



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/73/11
14 October 2014



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-third Meeting
Paris, 9-13 November 2014

PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2013

1. The following countries involved in bilateral cooperation activities submitted progress report databases: Australia, Canada, the Czech Republic, France, Germany, Israel, Italy, Japan and Spain. Canada also submitted a progress report narrative which has been attached to this document.

2. A progress report has not been received from Switzerland. However, data from its previous progress reports or the Secretariat's Inventories of Approved Projects are included in the summary table. Progress reports are the only vehicle for indicating the final closure of all funding accounts associated with projects approved by the Executive Committee for bilateral cooperation. The Executive Committee may wish to request that a progress report from Switzerland be submitted to the 74th meeting in light of the fact that the progress report of bilateral agencies is the only financial indication that all approved funds have been disbursed or that funds should be returned (plus interest as relevant).

3. Additional data from earlier progress reports for other countries previously involved in bilateral cooperation are also included in the database (covering data for the projects already reported as completed by Austria, Belgium, Denmark, Finland, Hungary, Poland, Portugal, Singapore, the Slovak Republic, South Africa, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America). These data are included in the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/73/10).

4. The bilateral progress report consists of:

Executive Summary

- Part I: Implementation progress as at 31 December 2013 (cumulative)
- Part II: Summary of project implementation progress in 2013 and issues identified
- Annex I: Project implementation progress in 2013 by agencies

Executive Summary

5. The following is a summary of progress in the implementation of projects and activities implemented by the bilateral agencies, for the year 2013 and cumulative since 1991:

- (a) **Phase-out:** In 2013 alone, 26.4 ODP tonnes of consumption were phased out and an additional 9.5 ODP tonnes of consumption were approved for phase-out. Since 1991, 8,838 ODP tonnes of consumption had been phased out, of an expected total of 9,830 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2013, US \$5.67 million was disbursed and US \$7.02 million was planned for disbursement based on the 2012 progress report representing a rate of disbursement of 81 per cent of that planned. Cumulatively, US \$123.42 million had been disbursed out of the total US \$137 million approved for disbursement (excluding agency fees). This represents a rate of disbursement of 90 per cent. In 2013, US \$2.28 million was approved for implementation;
- (c) **Number of projects completed:** In 2013, eight projects were completed. Since 1991, 552 projects of the 603 projects (excluding closed or transferred projects) were completed. This represents a completion rate of 92 per cent;
- (d) **Speed of delivery – investment projects:** Projects that were completed in 2013 were completed on average 34 months after their approval. Since 1991, the average time for completion of investment projects has been 38 months after their approval. First disbursements under these projects occurred, on average, 12 months after they had been approved;
- (e) **Speed of delivery – non investment projects:** Projects that were completed in 2013 were completed on average 42 months after their approval. Since 1991, the average time for completion of non-investment projects has been 42 months after their approval. First disbursements under these projects occurred, on average, 12 months after they had been approved;
- (f) **Project preparation:** Of the 113 project preparation activities approved by the end of 2013, 111 have been completed. In 2013, one project was completed leaving two ongoing. The bilateral agencies carried a balances of US \$19,784 from 2013 (including approximately US \$17,990 for completed project preparation activities), which are available for new project preparation activities;
- (g) **Implementation delays:** There were a total of 51 ongoing investment projects under implementation at the end of 2013. These projects, on average, are experiencing a delay of 20 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to one project (as multi-year agreements (MYAs) are not subject to those procedures); and
- (h) **MYAs:** In 2013, bilateral agencies are implementing one MYA for CTC phase-out plan, four MYAs for methyl bromide (MB) consumption and 22 MYAs for HCFC phase-out management plans (HPMPs). Since 1991, 67 MYAs have been approved and 37 MYAs have been completed.

Part I: Implementation progress as at 31 December 2013 (cumulative)

6. As of that date, the Executive Committee had approved approximately US \$149.54 million consisting of US \$137 million for the implementation of investment and non-investment projects and US \$12.54 million for agency fees and administrative support, as shown in Table 1. In 2013, seven new projects and activities were approved. This level of funding is expected to result in the phase-out of 9,830 ODP tonnes of ODS consumption.

Table 1: Approved funding by sector as at 31 December 2013

Sector	Funding (US \$)
Aerosol	2,111,400
Destruction	1,545,000
Foam	7,958,002
Halon	6,147,361
Fumigants	18,173,917
Multiple sectors	0
Other	0
Phase-out plan	44,327,769
Process agent	0
Production	10,000,000
Refrigeration	39,807,586
Several	4,412,914
Solvents	2,512,738
Sterilant	0
Sub-total	136,996,688
Agency fees/administrative costs	12,539,532
GRAND TOTAL	149,536,220

7. A summary of the status of projects implemented by the bilateral agencies, by category, is presented in Table 2.

Table 2: Status of project implementation by project type

Type	Number of projects*			Funding (US \$)**			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Country programme	9	9	100	340,787	340,787	0	100
Demonstration	37	31	84	8,916,697	6,465,535	2,451,162	73
Institutional strengthening (IS)	7	7	100	883,376	883,376	0	100
Investment	177	138	78	90,486,017	80,291,638	10,194,379	89
Project preparation	113	111	98	5,072,812	5,053,028	19,784	100
Technical assistance	187	183	98	22,891,735	21,981,301	910,435	96
Training	73	73	100	8,405,263	8,405,263	0	100
Grand total	603	552	92	136,996,688	123,420,927	13,575,760	90

*Excludes closed and transferred projects.

** Excludes agency fees/administrative costs.

8. Table 3 presents an overview of status of project implementation by year¹. All projects and activities approved between 1992 and the end of 1998 have now been completed.

Table 3: Status of project implementation by year

Year	Number of projects*			Funding (US \$)**			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
1992	18	18	100	2,883,669	2,883,669	0	100
1993	10	10	100	1,445,586	1,445,586	0	100
1994	30	30	100	3,190,374	3,190,374	0	100
1995	17	17	100	4,654,902	4,654,902	0	100
1996	26	26	100	3,453,049	3,453,049	0	100
1997	32	32	100	4,040,251	4,040,251	0	100
1998	39	39	100	4,108,525	4,108,525	0	100
1999	59	58	98	12,124,517	12,118,193	6,324	100
2000	29	29	100	4,808,878	4,808,878	0	100
2001	41	41	100	7,522,222	7,522,222	0	100
2002	61	61	100	7,910,174	7,910,174	0	100
2003	32	32	100	6,810,120	6,810,120	0	100
2004	30	29	97	14,999,441	15,026,714	-27,273	100
2005	28	27	96	19,186,448	17,457,554	1,728,894	91
2006	25	23	92	7,226,782	6,510,405	716,377	90
2007	13	13	100	3,228,517	3,138,440	90,077	97
2008	33	27	82	7,669,066	6,438,912	1,230,154	84
2009	21	21	100	2,493,789	2,345,591	148,198	94
2010	20	14	70	3,468,417	2,673,083	795,334	77
2011	21	5	24	6,882,671	4,675,499	2,207,172	68
2012	11		0	6,612,877	1,856,907	4,755,970	28
2013	7		0	2,276,412	351,879	1,924,533	15
Total	603	552	92	136,996,688	123,420,927	13,575,760	90

*Excludes closed and transferred projects.

** Excludes agency fees/administrative costs.

Part II: Summary of project implementation progress in 2013 and issues identified

9. Of the 51 ongoing bilateral projects concerned, one is an investment project; two are technical assistance activities; one is a sectoral phase-out plan project; five are methyl bromide (MB) activities; two are CTC phase-out plan activities; 32 are HCFC phase-out management plan (HPMP) activities; two are project preparation activities; and six are demonstration projects. A summary of project implementation progress in 2013 by bilateral agency is presented in Annex I to the present document.

10. In reviewing the bilateral progress reports, the Secretariat identified a few issues related to the establishment of the licencing system in Botswana; and the implementation progress and low disbursement of approved funds in Afghanistan, Ghana and Mexico.

¹ The data is presented according to the year when a project was approved by the Executive Committee. It treats all approvals (investment and non-investment projects) equally (i.e., an investment project or a funding tranche of an MYA of US \$1 million is considered one project, same as a country programme preparation of US \$30,000). Key indicators from the annual summary are: the percentage of projects completed, ODP phased out, and percentage of funds disbursed. In reviewing the data on funds disbursed, it should be noted that there are three types of disbursements: during implementation, after implementation and for retroactively-financed projects.

Recommendations

11. The Executive Committee may wish:
- (a) To note:
 - (i) With appreciation the progress reports submitted by the Governments of Australia, Canada, the Czech Republic, France, Germany, Israel, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/73/11;
 - (ii) That Spain will report to the 74th meeting on one project with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10);
 - (b) To request the Government of Switzerland to provide its progress report to the 74th meeting; and
 - (c) To request the submission of additional status reports to the 74th meeting to monitor:
 - (i) Regarding the preparation of an HCFC phase-out management plan (HPMP) in Botswana (BOT/PHA/60/PRP/14) implemented by Germany, the actions taken by the Government of Botswana towards the establishment of the licensing system for ODS imports and exports to enable its HPMP to be submitted;
 - (ii) The disbursement rates of approved funds and implementation progress for the national methyl bromide phase-out plan (third tranche) in Mexico implemented by Spain; and
 - (iii) The disbursement rates of approved funds and implementation progress for the tranches of the HPMPs in the following countries: Afghanistan implemented by Germany, and Ghana implemented by Italy.

Annex I

PROJECT IMPLEMENTATION PROGRESS IN 2013 BY AGENCY

Australia

1. Australia has completed 25 projects and cancelled one. It is currently implementing one HPMP project for Indonesia (IDS/PHA/64/TAS/196). Australia indicated that a workshop was held with support from technical experts from Australia on implementation plan and priority areas for the project activities. Industry stakeholders and the Government supported the Refrigeration Association which was formed in October 2013. A detailed plan for implementation of awareness/outreach, training and equipment were finalized by the end of 2013. This project is planned to be completed in December 2016.

Canada

2. Canada has completed all projects under its implementation (80), and cancelled three.

The Czech Republic

3. The Czech Republic has completed all projects under its implementation including three technical assistance projects and one project preparation.

France

4. France is implementing four projects. It has reported 97 completed projects and five cancelled projects. The status of implementation of ongoing projects is presented in Table 1. These ongoing projects should result in the phase-out of 3.1 ODP tonnes when completed.

Table 1: Status of implementation of ongoing projects by France

Country/Project code	Project title	Status
Kenya (MYA)	HCFC phase-out management plan (stage I, first tranche)	The French contribution is to be implemented by Germany. Overall, 144 technicians have been trained; the trainers have been trained on servicing R-290 units and the safe use of HCs in general; tools and equipment had been provided to the training institutes.
Mexico (MEX/DES/63/DEM/155)	The demonstration project for disposal of unwanted ODS in Mexico	The French bilateral contribution is implemented through UNIDO. The Trust Fund for the project was signed. All funds have been released to UNIDO for the project implementation. The project is planned for completion in 2014.
Africa Region (AFR/REF/48/DEM/36)	The strategic demonstration project for accelerated conversion of CFC chillers	The French bilateral contribution is implemented through UNIDO, and co-financing is provided by the French Global Environment Facility. It is expected to be financially completed by the 74 th meeting as per decision 71/10(d)(ii).
(AFR/DES/68/TAS/41)	The strategy for disposal and destruction of ODS for five low-volume-consuming Central African countries	The French bilateral contribution is implemented through UNIDO. All funds have been released to UNIDO for the implementation.

Germany

5. Germany is implementing 25 projects. It has completed 195 additional projects and cancelled four. The ongoing projects should result in the phase-out of 263 ODP tonnes when completed.

MYAs

6. Germany is implementing 22 tranches of HPMPs in 13 countries (Afghanistan, Bolivia (Plurinational State of), Brazil, China, India, Iran (Islamic Republic of), Lesotho, Liberia, Mauritius, Namibia, Papua New Guinea, Seychelles and Zimbabwe). One MYA approved over a year ago, namely in Afghanistan (AFG/PHA/63/INV/13), reported a disbursement below 10 per cent, which is a result of the difficult security situation in the country.

7. Germany is also implementing one tranche of the MB phase-out plan in Yemen (YEM/FUM/68/INV/41). The activities are progressing well and the planned completion date is December 2014.

HPMP development

8. Germany has one ongoing project for the preparation of an HPMP in Botswana (BOT/PHA/60/PRP/14), which was submitted to the 65th meeting. However, Botswana could not confirm an established licensing system for ODS imports in place which is a pre-condition for any HPMP approval.

Individual projects

9. For the project for the complete phase-out of the use of MB in Jordan (JOR/FUM/29/INV/54), Germany indicated that 14 workshops and one field day were organised. One-hundred-and-six farmers, 140 students and 48 agricultural engineers from associations were trained; and a training course for trainees from Iraq was carried out in cooperation with UNIDO.

Israel

10. Israel has completed all projects under its implementation including one technical assistance project and one training project.

Italy

11. Italy is implementing four investment projects (three MYAs in three countries and one individual project) that will phase out 154.7 ODP tonnes once implemented. It has also completed 17 additional projects. The status of implementation of ongoing projects is presented in Table 2.

Table 2: Status of implementation of ongoing investment projects by Italy

Country/Project code	Project title	Status
Argentina (MYA)	Phase-out of HCFC-22 in the room and unitary air-conditioning equipment manufacturing sector	Installation, testing, training and commissioning of equipment was completed. 40.6 per cent of the approved funds had been disbursed as of 31 December 2013 and an additional 36 per cent had been committed. The incremental operating costs payment is now completed and the consumption of HCFC-22 was completely phased out. Technical issues with some equipment items are being solved.
Ghana (MYA)	HCFC phase-out management plan (stage I, second tranche)	The needs for the customs identifiers were assessed; ODS identifiers will be procured during the second semester of 2014. The need for the follow-up work on legislative aspects was refined, particularly regarding the safety aspects linked to natural refrigerants. The recruitment of an international consultant on legislation and regulatory environment will be completed in 2014. The paperless registration system was tested. The monitoring of the project components is ongoing.

Country/Project code	Project title	Status
India (IND/ARS/56/INV/424)	Phase-out of CFCs in the manufacture of pharmaceutical MDIs in India	The technical verification of conversion by external expert was completed in November 2012. The project was expected to be completed in November 2013.
Morocco (MYA)	Phase-out of MB used as a soil fumigant in the production of green beans and cucurbits in Morocco	The final workshop and project closure was organized in September 2013. The ban on the import of MB has been issued. The project completion report is under preparation.

Japan

12. Japan is implementing 13 projects. It has also completed 28 additional projects. Ongoing projects implemented by Japan are expected to result in the phase-out of 12.9 ODP tonnes when completed.

MYAs

13. The status of implementation of the ongoing eight tranches of six MYAs is presented in Table 3.

Table 3: Status of implementation of ongoing MYAs by Japan

Country	Project title	Status
India	CTC phase-out plan in India	CTC consumption phase-out was achieved before 2010. The estimated date of completion is December 2014.
Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene (XPS) panel in Saudi Arabia	For the phase-out of HCFCs at Arabian Chemical Company (SAU/FOA/62/INV/12), the equipment was delivered in January 2014. The company is currently installing the new production line. The second and final payment was expected in July 2014 after commissioning and start-up. For the phase-out of HCFCs at Al-Watania Plastics (SAU/FOA/62/INV/14), the invitation to bid was published in April 2014; technical and financial evaluation was expected in June 2014; and equipment delivery by the end of 2014.
China	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector including enabling programme)	The implementation is being done by UNEP as the lead implementing agency.
Mongolia	HCFC phase-out management plan (stage I, first tranche)	A memorandum of understanding was signed with the XPS companies in 2012 and since July 2013 HCFC-22 is no longer used by them. These companies are still looking for a suitable alternative technology.
Philippines (the)	Phase out HCFC-141b in the foam sector in the Philippines	Six out of ten conversions of foaming equipment have been finalised. Stakeholders' consultation meeting is to take place to discuss the outcomes of the tests on spray-foam applications and the selection of technology. Installation of equipment and tests for spray applications will be completed in 2014. The project is planned to be completed by December 2014.
Thailand	HCFC phase-out management plan (stage I, first tranche) (technical assistance)	No disbursement has been made. The project start-up was planned in September 2014. The delay is due to the political situation in the country. The grant agreement is ready for counter signing by the Government. The total funding has been transferred to the World Bank for implementation.

Individual projects

14. Japan is implementing the individual projects listed in Table 4.

Table 4: Status of implementation of ongoing individual projects by Japan

Country/Project code	Project title	Status
China (CPR/DES/67/DEM/521)	Pilot demonstration project on ODS waste management and disposal	No disbursement has been reported as of 31 December 2013. However, the contract was issued for the complete project fund. Payments will be made in 2014 and 2015.
Africa region (AFR/REF/48/DEM/35)	Strategic demonstration project for accelerated conversion of CFC chillers in African countries	The second tranches under both agreements were transferred to UNIDO's account only in March 2014. Payments have been made for the reimbursement of the replacement of one chiller in Nigeria and three chillers in Senegal in May and July 2014, respectively. The planned replacements in Senegal have been thus completed. A mission has been scheduled to the Sudan for 20-23 October 2014 to discuss the chiller replacement plans with eligible beneficiaries. The agreed replacements will be done through international procurement managed by UNIDO.

Spain

15. Spain is implementing three MB projects, which will phase out 120 ODP tonnes when implemented, as shown in Table 5. It has also completed five additional projects.

Table 5: Status of implementation of ongoing methyl bromide projects by Spain

Country/Project code	Project title	Status
Mexico (MYA)	National methyl bromide phase-out plan (third tranche)	No funds have been disbursed as of 31 December 2013 for this project approved in 2012. The project funds had been transferred to UNIDO by the end of 2013. Some progress has been done by using funds approved within the same tranche. The planned completion date has been revised from June 2014 to March 2015.
Libya (MYA)	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others in Libya	Two greenhouses for the production of seedlings, including the grafted ones, have been delivered and commissioned. UNIDO undertook a mission in July 2013 to monitor the status of the project and agree on the activities for project completion including installation of materials at the grafting unit and the final workshop planned in 2014. The project is expected to be completed by December 2014.
Latin American region (LAC/FUM/54/TAS/40)	The technical assistance to introduce chemical alternatives in countries which have rescheduled methyl bromide phase-out plan (Argentina and Uruguay)	The activities in Uruguay have been partially completed. The final report from the National Agricultural Technology Institute (INTA) in Argentina on the results achieved with new fumigants has been received. Training activities will be organised with the remaining funds. This project is on the list of implementation delays and to be reported at the 73 rd meeting. The project is expected to be completed by December 2014.

2013 Status on Canada's Bilateral Activities

I. Project Approvals and Disbursements

A. Annual Summary Data

As of December 31st 2013, the Executive Committee had approved 86 activities as bilateral contribution from the Government of Canada to the Multilateral Fund. Of the \$9,744,452 approved as bilateral contributions from Canada, the total (US \$9,744,452) had been disbursed by the end of 2013. Bilateral contributions on an annual basis are as follows:

Year	Amount*
1993	\$649,500
1994	\$536,270
1995	\$50,000
1996	\$761,685
1997	\$853,950
1998	\$548,710
1999	\$727,040
2000	\$917,251
2001	\$878,552
2002	\$525,450
2003	\$412,821
2004	\$682,825
2005	\$170,097
2006	\$342,874
2007	\$310,929
2008	\$953,313
2009	\$93,790
2010	\$329,395
2011	0
2012	0
2013	0
TOTAL	\$9,744,452

*Adjusted for the return of unutilized funds and including support costs

B. Summary Data by type (CPG, DEM, INS, INV, PRP, TAS, TRA)

According to the Secretariat's classification system, Canada's bilateral activities are distributed among the following types of projects:

Type	Number of Projects	Amount Approved (US dollars)*
Country Programmes		
Demonstration Projects	4	\$562,000
Institutional Strengthening		
Investment Projects	10	\$1,520,287
Project Preparation	8	\$151,439
Technical Assistance	41	\$5,565,795
Training	23	\$1,944,931

TOTAL	86	\$9,744,452
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*Adjusted for the return of unutilised funds and including support costs

II. Project Completions Since Last Report

Since the last progress report, Canada technically completed 1 project and financially completed 3 projects.

III. Global and Regional Project Highlights

N/a

IV. Completed and On-going Projects

Of the 86 activities approved to date, 80 have been completed, 3 were closed, and 3 have been transferred to other agencies. There are no more on-going projects.

V. Status of Project preparation, by country

n/a

VI. Administrative Issues (Adjustments and Other Issues)

Totals funds approved for 2005 and 2008 were adjusted in this status report to take into account adjustments to Canada's bilateral contribution approved by the Executive Committee at its 70th meeting to reflect funds returned from completed projects.