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

PROGRESS REPORT OF UNIDO AS AT 31 DECEMBER 2013

1. This document presents the progress report of UNIDO as of 31 December 2013¹, and consists of:

Executive summary

- Part I: Implementation progress as at 31 December 2013 (cumulative)
Part II: Project implementation progress in 2013
Part III: Comments and recommendations made by the Secretariat
Annex I: Project implementation data in 2013 by country

2. The following is a summary of progress in the implementation of projects and activities implemented by UNIDO up to 31 December 2013, for the year 2013 and cumulative since 1991:

- (a) **Phase-out:** In 2013 alone, 2,647 ODP tonnes of consumption were phased out and 50 ODP tonnes of production and an additional 163.4 ODP tonnes of consumption were approved for phase-out. Since 1991, 58,258 ODP tonnes of consumption and 17,331 ODP tonnes of production had been phased out of an expected total of 79,874 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2013, US \$68.12 million was disbursed and US \$39.06 million was planned for disbursement based on the 2012 progress report representing a rate of disbursement of 174 per cent of that planned. Cumulatively, US \$588.31 million had been disbursed out of the total US \$680.41 million approved for disbursement (excluding agency fees). This represents a rate of disbursement of 86 per cent. In 2013, US \$31.27 million was approved for implementation;

¹ The progress report is attached. The data has been included in the Consolidated Progress Report database that is available upon request.

- (c) **Cost-effectiveness (in ODP):** Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US \$9.42/kg. The cost-effectiveness for the production sector was US \$2.80/kg. The average cost-effectiveness of investment projects per ODP tonne was US \$5.82/kg for completed projects and US \$27.41/kg for ongoing projects²;
- (d) **Number of projects completed:** In 2013, 53 projects were completed. Since 1991, 1,246 projects of the 1,445 projects approved for UNIDO (excluding closed or transferred projects) were completed. This represents a completion rate of 86 per cent;
- (e) **Speed of delivery - investment projects:** Projects that were completed in 2013 were completed on average 56 months after their approval. Since 1991, the average time for completion of investment projects has been 34 months after their approval. First disbursements under these projects occurred, on average, 9 months after they had been approved;
- (f) **Speed of delivery - non-investment projects:** Projects that were completed in 2013 were completed on average 44 months after their approval. Since 1991, the average time for completion of non-investment projects has been 34 months after their approval. First disbursements under these projects occurred, on average, 10 months after they had been approved;
- (g) **Project preparation:** Of the 441 project preparation activities approved by the end of 2013, 424 have been completed. In 2013, two projects were completed leaving 17 ongoing;
- (h) **Implementation delays:** There were a total of 141 ongoing investment projects under implementation at the end of 2013. These projects, on average, are experiencing a delay of 13 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to six projects (as multi-year agreements (MYAs) are not subject to those procedures); and
- (i) **MYAs:** In 2013, UNIDO was implementing seven MYAs for CFC or ODS phase-out, one MYA for methyl bromide (MB) production, five MYAs for MB consumption and 65 MYAs for HCFC phase-out management plans (HPMPs). Since 1991, 132 MYAs have been approved and 54 MYAs have been completed.

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

3. As of that date, the Executive Committee had approved approximately US \$766.64 million consisting of US \$680.41 million for the implementation of investment and non-investment projects and US \$86.23 million for agency fees and administrative support costs, as shown in Table 1. In 2013, 37 new projects and activities were approved. This level of funding is expected to result in the phase-out of 79,874 ODP tonnes of ODS consumption and production.

² The higher cost-effectiveness for ongoing projects is largely due to the lower ODP values of HCFCs but also due to the means of assigning phase-out by agencies.

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

Sector	Funding (US \$)
Aerosol	34,374,374
Destruction	4,874,743
Foam	87,609,088
Fumigants	77,367,662
Halon	1,810,064
Multiple sectors	139,978
Other	11,317,246
Process agent	6,337,359
Phase-out plan	196,400,866
Production	48,733,342
Refrigeration	177,269,015
Several	10,904,230
Solvents	23,268,479
Sub-total	680,406,446
Administrative cost	86,230,600
GRAND TOTAL	766,637,046

4. A summary of the status of projects implemented by UNIDO, 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	11	11	100	722,669	722,669	0	100
Demonstration	34	24	71	20,918,498	14,526,099	6,392,399	69
Institutional strengthening (IS)	60	46	77	8,652,307	6,962,356	1,689,951	80
Investment	761	620	81	616,960,737	535,079,007	81,881,730	87
Project preparation	441	424	96	18,284,763	17,704,658	580,105	97
Technical assistance	115	98	85	13,670,937	12,121,686	1,549,251	89
Training	23	23	100	1,196,535	1,196,533	2	100
Total	1,445	1,246	86	680,406,446	588,313,009	92,093,437	86

*Excludes closed and transferred projects.

5. Table 3 presents an overview of status of project implementation by year³. All projects and activities approved between 1991 and the end of 2004 (except 2000) have now been completed.

³ 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 a 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.

Table 3: Status of project implementation by year

Year	Number of projects*			Funding (US \$)			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
1993	22	22	100	11,815,540	11,815,540	0	100
1994	52	52	100	30,645,899	30,645,900	-1	100
1995	59	59	100	25,662,091	25,662,091	0	100
1996	46	46	100	19,820,493	19,820,493	0	100
1997	130	130	100	42,083,037	42,083,039	-2	100
1998	88	88	100	23,638,291	23,638,290	1	100
1999	123	123	100	34,140,324	34,140,324	0	100
2000	96	95	99	30,180,880	30,071,050	109,830	100
2001	119	119	100	24,700,254	24,700,252	2	100
2002	76	76	100	35,992,040	35,992,038	2	100
2003	49	49	100	30,003,954	29,925,732	78,222	100
2004	44	44	100	33,118,806	33,089,509	29,297	100
2005	74	72	97	53,000,054	51,577,126	1,422,928	97
2006	44	41	93	20,965,758	19,504,365	1,461,392	93
2007	42	41	98	24,256,462	23,008,481	1,247,981	95
2008	78	69	88	33,561,640	30,373,034	3,188,606	90
2009	70	60	86	16,873,185	12,855,356	4,017,829	76
2010	71	41	58	47,291,183	33,884,678	13,406,505	72
2011	72	17	24	76,929,377	61,486,251	15,443,126	80
2012	53	2	4	34,454,635	8,698,645	25,755,990	25
2013	37	0	0	31,272,543	5,340,816	25,931,728	17
Total	1,445	1,246	86	680,406,446	588,313,009	92,093,437	86

*Excludes closed and transferred projects.

Part II: Project implementation progress in 2013

6. The Secretariat reviewed the status of implementation on a country-by-country basis taking into account implementation delays that have occurred with respect to planned completion dates that had been reported in 2013, the potential impact of these delays on phase-out and the rate of planned disbursements, and noted that UNIDO completed 39 per cent of the projects they had planned to complete in 2013 and met 50 per cent of the phase-out target planned. UNIDO had planned disbursements in 82 countries or regions, and achieved an overall rate of disbursement of 174 per cent in 2013.

7. This part of the progress report summarises progress and financial information on the following ongoing projects⁴:

- (a) CFC- and CTC- related projects;
- (b) Projects for the phase-out of consumption and production of MB;
- (c) Projects related to metered-dose inhalers (MDIs), ODS waste disposal, chillers, and halon banking;

⁴ Ongoing projects are all projects that have been approved by the Executive Committee and were under implementation as of 31 December 2013. Key indicators of progress include: percentage of funds disbursed and percentage of projects that have begun disbursing funds; funding expected to be disbursed by the end of the year (funds disbursed plus estimated disbursements in 2013) as a percentage of the approved funding; the average length of projected delay in implementation (project completion per proposal and currently planned date of completion); and information provided in the remarks column in the progress report database.

- (d) Projects related to the phase-out of HCFCs, including project preparation, demonstration projects, HPMPs;
- (e) IS projects; and
- (f) Administrative costs.

CFC- and CTC-related activities

8. As of 31 December 2013, a total of seven MYAs for the phase-out of CFC or ODS were still ongoing. All phase-out activities associated with 54 MYAs have been completed, pending only the financial closure and the submission of project completion reports, where applicable. The ongoing CFC or ODS phase-out MYA activities are indicated in Table 4.

Table 4: Ongoing CFC- and CTC-related MYA activities

Country	Approved funding (US\$)	Funds disbursed (US\$)	Balance (US\$)	Per cent of funds disbursed	Date of completion of last ongoing tranche*	Status/issues
Argentina	6,860,850	5,505,037	1,355,813	80	Dec-13	The remaining funding amounting to US \$800,000 has been reallocated from the national phase-out plan (NPP) to the HPMP.
Cote d'Ivoire	283,000	271,555	11,445	96	Mar-14	The project is operationally completed.
Iraq	4,656,530	2,821,763	1,834,767	61	Dec-14	The delay is due to equipment procurement issues including changes in the terms of reference. Customs clearance for Light Industry, Nassr State Company and Al Hadi Company has been granted. The contract for the refrigerant reclaimed programme and tool kits for technicians has been awarded.
Peru	183,500	161,376	22,124	88	Mar-14	The equipment has been delivered to the training centres. The project is operationally completed.
Serbia	2,723,222	1,545,722	1,177,500	57	Jun-14	No progress has been achieved as the national ozone unit (NOU) failed to select the entities to be served as centres for training of service technicians.
Tunisia	705,518	3	705,515	0	Mar-14	An amount of US \$429,975 has been obligated, and the payments will be made no later than 31 December 2014. The project is operationally completed.
Yemen	1,370,500	1,108,590	261,910	81	Jun-14	The project activities were incorporated into the HPMP. The delay is due to the security situation in the country.

*MYA may include more than one tranche with different approved completion dates. The approved date of completion indicated in this table is for the last tranche that will be completed for an MYA. UNIDO has suggested a new completion date for the MYA in Argentina (December 2014 instead of December 2013). This issue is addressed in the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/73/10).

Projects for the phase-out of consumption and production of MB*MB MYAs*

9. As of 31 December 2013, a total of five MYAs for the phase-out of the consumption of MB in five Article 5 countries and one MYA for the phase-out of the production of MB in one Article 5 country (China) were still ongoing (Table 5). At the 71st and 72nd meetings, funding for the preparation of MB phase-out projects was approved for three Article 5 countries (Algeria, Sudan (the) and Tunisia); Sudan (the) and Tunisia submitted their projects to the 73rd meeting as planned.

Table 5: Ongoing MB MYA activities

Agreements	Approved funding plus adjustments (US\$)	Funds disbursed (US\$)	Balance (US\$)	% disbursed	Planned date of completion
Consumption					
Chile	1,657,917	1,149,104	508,813	69	Dec-14
China	10,486,599	9,811,598	675,001	94	Dec-15
Guatemala	2,243,047	1,257,740	985,307	56	Jun-15
Mexico	6,122,340	5,446,736	675,604	89	Dec-14
Morocco – green beans and melon	1,127,594	1,074,895	52,699	95	Jun-14
Production					
China	8,000,000	6,842,154	1,157,846	86	Dec-15

10. Table 5 shows that the MB phase-out projects in Chile, Mexico and Morocco are targeted for completion in 2014. The MB projects in China (production) and Guatemala (consumption) are targeted for completion in 2015. In the case of the MB MYA project in Guatemala, UNIDO reported to the 71st meeting a deviation of the MB consumption from the 2012 target established in the agreed conditions for the phase-out of MB and the potential deviation in consumption for 2013 and 2014. On this basis, the Government returned US \$265,300 to the Multilateral Fund from the approved funds.

11. For the MB MYA project in Mexico, the final tranche was approved at the 69th meeting. The final greenhouse installation and training are programmed in 2014.

12. Project completion reports (PCRs) are due to the 73rd meeting for the complete phase-out of MB used in the horticultural and commodities sectors in Egypt (decision 70/4(d)(iii)), for the post-harvest applications in Kenya (decision 70/4(e)(iii)), and for the green beans and cucurbits (melon) sector in Morocco (decision 70/4(f)(ii)). UNIDO indicated that the PCRs for the projects in Egypt and Kenya will be ready in 2014. Furthermore, UNIDO is planning to address the reporting needs for Egypt regarding the progress achieved in meeting the MB reductions required in all sectors, as well as annual costs related to the use of the selected alternative technologies. With respect to the PCR for Morocco, UNIDO advised that it is under preparation. It will be submitted by the end of October 2014.

MB individual projects

13. UNIDO is implementing eight individual projects addressing MB phase-out in seven countries and one regional including one technical assistance project, one demonstration project, and six investment projects.

14. The review of the progress report for the technical assistance for the elimination of controlled uses of MB in soil fumigant in Mozambique, (MOZ/FUM/60/TAS/20) shows a low disbursement rate. UNIDO reported that it had extensive discussions with the NOU and representatives from the Ministry of Agriculture who agreed to support a survey of the national circumstances related to the use of MB and its alternatives in order to design and implement training and awareness campaign to national stakeholders.

The project is expected to be completed by December 2014; it is tracked as a project with implementation delays.

15. UNIDO is implementing the regional demonstration project on alternatives to the use of MB for treatment of high-moisture dates (Algeria and Tunisia) (AFR/FUM/54/DEM/40). UNIDO reported that extensive discussions took place with the NOUs in Algeria and Tunisia where both NOUs confirmed that their countries will do their utmost to ensure the phase-out. In the case of Tunisia, the project proposal for the phase-out of MB in the date sector was submitted to the 73rd meeting. The planned completion date is December 2015.

16. Six individual MB investment projects are being implemented in Argentina, Ecuador, Egypt, Iraq, Kenya, and Zambia, and will be completed in 2014, except for Iraq which will be completed in July 2015. There appears to be no implementation issues with respect to these projects except for the ones in Egypt and Iraq although their disbursement rates of approved funds are 89 per cent and 69 per cent, respectively.

17. In the case of the project in Egypt (EGY/FUM/56/INV/98), UNIDO reported that it was supposed to be completed in 2013. However, some of the activities planned for 2013 have to be re-phased to 2014 due to political unrest. The support in grafting and other activities, and the final workshop, would be completed in 2014. In the case of the project in Iraq (IRQ/FUM/62/INV/13), UNIDO indicated that the equipment and supplies have been delivered according to the decisions of the UN Sanctions Committee. Training activities took place in August 2013, and a study tour to Jordan was organized in 2013 focusing on alternatives to dates. No significant progress occurred in the first months of 2014 and UNIDO is still exploring modalities to ensure a timely disbursement of funds for the training to be completed. The project is expected to be completed by July 2015.

18. Regarding methyl bromide project preparation, the Executive Committee has approved 77 projects in 46 countries. Seventy-four of these projects have been completed and the remaining three projects are under implementation. Project preparation activities in Sudan (the) and Tunisia were approved in December 2013. For Ethiopia (ETH/FUM/54/PRP/18), only US \$2,435 has been disbursed out of US \$35,000 approved. UNIDO proposed to the Government of Ethiopia to use the available resources for a technical assistant support. Currently, UNIDO is discussing with the NOU on the scope of the project activities and the budget allocation. The project is planned for completion no later than December 2014. The delay is due to the lack of communication, and changes in the NOU.

MDIs, ODS waste disposal, chillers and halon banking

MDI projects

19. The Executive Committee has approved four MDI investment projects amounting to US \$25.32 million, of which two have been completed. The status of the two ongoing projects is shown in Table 6.

Table 6: Ongoing MDI projects status

Country/project code	Approved funding (US \$)	Funds disbursed (US \$)	Balance (US \$)	Per cent of funds disbursed	Status
Egypt (EGY/ARS/50/INV/92)	5,899,000	5,637,395	261,605	96	The failure of the stability tests for the last MDI resulted in the supplier and the beneficiary to re-run stability tests incurring a delay of six months. Furthermore, a fire has occurred in one MDI enterprise resulting in damage to the equipment supplied. After the insurer's reimbursement, the new equipment will be delivered. This project is planned for completion in September 2015.
China (CPR/ARS/56/INV/473)	13,500,000	12,095,947	1,404,053	90	The Special Working Group modified the work plan based on progress in implementation. Campaigns to raise awareness have started in March 2013. The phase-out contracts with the remaining four enterprises will be signed in 2014. This project is planned for completion in December 2015.

ODS waste disposal

20. The Executive Committee has approved 12 ODS disposal projects including five demonstration projects in China (CPR/DES/67/DEM/520), Mexico (MEX/DES/63/DEM/154), Nigeria (NIR/DES/67/DEM/133), Turkey (TUR/DES/66/DEM/99) and the Europe and Central Asia region (EUR/DES/69/DEM/14), and seven project preparation activities in six countries and one region (Europe), out of which four preparation projects have been completed. Of the five demonstration projects, three approved over a year ago reported disbursement rates lower than 10 per cent (Table 7).

Table 7: ODS disposal projects with low disbursement rates of approved funds

Country/Project code	Approved funding (US\$)	Funds disbursed (US\$)	Balance (US\$)	Per cent of funds disbursed	Status
China (CPR/DES/67/DEM/520)	1,227,885	0	1,227,885	0	The environmental authorities of the participating provinces have initiated preparatory work. The second phase of capacity building in local environmental authorities was launched at the end of 2013 and included a component on ODS waste management. This project is planned for completion in June 2016.
Nigeria (NIR/DES/67/DEM/133)	911,724	27,684	884,040	3	The first stakeholders' workshop was held only in November 2013. The activities have since kicked off. This project is planned for completion in March 2016.

Country/Project code	Approved funding (US\$)	Funds disbursed (US\$)	Balance (US\$)	Per cent of funds disbursed	Status
Europe and Central Asia (EUR/DES/69/DEM/14)	274,480	0	274,480	0	The destruction of a second batch of 10.2 mt of ODS waste is expected during the second half of 2014. The publication of the call for bids is pending confirmation of the amounts and the completion of the chemical analysis. This project is planned for completion in April 2015.

21. The Executive Committee may wish to request UNIDO to provide a report to the 74th meeting due to the low disbursement rates of approved funds for the ODS disposal projects indicated in Table 7.

Chiller projects

22. The Executive Committee has approved four chiller projects amounting to US \$3.4 million, including three demonstration projects and one investment project. Two chiller projects have been completed (one demonstration and one investment projects). Two demonstration projects are under implementation in Europe and Central Asia (Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Romania and Serbia), and Africa (Cameroon, Egypt, Namibia, Nigeria and Sudan (the)) (Table 8).

Table 8: Ongoing chiller projects status

Region/Project code	Approved funding (US\$)	Funds disbursed (US\$)	Balance (US\$)	Per cent of funds disbursed	Status
Africa (AFR/REF/48/DEM/37)	747,500	316,500	431,000	42	The mission verified the technical information of the project required for assistance and adjusted the work plan for Sudan (the). This project is to be financially completed and balances returned no later than the 73 rd meeting.
Europe and Central Asia (EUR/REF/47/DEM/06)	1,069,074	884,450	184,624	83	The equipment delivery was expected in June/July 2014. This project is to be financially completed and balances returned no later than the 73 rd meeting.

Halon banking

23. The Executive Committee has approved seven halon banking technical assistance projects in seven countries. So far, six projects have been completed. For the project under implementation in the Islamic Republic of Iran (IRA/HAL/63/TAS/198), UNIDO reported that the equipment has been delivered and installed, and users trained. The project was operationally completed in April 2014.

Projects related to the phase-out of HCFCs

HPMP preparation

24. As of 31 December 2013, the Executive Committee has approved US \$7.85 million for 92 project preparation activities in 45 Article 5 countries to address HCFC control measures. Implementation of

these activities resulted in the approval of stage I of HPMPs in 65 Article 5 countries. Of these 92 project preparation activities, 81 have been completed.

25. The remaining 11 ongoing projects for the preparation of HPMPs are in five countries. This year all countries have their HPMP project preparation activities planned for completion in 2014. In the case of Uruguay (URU/REF/60/PRP/55), the country could submit an investment project to phase out the use of HCFC-22 in the refrigeration manufacturing assembly of cold rooms, should appropriate alternatives be available. Consequently, balances will not be returned until a project in the refrigeration manufacturing assembly of cold rooms is prepared.

HCFC demonstration projects

26. The Executive Committee has approved three HCFC refrigeration demonstration projects. As of 31 December 2013, one refrigeration demonstration project had been completed. The remaining two projects are still under implementation (Table 9).

Table 9: Ongoing HCFC demonstration project status

Country/project code	Approved funding (US\$)	Funds disbursed (US\$)	Balance (US\$)	Per cent of funds disbursed	Status
West Asia Region (ASP/REF/69/DEM/57)	365,000	14,736	350,264	4	The delay was the lengthy technology selection process for the testing. The refrigerants and compressors have been shipped partially from technology providers, and manufacturers have started building the prototypes. The tender for the independent test lab has been published. UNIDO proposed a revised planned completion date (February 2015).
China (CPR/REF/61/DEM/503)	4,026,507	2,790,240	1,236,267	69	The production line will start as soon as there are sufficient orders for the production of R-290 units. This project is planned for completion in December 2014.

27. The Executive Committee may wish to request UNIDO to provide a report to the 74th meeting on the project in West Asia for promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries (ASP/REF/69/DEM/57) due to the low disbursement rates of approved funds.

HPMPs

28. The Executive Committee has approved HPMP activities in 65 countries valued at US \$224.81 million in principle for which US \$157.65 million have been approved for tranche activities. The Executive Committee has also approved six HCFC individual projects including one investment and five technical assistance projects. These six projects are still under implementation and have been subsumed into their respective HPMPs.

29. The review of the progress report revealed that for 13 HPMPs in Algeria, Bahrain, Indonesia, Kuwait, Somalia, South Africa and Yemen approved over one year ago, funds disbursement lower than 10 per cent were reported. Four other countries namely, Eritrea, Ethiopia, Iraq and Uganda, approved over one year ago have reported zero disbursement.

30. The analysis of the issues that have impacted the smooth implementation of these MYAs for HPMPs is summarised in Table 10.

Table 10: Ongoing MYA activities approved over a year ago with low disbursement

Country	Funds committed by ExCom (US \$)	Funds released including present year by ExCom (US \$)	Funds disbursed to the country (US \$)	Per cent of funds disbursed	Reason for low disbursement/delay
Algeria	1,993,331	1,809,240	23,947	1	Technology selection: development of prototype for a new technology.
Bahrain	2,338,985	549,455	5,465	1	Technology selection: beneficiary uncertain of technology choice after approval.
Eritrea	80,000	40,000	0	0	Procurement process; new national ozone officer (NOO) appointed.
Ethiopia	140,000	70,000	0	0	Implementation arrangements: Overall set-up to be agreed by NOU and UNEP: identification of training partner, training scheme for technicians, training programme for the customs authorities, scheme of quality certification of imported refrigerants.
Indonesia	777,395	777,395	9,947	1	Procurement process and co-funding: Bidding results and counterpart funding.
Iraq	410,000	80,000	0	0	Procurement process: bid retendered upon Government request but now waiting equipment delivery.
Kuwait	8,861,677	3,537,450	14,089	0	Government approval: acceptance of terms of reference (TORs) by Government.
Somalia	315,000	173,874	9,158	5	Procurement process not completed.
South Africa	6,533,556	4,552,849	296,492	7	Procurement process not completed.
Uganda	80,000	40,000	0	0	Organization of UNIDO/UNEP joint mission. TORs developed based on the needs of the country and bidding opened. Purchase order granted in August 2014 and delivery of the goods expected in November 2014.
Yemen	410,000	410,000	11	0	Difficulty in arranging meeting with NOU.

31. For HCFC-related MYAs with a disbursement rate above 10 per cent, the issues that have impacted the smooth implementation of these MYAs for HPMPs include, among others:

- Equipment procurement issues (pending customs clearance) in Equatorial Guinea;
- Ozone Order still pending for signing;
- NOU focus on other activities related to the Montreal Protocol in Morocco;
- NOU and administrative changes in Senegal;
- Political and/or security situation in the Central African Republic and Guinea-Bissau.

32. The Executive Committee may wish to request additional status reports to the 74th meeting for the MYAs for HPMPs approved over one year ago with low disbursement rates of approved funds indicated in Table 10.

IS projects

33. The Executive Committee has approved 60 IS projects in 15 countries that are implemented by UNIDO. As of 31 December 2013, 46 projects have been completed and 14 projects are still ongoing in 11 countries: Armenia, Bosnia and Herzegovina, Egypt, Libya, Mexico, Oman, Qatar, Serbia, Syrian Arab Republic, Tunisia and Turkey. The renewal of the IS projects in Bosnia and Herzegovina (BHE/SEV/71/INS/28), Libya (LIB/SEV/71/INS/34), Oman (OMA/SEV/71/INS/25), and Serbia (YUG/SEV/71/INS/44) were recently approved. Of the 11 countries with ongoing IS projects with UNIDO, zero disbursement rates were reported for two projects approved prior to the 70th meeting (Table 11).

Table 11: Ongoing IS project with low disbursements

Country/Project code	Approved funding plus adjustments (US \$)	Funds disbursed (US \$)	Reasons for the low disbursement/delay
Qatar (QAT/SEV/59/INS/15)	89,000	53	No progress on the nomination of NOU staff to carry out IS implementation and to develop the 2014 work plan.
Tunisia (TUN/SEV/66/INS/53)	247,270	53	NOU staff was re-assigned further to administrative restructuring/political changes.

34. The Executive Committee may wish to request UNIDO to report to the 74th meeting on the IS project in Qatar and Tunisia due to the low disbursement of approved funds.

Administrative costs

35. Of the net US \$680,406,446 approved for project implementation, US \$86,230,600 has been disbursed for administrative costs resulting in an overall administrative cost ratio of 12.7 per cent since 1991. In 2013, of the US \$31,272,543 approved, US \$4,227,731 has been disbursed for administrative costs resulting in an overall administrative cost ratio of 13.5 per cent.

Part III: Comments and recommendations of the SecretariatComments*Implementation delays*

36. There are six projects with implementation delays, after taking into consideration any projects that are no longer subject to monitoring, related to decisions of the Executive Committee. These projects can be found in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10). The Executive Committee may wish to note that UNIDO will report to the 74th meeting on up to six projects with implementation delays.

Streamlining in the annual progress and financial report

37. The Secretariat appreciated UNIDO's efforts to comply with decision 70/7(b)(i)⁵. However, UNIDO had provided information by milestones in its previous progress report in accordance with the

⁵ The Executive Committee requested when the implementing agencies submit their progress reports, to confirm in the Remarks column of their annual progress and financial reports whether the activities reported for the review period represented all those planned for it, or systematically to provide for each project the list of activities planned but not implemented, the reasons for the delay in implementing the activities, the action plan for resolving the issues, and whether or not the delay in implementing specific activities would have an impact on the project completion date.

decision on streamlining (decision 70/7(b)(i)) but did not provide milestones as required. In some cases it was not clear if the activities described were all of the activities planned during the reporting period or whether there were any delays. There are only a few cases where project implementation impediments were identified.

38. For a smooth implementation of decision 70/7(b)(i), UNIDO and the Secretariat agreed on a reporting format taking into account UNIDO projects' specifics. The new reporting format is presented below:

Milestones achieved (*4/5 milestones, to be set on a project by project basis, at the first progress report*): (Yes/No) ____; Brief report: (narrative): ____; Activities planned but not implemented, reasons and strategy: (narrative): ____; Actions towards next goals: (narrative): ____; Was there any delay during the reporting year?: (Yes/No): ____; If yes, reasons and action plan: (narrative): ____; Any recurring problem? (Yes/No): ____; If yes, description of the problem/s: (narrative): ____; Any impact on project completion date: (Yes/No): ____; If yes, implications: (narrative): ____; Any action required by Executive Committee? (Yes/No - Narrative): ____.

Data discrepancies

39. There remain data inconsistencies between the data in the Secretariat's Inventory of Approved Projects and the data in UNIDO's progress report, including the following:

- (a) Eight projects that have adjustments and associated supports costs that are different from the Secretariat's Inventory database;
- (b) Twenty-nine projects that are classified as financially completed but have remaining balances;
- (c) Four projects with project overruns that are not allowed pursuant to decision 17/22;
- (d) Ten projects with obligated balances and associated support costs that would result in project overruns; and
- (e) Seventy-two MYAs with planned completion dates of December 2013 but they are not considered completed.

40. The discrepancies with respect to financial matters have been or will be resolved in the context of the annual reconciliation of account. However, discrepancies with respect to completion dates and overruns would need to be resolved on a case-by-case basis between the Secretariat and UNIDO, and reflected in the next progress report.

Status reports requested at the 72nd meeting for submission to the 73rd meeting

41. The Secretariat reviewed the status reports requested at the 72nd meeting in the light of the updated information provided in the 2013 progress report to ascertain if the issues identified at the 72nd meeting had been resolved. The issues raised at that meeting continue to be the subject of an updated report.

RECOMMENDATIONS

42. The Executive Committee may wish:

- (a) To note:
 - (i) The progress report of UNIDO as at 31 December 2013 as contained in document UNEP/OzL.Pro/ExCom/73/14;
 - (ii) That UNIDO would report to the 74th meeting on up to six projects classified with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10); and
- (b) To request UNIDO to submit additional status reports to the 74th meeting to monitor:
 - (i) The disbursement rates of approved funds for the ODS disposal projects in: China (CPR/DES/67/DEM/520), Nigeria (NIR/DES/67/DEM/133) and the Europe and Central Asia region (EUR/DES/69/DEM/14);
 - (ii) The disbursement rates of approved funds for the demonstration project in West Asia for promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries (ASP/REF/69/DEM/57);
 - (iii) The disbursement rates of approved funds for the multi-year agreements (MYAs) for HCFC phase-out management plans (HPMPs) approved over one year ago for Algeria, Bahrain, Eritrea, Ethiopia, Indonesia, Iraq, Kuwait, Somalia, South Africa, Uganda, and Yemen; and
 - (iv) The disbursement rates of approved funds for the institutional strengthening (IS) projects in (QAT/SEV/59/INS/15) and Tunisia (TUN/SEV/66/INS/53).

Annex I

UNIDO PROJECT IMPLEMENTATION BY COUNTRY

Country	Phased out in 2013	Percentage of planned phase-out achieved in 2013	Estimated funds disbursed in 2013 (US\$)	Funds disbursed in 2013 (US\$)	Percentage of funds disbursed over estimation in 2013	Percentage of planned projects completed in 2013
Albania	0.0		7,936	32,841	414%	0%
Algeria	0.0	0%	217,121	116,209	54%	33%
Argentina	1,763.0	100%	3,705,500	6,625,574	179%	33%
Armenia	0.0		50,501	49,751	99%	
Bahamas (the)	0.0		12,025	93,103	774%	0%
Bahrain	0.0		40,002	5,465	14%	
Barbados	0.0			0		
Benin	0.0		75,000	77,801	104%	0%
Bosnia and Herzegovina	0.0	0%	398,000	150,353	38%	100%
Botswana	0.0			0		
Brazil	0.0			3		
Burkina Faso	0.0		11,697	33,208	284%	0%
Burundi	0.0		109,000	110,344	101%	100%
Cambodia	0.0			0		
Cameroon	7.2		200,002	478,381	239%	
Central African Republic (the)	0.0		105,999	0	0%	
Chad	0.0		134,000	119,547	89%	0%
Chile	0.0		250,000	550,275	220%	
China	100.0	0%	15,436,978	37,698,233	244%	83%
Colombia	0.0			1		
Congo (the)	0.0		137,045	135,317	99%	50%
Cote d'Ivoire	17.5	0%	58,500	21,266	36%	0%
Croatia	0.0		80,000	81,230	102%	0%
Cuba	0.0		1	1	88%	
Democratic People's Republic of Korea (the)	0.0		14,000	14,308	102%	0%
Democratic Republic of the Congo (the)	0.0			0		
Dominican Republic (the)	0.0			1		
Ecuador	55.8		744,050	1,453,941	195%	0%
Egypt	0.0	0%	2,176,813	1,854,691	85%	29%
El Salvador	0.0			0		
Equatorial Guinea	0.0	0%	67,861	56,055	83%	0%
Eritrea	0.0		66,500	49,039	74%	
Ethiopia	0.0		30,000	1	0%	0%
Gabon	0.0		60,400	71,590	119%	
Gambia (the)	0.0	0%	7,705	36,789	477%	0%
Georgia	0.0			1		
Global	0.0		70,000	48,096	69%	50%
Guatemala	1.7	3%	549,700	772,303	140%	67%
Guinea	0.0	0%	166,050	205,119	124%	50%
Guinea-Bissau	0.0	0%	40,000	39,138	98%	0%

Country	Phased out in 2013	Percentage of planned phase-out achieved in 2013	Estimated funds disbursed in 2013 (US\$)	Funds disbursed in 2013 (US\$)	Percentage of funds disbursed over estimation in 2013	Percentage of planned projects completed in 2013
Guyana	0.0			0		
Honduras	0.0		56,000	55,514	99%	
India	0.0	0%	135,000	152,609	113%	100%
Indonesia	0.0	0%	25,000	3	0%	0%
Iran (Islamic Republic of)	0.0		800,002	449,623	56%	0%
Iraq	0.0	0%	1,100,353	704,402	64%	0%
Jamaica	0.0			0		
Jordan	0.1	0%	810,000	645,389	80%	0%
Kenya	0.0	0%	83,001	139,177	168%	0%
Kuwait	0.0		243,001	16,001	7%	
Kyrgyzstan	0.0			0		
Lebanon	0.0		700	737	105%	0%
Libya	61.4	100%	293,000	298,622	102%	33%
Madagascar	0.0		43,087	10,837	25%	0%
Malawi	0.0		1,000	0	0%	100%
Malaysia	0.0			1		
Mali	0.0			0		
Mexico	0.0	0%	1,865,602	2,150,172	115%	80%
Montenegro	0.0		70,000	85,209	122%	100%
Morocco	105.9	100%	496,000	379,495	77%	33%
Mozambique	0.0	0%	20,000	4	0%	0%
Myanmar	0.0		1,000	3,252	325%	
Nicaragua	0.0		60,000	24,146	40%	
Niger (the)	0.0		32,002	10,870	34%	
Nigeria	0.0		234,001	55,726	24%	50%
Oman	0.0	0%	160,991	88,642	55%	50%
Pakistan	0.0	0%	365,621	1,674,934	458%	33%
Panama	0.0			0		
Peru	15.0	100%	34,000	12,060	35%	0%
Philippines (the)	0.0		1,000,000	1,134,063	113%	
Qatar	15.0	100%	125,002	139,149	111%	100%
Region: AFR	0.0		44,440	10,518	24%	
Region: ASP	0.0			14,736		
Region: EUR	0.0		82,000	11,172	14%	0%
Region: LAC	0.0			0		
Republic of Moldova (the)	0.0			0		
Romania	0.0		1	3	261%	
Rwanda	0.0		35,000	21,410	61%	
Saint Lucia	0.0		93,000	84,060	90%	0%
Saint Vincent and the Grenadines	0.0		43,000	105,559	245%	
Sao Tome and Principe	0.0			0		
Saudi Arabia	551.7	100%	458,000	417,322	91%	100%
Senegal	0.0		80,000	80,662	101%	
Serbia	0.1	0%	498,001	118,985	24%	57%
Seychelles	0.0			0		
Sierra Leone	0.0	0%	2,380	47,620	2001%	0%

Country	Phased out in 2013	Percentage of planned phase-out achieved in 2013	Estimated funds disbursed in 2013 (US\$)	Funds disbursed in 2013 (US\$)	Percentage of funds disbursed over estimation in 2013	Percentage of planned projects completed in 2013
Somalia	0.0		47,000	22,207	47%	
South Africa	0.0		635,000	309,382	49%	
Sudan (the)	0.0	0%	73,205	1,219,957	1666%	0%
Suriname	0.0	0%	10,822	57,178	528%	0%
Swaziland	0.0			0		
Syrian Arab Republic	0.0		293,526	231,391	79%	50%
Thailand	0.0			0		
The former Yugoslav Republic of Macedonia	0.0		161,432	174,321	108%	67%
Togo	0.0		79,202	2,918	4%	0%
Tunisia	0.0	0%	247,000	18,583	8%	0%
Turkey	0.0		2,247,000	5,082,900	226%	0%
Turkmenistan	2.2	100%	152,000	115,676	76%	50%
Uganda	0.0		25,000	0	0%	
United Republic of Tanzania (the)	0.0		30,000	47,701	159%	
Uruguay	0.0		1,000	1	0%	
Venezuela (Bolivarian Republic of)	0.0		356,002	631,284	177%	0%
Viet Nam	0.0			0		
Yemen	0.0		159,600	21,851	14%	
Zambia	0.0		125,000	65,769	53%	0%
Zimbabwe	0.0			1		
Grand Total	2,696.7	50%	39,055,360	68,123,781	174%	39%



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO Progress and Financial Report 2013

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I. Project Approvals and Disbursements

Annual summary data

- 1) Table 1 “Annual Summary” in the Excel file includes the most relevant annual data, such as number of approvals, corresponding ODP (wherever applicable), approved funding, adjustment and disbursement characteristics. The cumulative funds for the period 1993-2013 approved for UNIDO activities under the Multilateral Fund amount to US\$ 680,406,446, excluding agency support cost and the core unit funding. This amount, however, includes the adjustments made until end 2013. The details are contained in the attached database printout (Annex II in the Excel file). In this printout, the data are sorted by regions and within each region the completed, financially completed, ongoing and closed (cancelled) projects are listed.
- 2) As of 31 December 2013, UNIDO’s cumulative disbursement for all projects (completed and ongoing) amounts to US\$ 588,313,009 excluding agency support cost and core unit funding. This corresponds to a delivery rate of 86 per cent. Out of this amount, US\$ 535,079,007 relate to cumulative disbursement for investment projects (Table 2, “Summary Data by Project Type” in the Excel file).

Interest

- 3) The interest earned for the period 1993 – 2013 amounts to US\$ 36,994,344 and is shown by years in the Table 1 “Annual Summary” in the Excel file. The interest earned in 2013 amounts to US\$ 248,761.

Summary data by type

- 4) The cumulative activities of UNIDO approved by the Multilateral Fund are listed in Annex II in the Excel file. The following table summarizes their breakdown by types.

Type	US\$*	Share of portfolio in per cent	Number of projects
CPG (Country Programme Preparation)	815,000	0.12	11
DEM (Demonstration projects)	21,369,768	3.13	34
INS (Institutional strengthening)	8,499,436	1.25	60
INV (Investment projects)	615,397,302	90.20	761
PRP (Project preparation)	20,629,052	3.02	441
TAS (Technical Assistance)	14,319,878	2.10	115
TRA (Training)	1,249,459	0.18	23
Total (excluding agency support cost)	682,279,895	100	1,445

* These figures are without adjustments, which are in total US\$-1,873,450.

- 5) Table 2 “Summary of Data by Project Type” in the Excel file, shows approvals, adjustments and disbursements by type of project/activity. In 2013 UNIDO’s overall disbursement rate (excluding agency support cost) was 86%. Disbursements by activity type and as percentage of activity allocations are summarized as follows:

Type	US\$	Disbursement rate in per cent
CPG (Country Programme Preparation)	722,669	100
DEM (Demonstration projects)	14,526,099	69
INS (Institutional strengthening)	6,962,356	80
INV (Investment projects)	535,079,007	87
PRP (Project preparation)	17,704,658	97
TAS (Technical Assistance)	12,121,686	89
TRA (Training)	1,196,533	100
Total (excluding agency support cost)	588,313,009	86

Multi-Year Agreements

In the reporting year, no new multi-year performance based projects were approved. Thus, the total number of ongoing multi-year performance based agreements has not changed since the last reporting period.

- 6) As shown in Annexes II and III in the Excel file, UNIDO has been implementing hundred thirty-four performance-based, multi-year agreements. Sixty seven of these agreements are HCFC Phase-out Management Plans (Albania, Algeria, Argentina, Bahamas, Bahrain, Benin, Bosnia & Herzegovina, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, China (2), Congo, Cote d'Ivoire, Croatia, Ecuador, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Guinea-Bissau, Guinea, Guatemala, Honduras, Indonesia, Iran, Iraq, Jordan, Kuwait, Macedonia, Madagascar, Malawi, Mexico, Montenegro, Morocco, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Oman, Pakistan, Philippines, Qatar, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Serbia, Sierra Leone, Somalia, South Africa, Sudan, Suriname, Tanzania, Togo, Turkey, Turkmenistan, Uganda, Venezuela, Yemen and Zambia. Further details on the breakdown of the various activities are available in Annex III.
- 7) The total funds committed by the ExCom for these agreements amount to US\$ 404,761,520. From this amount, US\$ 336,763,708 has already been released, out of which, US\$ 258,587,820 was disbursed (as of 31 December 2013).

The total ODS to be phased out through ongoing multi-year agreements including all substances amounts to 27,302 ODP tonnes of consumption; plus 17,778 ODP tonnes of production. The allowed ODS consumption for the reporting year amount to 14,698 ODP tonnes, the lion's share of which is related to HCFC consumption. Verified Article 7 consumption data for 2013 are not yet available in most of the countries. Based on preliminary information received from the countries, it is expected that most countries would be in compliance with their agreement at the end of 2013.

- 8) The majority of the multi-year performance based agreements under UNIDO's implementation are progressing well, 54 agreements have been successfully completed. The overall disbursement rate is currently 64%. This level is mainly due to the fact that 20 of the hundred thirty-four multiyear agreements have been approved since July 2013. The funds released for these 20 agreements amount to US\$ 18.6 million. Excluding these, the disbursement rate is 67%.

- 9) Detailed information on the multi-year projects implemented by UNIDO is to be taken from Annex III in the Excel file.

Sector phase out by country

- 10) This section indicates ONGOING projects with sectors (excluding HCFCs) by countries for which total phase-out has been funded. Most of the activities are multi-year performance based projects, however there are some individual projects phasing out one or more substances in a particular sector. These activities are listed in the table below:

#	Country	Project Title	ODS	Multi-year (yes/no)	Phase-out in sector
1	Algeria	Technical assistance to phase-out MBr in pulses disinfections	MBr	No	Total
2	Argentina	CFC phase-out plan	CFC	Yes	Total
3	Chile	National phase-out of methyl bromide - terminal project	MBr	Yes	Total
4	China	MBr production phase-out plan	MBr	Yes	Total
5	China	MDI phase-out	CFC	No	Total
6	China	National methyl bromide phase-out plan*	MBr	Yes	Total
7	Cote d'Ivoire	TPMP	CFC	Yes	Total
8	Ecuador	Technical assistance to eliminate the remaining consumption of methyl bromide	MBr	No	Total
9	Egypt	CFC phase-out in the MDI sector	CFCs	No	Total
10	Egypt	National phase-out of methyl bromide	MBr	No	Total
11	Guatemala	Fumigants phase-out plan	MBr	Yes	Total
12	Iraq	National ODS Phase Out Plan	CFC, Halon, CTC, TCA	Yes	Total
13	Iraq	Technical assistance for the Methyl Bromide phase-out	MBr	No	
14	Kenya	Technical assistance for the final elimination of methyl bromide in post-harvest sector	MBr	No	Total

#	Country	Project Title	ODS	Multi-year (yes/no)	Phase-out in sector
15	Mexico	National methyl bromide phase-out plan*	MBr	Yes	Partial
16	Morocco	Methyl bromide in cucurbits and green beans*	MBr	Yes	Partial
17	Serbia	CFC phase-out plan*	CFC	Yes	Total
18	Tunisia	National CFC phase-out plan	CFC/CTC	No	Total
19	Yemen	National phase-out plan	CFC/TCA	Yes	Total
20	Zambia	Technical assistance for the phase-out of methyl bromide	MBr	No	Total

* In cooperation with bilateral and/or implementing agencies

- 11) Information on funded ODP phase-out by region/country for ongoing projects is given in Table 3 “ODP Phase-out by Region, Country and Sector – Ongoing Projects” in the Excel file

Ongoing projects	
Sector	ODP tonnes
Aerosols	493.1
Foams	449.5
Fumigants	1,104.5
Phase-out	4,770.3
Production	357.0
Refrigeration	281.3
Total	7,456

- 12) As per Table 3a “ODP Phase-out by Region, Country and Sector – Completed Projects” in the Excel file, until end of the reporting period, UNIDO eliminated 72,836.6 ODP tonnes (excluding partial phase-out of ongoing projects). ODP phase by sector is summarized in the below table.

Completed projects	
Sector	ODP tonnes
Aerosols	3,672.3
Foams	12,697.3
Fumigants	4,395.6
Halons	2,002.8
Other (Tobacco)	1,170.0
Process agents	907.7
Phase-out	10,333.5
Production	17,024.0
Refrigeration	18,400.1
Several	39.3
Solvents	2,194.0
Total	72,837

- 13) Partial ODP phase out is reported in Table 3b “Partial ODP Phase-out by Sector, Region, Country” and in Annex III in the Excel file. The partial phase-out achieved in 2013 is shown in the following table on a sector basis.

Partial phase-out in 2013	
Sector	ODP tonnes
Fumigants	135.7
PHA	1,746.8
Production	50.0
REF	53.5
Total	1,986.0

II. Project Completion since last Report

ODP phased out since last report - investment projects

14) As per Table 4 in the Excel file, the cumulative ODP phase out through investment projects completed in the reporting period (1 January – 31 December 2013) amounts to 5,412.0 ODP tonnes (including production sector). In addition, 1,986.0 ODP tonnes were partially phased-out from ongoing projects. The details are shown in Table 3b, Table 4 in the Excel file. Table 4 in the Excel file lists all investment, demonstration, recovery and recycling, technical assistance and institutional strengthening projects completed in 2013.

Non-investment project completions since last report

15) Since the last report, 7 non-investment projects, with an approved funding of US\$ 514,478 were completed; one in Asia and the Pacific, three in Europe, one global and two in Latin America.

III. Global and Regional Project Highlights

Global Projects

16) Core Unit Funding for the year 2014 was approved in December 2013. The core unit funding for the year 2013 that was approved in 2012 for UNIDO as a global project in the amount of US\$ 1,998,453 was completed in December 2013.

17) In 2013 the implementation of the global project “Mobilizing co-financing for Multilateral Fund funded projects based on the “Monetization” of their climate benefits” was ongoing. UNIDO prepared three project proposals: “Improving Energy Efficiency and reducing ODS emissions in the cold storage sector in Viet Nam”, “Improving Energy Efficiency and reducing ODS emissions in the Industrial Refrigeration and Air conditioning Sector” for the Gambia and “Improving Energy Efficiency and reducing ODS emissions in the fishing sector” in Morocco. In order to find a programmatic approach to the matter and in order to identify a methodology to be replicated in all HCFC programmes in the future, UNIDO focused on the Global Environment Facility as a main funding source for these activities. The proposals got positive feedback from both the MLF and the GEF Secretariats; moreover, in 2013 UNIDO approved a total of US\$ 368,000 additional funding as in-kind and cash contributions for the pilot projects in the Gambia and Viet Nam. The projects were submitted to the GEF Secretariat in 2013 and got approval. The final project report to the ExCom has been submitted and noted at the 69th Meeting of the Executive Committee in 2013. The project implementation is currently underway.

18) In 2012 UNIDO, from its Regular Budget, approved EUR 100,000 to develop a programme of pilot projects with the aim to demonstrate the technical and economic feasibility of available alternatives to methyl bromide uses in Quarantine and Pre-Shipment (QPS) applications for commodities in trade, in particular for agro-industry

and forest products in different countries and regions. In the course of 2013, the preparatory assistance phase of the programme has been implemented, in close cooperation with international experts and MBTOC representatives. An EGM on “The Use of MB as a Phytosanitary Measure in the Treatment of Goods in International Trade” was held in Vienna on 24 May, 2013. The main objective of the meeting was to discuss the methodology used by UNIDO and to select potential cases where pilot demonstration projects on existing alternatives to MB in QPS applications could be developed during Phase II. Some potential countries were identified, considering balance in geographical distribution and sectors. In 2014 UNIDO will focus on the identification of 5 pilot cases, in consultation with NOUs, local Phytosanitary authorities, exporters and fumigators.

Regional Projects

- 19) A regional strategy was developed for the disposal and destruction of ODS for LVC countries in the Europe (Bosnia and Herzegovina, Croatia and Montenegro) and got approval at the 69th Meeting in April 2013.
- 20) In 2013, UNIDO implemented a regional project in Sub-Saharan Africa supporting the target countries in the implementation of their HPMPs and in the establishment of a regional approach. The project facilitated missions, the hiring of national experts, the participation at network meetings, etc. The project was closed with an expert group meeting held in Vienna with the cooperation of UNEP in November 2013, targeting regional specific questions related to the implementation of the HPMPs. The project was supported by UNIDO’s regular budget (EUR 205,000), through which UNIDO has intended to reinforce its commitment to support countries in the region to be in compliance with the Montreal Protocol.

IV. Performance Indicators

Business Plan Performance Goals as decided by the Executive Committee

- 21) The ExCom at its 41st Meeting approved new performance indicators in its Decision 41/93. These performance indicators were first applied in UNIDO’s 2004 Business Plan. The ExCom at its 47th Meeting, by Decision 47/51, revised the weightings for quantitative performance indicators. The new weightings have been applied since the evaluation of the 2005-year performance. The targets and achievements for the year 2013 performance indicators approved during the 69th meeting of the ExCom are indicated below.

A1. Approvals

Number of annual programmes of multi-year agreements approved

- 22) In 2013, 22 annual programmes of existing multi-year projects were approved, which represents 85 % achievement of the target set by the ExCom.

Number of individual activities (INV, RMPs, halon banks, TAS) approved vs. those planned

- 23) During 2013, 12 individual projects were approved against the target of 11. The approvals include 5 institutional strengthening (Bosnia and Herzegovina, Libya, Oman, Serbia and Turkey), 2 demonstration (ODS destruction in ECA region and High-Ambient testing project in West Asia) and 5 technical assistance projects (Verification for Albania, Niger, Serbia and Turkmenistan and 2014 Core Unit Funding).

A2. Implementation

Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved MY annual tranches vs. those planned

- 24) Milestone activities have been completed for altogether in at least 33 MY performance-based agreements against the target of 26. This includes the completion of milestones for :
- 22 MYAs for which milestone activities have been completed and next tranches were approved;
 - At least 1 MYA for which no funding request was due in 2013, but milestones were achieved, namely the China Methyl Bromide production sector phase-out plan
 - At least 10 HPMPs, for which UNIDO is lead implementing agency and for which no funding request was due in 2013.

ODS phased-out for individual projects vs. those planned in progress reports

- 25) In 2013 60.5 ODP tonnes were phased-out for individual projects compared to the target of 55.4 ODP tonnes. This represents an achievement of 109%.
- 26) The performance indicators with the weightings are summarized in the following table:

Performance indicators: Targets and achievements in 2013

Performance indicator	Weighting	Targets UNIDO BP 2013	Achievements as per P&F Report 2013	P&F vs. BP (remarks wherever applicable)
Approvals				
No. of annual programmes of MY agreements approved vs. those planned	15	26	22	85%
No. of individual activities (INV, RMPs, halon banks, TAS) approved vs. those planned	10	11	12	109%
Implementation				
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved MY annual tranches vs. those planned	20	26	33	127%
ODS phased-out for individual projects vs. those planned in progress reports	15	55.4 ODP tonnes	60.5 ODP tonnes	109%
Project completion for inv and non-inv projects vs. those planned in progress reports	10	6	10	166.7%
Policy/regulatory assistance completed vs. that planned	10	N/A	N/A	N/A
Administrative				
Speed of financial completion vs. that required per progress report completion dates (for projects, which were completed 12 months ago between January and December 2011)	10	12 months	8.1 months	On time
Timely submission of PCRs vs. those agreed	5	On time	100% on time	100 % on time
Timely submission of progress reports & responses	5	On time	Before deadline (30 Apr 2014)	Before deadline

In addition to the above, UNIDO's approvals in 2013 amounted to US\$ 31,272,543; and US\$ 68,115,590 was disbursed for projects under UNIDO's implementation.

- 27) Based on the new performance indicator regime, the specific performance indicators for non-investment projects have been eliminated.

Cumulative completed investment projects

- 28) Since 1993, UNIDO's cumulative number of completed investment projects has grown to 620. Out of a total of US\$ 408,660,889 of approved MLF financing for completed projects, 99 per cent of these funds were disbursed. The average number of months from approval to first disbursement was 8.9 months. The average number of months from approval to completion was 34.5 months. The cost effectiveness of completed projects is US\$ 5.82/kg. Table 5 "Cumulative completed investment projects by region, sector and implementation characteristics" in the Excel file illustrates more details, presenting information both on a regional and on a sector basis. The vast majority of completed investment projects have been implemented with disbursements of funds during implementation; only ten retroactively funded projects were implemented by UNIDO.

Cumulative completed non-investment projects

- 29) Since 1993, UNIDO's cumulative number of completed non-investment projects, including the preparation of RMPs, is 202. Out of a total of US\$ 29,918,849 of approved MF financing, 98 per cent of funds have been disbursed. Except for forty three institutional strengthening projects, all UNIDO completed non-investment projects were objective-sensitive. Disbursement took place during implementation for all completed projects. Table 6 "Cumulative completed non-investment projects by region, sector and implementation characteristics" in the Excel file provides details according to geographic region and sectors.

Cumulative ongoing investment projects

- 30) By the end of 2013, UNIDO's cumulative portfolio of ongoing investment, demonstration and recovery and recycling projects contained 141 projects. Of the US\$ 203,903,991 approved budget, 62 per cent has been disbursed. It took an average of 8.7 months from approval to first disbursement. The Africa region had 52 ongoing projects, Asia and the Pacific 39 ongoing projects, Europe 18 ongoing projects and Latin America and the Caribbean 32 ongoing projects. Table 7 "Cumulative ongoing investment projects by region, sector and implementation characteristics" in the Excel file illustrates the implementation characteristics among regions and sectors for UNIDO's ongoing investment projects. The ongoing projects are objective sensitive and the disbursement of funds takes place during implementation.

Cumulative ongoing non-investment projects

- 31) At the end of 2013, UNIDO's cumulative portfolio of ongoing non-investment projects, including preparation of RMPs, consisted of 41 projects. Out of a total of US\$ 15,229,196 approved funding, 40 per cent has been disbursed. Table 8 "Cumulative ongoing non-investment projects by region, sector and implementation characteristics" in the Excel file illustrates details, presenting the projects according to regions, sectors and types.

V. Status of Agreements and Project Preparation by Country

Agreements to be signed/executed/finalized and ready for disbursing

32) As soon as a project is approved by the Executive Committee and after having notified the respective authorities, UNIDO secures officially from the recipient country's Ozone and project authorities, validity/confirmation of basic project data, such as actual ODS consumption; validity of counterpart commitment, etc., since by this time, a substantial period of time might have elapsed from the time of formulation of the project, and the projects, in most cases, are adjusted as a result of the negotiations during the approval process. After this, wherever it is required by the Country, UNIDO prepares and signs with the Ozone Authorities the agreement of cooperation. UNIDO prepares detailed Terms of Reference (TOR) for services to be rendered under the project. The TOR and the list of potential suppliers are approved by the counterpart. The bidding and subcontracting takes place based on the mutually agreed TOR. The first payment is due upon entry into force of the first contract. The above-illustrated preparatory work explains, for multi-year programmes, investment, demonstration and recovery and recycling projects, the time elapsing between project approval and first disbursement.

Project preparation by country, approved amount and amounts disbursed

33) As of the end of 2013, UNIDO had active project preparation funding amounting to US\$ 1,101,250 out of which US\$ 698,185 has been disbursed.

34) The list and details of active project preparation accounts are shown in Table 9 "Active project preparation accounts" in the Excel file.

Activities related to the phase-out of HCFCs

35) UNIDO is lead agency or only implementing agency for altogether 30 HPMPs. These MYAs/projects are listed below:

#	Mtg	Country	Main / Cooperating agency
1	64	Albania	UNIDO lead agency with UNEP
2	66	Algeria	UNIDO only impl. Agency
3	66	Argentina	UNIDO lead agency with World Bank
4	66	Bosnia & Herzegovina	UNIDO only impl. Agency
5	64	Cameroon	UNIDO only impl. Agency
6	64	China – RAC sector	UNIDO only impl. Agency
7	64	China – XPS sector	UNIDO lead agency with GIZ
8	61	Croatia	UNIDO only impl. Agency
9	65	Ecuador	UNIDO lead agency with UNEP
10	65	Egypt	UNIDO lead agency with UNDP

#	Mtg	Country	Main / Cooperating agency
11	64	Guatemala	UNIDO lead agency with UNEP
12	65	Jordan	UNIDO lead agency with WB
13	60	Macedonia, FYR	UNIDO only impl. agency
14	63	Mexico	UNIDO lead agency with UNDP
15	63	Montenegro	UNIDO only impl. Agency
16	65	Morocco	UNIDO only impl. Agency
17	66	Niger	UNIDO lead agency with UNEP
18	65	Oman	UNIDO lead agency with UNEP
19	62	Pakistan	UNIDO lead agency with UNEP
20	62	Philippines (foam sector plan)	UNIDO lead, Japan cooperating
21	65	Qatar	UNIDO lead agency with UNEP
22	68	Saudi Arabia	UNIDO lead agency with UNEP
23	65	Senegal	UNIDO lead agency with UNEP
24	62	Serbia	UNIDO lead agency with UNEP
25	67	Somalia	UNIDO only impl. Agency
26	67	South Africa	UNIDO only impl. Agency
27	66	Sudan	UNIDO only impl. Agency
28	62	Turkmenistan	UNIDO only impl. Agency
29	68	Turkey	UNIDO lead agency with UNEP
30	63	Venezuela	UNIDO lead agency with UNEP

Furthermore, UNIDO is co-implementing agency for the following countries with the following agencies:

- UNEP: Bahamas, Bahrain, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Congo (Rep. of), Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Guinea, Guinea-Bissau, Honduras, Iraq, Kuwait, Madagascar, Mozambique, Malawi, Myanmar, Nicaragua, Rwanda, Saint Lucia, St. Vincent and the Grenadines, Sierra Leone, Suriname, Tanzania, Togo, Uganda, Yemen and Zambia
- UNDP: Indonesia, Iran and Nigeria

ODS destruction demonstration projects

- 36) Pilot ODS destruction demonstration projects are well under implementation for China, Mexico, Nigeria and Turkey. The regional project in three low-volume consuming countries in Europe was approved in 2013 at the 69th Meeting of the Executive Committee. The projects for Algeria and Lebanon have been submitted to the 72nd ExCom Meeting in 2014.

Climate impact of Montreal Protocol activities

- 37) In the selection of alternative technologies to replace ODS, energy efficiency, has been taken into account since the first investment projects, from early 1990s in UNIDO. In the recent years, the introduction of low Global Warming Potential and high energy efficiency alternatives has gained high attention to achieve additional climate benefits in the ODS phase-out process. UNIDO has been looking into the assessment of climate impacts of the MP activities in order to respond to the needs of Dec XIX/6 of the Meeting of the Parties.
- 38) As continuation of UNIDO's resource mobilization activities in the context of the Montreal Protocol targeting energy efficiency improvements and climate change mitigation, the two project proposals prepared in 2011 and 2013, were submitted to the GEF Secretariat in 2013 and got approval with the GEF co-financing ratio of US\$ 495,000 for the Gambia and US\$ 275,000 for Viet Nam. UNIDO provides from its regular budget a total of US\$ 368,000 additional funding as in-kind and cash contributions for the pilot projects. These proposals are targeting to reach around 30 % energy efficiency gains and significant reduction of leakage resulting in GHG reduction. The project methodology could be replicated in other developing countries at a later stage.
- 39) As of 2013 UNIDO is one of implementing agencies of the Climate and Clean Air Coalition (CCAC). Thanks to the extensive knowledge and experience in phasing out of ozone-depleting substances, the Montreal Protocol Branch can substantially contribute to the work of UNIDO in this context. In 2013 the Branch submitted a proposal focusing on the elimination of HFCs and got approval in April 2014. UNIDO has always been committed to promoting sustainable solutions for companies in the refrigeration, air-conditioning and foam sectors that are transitioning away from ozone-depleting substances. Natural refrigerants and foam blowing agents with low global-warming potential are of paramount importance in this transition. UNIDO in cooperation with shecco organized the UNIDO ATMOSphere Technology Summit in Vienna in June 2013, which aimed at providing businesses and policy makers from Article 5 countries with practical solutions for overcoming the challenges in the introduction of such alternative substances.

VI. Administrative Issues (Operational, Policy, Financial and Other Issues)

Meetings attended

- 40) UNIDO attended/participated in the following meetings in 2013:

#	Meeting	Location	Dates
1	Inter-Agency coordination meeting	Montreal	January - February
2	Plant and Food Biosecurity Roundtable	Brussels	February
3	Climate and Clean Air Coalition Working Group Meeting	Paris	March

#	Meeting	Location	Dates
4	69th ExCom Meeting	Montreal	April
5	Joint Meeting of Pacific Island Countries (PIC), South Asia (SA) and South East Asia (SEAP) Networks of Ozone Officers	Gold Coast, Australia	May
6	Main Meeting of the west Asia Network of Ozone Officers	Bahrain	May
7	Annual Meeting of the ECA Network of Ozone Officers	Ohrid, FYR Macedonia	May
8	Main Meeting of the Africa English- Speaking Network of Ozone Officers (HPMP Implementation and steps towards the 2013 and 2015 HCFC targets)	Banjul, the Gambia	May
9	Expert Group Meeting: The use of MB as a Phytosanitary measure in the treatment of goods in international trade	Vienna	May
10	Meeting of the Central America, South America and Spanish-speaking Caribbean Networks of Ozone Officers	Bogota, Colombia	June
11	UNIDO ATMOSphere Technology Summit	Vienna	June
12	Technical trip to Fridge Recovery Facility AVE Kraftwerk Timelkam, addressing refrigerants recovery issues.	Muehlfeld, Austria	June
13	70th ExCom Meeting	Bangkok	July
14	33rd Meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer	Bangkok	June
15	50th Meeting of the Implementation Committee Under the Non-Compliance Procedure of the Montreal Protocol	Bangkok	June
16	Main Meeting and Thematic workshop of the French speaking Network of Ozone Officers in Africa (Steps towards the 2013 and 2015 HCFC targets and finalization of refrigeration manual)	Praia, Cape Verde	July
17	Joint Meeting of the South East Asia (SEAP) and South Asia (SA) Networks of Ozone Officers	Yinchuan, China	September
18	Climate and Clean Air Coalition High Level Assembly	Oslo	September
19	CAP Advisory Group Meeting	Paris	September
20	Inter-Agency coordination meeting	Montreal	September

#	Meeting	Location	Dates
21	Commemoration ceremony of the MP anniversary	Agadir, Morocco	September
22	Joint Regional OzonAction Network Meeting of Latin America and the Caribbean	Kingston, Jamaica	October
23	51st meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol	Bangkok	October
24	25th Meeting of the Parties to the Montreal Protocol (MOP)	Bangkok	October
25	COP 19	Warsaw	November
26	Joint UNIDO-UNEP Expert Group Meeting for National Ozone Officers from Sub-Saharan African Countries	Vienna	November
27	71st ExCom Meeting in Montreal	Montreal	December

Implementing agency and other cooperation

- 41) Cooperation with UNDP and the World Bank: Several ongoing performance-based, multi-year agreements are being co-implemented with UNDP and the World Bank, while a number of HPMP activities in different countries and regions are being implemented together with UNDP and/or the World Bank, among others the following Stage I HPMPs: Argentina, China, Egypt, Indonesia, Iran, Jordan, Mexico, Nigeria, Philippines.
- 42) Cooperation with UNEP: In 2013 twenty-one projects were approved with UNEP as lead or co-implementing agency. Among the approvals eighteen projects are HPMPs in the following countries: Bahrain, Cote d'Ivoire, Eritrea, Ethiopia, Guatemala, Guinea, Kuwait, Mozambique, Myanmar, Nicaragua, Niger, Santa Lucia, Saudi Arabia, Tanzania, Turkey, Uganda, Venezuela and Yemen.

A Joint UNIDO-UNEP Expert Group Meeting for National Ozone Officers from Sub-Saharan African countries took place in Vienna, in November 2013. The main objective of the meeting was to discuss both technical and policy-related aspects of HCFC phase-out, as well as practical issues related to HPMP implementation. Participants from 25 countries of the region attended the event.

- 43) Participation in inter-agency meetings: As in the past years, UNIDO participated in all major inter-agency coordination meetings organized by either the Multilateral Fund Secretariat or by any of the other implementing agencies.
- 44) Cooperation with Bilateral Agencies: During 2013, UNIDO continued implementation of the ongoing bilateral projects.
- 45) Those bilateral projects under UNIDO's implementation, which have been ongoing or have been completed in 2013 are listed in the below table. The list is sorted in alphabetical order of the bilateral agencies.

#	Bilateral Agency	Country	Project Title	Impact	Approved Funding (US\$)	Status
1	France	Mexico	Demonstration project for disposal of unwanted ODS	0	500,000	ONG
2	France	Regional Africa	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	0	184,000	ONG
3	Italy	Morocco	Phase-out of methyl bromide used as a soil fumigant in the production of green beans and cucurbits (first tranche)	15	310,000	ONG
4	Italy	Argentina	Phase-out of HCFC-22 in the room and unitary air-conditioning equipment manufacturing sector of Argentina	0	300,000	ONG

#	Bilateral Agency	Country	Project Title	Impact	Approved Funding (US\$)	Status
5	Italy	Croatia	Phase-out of HCFC-141b from the manufacturing of polyurethane and integral skin foams at Poli-Mix	1.8	210,000	COM
6	Japan	Regional Africa	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	0	700,000	ONG
7	Japan	Philippines	Sector plan to phase out HCFC-141b in the foam sector	0	317,350	ONG
8	Japan	Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of XPS panel at Al-Watania Plastics	1.9	110,000	ONG
9	Japan	Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of XPS panel at Line #2 in Arabian Chemical Company	5.2	110,000	ONG
10	Spain	Regional LAC	Technical assistance to introduce chemical alternatives in countries which have rescheduled methyl bromide phase out plan (Argentina & Uruguay)	0	147,400	ONG
11	Spain	Libya	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others (2nd tranche)	40	500,000	ONG
12	Spain	Mexico	National Methyl-Bromide Phase-Out Plan (2nd tranche)	50	800,000	COM
13	Spain	Mexico	National Methyl-Bromide Phase-Out Plan (3rd tranche)	80	800,000	ONG

Other issues

46) The status of ongoing projects is described in Annex II. The success and timely implementation of these activities are crucial in the current compliance period. In order to ensure timely project completion of projects approved so far, and to facilitate compliance of the recipient countries with their MP obligations, in 2013, UNIDO has continued to practice the following initiatives, which supported successful project implementation:

- Regular missions to ozone offices and project sites are organized to monitor together with the ozone officers the implementation of national and/or sector phase-out plans and ongoing stand-alone projects. UNIDO visits the respective ozone offices at least once a year. When required, UNIDO fields ad-hoc missions and requests support from

the field representatives, who are in regular contact with the ozone office of the country to organize training, clear equipment from the customs, recruit national experts, undertake local procurement, process project travels, etc.

- Good cooperation with the national ozone offices has continued and regular follow up of the implementation process is being done by the staff of the ozone office together with UNIDO's national and international consultants and project managers. This ensures that effective actions on critical issues such as resolving bottlenecks in site preparation, customs clearance, installation, commissioning and safety certification, monitoring of destruction of ODS-related equipment are taken in a timely manner.

UNIDO is regularly attending Regional Network Meetings and respective workshops providing additional support to our counterpart countries.

- UNIDO's field representation is receiving regular training on Montreal Protocol issues and involvement of field staff in MP implementation is continuously expanded.
- UNIDO also provides, when requested, support such as policy assistance, putting in place relevant legislation etc.

VII. Tables and Annexes*

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* Worksheets in Excel file