Date: 24 February 2023

Dear Ms. Dawn Del Rio,

Approval of funding tranche for Pacific Office (Fiji) HCFC Phase-out Management Plan, Stage-II

We are pleased to inform you that the following funding was approved for UNDP implementation, as part of the HCFC Phase-out Management Plan (HPMP) **Stage-II** for Pacific Office (Fiji) at the 88th Intersessional Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, held in November 2021.

MLF Reference No.*	Project Title	Funding (US$)
FIJ/PHA/88/INV/039	HCFC phase-out management plan (stage II, 1st tranche)	$ 176,000

***** Please indicate this reference number in the cover sheet of the project document and in the ATLAS short project title

Background: The overall HCFC phase-out management plan for Stage II is approved in-principle by the MLF Executive Committee, to assist Pacific Office (Fiji) in complying with the 2025 and 2030 control measures for HCFCs under the Montreal Protocol and is subject to the provisions of the performance-based agreement between the MLF Executive Committee and Pacific Office (Fiji), comprising of annual/biennial HCFC consumption and phase-out targets. Approval of future funding tranches is contingent upon achievement of these targets, failing which Pacific Office (Fiji) could be liable for penalty for non-compliance.

Project Document Format: We are attaching herewith the Pacific Office (Fiji), HPMP Stage II document as approved by the MLF Executive Committee. It is important to annex this document, without any change, to the project document that will be signed between UNDP and the Government. The Multilateral Fund guidelines give us limited flexibility to adjust specific activities and associated budget during the implementation. However, the total budget for project management (PMU cost) cannot be increased, and any major changes, particularly the change of the alternative technologies will require re-approval of the Executive Committee. Therefore, if there is the request to shift the budget categories and/or change of the technologies, please consult with the MPU/Chemicals' representative for guidance.

Review of Draft Project Document: Please ensure that the draft UNDP Project Document is shared with the MPU/Chemicals' representative in Bangkok Regional Hub, Ms. Manisha Sanghani (Manisha.sanghani@undp.org) for review and input before signature

MLF Gender Mainstreaming Requirements:
ExCom Decision 84/92 approved an Operational Policy on Gender Mainstreaming for Multilateral Fund-supported projects, thereby affirming the importance of gender mainstreaming in MLF-supported projects. The policy on gender mainstreaming will be applied throughout the MLF project cycle, beginning with projects that were approved at the 85th ExCom Meeting in May 2020. UNDP MLF reporting formats have been revised in order to ensure a gender-responsive approach to UNDP MLF projects. It is important to collect more and better sex-disaggregated data, especially on participation in meetings and trainings as information on the number of male and female participants in project meetings will be requested by the MLF. Please also ensure that your gender focal points and/or other gender experts are consulted during the project design and implementation phases and that gender-responsive human resource management processes are undertaken.

Ms. Dawn Del Rio
UNDP Resident Representative
UNDP Pacific Office (Fiji)
Suva, Fiji

cc: Kanni Wignaraja – Director, Regional Bureau for Asia and the Pacific (RBAP)
Christophe Bahuet – Director, Bangkok Regional Hub & Deputy Director for RBAP

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UNDP Social and Environmental Standards:
UNDP's Social and Environmental Standards (SES) applies to all UNDP projects and underpins our commitment to mainstream social and environmental sustainability in our Programmes and Projects to support sustainable development. The SESP should be used iteratively as a design and appraisal tool from the earliest stages of project preparation. The SESP assists Project Developers in identifying potential project-related social and environmental opportunities and risks and measures for social and environmental risk management. SESPs are only needed for demonstration projects and NEW STAGES of HPMPs/KIPs "as a whole" and not for tranches belonging to HPMPs/KIPs.

Entering Budget in Quantum: Consistent with the new agreement for stage II between Pacific Office (Fiji) and the Executive Committee, your office is requested to enter a new Project/Award Budget and Funding in Quantum using the Annual Work Plan, attached..

Budget Revisions: In case there is a need to shift funds between budget categories, please consult with the MPU/Chemicals' representative in Bangkok Regional Hub, Ms. Manisha Sanghani (Manisha.sanghani@undp.org) as in certain cases, the Multilateral Fund will have to be consulted prior to approving of such shifts in line with the paragraph on project document format, above.

Support Costs: The General Management Support Services (GMS) fee received by UNDP in relation to these projects is managed centrally at BPPS and should NOT be part of the project budget. **The support cost rate approved by the donor is 7% for this project. Accordingly, in Quantum, please set the Burdening Rate in the Award Budget at 7% by selecting Montreal P.Trust Fund 7% option**. GMS at the internal distribution rate approved effective January 2016 covering management support rendered by your office will be credited to your Cost Centre income account based on delivery. Direct Project Costs, formerly Implementation Support Services (ISS) may be charged to the project budget using the Universal Price List.

Government Counterpart: Just as a reminder, kindly note that the National Ozone Focal Point in your country is Ms. Alisi Kamaiwaqa, Senior Environment Officer, Department of Environment (akamaiwaqa@govnet.gov.fj). While she may not be the one to sign the project document on behalf of the Government, kindly make sure that she is copied on all correspondence related to this project.

Over-Expenditures: We wish to remind you that over-expenditures are not allowed in Montreal Protocol projects. Please therefore ensure that total expenditures never exceed the total budget.

Based on the above and the signed project document, please create the project and associated award budget and funding in Quantum and send an electronic copy of the signed document to the MPU/Chemicals' representative in Bangkok Regional Hub, Ms. Manisha Sanghani (Manisha.sanghani@undp.org) with a request for ASL.

Thank you very much for your partnership in the implementation of this important programme, which falls under the UNDP Strategic Plan 2022-2025 **IRRF Signature Solution 4, Output 4.1.2 –** Sustainable use of natural resources to enhance productivity and livelihoods.

Yours sincerely,

Xiaofang Zhou

Xiaofang Zhou
Director, Montreal Protocol Unit
Principal Technical Advisor, Chemicals and Waste
Nature, Climate and Energy
Bureau for Policy and Programme Support

Attachment: Annual Work Plan

AWARD ID	**CO to add**
PROJECT ID	**CO to add**
MLF Ref.	**FIJ/PHA/88/INV/39**
Project Title	**Phasing out Hydrochlorofluorocarbons (HCFCs) in Fiji under Montreal Protocol Stage - II Tranche 1 (HPMP Stage II Tranche 1)**
Executing Agency	**Ozone Depleting Substances (ODS) Unit, Department of Environment (DOE), Ministry of Environment**

EXPECTED OUTPUTS	ATLAS Activity	Responsible Party	Fund code	Donor ID	ATLAS Account Code	ATLAS Budget Description	2023	2024	2025	Total (USD)
Output 1: Phase out - Hydrochlorofluorocarbon	Activity 1: Policy Regulation & enforcement	Ministry of Environment	63030	10009	72100	Contractual Service Companies	5,000	-	-	5,000
	Activity 2: Technical assistance - RAC and Fisheries sector	Ministry of Environment	63030	10009	72100	Contractual Service Companies	10,000	10,000	10,000	30,000
		Ministry of Environment	63030	10009	71300	Consultatns	3,500	4,000	3,500	11,000
	Activity 3: Trainign and Capacity building	Ministry of Environment	63030	10009	72100	Contractual Service Companies	25,000	45,000	-	70,000
		Ministry of Environment	63030	10009	71300	Consultants	3,000	2,000	-	5,000
	Activity 4: Project implementation Coordination & Monitoring	Ministry of Environment	63030	10009	71400	Contractual services (Individual)	15,000	15,000	20,000	50,000
		Ministry of Environment	63030	10009	71600	Travel	1,000	1,000	500	2,500
		Ministry of Environment	63030	10009	72500	Supplies	1,000	1,000	500	2,500
						TOTAL	**63,500**	**78,000**	**34,500**	**176,000**