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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventieth Meeting
Bangkok, 1-5 July 2013

PROGRESS REPORT OF UNDP AS AT 31 DECEMBER 2012

This document includes:

- The comments and recommendations of the Fund Secretariat
- UNDP 2012 Progress Report (January–December 2012)

COMMENTS OF THE FUND SECRETARIAT

Introduction

1. This document presents the comments and recommendations of the Fund Secretariat on UNDP's progress report for activities up to 31 December 2012. The progress report is attached. The data has been included in the Consolidated Progress Report database which is available upon request.

Snapshot of issues

- US \$244.1 million has been approved in multi-year agreements (MYAs) for UNDP implementation and there was a balance of US \$63.2 million as at 31 December 2012.
- US \$33.9 million was approved in activities for UNDP's implementation in 2012 while administrative costs amounted to US \$4.5 million (13.3 per cent of projects approved).
- 108 MYAs are under implementation; less than 10 per cent of the funds approved have been disbursed for 22 MYAs (approved over a year ago).
- Two projects are classified as projects with implementation delays that are subject to procedures of project cancellation.
- Several projects have low rates of disbursements of approved funds and/or slow implementation of activities.
- Need for project document signature for HCFC phase-out management plan (HPMP) activities.

Status of implementation

2. During the reporting period (January-December 2012), the Executive Committee approved 15 investment projects in 2012 for UNDP implementation, valued at around US \$29.6 million, which should result in the phase-out of 333.3 ODP tonnes.

3. In 2012, UNDP completed 18 investment projects. Cumulatively, 92 per cent (1,048 projects) of the 1,135 investment projects approved for its implementation were completed by the end of 2012. UNDP phased out 99 per cent (65,792 ODP tonnes) of the ODS to be phased out through its portfolio of approved projects (66,674 ODP tonnes) and by the end of 2012 it had disbursed 88 per cent (US \$547.1 million) of the resources approved for it (US \$623.4 million) by the Executive Committee, excluding agency support costs.

4. UNDP has completed one demonstration project, one technical assistance project and 28 project preparation activities during 2012. The agency also renewed eleven institutional strengthening (IS) projects in 2012. UNDP is currently implementing 108 multi-year performance-based agreements for which US \$244.1 million had been approved up to the end of 2012.

5. The total value of all projects approved in 2012 for UNDP was US \$33.9 million plus administrative costs amounting to US \$4.5 million (US \$2.5 million in agency fees and US \$2 million in core unit costs).

Progress during 2012 at the country level

6. Annex I provides an assessment, by country, of UNDP's 2012 activities. UNDP had planned disbursements in 78 countries or regions, and achieved a rate of disbursement of over 85 per cent of that planned in 24 countries. Based on revised planned completion dates submitted by UNDP as per decision 53/38 and the results presented in the 2012 progress report, UNDP completed 79 per cent of the projects it had planned for completion in 2012 and met 100 per cent of the targeted phase-out.

Multi-year performance-based agreements

7. UNDP included information in its progress report on the 108 MYAs being implemented. The main sources of information on progress made in these activities are the annual work programmes and associated progress reports. The annual progress reports provide information on disbursement and on the status of the signing of grant agreements.

Disbursements for MYAs

8. There are 122 tranches of 108 MYAs under implementation by UNDP with balances remaining to be disbursed. These MYAs are indicated in Table 1.

Table 1

MULTI-YEAR AGREEMENTS

Agreement	Approved Funding plus Adjustments (US\$)	Funds Disbursed (US\$)	Balance (US\$)	Funds Obligated (US\$)	Estimated disbursement in 2013 (US\$)	Difference to be disbursed after 2013 (US\$)	Date Completed	Planned Date of Completion
Angola HCFC Phase-Out Plan	86,222	3,840	82,382	0	32,953	49,429		Nov-17
Argentina Methyl Bromide	3,587,927	3,587,927	0	0	0	0	Jun-09	
Armenia HCFC Phase-Out Plan	562,838	98,791	464,047	0	168,932	295,115		Dec-15
Bahrain CFC Phase-Out	312,500	305,654	6,846	0	5,477	1,369	Dec-12	
Bangladesh HCFC Phase-Out	1,201,074	600,055	601,019	0	185,806	415,213		Dec-20
Bangladesh ODS Phase-Out	879,750	874,862	4,888	0	3,910	978	Dec-12	
Belize CFC Phase-Out	194,000	193,980	20	0	16	4	Aug-10	
Belize HCFC Phase-Out Plan	60,000	0	60,000	0	24,000	36,000		Dec-20
Bhutan HCFC Phase-Out	70,000	0	70,000	0	21,000	49,000		Dec-27
Bolivia (Plurinational State of) ODS Phase-Out	378,000	372,848	5,152	0	4,121	1,030	Oct-12	
Brazil CFC Phase-Out	22,816,400	21,846,443	969,957	0	290,987	678,970		Sep-13
Brazil HCFC Phase-Out	7,856,257	24,629	7,831,628	0	3,132,651	4,698,977		Jul-17
Brunei Darussalam HCFC Phase-Out	52,800	0	52,800	0	21,120	31,680		Apr-22
Cambodia CFC Phase-Out	278,226	278,226	0	0	0	0	Dec-10	
Cambodia HCFC Phase-Out Plan	200,000	100,000	100,000	100,000	40,000	60,000		Dec-20
Chad CFC Phase-Out	174,000	163,018	10,982	0	8,786	2,196	Dec-10	
Chile HCFC Phase-Out Plan	465,566	2,893	462,673	0	185,069	277,604		Jan-17
China HCFC Phase-Out - Industrial, Commercial and Air Conditioning (ICR)	32,280,000	25,380,000	6,900,000	0	2,760,000	4,140,000		Jul-17
China HCFC Phase-Out - National Co-ordination	360,000	120,000	240,000	0	72,000	168,000		Jul-13
China HCFC Phase-Out - Solvent	2,500,000	1,250,000	1,250,000	0	500,000	750,000		Nov-17
China Solvent	52,000,000	52,000,000	0	0	0	0	Dec-12	
Colombia HCFC Phase-Out	6,571,483	5,557,633	1,013,850	75,858	390,504	623,346		Dec-15
Colombia ODS Phase-Out	4,500,000	4,487,201	12,799	0	10,240	2,560	Dec-11	
Comoros (the) CFC Phase-Out	74,280	74,280	0	0	0	0	Dec-10	
Costa Rica CFC Phase-Out	565,000	545,500	19,500	0	15,600	3,900	Dec-11	
Costa Rica HCFC Phase-Out	761,523	318,751	442,772	0	149,117	293,655		Jul-22
Costa Rica Methyl Bromide	4,845,283	4,428,850	416,433	0	166,573	249,860		Jun-14
Cuba HCFC Phase-Out	1,287,527	0	1,287,527	0	515,011	772,516		Nov-17
Cuba ODS Phase-Out	1,559,228	1,473,567	85,661	0	25,698	59,963		Mar-13
Democratic Republic of the Congo (the) CFC Phase-Out	337,500	329,184	8,316	0	0	8,316	Dec-11	
Democratic Republic of the Congo (the) HCFC Phase-Out	100,000	29,086	70,914	67,756	21,274	49,640		Dec-17
Djibouti CFC Phase-Out	147,000	144,849	2,151	0	1,721	430	Dec-09	
Dominica CFC Phase-Out	103,000	58,079	44,921	0	13,476	31,444		Jul-13

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Dominican Republic (the) CFC Phase-Out	1,711,600	1,653,308	58,292	50,134	46,634	11,658	May-12	
Dominican Republic (the) HCFC Phase-Out	1,012,775	315,659	697,116	27,469	290,416	406,700		Nov-17
Egypt HCFC Phase-Out	5,479,000	464,043	5,014,957	0	1,904,487	3,110,470		Nov-17
El Salvador CFC Phase-Out	515,000	514,995	5	0	4	1	Jun-11	
El Salvador HCFC Phase-Out	530,349	0	530,349	0	212,140	318,209		Nov-22
Fiji HCFC Phase-Out	71,800	18,525	53,275	0	21,310	31,965		Nov-22
Gabon CFC Phase-Out	83,283	83,283	0	0	0	0	Dec-09	
Gambia (the) CFC Phase-Out	126,999	126,999	0	0	0	0	Dec-10	
Georgia CFC Phase-Out	324,918	324,918	0	0	0	0	Dec-09	
Georgia HCFC Phase-Out	200,000	0	200,000	0	80,000	120,000		Dec-20
Ghana CFC Phase-Out	344,894	344,894	0	0	0	0	Nov-09	
Ghana HCFC Phase-Out	400,000	199,836	200,164	0	80,132	120,033		Dec-20
Grenada CFC Phase-Out	120,000	119,337	663	0	531	133	Nov-11	
Guatemala CFC Phase-Out	249,000	155,184	93,816	0	28,145	65,671		Aug-13
Guyana CFC Phase-Out	215,000	214,524	476	0	0	476	Nov-11	
Guyana HCFC Phase-Out	48,000	1,782	46,218	0	18,487	27,731		Jan-17
Haiti CFC Phase-Out	150,000	0	150,000	0	60,000	90,000		Jan-13
India CFC Phase-Out - Foam	4,750,000	4,750,000	0	0	0	0	Dec-06	
India CFC Phase-Out - Refrigeration Manufacturing	2,726,536	2,726,536	0	0	0	0	Dec-06	
India CFC Phase-Out - Refrigeration Servicing	2,102,368	1,852,022	250,346	0	58,674	191,672	Aug-10	
India HCFC Phase-Out	10,000,000	0	10,000,000	0	4,000,000	6,000,000		Apr-17
Indonesia HCFC Phase-Out	4,052,800	3,156	4,049,644	0	1,214,893	2,834,751		Jul-20
Indonesia ODS Phase-Out - Aerosol	181,887	181,887	0	0	0	0	Jun-06	
Indonesia ODS Phase-Out - Refrigeration Manufacturing	6,398,000	6,391,360	6,640	0	5,312	1,328	Aug-10	
Indonesia ODS Phase-Out - Refrigeration Servicing	4,912,300	4,903,252	9,048	0	7,239	1,810	Dec-11	
Iran (Islamic Republic of) CFC Phase-Out	756,547	756,547	0	0	0	0	Dec-07	
Iran (Islamic Republic of) HCFC Phase-Out	3,612,000	662,362	2,949,638	0	1,172,055	1,777,583		Dec-17
Jamaica HCFC Phase-Out	237,450	4,911	232,539	0	93,016	139,523		Jul-22
Kenya Methyl Bromide	504,124	504,124	0	0	0	0	Dec-09	
Kyrgyzstan CFC Phase-Out	317,000	317,000	0	0	0	0	Dec-10	
Kyrgyzstan HCFC Phase-Out	47,520	19,981	27,539	0	11,015	16,523		Dec-15
Lebanon CFC Phase-Out	2,091,020	2,091,020	0	0	0	0	Aug-10	
Lebanon HCFC Phase-Out	1,500,000	889,076	610,924	0	183,277	427,647		Jul-19
Lebanon Methyl Bromide	2,566,717	2,566,717	0	0	0	0	Dec-09	
Liberia CFC Phase-Out	130,563	130,563	0	0	0	0	Dec-09	
Malawi CFC Phase-Out	173,000	171,755	1,245	0	0	1,245	Dec-11	
Malawi Methyl Bromide	2,988,303	2,988,303	0	0	0	0	Dec-06	
Malaysia HCFC Phase-Out	5,000,000	479,525	4,520,475	0	1,808,190	2,712,285		Nov-17
Maldives CFC Phase-Out	85,000	85,000	0	0	0	0		Dec-13
Maldives HCFC Phase-Out Plan	400,000	0	400,000	0	160,000	240,000		Dec-14
Mali CFC Phase-Out	322,000	319,198	2,802	0	2,242	560	Dec-10	
Mali HCFC Phase-Out	160,000	126,746	33,254	640	9,976	23,278		Dec-22
Mauritania CFC Phase-Out	135,034	135,034	0	0	0	0	Dec-10	
Mexico HCFC Phase-Out Plan	8,731,513	827,132	7,904,381	0	2,979,159	4,925,222		Jul-20
Mozambique CFC Phase-Out	117,500	116,371	1,129	0	0	1,129	Dec-11	
Nepal CFC Phase-Out	99,914	99,914	0	0	0	0		Jun-13
Nepal HCFC Phase-Out	42,000	0	42,000	0	16,800	25,200		Apr-22
Nicaragua CFC Phase-Out	319,958	319,958	0	0	0	0	Nov-10	
Nigeria CFC Phase-Out	12,193,400	12,175,141	18,259	0	14,607	3,652	Dec-12	

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Nigeria HCFC Phase-Out Plan	1,692,118	965,225	726,893	15,720	218,068	508,825		Dec-16
Panama CFC Phase-Out	942,713	942,713	0	0	0	0	Dec-10	
Panama HCFC Phase-Out	132,773	731	132,042	0	52,817	79,225		Nov-17
Paraguay CFC Phase-Out	371,000	365,690	5,310	0	4,248	1,062	Dec-12	
Paraguay HCFC Phase-Out	168,500	36,003	132,497	0	52,999	79,498		Jan-22
<i>Peru HCFC Phase-Out</i>	<i>108,000</i>	<i>0</i>	<i>108,000</i>	<i>0</i>	<i>43,200</i>	<i>64,800</i>		<i>Dec-17</i>
Republic of Moldova (the) CFC Phase-Out	304,841	304,841	0	0	0	0	Dec-10	
Republic of Moldova (the) HCFC Phase-Out	79,200	14,616	64,584	22,600	25,834	38,750		Dec-15
Rwanda CFC Phase-Out	168,000	156,586	11,414	0	9,131	2,283	Dec-12	
Saint Kitts and Nevis CFC Phase-Out	105,000	50,000	55,000	0	22,000	33,000		Jan-14
Saint Kitts and Nevis HCFC Phase-Out	40,000	0	40,000	0	16,000	24,000		Jul-22
Saint Vincent and the Grenadines ODS Phase-Out	128,000	127,827	173	0	139	35	May-12	
Samoa CFC Phase-Out	75,000	43,950	31,050	0	9,840	21,210		Sep-13
Sierra Leone ODS Phase-Out	60,000	54,715	5,285	0	4,228	1,057	Dec-11	
Sri Lanka HCFC Phase-Out Plan	180,000	40,169	139,831	0	55,932	83,898		Dec-22
Suriname CFC Phase-Out	125,000	124,998	2	0	2	0	Dec-11	
Swaziland CFC Phase-Out	121,500	113,799	7,701	0	6,161	1,540	Dec-10	
Swaziland HCFC Phase-Out	667,948	581,643	86,305	0	25,892	60,414		Dec-14
Timor-Leste HCFC Phase-Out	96,120	30,000	66,120	51,120	19,836	46,284		Dec-17
Togo CFC Phase-Out	157,000	156,134	866	0	693	173	Dec-10	
Trinidad and Tobago CFC Phase-Out	460,000	451,587	8,413	0	6,731	1,683	Dec-08	
Trinidad and Tobago HCFC Phase-Out	559,900	912	558,988	0	223,595	335,393		Jul-22
United Republic of Tanzania (the) ODS Phase-Out	276,000	153,092	122,908	0	36,872	86,035		Dec-13
Uruguay CFC Phase-Out	333,000	289,575	43,425	0	13,028	30,398		May-13
Uruguay HCFC Phase-Out	200,000	25,774	174,226	18,287	69,690	104,536		Nov-17
Zambia CFC Phase-Out	109,000	78,510	30,490	0	24,392	6,098	Dec-11	
Total	244,065,069	180,891,113	63,173,956	429,584	24,186,108	38,987,848		

Note: Entries in bold are for projects approved over one year ago with disbursement of less than 10 per cent. Entries in italics are for projects approved less than one year ago with disbursement of less than 10 per cent. Entries in bold italics are for projects for CFC activities for which there remain significant balances.

9. Out of US \$244,065,069 in approved funds for tranches of MYAs, UNDP has disbursed US \$180,891,113 (74 per cent) leaving a balance of US \$63,173,956. Of this, US \$24,186,108 (38 per cent) is expected to be disbursed in 2013.

10. The Executive Committee may wish to note that there remain significant balances for one project for CFC activities as indicated in bold italics in Table 1.

MYAs excluding HPMPs

11. Excluding HPMPs, UNDP has completed 51 MYAs as at December 2012. The planned completion date for CFC or other ODS phase-out for nine MYAs have been extended to 2013 and for two to 2014. The concerned CFC MYAs include Brazil, Cuba, Dominica, Guatemala, Maldives, Nepal, Samoa, Tanzania, and Uruguay for completion in 2013. The other MYAs are related to the methyl bromide (MB) project in Costa Rica and the CFC phase-out plan in Saint Kitts and Nevis, which are planned for completion in 2014. Several reasons such as the hiring process and/or the installation of the equipment, the difficulty in identifying potential suppliers of equipment, the absence of bids, explain the revision of the planned completion date reported to this meeting.

12. The review of the Multi-Year Agreements table also revealed that one non-HCFC MYA, namely the terminal phase-out management plan (TPMP) in Haiti (HAI/PHA/58/INV/14) approved over a year ago, reported a disbursement rate below 10 per cent of the funds approved. The slow implementation/low disbursement resulted from the combination of several events including changes within the Government and the National Ozone Unit (NOU), changes in UNDP's office in Haiti, and the earthquake. The Executive Committee may wish to request the submission of a status report to the 71st meeting to monitor progress of the TPMP in Haiti (HAI/PHA/58/INV/14) due to low disbursement of approved funds.

MYAs for HCFCs

13. UNDP is implementing 79 HPMP activities and 45 agreements in 43 countries; one of these 45 agreements was approved less than one year ago. Of these, funds were only disbursed for 34 agreements. Ten agreements approved over one year ago and for which no disbursement has been recorded include HPMPs in Belize, Bhutan, Brunei Darussalam, Cuba, El Salvador, Georgia, India, Maldives, Nepal and Saint Kitts and Nevis (see data in bold in Table 1).

14. The difficulties that have delayed project start-up and/or slowdown MYA implementation for HPMPs include:

- Preparation and approval of the action plan in Bhutan;
- Institutional challenges within the Ministry of Environment and Natural Resources, project document signature, and recruitment of staff in El Salvador;
- Government internal procedures in Georgia;
- Signing of project document/letter of agreement in Maldives;
- Project document/letter of agreement not signed in Brunei Darussalam, Cuba, Nepal and Saint Kitts and Nevis;
- Limited interest from potential suppliers in Belize;
- Project document/letter of agreement signed but agreement with the enterprises not signed yet in India.

15. All MYAs for HPMPs approved over one year ago and for which there was no disbursement have their project document/letter of agreement signed except for Brunei Darussalam, Cuba, Nepal and Saint Kitts and Nevis. The Executive Committee may wish to request additional status reports to the 71st meeting for the 10 MYAs for HPMPs approved over one year ago and for which no disbursement has been recorded (see paragraph 13), and to monitor the procurement issues in Belize, the signing of the agreement with the enterprises in India and the signing of project document/letter of agreement for four of these HPMPs, namely in Brunei Darussalam, Cuba, Nepal and Saint Kitts and Nevis. Additional status reports to the 71st meeting are also recommended for 11 other MYAs for HPMPs approved over one year ago, with a disbursement reported but lower than 10 per cent, to monitor project implementation progress in Angola, Brazil, Chile, Egypt, Guyana, Indonesia, Jamaica, Malaysia, Mexico, Panama, and Trinidad and Tobago.

IS, refrigerant management plans (RMPs), halon banking, demonstration, preparation projects

16. IS projects, RMPs, halon banking, demonstration and preparation projects are not subject to monitoring through implementation delay reports and, therefore, are not subject to the procedures for project cancellation. The Secretariat reviewed the progress report database information provided by the agencies to determine if additional status reports are required.

IS

17. UNDP is implementing 30 IS projects in 21 countries (Argentina, Bangladesh, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Georgia, Ghana, India, Indonesia, Iran (Islamic Republic of), Lebanon, Malaysia, Nigeria, Pakistan, Sri Lanka, Trinidad and Tobago, Uruguay, and Venezuela (Bolivarian Republic of)). Several of UNDP's IS projects are in the largest consuming countries, such as Brazil, China, India, and Malaysia. The agency has reported no disbursements for two IS projects that were approved prior to the 67th meeting of the Executive Committee. These projects are: India (IND/SEV/66/INS/444), for which all issues have now been resolved, and Brazil (BRA/SEV/66/INS/297).

18. For Brazil, UNDP indicated that the project document has been finalized and is in the process of being signed by the national counterparts. UNDP also advised that commitments resulting from a contract signed in 2012 have been made but payments will be reflected in 2013. The Executive Committee may wish to request the submission of an additional status report to the 71st meeting for the IS project in Brazil (BRA/SEV/66/INS/297) to monitor the signing of the project document and the implementation progress.

RMPs

19. UNDP is the implementing agency for four RMP activities approved up to the end of 2012, including one monitoring project in Barbados, one technical assistance for the refrigeration service and mobile air-conditioning (MAC) sectors in Brunei Darussalam, one incentive programme for the commercial and industrial end-user refrigeration in Sri Lanka, and one awareness and incentive programme in Maldives. Three projects namely, Barbados, Brunei Darussalam and Sri Lanka are planned for completion in 2013, and the project in Maldives is expected to be completed in 2014. The review of these projects did not reveal major issues in the implementation. However, a cumulative fund balance estimated at US \$410,062 is reported to the 71st meeting of the Executive Committee.

20. The Executive Committee may wish to note that the cumulative fund balance is estimated at US \$410,062 for the four RMP activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15) approved up to the end of 2012, and request the submission of additional status reports to the 71st meeting to monitor the balance of funds for these four RMP activities.

Halon banking

21. UNDP is implementing two activities in the halon sector. In the case of the "national halon bank management plan update" in the Dominican Republic (DOM/HAL/51/TAS/39), no disbursement has been reported since its approval in 2007. UNDP indicated that the expert was officially hired at the end of 2012 and is conducting the pending work in the Dominican Republic. The project is expected to be completed in July 2013.

22. In Chile, only US \$7,085 has been disbursed out of US \$60,000 approved for the "halon consumption phase-out: technical assistant programme and halon recycling and recovery equipment", (CHI/HAL/51/TAS/164) which was approved in 2007. UNDP indicated that terms of reference for hiring the international expert were published several times but it had been difficult finding one with the required skills. However, a local expert was identified by the end of 2012 and a contract is being negotiated. The expert will guide the creation of banks and identify the other potential activities for project closure. The project is expected to be completed by January 2014.

23. The Executive Committee may wish to request the submission of additional status reports to the 71st meeting for the halon projects in the Dominican Republic (DOM/HAL/51/TAS/39) and in Chile (CHI/HAL/51/TAS/164) to monitor project implementation progress and the disbursement rates of approved funds.

Chiller demonstration projects

24. UNDP is implementing chiller projects in Brazil and Colombia. Under the “demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers” in Brazil (BRA/REF/47/DEM/275), no funds have been disbursed although the project was approved in 2005. UNDP reported that the project document concerning the Multilateral Fund part of this project has been signed and all the activities funded are starting up. The chillers equipment is being installed and a company was hired to perform energy saving readings once the chillers are started up. The project completion is now expected in 2014.

25. For the “demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers” in Colombia (COL/REF/47/DEM/65), only US \$111,945 has been disbursed out of the US \$1,000,000 approved. UNDP indicated that the contract with the auditing entity was signed. The survey on replaced chillers is progressing as planned. The financial and technical assistance contract was signed and is being implemented. The meetings with the stakeholders have been held to discuss alternatives, cost issues and planning. The meetings with the owners of remaining CFC-based chillers were organized and the replacement of remaining these chillers is planned in 2013. The project will be completed by January 2014.

26. The Executive Committee may wish to request the submission of additional status reports to the 71st meeting for the chiller projects in Brazil (BRA/REF/47/DEM/275) and Colombia (COL/REF/47/DEM/65) to monitor the disbursement rate of approved funds.

HCFC demonstration projects

27. UNDP is implementing five HCFC demonstration projects in two countries namely, the “validation/demonstration of low cost options for the use of hydrocarbons as foaming agent in the manufacture of polyurethane foams” in Egypt (EGY/FOA/58/DEM/100) approved in 2009; the “demonstration project for conversion from HCFC-22 to HFC-32 technology in the manufacture of commercial air-source chillers/heat pumps at Tsinghua Tong Fang Artificial Environment Co. Ltd.” (CPR/REF/60/DEM/498) and the “demonstration project for conversion from HCFC-22 technology to Ammonia/CO₂ technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd.” (CPR/REF/60/DEM/499) in China approved in 2010; the “demonstration project for the conversion from HCFC-22/HCFC-142b technology to CO₂ with methyl formate co-blowing technology in the manufacture of extruded polystyrene foam at Feiningner (Nanjing) Energy Saving Technology Co. Ltd.” (CPR/FOA/64/DEM/507) and the “demonstration project for the conversion from HCFC-141b based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.” (CPR/SOL/64/DEM/511) approved in 2011. The review of the 2012 progress reports shows that these projects are progressing and are all planned for completion in 2013.

ODS destruction demonstration project

28. UNDP is implementing three activities in the ODS destruction sector for three countries. These projects include the pilot demonstration project on ODS waste management and disposal in Cuba (CUB/DES/62/DEM/46) for which the bids are being evaluated and civil works at the cement plant

completed; the pilot demonstration project on ODS waste management and disposal in Ghana (GHA/DES/63/DEM/33) which is being implemented in cooperation with the UNDP Global Environment Facility (GEF) project and its rebate scheme for returning used refrigerators is progressing well; and the “demonstration project on end of life ODS management and destruction” in Colombia (COL/DES/66/DEM/82) for which the project document was signed and the international expert hired. The activities in the ODS destruction sector for Cuba and Ghana are planned for completion in 2014 and those for Colombia in 2015.

HPMP project preparation

29. UNDP has 8 ongoing projects for the preparation of HPMPs in 7 countries. It should be noted that all countries listed in the following table have an HPMP approved. However, all the investment projects for these countries have not been submitted jointly with their respective HPMP.

Table 2

STATUS OF ONGOING PROJECTS FOR THE PREPARATION OF HPMPs

Country	Project code	Approved Funding (US \$)	Funds Disbursed (US \$)	Estimated Disbursement in Current Year (US \$)	Comments
Bolivia (Plurinational State of)	BOL/FOA/57/PRP/34	50,000	15,863	34,137	The project preparation is completed but it will be submitted when the technology issues for local SMEs are resolved.
Costa Rica	COS/REF/57/PRP/41	60,000	20,500	39,500	The investment project for the remaining part of the companies in the foam sector in Costa Rica will be prepared and presented to the Executive Committee when low GWP alternatives are available for SMEs.
Cuba	CUB/FOA/57/PRP/41	50,000	6,861	43,139	The investment projects was submitted to the 65 th ExCom and approved.
Cuba	CUB/REF/58/PRP/42	50,000	0	50,000	The international expert evaluated the company and prepared a technical report about the technical replacement options. The report was delivered and discussions are currently taking place regarding selection of technology.
Panama	PAN/FOA/57/PRP/30	50,000	2,000	48,000	The reconversion projects for foam sector will be submitted in line with decision 63/15 when alternatives for SMEs are available. No activities are planned in 2013.
Paraguay	PAR/FOA/57/PRP/21	60,000	16,970	43,030	The reconversion projects for foam sector will be submitted in line with decision 63/15 when alternatives for SMEs are available. No activities are planned in 2013.
Peru	PER/FOA/57/PRP/43	80,000	53,834	26,166	Two investment projects were prepared and presented to the Multilateral Fund Secretariat. It was agreed to defer these projects during the review process.
Uruguay	URU/FOA/57/PRP/52	60,000	51,562	8,438	The investment project for the foam sector is planned to be submitted jointly with stage II of the HPMP in 2015.
Total	-	460,000	167,590	292,410	-

30. The review of the financial data, as of 31 December 2012, of the 8 ongoing projects for the preparation of HPMPs revealed fund balances estimated at US \$292,410. However, the UNDP report shows that all the fund balances will be fully used in 2013 while most of the project preparation cannot be finalized before the technology issues for local small and medium enterprises (SMEs) are resolved. This issue is addressed in the Consolidated Progress Report document (UNEP/OzL.Pro/ExCom/70/10).

ODS disposal project preparation

31. UNDP is implementing three ODS disposal preparation activities.

32. With respect to Brazil (BRA/DES/57/PRP/288), UNDP reported that Brazil is currently revising its schedule of implementation of the Domestic Refrigeration Replacement Programme to meet the requirements of the Solid Waste Management Law recently approved by the National Congress in 2011 that has specific regulation requirements by industrial sub-sectors. In order to finalize the project preparation, additional inputs are required. UNDP also advised that the implications of the approval of the law are being analyzed. The project is expected to be submitted in 2014. The Executive Committee may wish to request an additional status report to the 71st meeting to monitor progress on the ODS disposal preparation activities in Brazil (BRA/DES/57/PRP/288).

33. No funds have been disbursed under the ODS disposal project in India (IND/DES/61/PRP/437) but stakeholder consultations was on-going in 2012. The preparation of the project proposal is expected to be completed by the fourth quarter of the year 2013. The Executive Committee may wish to request an additional status report to the 71st meeting for the ODS disposal project in India (IND/DES/61/PRP/437) if it is not submitted to the 71st meeting.

34. The ODS bank management and destruction demonstration preparation project in Georgia (GEO/DES/64/PRP/32) was submitted to the 69th meeting and approved.

Other individual projects

35. This section addresses individual projects with implementation delays subject to procedures for project cancellation.

Implementation delays

36. There are two projects with implementation delays subject to monitoring by the Executive Committee. All of these were also classified as having had implementation delays in 2011. In 2012, UNDP had fewer projects classified with implementation delays than in 2011, when four had been classified as such. The Executive Committee may wish to note that UNDP will report to the 71st meeting on up to two projects with implementation delays, including two projects that were classified as such in 2011.

Metered-dose inhaler (MDI) conversion projects

37. UNDP is implementing three activities in the MDI sector, and reported progress on these as follows:

- In Bangladesh (BGD/ARS/52/INV/26) and India (IND/ARS/56/INV/423), UNDP reported that both projects are progressing;
- In Pakistan (PAK/ARS/56/INV/71), GlaxoSmithKline completed the procurement process of the equipment for the manufacturing of HFA-based MDIs at their facility. However, it appears that

Zafa, the second beneficiary, is no longer interested in pursuing the project. On this basis, the Government has been following up with Zafa on the return of the initial payment, amounting to US \$55,000, under the phase-out agreement. No EUN was submitted for 2013. The project will be completed by December 2013.

38. The Executive Committee may wish to request the submission of an additional status report to the 71st meeting on the MDI conversion project in Pakistan (PAK/ARS/56/INV/71) to monitor the return of the initial payment amounting to US \$55,000 under the phase-out agreement with Zafa and the low disbursement of approved funds.

Resource mobilization project

39. In line with decisions 69/4(d)(ii) and (iii), UNDP will provide by the 71st meeting the following documents:

- Copies of the proposals or a description of the projects initiated with funds provided under this project;
- The final report providing more detailed information on the processes and approaches used to mobilize additional resources, as well as lessons learned related to this exercise, ensuring that the elements described in decisions 63/20(a)(ii) and 68/4(c)(ii) were included, where this information was available.

40. Moreover, UNDP will provide a report to the Executive Committee on the results of the projects funded from the resource mobilization exercise once they had been implemented.

RECOMMENDATIONS

41. The Executive Committee may wish to:

(a) Note:

- (i) UNDP's progress report contained in document UNEP/OzL.Pro/ExCom/70/12;
- (ii) That there remain significant balances for one project for CFC activities as indicated in bold italics in Table 1 of document UNEP/OzL.Pro/ExCom/70/12;
- (iii) That the cumulative fund balance is estimated at US \$410,062 for the four refrigerant management plan (RMP) activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15) approved up to the end of 2012;
- (iv) That UNDP would report to the 71st meeting on up to two projects with implementation delays including two projects that were classified as such in 2011;

(b) Request:

- (i) The submission of additional status reports to the 71st meeting to monitor:

- a. The zero level of disbursement and the equipment procurement process in the HCFC phase-out management plan (HPMP) in Belize, approved over a year ago;
 - b. The zero level of disbursement and the signing of the agreement with the enterprises in the HPMP in India, approved over a year ago;
 - c. The zero level of disbursement and the signing of the project document/letter of agreement for four HPMPs, namely Brunei Darussalam, Cuba, Nepal and Saint Kitts and Nevis approved over a year ago;
 - d. The signing of the project document and the implementation progress for the institutional strengthening project in Brazil (BRA/SEV/66/INS/297);
 - e. The balance of funds for the RMP activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15);
 - f. The project implementation progress and the disbursement rates of approved funds for the halon projects in the Dominican Republic (DOM/HAL/51/TAS/39) and in Chile (CHI/HAL/51/TAS/164);
 - g. Progress on the ODS disposal preparation activities in Brazil (BRA/DES/57/PRP/288), and in India (IND/DES/61/PRP/437) if the project is not submitted to the 71st meeting;
 - h. The low rates of disbursement of approved funds and the return of the initial payment of US \$55,000 under the agreement with Zafa under the metered-dose inhaler (MDI) conversion project in Pakistan (PAK/ARS/56/INV/71);
- (ii) The submission of additional status reports to the 71st meeting for those HPMPs approved over a year ago and for which no disbursement has been recorded in the following countries: Bhutan, El Salvador, Georgia and Maldives;
 - (iii) The submission of additional status reports to the 71st meeting to monitor the following projects due to low rates of disbursements of approved funds:
 - a. The terminal phase-out management plan (TPMP) in Haiti (HAI/PHA/58/INV/14);
 - b. HPMPs in Angola, Brazil, Chile, Egypt, Guyana, Indonesia, Jamaica, Malaysia, Mexico, Panama, and Trinidad and Tobago; and
 - c. The chiller projects in Brazil (BRA/REF/47/DEM/275) and Colombia (COL/REF/47/DEM/65).

Annex I

UNDP PROJECT IMPLEMENTATION BY COUNTRY

Country	Phased Out in 2012	Percentage of Planned Phase-out Achieved in 2012	Estimated Funds Disbursed in 2012 (US\$)	Funds Disbursed in 2012 (US\$)	Percentage of Funds Disbursed over Estimation in 2012	Percentage of Planned Projects Completed in 2012
Angola	0.0		50,318	14,112	28%	
Argentina	0.0		187,711	157,533	84%	100%
Armenia	2.2	100%	107,424	94,170	88%	0%
Bahamas (the)	0.0		0	0		
Bahrain	0.0		16,151	33,332	206%	100%
Bangladesh	0.0		912,802	930,899	102%	
Barbados	0.0		31,126	21,388	69%	
Belize	0.0		24,017	0	0%	
Benin	0.0		0	0		
Bhutan	0.0		28,000	0	0%	
Bolivia (Plurinational State of)	0.0		51,711	94,989	184%	
Botswana	0.0		0	0		
Brazil	48.7		3,481,065	1,330,532	38%	
Brunei Darussalam	0.0		149,221	167,868	112%	
Burkina Faso	0.0		0	0		
Burundi	0.0		0	0		
Cambodia	0.0		81,508	100,000	123%	
Cape Verde	0.0		1,135	0	0%	
Central African Republic (the)	0.0		0	0		
Chad	0.0		132,923	145,398	109%	
Chile	0.0		453,305	282,760	62%	100%
China	19.4		7,015,946	14,702,008	210%	0%
Colombia	63.7		1,810,660	2,847,081	157%	100%
Comoros (the)	0.0		612	0	0%	
Congo (the)	0.0		0	0		
Costa Rica	0.0		657,242	550,660	84%	
Cuba	6.0		856,387	157,241	18%	100%
Democratic Republic of the Congo (the)	0.0		63,323	21,499	34%	
Djibouti	0.0		1,828	0	0%	
Dominica	0.0		17,968	0	0%	
Dominican Republic (the)	3.7	100%	498,326	412,051	83%	100%
Ecuador	0.0		0	0		
Egypt	42.1		1,454,935	557,510	38%	
El Salvador	0.0		252,762	81,807	32%	100%
Eritrea	0.0		0	0		
Ethiopia	0.0		0	0		
Fiji	0.0		30,709	18,525	60%	
Gabon	0.0		0	0		
Gambia (the)	0.0		10,149	0	0%	
Georgia	0.0		122,359	45,434	37%	
Ghana	0.0		161,823	272,205	168%	100%
Global	0.0		78,877	46,793	59%	50%
Grenada	0.0		564	0	0%	
Guatemala	0.0		99,154	154,070	155%	
Guinea	0.0		0	0		

Country	Phased Out in 2012	Percentage of Planned Phase-out Achieved in 2012	Estimated Funds Disbursed in 2012 (US\$)	Funds Disbursed in 2012 (US\$)	Percentage of Funds Disbursed over Estimation in 2012	Percentage of Planned Projects Completed in 2012
Guinea-Bissau	0.0		80,641	93,707	116%	
Guyana	0.0		19,605	1,782	9%	
Haiti	0.0		64,091	1,574	2%	
Honduras	0.0		0	0		
India	0.0		741,164	769,661	104%	50%
Indonesia	0.0		1,757,878	107,656	6%	
Iran (Islamic Republic of)	0.0		940,081	755,947	80%	0%
Jamaica	0.0		130,542	29,631	23%	
Jordan	0.0		0	0		
Kenya	0.0		0	0		
Kyrgyzstan	0.0		14,726	9,275	63%	
Lao People's Democratic Republic (the)	0.0		0	0		
Lebanon	0.0		664,127	978,646	147%	0%
Lesotho	0.0		0	0		
Liberia	0.0		0	0		
Libya	0.0		0	0		
Malawi	0.0		1,058	0	0%	
Malaysia	0.0		2,269,711	705,816	31%	
Maldives	0.0		225,342	75,000	33%	
Mali	0.0		63,934	117,672	184%	
Mauritania	0.0		4,813	0	0%	
Mauritius	0.0		0	0		
Mexico	122.6		2,065,677	855,556	41%	100%
Mongolia	0.0		0	0		
Morocco	0.0		0	0		
Mozambique	0.0		960	0	0%	
Myanmar	0.0		0	0		
Nepal	0.0		8,000	20,000	250%	
Nicaragua	0.0		36	0	0%	
Niger (the)	0.0		0	0		
Nigeria	0.0		434,659	1,060,078	244%	67%
Pakistan	0.0		226,947	138,046	61%	
Panama	0.0		83,261	6,722	8%	
Paraguay	0.0		104,149	63,992	61%	100%
Peru	0.0		84,160	112,601	134%	100%
Philippines (the)	0.0		20,023	0	0%	
Region: AFR	0.0		6,442	5,467	85%	
Region: ASP	0.0		0	0		
Region: LAC	0.0		850,000	0	0%	
Republic of Moldova (the)	0.0		32,881	10,615	32%	
Rwanda	0.0		4,566	0	0%	100%
Saint Kitts and Nevis	0.0		38,000	0	0%	
Saint Vincent and the Grenadines	0.0		6,436	15,917	247%	100%
Samoa	0.0		12,893	0	0%	
Sao Tome and Principe	0.0		0	0		
Sierra Leone	0.0		20,141	0	0%	
Somalia	0.0		0	0		
Sri Lanka	0.0		187,723	111,295	59%	100%
Suriname	0.0		61,010	70,465	115%	

Country	Phased Out in 2012	Percentage of Planned Phase-out Achieved in 2012	Estimated Funds Disbursed in 2012 (US\$)	Funds Disbursed in 2012 (US\$)	Percentage of Funds Disbursed over Estimation in 2012	Percentage of Planned Projects Completed in 2012
Swaziland	3.5		285,731	577,966	202%	
Syrian Arab Republic	0.0		480,786	0	0%	
Thailand	0.0		0	0		
Timor-Leste	0.0		38,448	30,000	78%	
Togo	0.0		1,908	1,379	72%	
Trinidad and Tobago	0.0		281,654	68,352	24%	100%
Turkey	0.0		18,639	21,537	116%	
Uganda	0.0		0	0		
United Republic of Tanzania (the)	0.0		62,573	33,524	54%	
Uruguay	0.0		189,082	164,629	87%	
Venezuela (Bolivarian Republic of)	0.0		74,105	151,078	204%	
Viet Nam	0.0		0	0		
Yemen	0.0		58,832	32,500	55%	
Zambia	0.0		25,916	0	0%	
Zimbabwe	0.0		0	0		
Grand Total	311.9	100%	31,585,392	30,437,951	96%	79%

EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

(70th Meeting, 1-5 July 2013, Bangkok)

UNDP PROGRESS REPORT NARRATIVE: 1991-2012

The following narrative is based on a database of 2,110 projects funded by the Multilateral Fund, which contains basic information on each project and their status of implementation as of 31 December 2012. However, some updates of activities which took place during the first quarter of 2013 are also included for information purposes, as agreed at last year's interagency coordination meeting that took place in Montreal in 2012. The database results in 11 summary tables which can be found at the end of this report, and which are referred to throughout this report.

As can be seen in the following sections, UNDP has disbursed US\$ 547,139,140 (88%) of the US\$ 623,363,064 million worth of projects that were approved under the Multilateral Fund since its inception in 1991. These programmes were supposed to eliminate 66,018 ODP T/year, of which 65,191 (99%) were phased out as of 31 December 2012. This demonstrates UNDP's important role in the success of MLF's assistance towards the elimination of Ozone Depleting Substances.

At the end of 2012, UNDP was active in 54 countries, of which 30 are low volume consuming (LVCs). All ongoing projects are implemented using the National Implementation modality, providing countries with larger country ownership. In addition, the year 2012 has been exceptionally challenging as tremendous effort had to be undertaken to formulate and implement HCFC Phase-out Management Plans (HPMPs) and Sector Plans for 44 out of 46 countries contained in our Business Plan, and of which UNDP is the lead agency in 28 countries. In 2013, there are only two remaining HPMPs (Mauritania and South Sudan), both of which will be submitted to the 71st meeting of the Executive Committee.

With the short time to implement HPMPs, there is a surge of workload for UNDP to meet the needs of so many A5 countries. This significant workload, which will continue for the next 2-3 years, comes at a time that preparation of Stage II HPMPs will need to be initiated. Despite this challenging situation, UNDP remains fully committed to step up their efforts to meet the increased workload and ensure that countries receive the assistance needed to be in compliance with all requirements of the Montreal Protocol.

We would like to draw the attention to the fact that guidelines for Stage II HPMP preparation activities and Stage II HPMPs will need to be approved quickly by the Executive Committee as many countries will be submitting their last tranche requests for Stage I in 2015.

I. PROJECT APPROVALS AND DISBURSEMENTS

A. Annual Summary Data (See table 1)

Table 1: "Annual Summary" shows the important summary data on the number of project approvals, corresponding budgets, ODP, and disbursement figures. The table highlights that, as of 31 December 2012, UNDP had a total of 2,204 approved projects under the Multilateral Fund, of which 94 had been canceled or transferred. Of the 2,110 remaining projects, 1,956, or 93% have

been completed. They are set to eliminate 66,018 ODP T/year, of which 65,191 ODP T (99%) have already been eliminated.

As of 31 December 2012, UNDP had received net project approvals of US\$ 623,363,064. (excluding support costs). Of these, UNDP, as of end-2012, had disbursed US\$ 547,139,140 excluding all obligations. This translates to 88% of approved funding. This is higher than last year's disbursement rate of 87%. Furthermore, an additional US\$ 693,820 of obligations were outstanding as of end-December 2012, representing orders placed but final payments not yet made. Out of these projects, 154 projects are currently ongoing corresponding to a budget of US\$ 132,619,635.

B. Interest and Adjustments

Preliminary interest income earned on MLF Resources in 2012 is US\$ 648,934. This amount should be considered indicative only as UNDP has not yet issued its final financial statements for 2012. Once the financial statements are issued, these will be submitted to the MLF Treasurer by the agreed deadline of 30 September. The difference, if any, between the provisional and final 2012 interest income can then be offset against UNDP project approvals in 2013.

C. Summary Data By Type and Chemical [CPG, DEM, INS, INV, PRP, TAS, TRA] (See table 2)

Table 2: Summary Data by Project Type presents an overview of the approvals by this type of project. It demonstrates that of the total amounts approved, 82% of the budgets were dedicated to investment projects, 5% to technical assistance projects, 6% to institutional strengthening and 3% to project preparation activities. The remaining 3% was dedicated to country programmes and demonstration/training activities.

D. Multi-Year-agreements (Table 3).

This table focuses on the multi-year agreements as a whole, rather than on the individual tranches contained in the large database. The table shows that 110 agreements worth US\$ 317,672,750 were allocated in principle to UNDP in multi-year agreements (without support costs) when all tranches are considered. US\$ 244,825,538 out of this total was already approved in individual tranches as of April 2013. Disbursements related to these programmes as of 31 December 2012 amount to US\$ 180,891,112 or 74% of the approved amount. Please refer to table 3 for detailed information on each agreement.

II. PROJECT COMPLETIONS SINCE LAST REPORT

A ODP Phased Out from Completed Investment Projects

A total of 46 investment projects phasing out 1822.7 ODP tonnes, comprising 1 in the aerosols sector, 10 in foams, 23 in phaseout plans, 8 in refrigeration, and 4 in the solvents and remaining sectors were completed between 1 January and 31 December 2012. The corresponding ODP tonnes phased out for these projects are 7.4 tonnes in the aerosols sector, 1483.8 in phaseout plans, 240.8 tonnes in the refrigeration sector, and 87 tonnes in the solvents and remaining sectors.

B. Non-Investment Project Completions Since The Last Report

A total of 8 non-investment projects, comprising 1 technical assistance activity and 7 institutional strengthening phases were completed between 1 Jan and 31 Dec 2012.

III. GLOBAL AND REGIONAL PROJECT HIGHLIGHTS

A. Global Projects: There are two on-going global programmes under implementation by UNDP:

1. GLO/SEV/68/TAS/316, the Core unit support (2013) programme approved at the 68th meeting of the Executive Committee, that covers the administrative costs of UNDP's Montreal Protocol Unit; and continuation of Core Unit support at a level that allows UNDP to provide the oversight, reporting and assistance needed to sustain the large programme is critical.

2. GLO/SEV/63/TAS/306. UNDP had received these funds to prepare four pilot demonstration projects in the refrigeration and air-conditioning manufacturing sector to examine technical interventions that improve energy efficiency, national policy and regulatory measures to sustain such interventions in order to maximize the climate impact of HCFC phase-out. A status report on the resource mobilization to maximize the climate benefits of HCFC phaseout was presented to the Executive Committee at the 69th meeting and the final report will be presented by the 71st meeting of the Executive Committee.

A short update is provided below:

- In collaboration with UNDP's GEF-Climate Change Mitigation team, a proposal was developed and submitted to GEF, for energy-efficiency enhancements in the Air Conditioning and Refrigeration Sectors in Indonesia. The proposal, under GEF's climate change focal area, and within Indonesia's STAR allocation, has a projected grant funding of about US\$ 5 million. The proposal is technically cleared by GEF Secretariat and is expected to enter the June GEF Work Programme
- UNDP is also in extensive engagement with private sector technology providers in the Foams, Air Conditioning and Refrigeration sectors, to precipitate additional investments for low-GWP and energy-efficient alternatives, through their subsidiaries in A5 countries.
- US\$ 1.7 million has been mobilized from the USA for demonstration and application of low-GWP and energy-efficient technologies in select sub-sectors in select countries (India, Indonesia, and Malaysia) in the Asia-Pacific region. Funds have already been transferred to UNDP. In addition to the technology demonstrations, the following are the expected additional outcomes:
 - Options for policies and regulations for sustaining technical interventions
 - Recommendations for accounting of climate benefits
 - Establishing benchmarks for costs and implementation timeframes

B. Regional Projects: All UNDP regional projects have been completed.

IV. PERFORMANCE INDICATORS

A. Results in 2012

Decision 41/93 of the Executive Committee approved the indicators to allow for the evaluation of performance of implementing agencies, with the weightings indicated in the table below. Annex IV of the report of the 66th meeting of the Executive Committee contained the UNDP's 2012 targets. One can see from the table below that UNDP fully met 5 out of 9 of its targets and that its score amounts to 92%.

Category of performance indicator	Item	Weight	UNDP's target for 2012	Result achieved in 2012	Score
1. Approval	Number of annual programmes of multi-year agreements approved versus those planned (new plus tranches of ongoing MYAs)	20	16	15 → 94% (see annex 2, 1)	18.8
2. Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	20	15	14 → 93% (see annex 2, 2)	18.7
3. Implementation	Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	12	11 → > 92% (see annex 2, 3)	18.3
4. Implementation	ODP phased-out for individual projects vs. those planned per progress reports	5	18.9	19.4 → > 100% (see annex 2, 4)	5.0
5. Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	41	11 → 27% (see annex 2, 5)	1.3
6. Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	N/A	Two (2) so it was exceeded or > 100% (see annex 2, 6)	10.0
7. Administrative	Speed of financial completion vs. that required per progress report completion dates	10	On-time	66 finrevs out of 66 100% (see annex 2, 7)	10.0
8. Administrative	Timely submission of project completion reports vs. those agreed	5	On-time	> 100% achieved (12 PCRs submitted out of 9 planned -- see annex 2, 8)	5.0
9. Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	On-time	100% achieved (see annex 2, 9)	5.0
TOTAL		100			92.1

B. Cumulative completed investment projects (Table 4)

NB: Unlike in the business plan reports, the category "investment projects" does not include the Recovery/Recycling TAS projects, nor MeBr demonstration projects.

As Table 4: Cumulative completed investment projects shows, a total of 1,048 investment projects have been completed, with a corresponding elimination of 57,618 ODP T. Of the US\$ 396,676,048 in their approved budgets in the sectors of Foam, Refrigeration, Phaseout Plan, Aerosol, Solvents, Fumigants, Halon, Process Agents, and Sterilants, 100% has already been disbursed. It took an average of 13 months from approval to first disbursement and 33 months from approval to completion. The overall cost-effectiveness of the projects to the Fund was \$6.88/kg. A breakdown of this group of projects is given by region, sector, implementation modality, etc.

C. **Cumulative completed non-investment projects (Table 5)**

As Table 5 shows, UNDP has completed 451 non-investment projects excluding project preparation assistance. Of the US\$ 68,193,908 in their approved budgets, 100% has been disbursed. It took an average of 13 months from approval to first disbursement and 40 months from approval to completion. A breakdown of this group of projects is given by region, type, sector, implementation modality, etc.

D. **Cumulative ongoing investment projects (Table 6)**

As can be seen in Table 6, UNDP has 87 ongoing investment projects in the sectors of Phaseout Plans, Foam Aerosol, Refrigeration, Fumigants, Process Agents, and Solvents, with corresponding budgets of US\$ 110,806,943. Of this amount, 44% has already been disbursed. It takes an average of 14 months from approval to first disbursement and an average of 45 months from approval to the estimated project completion. The overall cost-effectiveness of the projects to the Fund was \$31.10 /kg. A breakdown of this group of projects is given by region, sector, implementation modality, etc.

E. **Cumulative ongoing non-investment projects (Table 7)**

Table 7 shows that UNDP has 56 ongoing non-investment projects excluding project preparation assistance. Of the US\$ 21,202,692 in approved budgets, 45% has been disbursed. It takes an average of 13 months from approval to first disbursement and 43 months from approval to the estimated project completion. A breakdown of this group of projects is given by region, type, sector, implementation modality, etc.

V. STATUS OF AGREEMENTS AND PROJECT PREPARATION BY COUNTRY

A. **Agreements To Be Signed/Executed/Finalized**

Since UNDP has a standard legal agreement in place in each developing country that covers UNDP activities in that country, no additional legal agreement is required. There were no specific issues related to this in 2012.

B. **Project Preparation By Country, Approved Amount And Amount Disbursed (Table 8)**

Table 8: Project Preparation by Country, Approved Amount and Amount Disbursed, indicates active project preparation accounts. Of the ongoing 11 PRP projects listed with US\$ 610,000 in associated approvals, 35% has been disbursed. It should be noted that most of these activities relate to the preparation of HPMPs and the remaining balance would either be used for submitting sector plans and settling final invoices for HPMPs that were finalized in 2011/2012, or else returned to the MLF.

VI. ADMINISTRATIVE ISSUES (OPERATIONAL, POLICY, FINANCIAL, OTHER)

A. **Meetings Attended by UNDP in 2012**

From	To	Country	Meeting
15-Jan-12	19-Jan-12	Lebanon	Policy Support and Programme Oversight
31-Jan-12	3-Feb-12	Iran	Policy support and programme oversight
6-Feb-12	8-Feb-12	Canada	Inter-agency & coordination meeting
21-Feb-12	28-Feb-12	India	Policy support and programme oversight
11-Mar-12	16-Mar-12	Nigeria	Policy support and programme oversight
12-Mar-12	16-Mar-12	Brazil	Policy Support and Programme Oversight

13-Mar-12	16-Mar-12	Bangladesh	Policy support and programme oversight
18-Mar-12	23-Mar-12	Indonesia	Policy support and programme oversight
25-Mar-12	27-Mar-12	Malaysia	Policy support and programme oversight
27-Mar-12	30-Mar-12	Brazil	Policy support and programme oversight
26-Mar-12	31-Mar-12	Kyrgyzstan	Europe/CIS UNEP Ozone Network Meeting
7-Apr-12	14-Apr-12	Peru	Policy Support and Programme Oversight
14-Apr-12	19-Apr-12	Canada	66th meeting of Executive Committee
21-Apr-12	23-Apr-12	Dominican Republic	Policy Support and Programme Oversight
26-Apr-12	26-Apr-12	USA	Resource Mobilization for Climate Benefits and GEF Sec collaboration
22-Apr-12	29-Apr-12	Ghana	Policy Support and Programme Oversight
5-May-12	9-May-12	Iran	Policy support and programme oversight
2-May-12	12-May-12	Brazil	Policy Support and Programme Oversight
9-May-12	12-May-12	Turkey	Policy Support and Programme Oversight
12-May-12	15-May-12	Egypt	Policy Support and Programme Oversight
14-May-12	18-May-12	Bhutan	Joint SA/SEAP Network Meeting
28-May-12	1-Jun-12	Indonesia	Policy support and programme oversight
5-Jun-12	8-Jun-12	Trinidad & Tobago	Policy Support and Programme Oversight
10-Jun-12	16-Jun-12	Georgia	Thematic meeting of ECA network
11-Jun-12	19-Jun-12	China	Policy support and programme oversight
24-Jun-12	28-Jun-12	Mexico	Policy Support and Programme Oversight
13-Jul-12	27-Jul-12	Thailand	67th meeting of Executive Committee and OEWG
12-Aug-12	14-Aug-12	Cambodia	Policy support and programme oversight
26-Aug-12	29-Aug-12	Malaysia	Policy Support and Programme Oversight
27-Aug-12	31-Aug-12	Nigeria	Policy Support and Programme Oversight
29-Aug-12	1-Sep-12	Indonesia	Policy support and programme oversight
4-Sep-12	8-Sep-12	Egypt	Policy support and programme oversight
11-Sep-12	12-Sep-12	Dominican Republic	Policy Support and Programme Oversight
9-Sep-12	14-Sep-12	India	Policy Support and Programme Oversight
15-Sep-12	19-Sep-12	China	Policy support and programme oversight
19-Sep-12	22-Sep-12	Sri Lanka	Policy support and programme oversight
22-Sep-12	26-Sep-12	Djibouti	Joint Meeting of Regional ozone network meeting of Africa
28-Sep-12	28-Sep-12	Austria	Policy Support and Programme Oversight
30-Sep-12	4-Oct-12	Iran	Policy support and programme oversight
3-Oct-12	5-Oct-12	Panama	Joint Network Meeting for English and Spanish speaking LAC
9-Oct-12	12-Oct-12	Mexico	Policy Support and Programme Oversight
15-Oct-12	18-Oct-12	Thailand	Joint SA/SEAP Network Meeting
19-Oct-12	24-Oct-12	Indonesia	Policy support and programme oversight
30-Oct-12	31-Oct-12	Colombia	Policy Support and Programme Oversight
5-Nov-12	9-Nov-12	Brazil	Policy Support and Programme Oversight
10-Nov-12	17-Nov-12	Switzerland	24th MOP
20-Nov-12	22-Nov-12	Costa Rica	Policy Support and Programme Oversight
26-Nov-12	26-Nov-12	USA	GEF Sec coordination meeting on MLF/GEF links and related GEF 6 strategy
2-Dec-12	7-Dec-12	Canada	68th meeting of Executive Committee
11-Dec-12	15-Dec-12	Armenia	Policy Support and Programme Oversight

B. Other Issues.

There were no specific issues in 2012 that need to be addressed.

ANNEX 1: COUNTRY HIGHLIGHTS

JANUARY - DECEMBER 2012

UNDP has been at the forefront of innovative solutions for countries to address their Montreal Protocol compliance obligations. UNDP's work has resulted in market transformation for the introduction of environment-friendly products and corresponding policy and technological advances and has brought to countries access to emerging technologies, reduced energy bills for consumers, fostered innovation, and created a more equitable market for greener products, allowing indigenous manufacturers to maintain competitiveness.

The next section showcases several prominent examples showing the impact of UNDP's support at the country level.

Bangladesh

UNDP assisted Bangladesh in eliminating CFC usage at three locally-owned Metered Dose Inhalers (MDIs) manufacturing enterprises by using ozone-friendly alternatives. This project, which began in 2007, was successfully implemented and has resulted in eliminating 76.3 tonnes of CFCs (measured as ozone-depleting potential) while preserving local jobs and employment of local industry. More importantly, the non-CFC MDI inhalers will help the 7 million asthma sufferers in the country as a low cost medication, thereby significantly reducing the burden on the costs borne by patients suffering from asthma and chronic obstructive pulmonary disease (COPD). Having phased out CFCs in manufacturing MDIs, no CFCs under Essential Use Nomination process for manufacturing MDIs were requested by Bangladesh for the year 2013. Implementation of this project through a Performance Based Payment mechanism ensured smooth project implementation with a proactive role by Government and industry.

Colombia

With UNDP technical support and funds from the MLF, Colombia changed its MDI manufacturing and supply sector, and was the only national MDI manufacturer phasing out its CFC consumption while changing its product formulations and developing new CFC-free MDIs. This project was carried out quickly and efficiently thanks to the combined efforts of industry, government and UNDP. The technical assistance of UNDP's experts was instrumental in the technology transfer received by the company, which not only helped to achieve the elimination of CFC consumption, but also laid the foundation for building capacities in company and national levels that have allowed Colombia to supply CFC-free MDIs. This has resulted in access to state of art and more environmentally friendly medicines, especially for the vulnerable population that uses the public health network, not just in Colombia, but also in the Andean region.

Ghana

UNDP assisted the country to develop a unique integrated solution to HCFC phase-out, energy efficiency improvement, and the management of obsolete equipment, while providing new opportunities for green economy activities in Ghana. Under the implementation of the HPMP, and in collaboration with Italy's bilateral assistance, the focus has been on capacity building – technicians or customs officers – with adequate training equipment. Through the ODS disposal project, the national ozone unit has prepared to collect gases from end-of-life equipment, as well as stockpiles accumulated in previous ODS phase-out programmes and the future inputs from servicing operations. Thus, the other GEF-supported programmes of the Government aiming at replacing old refrigerators can be provided with a practical solution to the gases they are recuperating, ensuring that a comprehensive environmentally-friendly policy solution is

implemented. These activities are in coordination with a new national measure banning imports of second-hand refrigerators. This effort at the collection of harmful gases creates opportunities for local enterprises, in coordination with the global governmental strategy on energy and environment, to create green jobs in Ghana.

Maldives

In Maldives, servicing air-conditioning applications constitutes around 20% of their national HCFC consumption. This HCFC consumption is growing and given the corrosive atmospheric conditions in Maldives which is an island country, HCFC quantities used for servicing is very high. UNDP, as a part of its project for phasing-out HCFCs in Maldives, is working with the Government on implementation of low GWP, zero ODP “not-in-kind” solutions to eliminate the use of HCFC based air-conditioners. Through use of vapor absorption systems designed to suit local conditions, this approach would result in making available energy efficient air-conditioning to users. This project would not only help Maldives in moving towards a sustainable zero ODP, low GWP option in residential air-conditioning but also reduce the power demand at the national level. For this, UNDP also exploring possibility of securing funds, over and above funds available under the MLF, for implementing these solutions. This project will contribute to the overall “carbon neutral” approach adopted by Maldives.

Nigeria

UNDP, under the HPMP, continued supporting efforts at organizing the private sector in order to provide a steady, domestic supply of natural alternatives to HCFC-based products. It has provided support to one major Nigerian company in the foam sector, Vitapur, to set up the first system house in Nigeria. This will provide a natural replacement for HCFC 141b, i.e. methyl formate, to users in the foam market in Nigeria. This sets the stage for a lower domestic demand for HCFC 141b over the upcoming years when the phase-out of HCFCs will have to be achieved by the country. Moreover, in the refrigeration servicing sector, UNDP has supported the creation of the first distillation facility for producing small cans and cylinders of hydrocarbons to be used by service technicians, instead of low quality and potentially dangerous cooking gas, as is often the common practice today. This effort throughout the year has led to the facility being almost completed by Pamaque at the end of 2012, and it will be ready to initiate production in 2013. This provides a local solution which will increase the efficiency of equipment as well as the security for both technicians in the RAC sector as well as for individual customers.

Swaziland

UNDP continued its collaboration with the national ozone unit and UNEP to provide a low-GWP alternative to HCFCs at the Palfridge refrigeration manufacturing company, addressing the investment part of this HPMP. The company is now adopting hydrocarbon-based foam solution instead of HCFC 141b, which is not only distributed in Swaziland, but also in neighboring countries. Indeed, refrigerators are supplied to the whole Southern African Development Community (SADC). This is a unique case for a low volume consuming (LVC) country in which a MLF-funded conversion in production positively impacts neighboring markets, including non-LVC countries, resulting in the availability of environmentally-friendly equipment solutions to end users. Moreover, the company is committed to introduce the requirements of this new technology (including, in particular, best practices for safety) to all its customers. The complete phase-out of HCFC 141b in Swaziland will be achieved by 2013, thus contributing to the country achieving its HCFC phase-out target.

South - South cooperation

A part of the process of strengthening national capabilities is the ability to exchange knowledge and experiences. UNDP has fostered this exchange in the Montreal Protocol projects by promoting and facilitating contact between companies from the polyurethane foam sector, from systems houses to final

users. Prominent examples of this are the exchange of information and visits between system houses and manufacturers in the process of converting, or already converted, in **Mexico** with companies that are currently in the process of phasing out HCFCs in **Jamaica, Dominican Republic** and **El Salvador**. These interchanges promote knowledge sharing on the application of new technology and alternatives in the same regional context and facilitate the project implementation as companies learn about different aspects that have to be considered during the transition to HCFC alternatives.

ANNEX 2: Tables related to the Performance Indicators

1. Performance Indicator 1: MYAs

Approvals for National Plans and HPMPs are listed in the following table.

Country
Armenia
Brazil
Brunei
Colombia
China
Cuba
Egypt
Ghana
India
Iran
Mexico
Nepal
Nigeria
Peru
Uruguay

2. Performance Indicator 2: Individual Projects

The number of individual projects approved in 2012 are listed in the following table (excluding PRP).

MLF Number	Type	Short Title
BRA/SEV/66/INS/297	INS	Ozone unit support
COL/DES/66/DEM/82	DEM	ODS-Waste Demonstration project
CPR/SEV/68/INS/523	INS	Ozone unit support
GHA/SEV/67/INS/36	INS	Ozone unit support
GLO/SEV/68/TAS/316	TAS	Agency programme
IND/SEV/66/INS/444	INS	Ozone unit support
IRA/SEV/67/INS/206	INS	Ozone unit support
LEB/SEV/68/INS/77	INS	Ozone unit support
NIR/SEV/68/INS/134	INS	Ozone unit support
PAK/SEV/68/INS/82	INS	Ozone unit support
SRL/SEV/67/INS/42	INS	Ozone unit support
TRI/SEV/68/INS/29	INS	Ozone unit support
VEN/SEV/68/INS/122	INS	Ozone unit support

3. Performance Indicator 3: ODP milestones

11 milestones pertaining to ODP targets in MYAs were met.

Country	MLF Number	Short Title
Armenia	ARM/PHA/66/INV/09	HCFC phase out plan (2nd tranche)
Brazil	BRA/PHA/68/INV/298	HCFC phase out plan (2nd tranche)
Colombia	COL/PHA/66/INV/81	HCFC phase out plan (2nd tranche)
China	CPR/PHA/68/INV/525	HCFC phase out plan (2nd tranche)
Cuba	CUB/PHA/68/INV/50	HCFC phase out plan (2nd tranche)
Egypt	EGY/PHA/68/INV/117	HCFC phase out plan (2nd tranche)
Ghana	GHA/PHA/67/INV/34	HCFC phase out plan (2nd tranche)
Iran	IRA/PHA/68/INV/208	HCFC phase out plan (2nd tranche)
Mexico	MEX/PHA/68/INV/165	HCFC phase out plan (2nd tranche)
Nigeria	NIR/PHA/66/INV/132	HCFC phase out plan (2nd tranche)
Uruguay	URU/PHA/68/INV/58	HCFC phase out plan (2nd tranche)

4. Performance Indicator 4: ODP from individual projects.

The table below shows that UNDP has completed individual projects in 2012 which corresponds to a phaseout of 19.4 ODP tonnes.

	ODP Phased Out
2011 PR:	44,227.4
2012 PR:	44,246.8

Difference: 19.4

5. Performance Indicator 5: Projects completed in 2012.

The following 11 projects were completed in 2012:

MLF Number	Short Title
BRA/FOA/58/DEM/292	Pilot project methylal in foams (phase I)
ARG/SEV/59/INS/162	Institutional Strengthening: Phase 5
CUB/SEV/59/INS/43	Institutional Strengthening: Phase 7
GHA/SEV/62/INS/32	Institutional Strengthening: Phase 9
IND/SEV/60/INS/436	Institutional Strengthening: Phase 8
SRL/SEV/61/INS/38	Institutional Strengthening: Phase 8
TRI/SEV/50/INS/21	Institutional Strengthening: Phase 5
CHI/REF/48/INV/160	Terminal umbrella for manuf in refrigeration
COL/ARS/56/INV/71	Manufacturing of MDIs

COL/PAG/48/INV/66	CTC as process agent at Prodesal S.A.
GLO/SEV/65/TAS/310	Agency programme

6. Performance Indicator 6

In 2012, UNDP had not planned for any specific policy/regulatory assistance. However, the text below shows that such assistance was provided in Indonesia and Sri Lanka. Therefore, two instances occurred where policy/regulatory assistance was provided beyond what was expected in the approved programmes. Please see below for more information:

<p>Indonesia: Under this performance indicator, UNDP provided special policy assistance beyond the usual project implementation activities</p>	<p>Indonesia's HPMP Stage-I was approved in July 2011, in which Indonesia has targeted complete phase-out of HCFCs in the Air Conditioning (Mfg) and Refrigeration (Mfg) Sectors by 2018. In order to ensure that HCFC phase-out in these sectors takes place as planned and in addition, with lower-GWP alternatives, UNDP facilitated a partnership between Japan government, Indonesia government and industry from both countries in June 2011, to find alternative solutions for HCFC-22 and R410-a that are energy efficient and have lower GWP. In 2012, UNDP has provided further policy advice to Indonesia, for introducing appropriate regulations to sustain this transition, including possible controls on high-GWP substances. UNDP continued to support Indonesia on developing regulations to sustain transition to lower GWP alternatives.</p>
<p>Sri Lanka: Under this performance indicator, UNDP provided special assistance for implementation of HCFC consumption quotas and consumption controls for achieving their compliance targets.</p>	<p>Sri Lanka's HPMP Stage-I was approved in December 2010. Given the high-growth experienced by their economy since 2010, implementation of consumption controls on HCFCs were critical. In 2012, UNDP provided policy guidance to the country on implementation of HCFC quota system which takes into account both the economic growth and baseline HCFC consumption targets. The government has developed and has implemented the quota system from 2013. UNDP is also working with the Government in implementing policies for controlling the consumption of HCFCs in a systematic and phased-manner for reducing the population of HCFC based equipment.</p>

7. Performance Indicator 7: Final Revisions

Last year's database counted 66 projects operationally completed before 1 Jan 2012, which could have been financially completed in 2012. This year's database counts 66 projects for which a final revision was issued in 2012.

8. Performance Indicator 8: PCRs

100% achieved (12 PCRs submitted out of 9 PCRs scheduled for submission in 2012).

9. Performance Indicator 9

Progress Report produced on 1 May 2013 as required.