPIIT), Ministry of Micro, Small and Medium Enterprises (MSME), Ministry of Skill Development

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and Entrepreneurship (MSDE), Department of Science and Technology (DST), Central Pollution Control Board (CPCB) and the State Pollution Control Boards (SPCBs).

3. The committee was also apprised that the comments of NITI Aayog regarding capacity building of SMEs, collaboration with MSDE for training and certification, collaboration with Bureau of Indian Standards regarding safety standards for alternatives to HCFCs including life cycle assessment, and end-of-life disposal of HCFC stocks have been appropriately addressed in the project document and the implementation framework.

4. Regarding capacity building of SMEs, it was explained that the same is included as part of technical assistance component of the project, through which a national technical institution will be onboarded for handholding the enterprises not only for carrying out the technology conversion activities from HCFC to non-HCFC and low global warming potential alternatives, but also for a further period of three years for sustaining the HCFC phase out. The Committee was informed that similar approach was followed during HPMP Stage-II project implementation wherein the foam sector had many SMEs that were to phase out HCFC-141b, for which the Central Institute of Petroleum Engineering and Technology (CIPET) of the DCPC was onboarded as a national technical institution, which is still assisting the SMEs in the foam manufacturing sector for sustaining the phase-out. The Committee was further apprised that this model adopted by India was appreciated by the Multilateral Fund Secretariat as well as the Executive Committee and other countries are trying to follow similar approach for implementing their phase-out activities.

5. The Chair sought clarification on the modality of implementation of the project, the role of UNDP in project implementation and key learnings from the earlier phases.

6. Regarding the direct implementation modality to be followed for HPMP Stage-III, it was clarified that when India ratified the Montreal Protocol in 1992, the Union Cabinet in 1994 approved the arrangements for direct transfer of funds from the Multilateral Fund for projects and activities under the Montreal Protocol without being routed through the Central Budget. It was also clarified that as per the procedures of the Multilateral Fund in force, each developing country receiving financial assistance has to have one or more UN implementing agency on board for implementing the project and accordingly, the MoEFCC has appointed UNDP as the lead implementing agency for HPMP Stage-III project.

7. Regarding the role of UNDP in the project implementation, it was clarified that as lead implementing agency, UNDP acts as an interface between the Multilateral Fund Secretariat and the concerned national government (in this case, MoEFCC) in terms of submitting progress report on implementation, tranche request and addressing other reporting requirements as per the Multilateral Fund procedures. As lead agency, UNDP also coordinates with other cooperating agencies (UNEP and GIZ for HPMP Sage-III) for the reporting of related activities to the Multilateral Fund Secretariat. In addition, UNDP also carries out independent verification of achievement of phase-out targets as per the agreement with the Executive Committee of the Multilateral Fund as well as implementation of technology conversion activities by the participating enterprises in terms of timely achievement of milestones as per the Memorandum of Agreement signed for implementing technology conversion related activities.

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8. On the key learnings and outcomes from the previous two phases of the project, Dr Ashish Chaturvedi, Head, ACE unit, UNDP mentioned that the previous two stages of the project have been implemented successfully; and the implementation frameworks put in place would help in timely and effective implementation of HPMP Stage-III project. He also underlined that the GHG emission reduction impact is in tune of 3 and 8.5 million tonnes of CO2 equivalent respectively from Stage-I and Stage-II of HPMP, which is quite significant.

9. Regarding independent evaluation of HPMP Stage-I and Stage-II by the Multilateral Fund, it was clarified that the Multilateral Fund has a Senior Monitoring and Evaluation Officer, to carry out independent evaluation of the completed projects. The project completion report for HPMP Stage-I submitted was evaluated and there were no findings for consideration by the Executive Committees of the Multilateral Fund. Regarding the HPMP Stage-II, the project is under implementation till end of 2023 and project completion report will be submitted during early 2025 after financial closure in 2024, after which the evaluation will be carried out by the Senior Monitoring and Evaluation Officer and findings will be presented to the Executive Committees.

10. Based on the presentation & discussion, the Committee accorded approval for the implementation of the project “Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III”.

11. The meeting ended with thanks to the Chair.

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Annex I -Agenda for the meeting of Local Project Appraisal Committee for UNDP Projects

Date: 22 June 2023
Time: 11 am- 11:30 am

Time	Agenda Item
11-11:02 am	Opening Remarks UNDP/DEA
11:02-11:22 am	Presentation on *Project on* ***'Hydrochlorofluorocarbons (HCFC) Phase-out Management Plan (HPMP) Stage-III'***
11:22 –11:28 am	Discussion and comments from line ministries
11:28-11:30 am	Closing remarks by UNDP/DEA

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Annex II – List of Participants

Department of Economic Affairs (DEA), Ministry of Finance

- Mr. Avanish Kumar Mishra, Deputy Director General and Chairperson, LPAC
- Mr. Navjot Singh, Deputy Secretary
- Mr. Vipin Kumar, Assistant Section Officer
- Mr. Amit Anurag, Assistant Section Officer

Ministry of Environment, Forest and Climate Change

- Mr Aditya Narayan Singh, Additional Director & In-charge Ozone Cell, MoEFCC
- Mr Sistla Subbarao, National Program Manager, SPPU, Ozone Cell

NITI Aayog

- Mr Venu Gopal, Sr Specialist, NITI Aayog

United Nations Development Programme

- Dr. Ashish Chaturvedi, Head, Action for Climate and Environment
- Ms. Anusha Sharma, Head, Programme Support Unit
- Mr Ankit Agrahari, Programme Officer, Action for Climate and Environment
- Mr MC Jajoo, Finance Assistant, Action for Climate and Environment