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PROJECT DOCUMENT
People's Republic of China

Project Title: Implementing Enabling Activities for the Ratification of the Kigali Amendment in China

Project Number: 00109209

Implementing Partner: Foreign Economic Cooperation Office, Ministry of Ecology and Environment

Start Date: 01/02/2018

End Date: 31/07/2019

PAC Meeting date: 3/7/2018

Brief Description

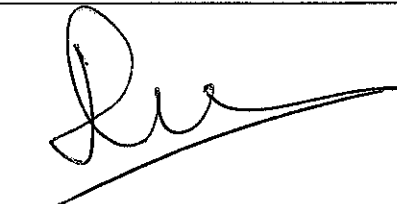
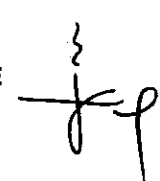
The Montreal Protocol has been recognized as the most successful multilateral environmental agreement (MEA) and, in 2016, the Parties to the Montreal Protocol adopted the Kigali Amendment, a landmark agreement that can avoid additional emissions of around 80 billion tonnes of CO₂-eq - and up to 0.5 Degree Celsius of global warming by phasing down 80-85% of hydrofluorocarbons (HFCs) by the year 2050.

Under the Kigali Amendment, the Montreal Protocol will manage and phase-down the consumption of high Global Warming Potential (high-GWP) hydrofluorocarbons (HFCs), the most common alternatives used to replace the ODS being phased-out under the Montreal Protocol, particularly in the Refrigeration and Air Conditioning (RAC) Sector, which, under the Business as Usual (BAU) scenarios, their demand is expected to grow in the next years. In this regard, 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 projects, as well, to cope with the energy demand of this base of RAC equipment that is expected to keep growing, as the RAC sector was responsible for roughly 17% of the world energy consumption in 2015.

In this regard, this project, supported by the Multilateral Fund, aims to provide technical assistance to China to support the implementation of the Enabling Activities (EAs) that will enable the ratification and the early implementation of the Kigali Amendment (as per ExCom Decision 79/46) by carrying out activities to support the ratification process; to help the National Ozone Unit (NOU) to fulfil their initial obligations on the HFCs control and phase-down, including country-specific activities aimed at initiating support on institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production; and development of initial research on national strategies for compliance.

<p>Contributing Outcome (UNDP Strategic Plan 2018-2021): Outcome 2: Accelerate structural transformations for sustainable development 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. Indicative Output(s) with gender marker: GEN1 Gender issues are to be considered and specialists and representatives of women at all levels are to be consulted throughout the implementation process.</p>	Total resources required:	US \$ 165,000	
	Total resources allocated:	UNDP TRAC:	-
		Donor (MLF):	165,000
		Donor:	-
		Government:	-
Unfunded:	-		

Agreed by (signatures):

UNDP	Implementing Partner
<p>UNDP</p>  <p>Mr. Devanand Raniiah Deputy Country Director</p> <p>Print Name: UNDP China Office</p>	<p>FECO/MEE</p>  <p>Print Name:</p>
Date:	Date: 16/7-2018

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)
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MP	Montreal Protocol
NDCs	Nationally Determined Contributions
NEO	National Energy Officer
NOA	National Ozone Assistant
NOO	National Ozone Officer
NOU	National Ozone Unit
ODS	Ozone Depleting Substances
RAC	Refrigeration and Air Conditioning
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

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 (ODS) 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, and therefore, it is estimated that the Montreal Protocol has avoided around 135 Giga tonnes of CO₂ equivalent (CO₂-eq) emissions.
2. As Hydrofluorocarbons (HFCs) are not ozone depleting substances, however, these had been, historically, the most common alternatives used to replace the ODS being phased-out under the Montreal Protocol, particularly in the Refrigeration and Air Conditioning (RAC) Sector. Most important, HFCs are GHGs with very high global warming potential (GWP) values (for example, the substance HFC-134a - commonly used in mobile air conditioning and domestic refrigerators - has a GWP of 1,430).
3. In order to further protect the climate and the ozone layer, in October of 2016, during the 28th Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer held in Kigali, Rwanda, the Parties agreed to amend the Protocol through what was called the "Kigali Amendment." The Kigali Agreement establishes specific targets and timetables to phase-down the production and consumption of HFCs, and carries an agreement by developed countries to help finance the transition of developing countries to climate-friendly substances, through a global commitment that will avoid more than 80 billion metric tons of carbon dioxide equivalent emissions by 2050. ¹
4. Countries that ratify the Kigali Amendment commit to cut the production and consumption of HFCs by more than 80 percent over the next 30 years. Most developed countries will start reducing HFCs as early as 2019, and group 1 of the developing countries will freeze their HFCs production and consumption at 2024. According to scientific evaluations under the Montreal Protocol, "it is expected that this will avoid up to 0.5° Celsius warming by the end of the century, while continuing to protect the ozone layer".
5. As Refrigeration and Air Conditioning (RAC) equipment become more than simple conveniences of current time, the demand for their use is expect to increase hand in hand with the economic development of the countries, and this pattern is expected to be reflected in the growth of the global energy demand, as already 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) has 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.
6. 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 its 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 line can open a single window of opportunity to deploy both low-GWP and better energy efficient technologies. However, the large majority of staff in National Ozone Units responsible to develop and implement these plans lack practical understanding of climate and energy concepts such as CO₂ equivalents and energy efficiency.
7. In order 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, in 2017, a group of developed countries contributed 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 being made 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. Therefore, at its 79th Meeting (July 2017), the Executive Committee (ExCom) of the Multilateral Fund for the Implementation of the Montreal (MLF) reached important decisions on the strategic planning for the short to medium term actions for the ratification and early implementation phases of the Kigali Amendment. The Enabling Activities will support the early ratification of the Kigali Amendment (ExCom Decision 79/46): The activities to be implemented under this project are the ones required to support

¹ Reference: <https://obamawhitehouse.archives.gov/the-press-office/2016/10/15/fact-sheet-nearly-200-countries-reach-global-deal-phase-down-potent>

Parties in the ratification process; the Countries would be allowed the flexibility to undertake a range of enabling activities to help their national ozone units to fulfill their initial obligations with regards to the HFC phase-down, in line with the Kigali Amendment, including country-specific activities aimed at initiating support on institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production and the national strategies.

9. The Government of China attaches great importance to the Kigali amendment. China initiated the process for the ratification of the Kigali Amendment in 2017. In September 2017, China expressed its willingness to accelerate the ratification of the Kigali amendment. Up to now, revision of the Chinese text of Kigali amendment was completed with assistance of the Ozone Secretariat. The analysis of impacts of ratifying the Kigali amendment on society, economy and environment has been prepared by MEE. In order to achieve the fruitful and satisfactory progress for the early ratification, there is more work including coordination with stakeholders need to be conducted. An initial research on strategy of HFCs phase-down, the legal framework of phasing down HFCs, the establishment of the licensing system, the data reporting will also need to be in place.

II. STRATEGY

10. 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 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 on HFCs management and connect EE interventions to the RAC sector;
 - (e) Need to develop management tools, suited to the specificities of national markets which could support NOUs and Energy focal points how to manage the HFC-based equipment in line with the Kigali phase-down schedule.
11. Whilst there are significant synergies between the work being carried out in the fields of ODS phase-out and 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 capacity and the understanding of the relationship between climate change 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.
12. The project will ensure that existing institutional mechanisms are strengthened at country level, it will support the mainstream of the Kigali Amendment principles within Governmental Bodies (NOUs) and will build capacities with National Officers. 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 early actions.
13. Therefore, the objective of the project is to implement the Enabling Activities (EAs) that will enable the early ratification of the Kigali Amendment (as per ExCom Decision 79/46) by carrying out activities to support the ratification process; to help the National Ozone Units to fulfil their initial obligations on the HFCs control and phase-down, including country-specific activities aimed at initiating support on institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production; and the design national strategies for compliance; and
14. Finally, all activities undertaken by the project will support the development of a knowledge base in the Governmental Departments that in the medium to long term will enable the development of public policies that will support the Government to enable the environment to deploy sustainable technologies and practices that 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

15. The main goal of "Implementing Enabling Activities for the ratification of the Kigali Amendment in China" is to assist China to undertake the steps needed for the early ratification and implementation of the Kigali Amendment to the Montreal Protocol projects. The Project will support China to:
- i. Review and assess the legal/regulatory framework required to allow the early implementation and initial controls and reporting of HFCs under the Kigali Amendment's obligations;
 - ii. Follow the steps required to ratify the Kigali Amendment;
 - iii. Build capacities at the National Ozone Unit on the ratification and implementation of the Kigali Amendment and Energy Efficiency improvements as result of the Montreal Protocol activities.
 - iv. Assess the opportunities to establish a long-term coordination mechanism between all relevant governmental bodies impacted by the Kigali Amendment commitments;
 - v. Propose initial research on a long term "Roadmap" and/or National Strategies to control HFCs in selected sectors;

Expected Outputs

16. The expected outputs and activities of this project are:
- a) **Output 1** – Legal Framework for the ratification and implementation of the Kigali Amendment enabled;
 - i. Activity 1.1. – Legal support is delivered to the decision makers
 - ii. Activity 1.2. – Assess and identify the legislation and policies needed to fulfil the initial obligation of the Kigali Amendment;
 - iii. Activity 1.3. – Provide suggestions on the establishment of the legislation and policy framework for the HFCs management.
 - b) **Output 2** – Inter/Intra-Institutional Coordination Mechanism facilitated
 - i. Activity 2.1. – Identify new partners for the Kigali Amendment;
 - ii. Activity 2.2. – Review/upgrading of the established coordination mechanism at the national level;
 - iii. Activity 2.3. – Carry on a coordination meeting including all Implementing Agencies of Multilateral Fund.
 - c) **Output 3** – HFCs data reporting system established
 - i. Activity 3.1. – Assess the current ODS production and consumption data reporting system and extend to HFCs;
 - ii. Activity 3.2. - Support the establishment of HFC-23 by-product emission reporting and monitoring system by 1 January 2020.
 - d) **Output 4** – initial research on national strategy on HFCs phase-down undertaken
 - i. Activity 4.1. – Support an initial research on national strategy for the ratification and implementation of the Kigali Amendment, including policy, institution and management framework, the information on HFCs production and consumption, sector profile and analysis, estimated baseline, and the prediction of the growth of HFCs, mapping the alternative technology, linkage with HCFC phase-out, identifying potential priority areas for HFCs phasing down to fulfil the initial obligation.
 - e) **Output 5** - Efficient and effective project implementation support
 - i. Activity 5.1 management and supervision of day-to-day project activities, monitoring and reporting, to ensure smooth implementation of the project
17. The project will provide technical assistance to China, underpinned by advocacy. In order to develop a programmatic strategy 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.

18. 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.
19. 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. In this context, gender driven approaches shall be applied when raising awareness, building capacities and providing technical support related to the Montreal Protocol-Energy Efficiency policy framework at the national level during project implementation.
20. 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
 - i. **Indicators:** Number of countries with strengthened capacities for achieving energy transformation at scale:
 - a) Volume of investment leveraged from public and private sources through UNDP support for national programmes/initiatives; and
 - b) Solutions applied at scale to accelerate transition to improved energy efficiency and clean energy.
21. The expected outputs of this project are:
 - a) Roadmap prepared on the Legal and Policy framework that contains the needs and actions required to allow the proper ratification and/or implementation of the Kigali Amendment;
 - b) Coordination Mechanism/Committee put in place to allow the proper consultation processes for the ratification and implementation of the Kigali Amendment;
 - c) New data reporting system (for Article 7 and Country Programme) on HFCs established;
 - d) An initial research on national strategy on phasing down HFCs.
 - e) Ratification of the Kigali Amendment

Resources Required to Achieve the Expected Results

22. The proposed budget is US \$ 165,000 for the 18 months duration of project implementation.
23. The project will provide the technical assistance tools for the country to achieve its goals and outputs, while UNDP, through its Country Office, will not benefit directly from the project funds.

Partnerships

24. The following parties will work closely on project implementation:
 - Foreign Economic Cooperation Office, Ministry of Ecology and Environment (MEE/FECO): The focal points for the implementation of the Montreal Protocol in China, MEE/FECO is the entity responsible for receiving and responding to all demands of the sectors that are impacted by the commitments agreed upon under the Montreal Protocol.
 - United Nations Development Programme (UNDP) as the International Implementing Agency for the project components indicated in paragraphs 14 – 22. UNDP and FECO will undertake the coordination on the components of activities implemented by UNEP.
 - Other public and private sector stakeholders responsible for developing, implementing or are impacted by the policy and regulatory framework on the ratification and/or implementation of the Kigali Amendment.

- UN Environment (UNEP) as Implementing Agency for the components of establishment of licensing systems on HFCs import/export and on conducting outreach/awareness raising and training activities.
25. UNDP synergies: At the global level, the project will also seek synergies and exchange of best practices and tools with key UNDP projects and initiatives that are relevant for Nationally Determined Contributions (NDCs) implementation and energy efficiency, and more broadly with UNDP's extensive support to countries on climate change mitigation and adaptation, funded primarily through the vertical funds, among others, on support and joint activities that increase efficiency of delivery of technical and financial support to the country.

Risks and Assumptions

Risk	Level	Mitigation Measure
Weak support by government counterparts and private sector stakeholders.	Low	Although the project was developed and approved by the donor already counting with the commitment of the participating country, extra mitigation measures will be put in place in order to assure the buy-in of the partners in implementation, particularly through the promotion of start-up meetings and south-south collaboration meetings between the partners to increase engagement.
Lack of active participation of industrial associations and private sector to technically support feasible actions.	Medium	The project will promote consultation meetings with the stakeholders and shall undertake close monitoring of key stakeholders in the RAC sector that will be impacted by the Montreal Protocol's Kigali Amendment in order to advance trends and identify barriers to the full commitment of these stakeholders.

Assumptions:

- Political support for the ratification of the Kigali Amendment to the Montreal Protocol has not diminished;
- Parties to the Montreal Protocol deploy their best efforts to ratify the Kigali Amendment;
- The Kigali Amendment is expected to enter into force in 2019, as foreseen in the text of the Agreement;
- Governments will continue to account their national efforts, prepare and update their NDCs as requested by the Paris Agreement.
- RAC sector will continue to growth in respond to the growing global demand for RAC equipment;
- Private sector will be increasingly aware of the relevance of the national climate action and development agendas for both business continuity and development.
- Private sector will be demanded to improve efficiency of equipment in response to international demands of developed countries through the establishment of more restrictive Minimum Energy Performance Standards (MEEs);
- Rising cost of electricity will also print a new dynamic in the consumption and use of RAC equipment.

Stakeholder Engagement

26. The project will target stakeholders in both the public and private sectors as summarised below.
- a) Government entities at national level are essential to ensure national ownership. The initiative will target a range of key line Ministries beyond the Ministry of Ecology and Environment which is in charge of implementation of the Montreal Protocol, including: the key sectoral ministries that will be implementing climate mitigation targets and actions and the ones handling energy efficiency issues.
 - b) The private sector will be vital partners to be involved in HFCs phase-down. 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.
 - c) Other important national actors, include finance providers, civil society organizations, the research and academic sector, and non-governmental organisations.

South-South and Triangular Cooperation (SSC/TrC)

27. 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

28. The main knowledge product(s) to be developed by the project is the initial research on National Strategy that will capture and codify the principles and actions required to further implement long term interventions 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".

Sustainability and Scaling Up

29. 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 country.
30. The project will support China to develop initial national strategy that can guide actions towards the ratification and implementation of the Kigali Amendment to the Montreal Protocol including energy efficiency interventions, and for this, it constitutes an important enabling activity. The Plan is expected to also identify potential financial alternatives for future implementation of such Plan. 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

31. The project will apply management approach on the implementation of the Montreal Protocol programme. Annual monitoring will assess both efficiency and effectiveness of the project. Country support and private sector engagement will be promoted. The nature of the project allows for extraction and sharing of best practices that assist all stakeholders in project implementation, providing deep technical assistance. The project will also engage in collaborative programming where possible at the national level to provide more effective and coordinated assistance to stakeholders, including joint workshops and training and preparation of knowledge products.

Project Management

32. The project will be implemented under National Execution (NIM) modality in line with the Standard Basic Assistance Agreement between UNDP. Ministry of Ecology and Environment is the government institution responsible for the daily execution and coordination of the project and will serve as the government Executing Agency (EA). MEE has designated the Foreign Economic Cooperation Office (FECO) as Project Management Office (PMO) (national ozone unit) in the implementation of activities relating to fulfilling China's obligations under multilateral environmental conventions.
33. Government-Private Collaboration will be one of the main approaches for the project to achieve the objective. The private sector will be involved in the project and will cooperate with national and local governments in the implementation of the projects. The private sector will also support the government in participating in assessment of the new policy impacts and standards. Hands-on experience from the private sector will be taken up in the national policies to facilitate effective technology transfer and experience exchange, ensuring sustainability of project.
34. Collaboration between the industrial associations in this case, is also important for the implementation of the project, the associations will supply the technical assistance to the enterprises and PMO.

V. RESULTS FRAMEWORK

<p>Intended Outcome as stated in the Global Programme Results and Resource Framework: Accelerate structural transformations for sustainable development</p>									
<p>Outcome indicators as stated in the Global Programme Results and Resources Framework, including baseline and targets: a) Volume of investment leveraged from public and private sources through UNDP support for national programmes/initiatives; and Solutions applied at scale to accelerate transition to improved energy efficiency and clean energy.</p>									
<p>Applicable Output(s) from the UNDP Strategic Plan: <u>Signature Solution 5: Close the energy gap:</u> 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</p>									
<p>Project title: Enabling the Ratification of the Kigali Amendment and Early Implementation Process in China</p>									
<p>Atlas Project Number: 00109209</p>									
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 – Legal Framework for the ratification and implementation of the Kigali Amendment enabled	Assessment report on legal instruments	Government Files	0	2017	0	1	0	1	Primary data generated by the project.
Output 2 – Inter/Intra-Institutional Coordination Mechanism facilitated	Number of meetings held	Government Files	0	2017	1	1	0	2	
Output 3 – HFCs data reporting system established	HFCs data reporting system launched	Government Files	0	2017	0	1	0	1	
Output 4 – initial research on national strategy on HFCs phase-down undertaken	Initial national strategy undertaken	Government Files	0	2017	0	1	0	1	

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 along 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 Plan²

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

Outputs	ATLAS Activity	Planned Budget by Year (US\$)			Responsible Party	Funding Source	ATLAS Code	Planned Budget Description
		2018	2019	Total				
Output 1 – Legal Framework for the ratification and implementation of the Kigali Amendment Enabled	Activity 1.1. – legal support is delivered to the decision makers; Activity 1.2. – assess and identify the legislation and policies needed to fulfil the initial obligation of the Kigali Amendment; Activity 1.3. – provide suggestions on the establishment of the legislation and policy framework for the HFCs management	15,000	10,000	25,000	FECO	63080	Local consultants	
		1,000	1,000	2,000	FECO	63080	Training, workshop and conference	
		2,000	1,000	3,000	FECO	63080	Local consultants	
Output 2 – Institutional Coordination Mechanism facilitated	Activity 2.1. – identify of new partners for the Kigali Amendment; Activity 2.2. – review/upgrading of the established coordination mechanism at the national level; Activity 2.3. – Carry on a coordination meeting including all Implementing Agencies of Multilateral Fund	3,000	-	3,000	FECO	63080	Travel	
		8,000	16,000	24,000	FECO	63080	Training, workshop and conference	
		3,000	10,000	13,000	FECO	63080	Local consultant	
Output 3 – HFCs data reporting system established	Activity 3.1. – assess the current ODS production and consumption data reporting system and extend to HFCs; Activity 3.2. – support the establishment of HFC-23 by-product emission reporting and monitoring system by 1 January 2020	10,000	-	10,000	FECO	63080	Travel	
		1,000	1,000	2,000	FECO	63080	Training, workshop and conference	
		22,000	43,000	65,000	FECO	63080	Local consultant	
Output 4 – initial research on national strategy on HFCs phase-down undertaken	Activity 4.1. – support an initial research on national strategy for the ratification and implementation of the Kigali Amendment, including HFCs production and management framework, the information on HFCs production and consumption, import and export, sector profile and trend analysis, estimated baseline, and the prediction of the growth of HFCs, mapping the alternative technology, linkage with HCFC phase-out, identifying potential priority areas for HFCs phasing down to fulfil the initial obligation	-	1,800	1,800	FECO	63080	Travel	
		1,000	2,000	3,000	FECO	63080	Training, workshop and conference	
		6,600	6,600	13,200	FECO	63080	Project management costs	
GRAND TOTAL		72,600	92,400	165,000				

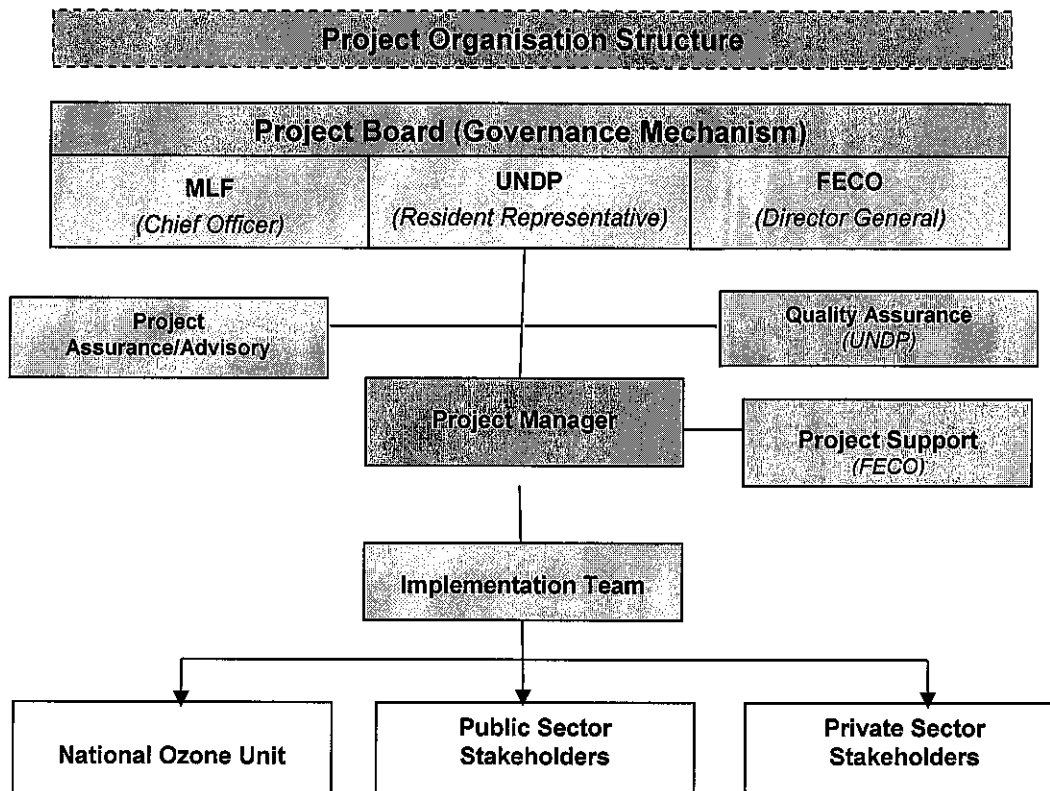
VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

35. The project will be managed in accordance with National Execution (NIM) modality. The Government of China will implement the project through its Foreign Economic Cooperation Office, Ministry of Ecology and Environment (FECO) with supports from UNDP. The MoU between UNDP and FECO which was signed on 8 January 2011 will serve as the guideline for the overall management on project implementation.
36. The project will be technically and managerially implemented in accordance with the framework of the project proposal submitted and approved by the 80th ExCom meeting, with details specifically defined in the project document.

Roles and responsibilities of UNDP and FECO

37. **UNDP** serves as the implementing agency to supervise the implementation of the project, specifically including the following responsibilities:
 - Providing assistance for policy development, planning and management;
 - Ensuring performance and progress of the project activities in accordance Annual Work Plan with its specific internal procedures and requirements, and assisting FECO in the implementation and assessment of the activities;
 - Reviewing and clearing TORs for activities and provide advice and assistance as needed;
 - Monitoring the progress and carrying out supervision missions;
 - Coordinating with UN Environment and FECO on the components implemented by UN Environment;
 - Ensuring fund disbursement in accordance with the guidelines of the ExCom;
 - Carrying out Quality Assurance of the project, assuring all project goals are duly monitored and tracked, the MLF regulations are applied in the implementation and the reporting procedures are completed in time.
 - Submitting Final Project Completion Report to the ExCom.
38. **FECO** will be responsible for the overall implementation, coordination and management of the project. FECO will undertake 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, specifically including the following responsibilities:
 - Taking corrective action as needed to ensure the project achieves the desired results. FECO 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, FECO 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.
 - Establishing a project support team will provide technical backstopping and quality assurance to deliver the intended products, codify and disseminate best practices and lessons learned, and provide strategic coordination with donors and other development partners
 - Preparing and implementing project activities specified in the project proposal;
 - Implementing, supervising and monitoring the activities;
 - Developing policy framework, implementing regulatory actions, and conducting activities during the implementation as planned. All activities will be further defined through development of specific TOR when needed that will be reviewed and agreed by UNDP;
 - Coordinating with line ministries, relevant institutes, industrial associations, private sectors, relevant technical experts and stakeholders at national and local level in such a way as to facilitate establishment of reliable information and data as necessary inputs to formulate the national strategy on HFCs phase-down;
 - Prepare progress and draft final completion report for finalization and submission by UNDP to the ExCom.

39. The project has a national governance component. The role of the national governmental counterpart is of the direct beneficiary of the technical assistance provided by UNDP, which will build capacities and share knowledges with all beneficiaries, also promoting cooperation to improve stakeholder's capacities:



39. Payment Indicators

Performance-Based Payment will be applied to the project based on the discussions between UNDP and FECO.

Payment	Disbursement	Milestones
First disbursement on signature of the project document	30% of fund (49,500)	ProDoc signed between UNDP and FECO
Second disbursement	50% of fund (82,500)	The first progress report received and accepted by UNDP by 15 November 2018, including but not limited to the signature of the agreement between FECO and legal agency/consultant and the agreement between FECO and institution on initial research on national strategy
Third disbursement	20% of fund (33,000)	The second progress report received and accepted by UNDP by 1 June 2019, and including but not limited to draft version of the research report on legal framework of HFCs management and initial research on national strategy.

IX. LEGAL CONTEXT

40. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of China and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

41. This project will be implemented by the Foreign Economic Cooperation Office of the Ministry of Ecology and Environment ("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

42. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
- (a) 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;
 - (b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
43. 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 Implementing Partner's obligations under this Project Document.
44. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document 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
45. 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>).
46. The Implementing Partner shall: (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.
47. 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.
48. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner 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.
49. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner 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.
50. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', 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 the Implementing Partner to find a solution.

51. 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.
52. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
53. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
54. Each contract issued by the Implementing Partner 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 the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
55. 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, recover and return any recovered funds to UNDP.
56. The Implementing Partner shall ensure that all of its 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 Project Document.