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PROJECT DOCUMENT

Global Project

Project Number: Linking the Kigali Amendment with Energy Efficiency in the RAC Sector

Implementing Partner: DIM

Start Date: June 2018

End Date: April 2021

PAC Meeting date: 6 June 2018

Brief Description

The Kigali Agreement to the Montreal Protocol will enter into force on January 2019 establishing specific targets and timetables to phase-down the production and consumption of HFCs, carrying an agreement by developed countries, to help finance the transition of developing countries to climate-friendly substances through a global commitment to avoid more than 80 billion metric tons of carbon dioxide equivalent emissions by 2050. In addition, with the goal to "significantly increase and accelerate the climate and development benefits of the Montreal Protocol refrigerant transition by maximizing a simultaneous improvement in the energy efficiency of cooling", 19 philanthropic organizations had announced a contribution of USD \$52 million to support developing nations in the transition to more energy-efficient cooling solutions through a separate funding mechanism called the Kigali Cooling Efficiency Programme (K-CEP).

In this regard, this global project aims to provide technical assistance to the selected **Parties operating under the Article 5 of the Montreal Protocol**, which includes the countries of **Chile, Cuba, Fiji, Indonesia, Panama, Trinidad & Tobago, Uruguay, Venezuela, Malaysia, Bangladesh, Sri Lanka, Ghana, Nigeria, and Lebanon.**

Contributing SP Outcome: Outcome 1 Accelerate structural transformations for sustainable development

SP Output: Output 2.5.1: Solutions developed, financed and applied at scale for energy efficiency and transformation to clean energy and zero-carbon development, for poverty eradication and structural transformation.

Indicative Project Outputs with gender marker:

Output 1 - Early ratification of the Kigali Amendment by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down. (GEN1)

Output 2 - Energy Efficiency (EE) interventions and policies linked to HFCs Phase-down in the Refrigeration and Air Conditioning (RAC) Sectors promoted. (GEN1)

Total resources required:	US \$ 1,741,310	
Total resources allocated:	UNDP TRAC:	0
	Donor (MLF):	891,310
	Donor: (ClimateWorks/K-CEP)	850,000
Unfunded:	0	

Agreed by

UNDP

Abdoulaye Mar Dieye, Director, Bureau for Policy and Programme Support

Date:

3 July 2018

ABBREVIATION LIST

A-5	Parties to the Montreal Protocol operating under its Article 5
EE	Energy Efficiency
EEP	(National) Energy Efficiency (and Management) Plan
ExCom	Executive Committee of the Multilateral Fund
GWP	Global Warming Potential
HCFC	Hydrochlorofluorcarbon
HFC	Hydrofluorcarbon
HPMP	HCFCs Phase-Out Management Plan
IS	Institutional Strengthening (Project)
K-CEP	Kigali Cooling Efficiency Programme, administered by the ClimateWorks Foundation
	Multilateral Fund for the Implementation of the Montreal Protocol
MLF	Montreal Protocol
MP	Nationally Determined Contributions
NDCs	National Energy Officer
NEO	National Ozone Assistant
NOA	National Ozone Officer
NOO	National Ozone Unit
NOU	Ozone Depletion Substances
ODS	Refrigeration and Air Conditioning
RAC	United Nations Development Programme
UNDP	United Nations Framework Convention on Climate Change
UNFCCC	

I. DEVELOPMENT CHALLENGE

1. The Montreal Protocol has been recognized as the most successful multilateral environmental agreement (MEA) as it has universal ratification and has led the world to phase-out over 98% of ozone depleting substances by 2017. The Montreal Protocol is also an important tool to mitigate the climate change, since the ozone depleting substances are also greenhouse gases (GHG) with high global warming potential (GWP) values, it is estimated that the Montreal Protocol has avoided around 135 Giga tonnes of CO₂ equivalent (CO₂-eq) emissions. In this regard, in 2016, the Parties to the Montreal Protocol adopted the Kigali Amendment, a landmark agreement that can avoid additional emissions of around 80 billion tonnes of CO₂-eq - and 0.5 Degree Celsius of global warming - by phasing down 80-85% of hydrofluorocarbons (HFCs) by the year 2050. The Amendment is currently undergoing the process of ratification by the Montreal Protocol Parties.
2. In one hand, Refrigeration and Air Conditioning (RAC) applications are becoming more than simple conveniences of the 20th and 21st centuries. RAC equipment needs energy to run and some of them are highly energy intensive, while others are required to operate 24 hours a day, 7 days per week, like domestic refrigerators. This is reflected in the growing global energy demand, as identified by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations Framework Convention on Climate Change (UNFCCC), which in its fifth Assessment Report (AR5), estimated that the energy consumption only in the air conditioning sector is expected to grow from 300 TeraWatt/hour (TWh), in 2000, to more than 10,000 TWh in the year 2100, and therefore there will be need to deploy more energy efficient equipment (IPCC, 2014, pp.6). The International Institute of Refrigeration (IIR) estimates that the Heating, Ventilation, Air Conditioning and Refrigeration (HVAC-R) sector was responsible for roughly 17% of the world energy consumption in 2015.
3. Under this scenario, there are important opportunities to enhance energy efficiency in the RAC sector by taking advantage of the refrigerant conversion processes and other activities driven by the Montreal Protocol, as implemented under the HCFCs Phase-out Management Plans (HPMPs) - and future HFC-Phase-down management plans. It is also the case that the conversion process in the RAC equipment manufacturing lines can open a single window of opportunity to deploy both low-GWP and energy efficient technologies. However, the majority of the staff in the National Ozone Units (NOUs) - responsible to develop and implement these plans - lack practical understanding of climate and energy concepts such as CO₂ equivalence and energy efficiency.
4. In the other hand, some of the Nationally Determined Contributions (NDCs), that parties to the United Nations Framework Convention on Climate Change (UNFCCC) that ratified the Paris Agreement are required to update every 5 years, already take into (some broad evaluation of) energy efficiency aspects of RAC equipment. However, the complete integration of energy efficiency considerations in the RAC sector both in the HPMPs and in the NDCs is non-existent in most A-5 Parties. The preparation of the HFCs Phase-down Management Plans, in the future, will certainly benefit of this knowledge and readiness.
5. It is also recognized that the RAC sectors are not prioritized or, in many cases, not even considered in the National Energy Efficiency Plans (EEPs). Usually the Energy Efficiency Bodies (EEBs) of A-5 Governments that are responsible for such plans lack general knowledge on the Montreal Protocol and its potential climate mitigation impacts in the RAC sector in terms of energy consumption reduction. Without this understanding, A-5 Parties will miss technical and financial opportunities, as well as these substantial climate benefits.
6. Therefore, under this Business as Usual (BAU) scenario, where no action is taken to improve EE interventions in the RAC sector (allied to the Montreal Protocol activities), the expected growth of the energy consumption due to increased installed capacity of RAC equipment will increase demand for the generation of energy worldwide, potentially leading to an increase of both direct and indirect emissions of CO₂. In this scenario, the climate impacts of the use of non-efficient equipment is likely to increase the vulnerability of populations. Most important, shortage of electricity supply, required to run RAC equipment, in a warmer world, is likely cause negative impacts to the RAC sector, for example, for the equipment used in the conservation of medicine and wellbeing of elderly and children. Also, the insecurity associated with this scenario is also expected to the adverse impacts in the global food supply chain, highly dependent of refrigeration equipment to improve conservation and distribution processes, increasing, in this manner, the costs of food and putting at risk the food security of poor people.

7. In this regard, to support developing countries operating under the Article 5 (A-5 Parties) of the Montreal Protocol, the Multilateral Fund (MLF) was established as the financial mechanism for the Implementation of the Montreal Protocol; and, since 1991, it has provided over US\$ 3.5 billion to assist A-5 Parties to meet their commitments to phase-out the ozone depleting substances. Following the same principle, developing countries that are parties to the Kigali Amendment are expected to continue having access to financial and technical support provided by the Multilateral Fund to meet their HFCs' reduction targets, and in 2017, a group of developed countries donated USD \$27 million in "fast start funds" to help developing countries to take earlier actions and build capacities for the HFC phase-down activities. These funds are available through the Multilateral Fund structure with priority focus on Enabling Activities that can support A-5 Parties in the ratification and early implementation of the Kigali Amendment.
8. Additionally, 19 philanthropies are donating USD \$52 million to support the developing nations in the transition to more energy-efficient cooling solutions in parallel to the early implementation of the Kigali Amendment. These funds are channeled through a separate funding mechanism called the Kigali Cooling Efficiency Programme (K-CEP);
 - a) The K-CEP, having no Legal Status, is administered by the ClimateWorks Foundation, a legally established non-governmental organization (NGO) with global scope. ClimateWorks collaborates with funders, regional and research partners, and other climate leaders to strengthen philanthropy's response to climate change;
 - b) The ultimate goal of the ClimateWorks/K-CEP is to "significantly increase and accelerate the climate and development benefits of the Montreal Protocol refrigerant transition by maximizing a simultaneous improvement in the energy efficiency of cooling."¹

II. STRATEGY

9. The project aims to address the following barriers identified:
 - (a) Lack of comprehensive legal and regulatory framework that can allow countries to ratify and implement the initial control obligations agreed under the Kigali Amendment;
 - (b) Lack of "in house" knowledge/capacities within the National Ozone Units (NOUs) in issues related to climate change, energy efficiency (EE), sustainable development and cross cutting issues;
 - (c) Lack of an effective inter-institutional coordination mechanism between the NOUs (usually housed by Ministries of Environment) and the Offices that overlook Climate Change and Energy issues for the implementation of the Kigali Amendment and the improvement of energy efficiency in the RAC sector.;
 - (d) Nonexistence of a guidance instrument that can drive the Policy Framework development and connect EE interventions to the RAC sector;
 - (e) Need to develop management tools, suited to the specificities of national markets and that also takes into consideration the climate variation of the region (mix of tropical countries, large cities located in cold locations, high humidity, etc.), which could support NOUs and Energy focal points how to manage the HFC-based equipment in line with the Kigali phase-down schedule.
10. Whilst there are significant synergies between the work being carried out in the fields of energy efficiency and ODS phase-out / HFC phase-down, to date these two areas have been dealt separately in terms of funding, implementation and departmental responsibility. Therefore, the project will address the gap in technical capacity and the understanding of the relationship between energy efficiency considerations and Montreal Protocol activities in the participating countries that Parties operating under the Group 1 of the Article 5 by creating capacities in the National Ozone Unit and Energy Efficiency Bodies staff.
11. Due to the current implementation modalities of the projects implemented with the Montreal's Protocol Multilateral Fund (MLF) assistance, there is a lack of synergies between the energy efficiency factors and standard technical assistance Montreal Protocol related activities, and vice versa. The awareness of these issues is poor and no attention is paid to ODS phase-out or HFC phase-down factors in energy efficiency projects and programmes.

¹ Reference: <http://www.climateworks.org/blog/kigali-cooling-efficiency-program-k-cep-exciting-new-philanthropic-initiative-makes-debut/>

12. To address this issue, two independently funded but complementary technical assistance activities are being funded by the MLF and the ClimateWorks/K-CEP which include technical support to promote the ratification and early implementation of the Kigali Amendment (supported by the MLF); and the support to the A-5 Parties in assessing the current relationship existing within the Governmental Bodies and will support to develop proper "Soft Plans" which can enhance the EE approaches and establish roadmaps on EE Management Plans once the legal and policy conditions are available (supported by the ClimateWorks/K-CEP).
13. The Countries that are participating in this project were select using the donor's selection criterion: (a) the countries were being already assisted by UNDP in its role of (Lead/Sole) Implementing Agency (IA) for either the Institutional Strengthening Projects and/or the HCFC-Phase-Out Plans Projects; (b) additionally, countries had also agreed to work with UNDP under the Enabling Activity Framework of the MLF. The reasoning for this selection criterion is, under the proposed Global Project, deeper collaboration between the parallel projects being implemented UNDP in the country could be promoted, maximizing the technical assistance delivered, and feeding back the projects with the results of national activities required to collect data and enable legal frameworks for the Kigali Amendment ratification and implementation.
14. The project will ensure that existing institutional mechanisms are strengthened at country level, it will support the mainstream of EE principles within Governmental Bodies (NOUs and EEBs) and will build capacities with National Officers in EE issues and synergies with the Montreal Protocol. It will assure that dialogues among stakeholders and partners are established to bring the MP issues to a wider range of decision making government bodies responsible for both MP and energy efficiency actions.
15. Therefore, the envisaged Outputs of the project are:
 - a) early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down; and
 - b) gap in energy efficiency expertise needed by the participating countries filled, enabling linkages between Montreal Protocol projects and Refrigeration and Air Conditioning (RAC) Management Plans that take into consideration energy efficiency aspects and opportunities.
16. Finally, all activities undertaken by the project will support the development of a knowledge base in the Governmental Departments (NOUs and EEBs) that in the medium to long term will enable the development of public policies on energy efficiency for the RAC sector that will support the Government to enable the environment to deploy sustainable cooling technologies and practices can significantly contribute to the achievement of the SDGs, particularly to the SDGs 8, 9, 11, 12, 13 and 17.

III. RESULTS AND PARTNERSHIPS

Expected Results

17. The project will "Enable "Article 5" Parties on the Kigali Amendment Ratification Process and Enhance the Energy Efficiency in the RAC Sector" is to assist countries to undertake the steps needed for the early ratification and implementation of the Kigali Amendment to the Montreal Protocol projects aligning these project with energy efficiency interventions under RAC Management Plans. At the same time, it aims to enhance the energy efficiency capacities of these Parties by designing strategic/management plans that take into consideration energy efficiency aspects and opportunities for the RAC sector.
18. Accordingly, the envisaged Outputs results are:
 - a) Early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down; and
 - b) The gap in energy efficiency expertise needed by the participating countries filled, enabling linkages between Montreal Protocol projects and Refrigeration and Air Conditioning (RAC) Management Plans that take into consideration energy efficiency aspects and opportunities.

19. The project will provide technical assistance to countries, underpinned by advocacy, in order to develop a programmatic strategy to participating countries with a comprehensive but flexible implementation package of support that can be tailored to national realities and priorities aligned with the local institutional arrangements in place to implement the commitments of the Montreal Protocol. The project also foresees nationally driven activities to be implemented in the field, collecting data, reviewing legal and policy frameworks, undertaking surveys and coordination meetings with key stakeholders, that will provide inputs to the global components of the project, particularly those related to the preparation of Energy Efficiency and RAC Plans and the creation of roadmaps that can support participating countries in the Kigali Amendment's ratification procedures.
20. The development of capacities at the targeted governmental bodies will provide knowledge and tools to support the long-term policy transformation that can enable institutional and policy reforms to merge energy efficiency in the required levels of the RAC sector plans implementation during the future implementation of the Kigali Amendment to the Montreal Protocol.
21. Gender Approach: The UNFCCC recognizes the role of women as active agents in climate change mitigation and adaptation. Insufficient women's involvement presents a needless barrier to successful national climate action, not to mention full achievement of the SDGs. The project intends to integrate gender needs into National "Soft Plans" by assessing these specific needs in country by country basis. It is important to note that the funding has been approved by the donors without an option to request additional funding and the proposed gender mainstreaming activities, these being beyond the scope of the project. However, the recommendations of the UNDP's Gender team were taken into consideration in the project preparation, which will seek to raise issues on gender mainstreaming activities for future replicable activities at country level and UNDP will continue to try to obtain funding from the donor to fund such activities as possible. It is of the intention of the Project to promote, under this constrained scenario, gender driven approaches when raising awareness, building capacities and providing technical support related to the Montreal Protocol-Energy Efficiency policy framework at the national level during the project implementation.
 - a. A gender analysis is to be conducted in order to provide a better understanding of which are the most relevant gender entry points in Energy and RAC Sector.
 - b. Evaluate the end-users' beneficiaries of the project's outputs, and how gender dimensions are relevant in this regard, so, recommendations can provide equal benefits to women and men.
 - c. Consider training for both females and males whenever possible in the RAC sector by fostering women's participation through partnerships in order to organize gender-specific technical and capacity-building trainings for specific purposes.
22. Strategic linkages to UNDP programming: The project will ensure that global and national deliverables have the necessary linkages to the UNDAF and, UN One Plans (where relevant). More specifically, the project is linked to the UNDP's Strategic Plan 2018-2021:
 - a. *Outcome 2:* Accelerate structural transformations for sustainable development:
 - b. *Signature solution 5:* Close the energy gap, by focusing on the support to innovative private and public solutions to increase energy access and delivery by promoting energy efficiency measures and policies.
 - c. *Output 2.5.1:* Solutions developed, financed and applied at scale for energy efficiency and transformation to clean energy and zero-carbon development, for poverty eradication and structural transformation
23. The expected outputs and indicators of this project are:
 - A. Output 1 - Early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down:
 - Indicator 1.1* – Number of Countries that had reviewed their Legal Framework related to the Montreal Protocol implementation;
 - Indicator 1.2* – Number of national institutions involved in the ratification process capacitated on the Kigali Amendment issues;

Indicator 1.3 – Number of Countries that had taken significant steps towards the ratification of the Kigali Amendment;

Indicator 1.4 - Number of Countries that had established HFCs Control and Reporting Systems; and

B. Output 2 - Energy Efficiency (EE) interventions and policies linked to HFCs Phase-down in the Refrigeration and Air Conditioning (RAC) Sectors promoted.

Indicator 2.1 - Number of National Ozone Officers EE capacities strengthened in the RAC area.

Indicator 2.2 - Number of countries where RAC/EE soft plan have been prepared and published

Indicator 2.3 - Number of EE demonstration projects implemented in the RAC Sector;

Indicator 2.4 - Number of district cooling national strategies prepared;

Indicator 2.5 - Number of countries with EE training and standards improved in RAC sector;

Resources Required to Achieve the Expected Results

24. The proposed budget is US \$ 1,741,310 (inclusive US \$143,830 of support costs) for the 36 months period of project implementation, and will support up to 13 participating countries.

(a) The Multilateral Fund for the Implementation of the Montreal Protocol (MLF): US \$ 833,000 (plus US \$ 58,310 of support costs) or **US\$ 891,310**;

(b) The ClimateWorks' Kigali Cooling Efficiency Programme (K-CEP), administered by the Climate Works Foundation: US \$ 765,000 (plus US \$ 85,000 of support costs) or **US\$850,000**.

25. The project will also function as a "Help Desk" by providing high level technical assistance services for participating countries, while UNDP, and its Country Offices, will not benefit directly from the project funds.

Partnerships

26. The project will work closely with the:

- National Ozone Units (NOUs): the focal points for the implementation of the Montreal Protocol in the participating countries, the NOUs are the entities responsible for receiving and responding to all demands of the sectors that are impacted by the commitments agreed upon under the Montreal Protocol.
- Energy Efficiency Bodies (EEBs): the governmental entities responsible for developing and implementing the policy and regulatory framework on energy consumption and efficiency.

27. UNDP synergies: at the global level, the project will seek synergies and exchange of best practices and tools with key UNDP projects and initiatives, particularly with;

a) The Project UNDP-NDC Support Programme, in the relevant linkages with the NDCs implementation and energy efficiency in the RAC Sector. The UNDP-NDC Support Programme is supporting Governments to use the NDC implementation to scale up investment in the climate change mitigation, while this proposed project will look into manner to account for contributions of the CO₂ equivalent reductions originated by the Kigali Amendment in the RAC Sector and how to apply these into the future revision of these NDCs.

b) The Green Climate Fund Readiness Programme and, more broadly with, UNDP's extensive support to countries on climate change mitigation and adaptation, funded primarily through the vertical funds, on joint activities that increase efficiency of delivery of technical and financial support to countries.

Risks and Assumptions: See Annex 3

Stakeholder Engagement

28. The project will target stakeholders in both the public and private sectors as summarised below.

- Government entities at national level are essential to ensure national ownership and complementarity in the preparation of the Soft Plans / Roadmaps within the national sustainable development agenda under the Montreal Protocol. The initiative will target a range of key line Ministries beyond the Ministry in charge of Montreal Protocol, including: the key sectoral ministries that will be implementing climate mitigation targets and actions and the ones handling energy efficiency issues.
- The private sector will be vital partners for implementing and financing energy efficiency actions and promoting access to efficient RAC equipment. This includes both domestic actors, such as small and medium enterprises, large multinational companies and business associations, as well as international actors seeking opportunities and technological investments.
- Other important national actors for defining a long-term vision for energy efficient RAC equipment, as well as the ones that can remove barriers to this vision, include finance providers, civil society organizations, the research and academic sector, and non-governmental organisations.

South-South and Triangular Cooperation (SSC/TrC)

29. South-South cooperation and triangular cooperation (SSC/TrC) are expected to play an important role in this project since the process of ratification of the Kigali Amendment and the linkage with energy efficiency are common challenges to all developing countries that are Parties to the Montreal Protocol. SSC/TrC best practices will be identified and applied to create a fostered and systematic approach to technical and political peer exchange learning between governments, the private sector, academia and civil society. Knowledge and lessons learned will be proactively identified, analysed and disseminated through existing UNDP and partner networks.

Knowledge

30. The main knowledge product(s) to be developed by the project is the Soft Plan / Roadmap (one per country) that will capture and codify the principles and actions required to further implement energy efficiency interventions in the participating countries alongside with the future implementation of the Kigali Amendment. Additionally, good practices, knowledge management and learning will be assessed and codified in order to draw upon the experiences and define the most useful types of knowledge products. It is proposed to use informal mechanisms such as blogs, newsletter updates and webinars to share learning, trends and good practices in "real time".
31. The learning gained through the project will be put at the K-CEP ECO's disposal and shall be compiled and disseminated with other A-5 countries, for example, through Side Events to the OEWG and MOPs held by UNDP, and, ultimately, these are expected to be replicable by countries either through their HCFCs Phase-out Management Plans (HPMP), their future "HFCs Management Plans" and as well by their own initiative.

Sustainability and Scaling Up

32. The project has been designed to be country-driven and country-owned, with technical and institutional capacities developed through a learning-by-doing approach. National government ownership of project implementation and achieved results is considered instrumental for ensuring that human, technical, and institutional capacities are built and sustained within partnering governments and other national champions. National capacities will be built via a coherent and strategic implementation of activities which will yield sustainable long-term impact at national, sub-national, and sectoral levels, assuring that knowledge and experiences stay in the participating country.
33. The project will support the participating countries to develop long-term strategic Plans/Roadmaps that can guide actions towards the implementation of energy efficiency interventions in the RAC sectors aligned with the future implementation of the Kigali Amendment to the Montreal Protocol, and for this, it constitutes an important enabling activity on energy efficiency. The Plans are expected to also identify potential financial alternatives for future implementation of such Plans. In this sense, the scale up of the project will first depend on the ratification and entry to force of the Kigali Amendment followed by the definition of funding guidelines for the implementation of the Kigali Amendment and the set of actions agreed under the Plans/Roadmaps.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

34. The project will apply, to the maximum extent, the management approach of the donors. Annual monitoring led by the donors will assess both efficiency and effectiveness of the project. Country-to-country support and to private sector engagement will be promoted. The global nature of the project allows for extraction and sharing of best practices that assist all countries in project implementation, while the Help Desk function will provide deep technical assistance to countries. The project will also engage in collaborative programming where possible at the national level to provide more effective and coordinated assistance to countries, including joint workshops and training and preparation of knowledge products.

(a) the ClimateWorks/K-CEP is a contributor/donor to the Project and has no implementation responsibilities (Implementation Partner) under the Project. Regular annual reporting from UNDP to ClimateWorks/K-CEP is necessary to assess the efficiency and effectiveness of the funds provided by the donor. Under such premise, the ClimateWorks/K-CEP is also part of the Project Board, acting as Senior Supplier, by providing high level Advisory on energy efficiency related issues, key to assure that effectiveness of the project is reached.

Project Management

35. The project is to be implemented under the UNDP's Direct Implementation Modality (DIM) and the management structure includes global, regional and national elements, as follows:
- i. At the global level, the Montreal Protocol Unit (MPU), under the Sustainable Development Cluster of the Bureau of Policy and Programme Support (BPPS), based in New York, will provide operational support, technical assistance and quality assurance to the MPU's Programme Coordinators located at the Regional Hubs of Panama, Bangkok and Istanbul.
 - ii. At the regional level, the Programme Coordinators, MPU staff, will ensure that technical assistance, knowledge, lessons, and best practices are delivered to Country Offices and counterparts at the participating countries that are beneficiaries of the project. The Regional teams will be responsible for the monitoring and oversight of activities, as well as to identify barriers and needs to the successful project implementation and shall liaise with the MPU global team to allow that proper funding and international consultants assistance are timely delivered to country offices and participating countries.
 - iii. The global and regional MPU teams supporting the project are fully funded separately by the MLF and relevant costs will not be charged to the project.
 - iv. At the national level, UNDP Country Offices will provide additional operational support to countries that are beneficiaries of the project in terms of facilitating local activities and disbursements, including but not limited to: travel and missions, consultation meetings, sundry costs.
 - v. To facilitate local activities, funding under the global project will be issued to country offices through financial authorizations. Cost of services provided to the project by respective country offices will be charged to the project.
36. Under DIM modality, the project is bound to the UNDP's Rules and Regulation on Implementation and Audit. Additionally, the project will be monitored following donor requirements (quarterly reporting system following by annual monitoring mission/meeting).

V. RESULTS FRAMEWORK

Intended Outcome as stated in the Global Programme Results and Resource Framework: <i>Accelerate structural transformations for sustainable development</i>									
Applicable Output(s) from the UNDP Strategic Plan: <i>Output 2.5.1: Solutions developed, financed and applied at scale for energy efficiency and transformation to clean energy and zero-carbon development, for poverty eradication and structural transformation</i>									
Project title: <i>Linking the Kigali Amendment with Energy Efficiency in the RAC Sector.</i>									
Atlas Project Number: TBD									
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
Output 1 - Early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down.	Indicator 1.1 – Number of Countries that had reviewed their Legal Framework related to the Montreal Protocol implementation;	Government Files	0	2017	0	6	0	6	Primary data generated by the project.
	Indicator 1.2 – Number of national institutions involved in the ratification process capacitated on the Kigali Amendment issues;		0	2017	0	6	0	6	
	Indicator 1.3 – Number of Countries that had taken significant steps towards the ratification of the Kigali Amendment;		0	2017	0	6	0	6	
	Indicator 1.4 - Number of Countries that had established HFCs Control and Reporting Systems; and	MLF Country Programme	0	2017	0	6	0	6	
	Indicator 2.1 - Number of National Ozone Officers EE capacities strengthened in the RAC area.	Government Files	0	2017	0	13	0	13	
Output 2 - Energy Efficiency (EE) interventions and policies linked to HFCs Phase-down in the Refrigeration and Air Conditioning (RAC) Sectors promoted.	Indicator 2.2 - Number of countries where RAC/EE soft plan have been prepared and published		0	2017	0	13	0	13	
	Indicator 2.3 - Number of EE demonstration projects implemented in the RAC Sector		0	2017	0	2	0	2	
	Indicator 2.4 - Number of district cooling national strategies prepared	Government Files	0	2017	0	1	0	1	
	Indicator 2.5 - Number of countries with EE training and standards improved in RAC sector		0	2017	0	3	0	3	

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:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	-	0
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	-	0
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	-	0
Annual Project Quality Assurance	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 by project management and used to inform decisions to improve project performance.	-	0
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	-	0
Project Report	A progress report will be presented to the Project Board and key stakeholders, 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 log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		-	0
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular 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. In the project's final year, the Project Board 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.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	-	0

Evaluation Plan

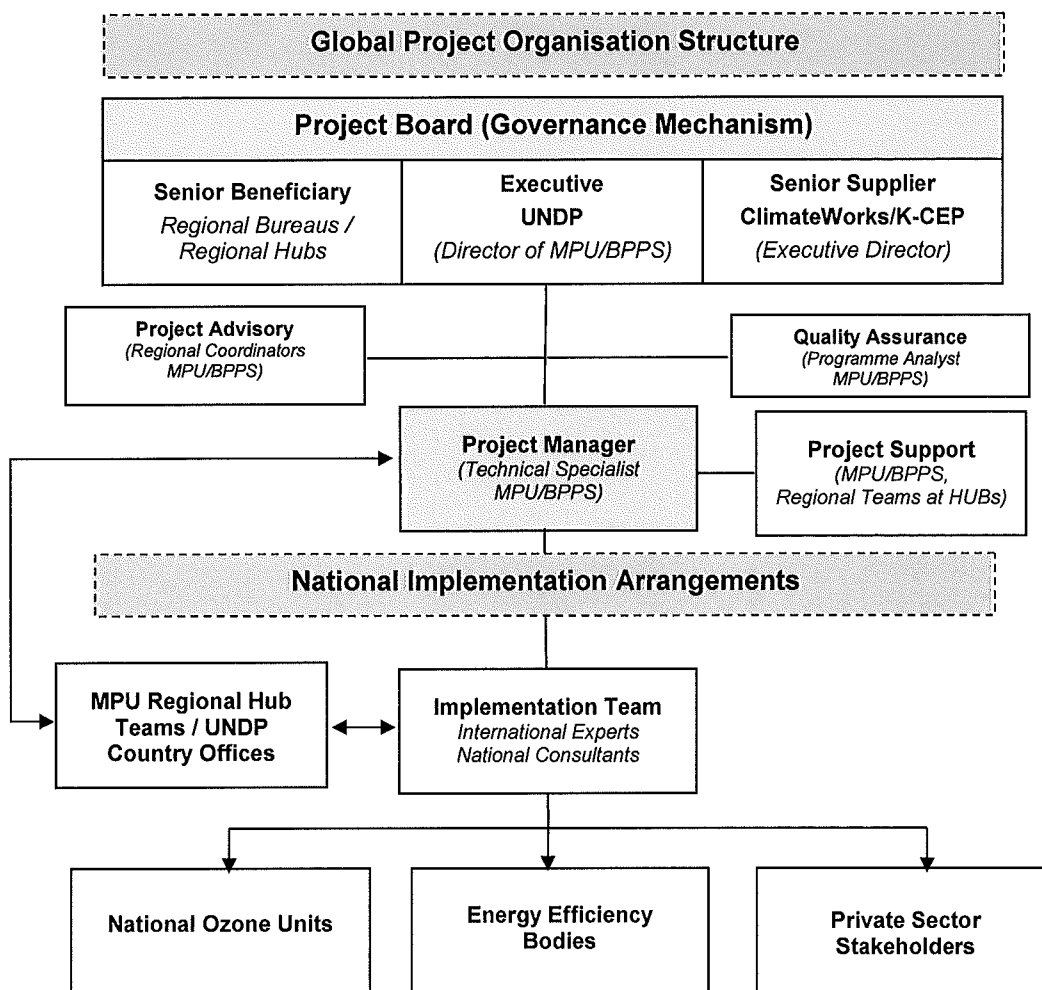
Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
No evaluation is foreseen						

VII. MULTI-YEAR WORK PLAN

OUTPUT 1	PLANNED ACTIVITIES	Planned Budget by Year			RESP. PARTY	Funding Source	BUDGET SOURCE (USD)	
		Y1	Y2	Y3			Budget Source	Amount
Output 1 - Early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by the participating countries enabled, assuring that these countries can fulfil their initial obligations on the HFCs control and phase-down. 1.1. Review the legal framework and Establish the licensing and data reporting systems on HFCs to fulfil the initial obligation of the Kigali Amendment. 1.2. Strengthen coordination mechanisms required to validate the Kigali Amendment ratification process(es). 1.3. Develop planning and roadmap to promote the ratification of the Kigali Amendment		125,000	125,000	0	NOU Colombia	MLF	National Consultant Meetings	100,000
		33,000	0	0	NOU Chile		Mission Costs	85,000
		85,000	65,000	0	NOU Trinidad & Tobago		Sundry	40,000
		65,000	35,000	0	NOU Uruguay		National Consultant Meetings	25,000
							National Consultant	33,000
							National Consultant Meetings	70,000
							Mission Costs	35,000
							Sundry	30,000
							National Consultant	15,000
							Meetings	50,000
							Mission Costs	20,000
							Sundry	20,000
							National Consultant	10,000
SUBTOTAL		478,000	355,000	0				833,000
GRAND TOTAL (including Support Costs to Implementing Agency + 7%)								891,310

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

37. The project has global and national governance components. The role of the national governmental counterpart is as direct beneficiary of the technical assistance provided by the UNDP project and will also act as counterpart in the project implementation at national level to support data collection and dissemination of activities within other Governmental Bodies. At the global level, UNDP will streamline processes, build capacities and share knowledge with all beneficiaries, also promoting south-south cooperation to improve national capacities:



38. At the Global Level:

- i. The **Project Board** will take corrective action as needed to ensure the project achieves the desired results. The Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year. In the project's final year, the Project Board will hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to highlight project results and lessons learned with relevant audiences. This final review meeting will also discuss the findings outlined in the project terminal evaluation report and the management response.
- ii. The global oversees of the project and the project support teams – as well as the fiduciary responsibility in front of the donor – is the Global Director (D1) of the Montreal Protocol Unit (MPU/BPPS). The **Project Support** team will provide technical backstopping and quality assurance to the Regional Hubs of UNDP and the participating countries to deliver national projects and products, codify and disseminate best practices and lessons learned, and provide

strategic coordination with donors and other development partners. The project support team is composed by a Finance Specialist (P4) and a Programme Assistant (G6), assisted by three (3) Programme Assistants outposted in the Hubs of Panama, Istanbul and Bangkok.

- iii. The **Quality Assurance** of the project will be carried out by a Programme Analyst (P2) located in the Montreal Protocol Unit (BPPS/NY), assuring the all projects goals are duly monitored and tracked, the donor's regulations are applied in the implementation and the reporting procedures are completed in time.
- iv. The **Project Manager** is the Technical Specialist (P4) of the MPU and reports to the Director of the MPU, being responsible for day-to-day management of the project activities, assuring the proper linkages between the national, regional and the global entities and, particularly, assuring that operation support is timely delivered to all counterparts.
- v. The Project Manager is advised by the **Project Advisory** Team composed by four (4) Regional (Programme) Coordinators (P5, P4, P3 and P2) out posted in the Regional Hubs of Panama, Istanbul and Bangkok.

39. At the National Level

- i. The **Implementation Team** is composed by a number of International Experts and National Consultants, reporting to the Project Manager and the Regional Coordinators, responsible to deliver high level technical assistance to the national counterparts, as well as to support the "on the ground" implementation of the project.
- ii. The **MPU Regional Hubs Teams** are the interface between the global support and operational teams and the Country Offices of UNDP, assuring that proper technical assistance and centralized operational support is timely delivery, that needs are identified and barriers to the project implementation are removed.
- iii. The UNDP's **Country Offices** are the primary interface between the national beneficiaries, counterparts and/or stakeholders and the project, ensuring that activities are fully aligned with, and support, regional priorities. Technical support missions to countries will be discussed with the Country Offices to ensure that they are appropriately timed and planned.

IX. LEGAL CONTEXT

- 40. This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAA's for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."
- 41. This project will be implemented by the United Nations Development Programme - 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.

X. RISK MANAGEMENT

UNDP (DIM)

41. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
42. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
43. 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>).
44. 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 ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
45. 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.
46. 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 *[for 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 will take appropriate steps to prevent misuse of funds, fraud or corruption, 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 and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - d. 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 and (b) 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.

- e. 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.
- f. 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 or corruption 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.

- g. 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 or corruption, 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.

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.

- h. 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.
- i. 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.
- j. 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.

XI. ANNEXES

1. Project Quality Assurance Report



Annex 1 - Project Quality Assurance Report

2. Social and Environmental Screening



Annex 2 - Social and Environmental Screening

3. Risk Analysis



Annex 3 - Risk Analysis

4. Theory of Change



Annex 4 - Theory of Change

5. Project Board Terms of Reference and TORs of Key Management Positions



Annex 5 - Terms of Reference and TORs of Key Management Positions

6. Donor Agreement(s) between UNDP and the ClimateWorks Foundation (K-CEP's Administrator)



Annex 6 - K-CEP's Donor Agreement(s)

7. MOU Between UNDP and the ClimateWorks Foundation (K-CEP's Administrator)



UNDP_Climate Works
Foundation MOU_fully