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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-ninth Meeting  
Bangkok, 3-7 July 2017

**PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2016**

1. The following countries currently involved in bilateral cooperation activities submitted progress report<sup>1</sup> databases: Australia, France, Germany, Italy, Japan, Russian Federation and Spain. Additional data from earlier progress reports for other countries previously involved in bilateral cooperation<sup>2</sup> covering data for the projects already reported as financially completed are also included in the consolidated progress report<sup>3</sup>.

2. The document presents a summary of progress in implementation of projects for 2016 and cumulative since 1991. It contains a review on the status of implementation of each ongoing<sup>4</sup> project at the country level identifying projects with implementation delays and the potential impact on the phase-out of controlled substances, and projects with outstanding issues for consideration by the Executive Committee. Annex I to the present document presents for each ongoing project with outstanding issues a summary status and a recommendation for consideration by the Executive Committee. The document also includes a recommendation.

**Summary of progress in implementation of projects for 2016 and cumulative**

3. Implementation of projects and activities by the bilateral agencies for 2016 and cumulative since 1992 up to 31 December 2016 is summarized as follows:

<sup>1</sup> 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.

<sup>2</sup> Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, Hungary, Israel, Poland, Portugal, Singapore, the Slovak Republic, South Africa, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

<sup>3</sup> UNEP/OzL.Pro/ExCom/79/8.

<sup>4</sup> Ongoing projects are all projects that have been approved and were under implementation as of 31 December 2016. 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 as a percentage of the approved funding; the average length of projected delay in implementation; and information provided in the remarks column in the progress report database.

- (a) **Phase-out:** In 2016, 35.3 ODP tonnes of consumption were phased out and an additional 54.1 ODP tonnes of consumption were approved for phase-out. Since 1992, 9,029 ODP tonnes of consumption had been phased out, of an expected total of 10,193 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2016, US \$4.66 million was disbursed and US \$5.24 million was planned for disbursement based on the 2015 progress report representing a rate of disbursement of 89 per cent of that planned. Cumulatively, US \$134.32 million had been disbursed out of the total US \$148.75 million approved for disbursement (excluding agency fees). This represents a rate of disbursement of 90 per cent. In 2016, US \$5.62 million was approved for implementation;
- (c) **Number of projects completed:** In 2016, 20 projects were completed. Since 1992, 599 projects of the 662 projects (excluding closed or transferred projects) were completed. This represents a completion rate of 90 per cent;
- (d) **Speed of delivery – investment projects:** Projects that were completed in 2016 were completed on average 58 months after their approval. Since 1992, the average time for completion of investment projects has been 47 months after their approval. First disbursements under these projects occurred, on average, 20 months after they had been approved;
- (e) **Speed of delivery – non investment projects:** Projects that were completed in 2016 were completed 16 months after its approval. Since 1992, the average time for completion of non-investment projects has been 43 months after their approval. First disbursements under these projects occurred, on average, 12 months after they had been approved;
- (f) **Project preparation:** Of the 122 project preparation activities approved by the end of 2016, 121 have been completed. In 2016, seven projects were completed leaving one ongoing;
- (g) **Implementation delays:** There were a total of 42 ongoing investment projects under implementation at the end of 2016. These projects, on average, are experiencing a delay of 26 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to two projects (as multi-year agreements (MYAs) are not subject to those procedures); and
- (h) **MYAs:** In 2016, bilateral agencies are implementing one MYA for CTC phase-out plan, one MYA for methyl bromide (MB) consumption and 32 MYAs for HCFC phase-out management plans (HPMPs). Since 1992, 78 MYAs have been approved and 44 MYAs have been completed.

4. An analysis of the progress report of bilateral agencies is contained in Annex II to the present document.

#### **Project implementation progress in 2016**

5. Of the 62 ongoing projects excluding project preparation, 24 have extended planned date of completion since the 2015 progress report. The Executive Committee may wish to note that the

Governments of France and Germany will each report to the 80<sup>th</sup> meeting on one project with implementation delays<sup>5</sup> (Annex I to the present document).

6. During the review of the progress report, the Secretariat had several exchanges with bilateral agencies (France, Germany, Italy, Japan and the Russian Federation), where a number of issues on ongoing projects were clarified and/or satisfactorily resolved. However, issues could not be resolved for a number of projects or tranches of multi-year agreements for the phase-out of CFC, methyl bromide or HCFCs; and projects for ODS waste disposal, as shown in Annex I to the present document. For each ongoing project, a brief description on the status of implementation and the outstanding issues are presented and a recommendation is proposed for consideration by the Executive Committee.

### **Recommendation**

7. The Executive Committee may wish:

- (a) To note:
  - (i) With appreciation the progress reports submitted by the Governments of Australia, France, Germany, Italy, Japan, Russian Federation and Spain contained in document UNEP/OzL.Pro/ExCom/79/9;
  - (ii) That the bilateral agencies would report to the 80<sup>th</sup> meeting on two projects with implementation delays and on one project recommended for an additional status report, as indicated in Annex I to the present document; and
- (b) To approve the recommendations on ongoing projects with specific issues listed in the last column of the table contained in Annex I to the present document.

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<sup>5</sup> The Executive Committee has defined projects with implementation delays as projects approved over 18 months with disbursement less than one per cent, or projects that are expected to be completed 12 months later than forecast in the last progress report (decision 22/61).



## Annex I

## ONGOING PROJECTS WITH OUTSTANDING ISSUES IN THE PROGRESS REPORT FOR BILATERAL AGENCIES

Country	Agency	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Lao People's Democratic Republic (the)	France	HCFC phase-out management plan (stage I, second tranche) (LAO/PHA/74/INV/28)	0	Project with zero disbursement. The low price of HCFCs does not provide incentive for the technicians to collect and reclaim HCFCs.	To request a status report to the 80 <sup>th</sup> meeting to monitor the low disbursement rate of approved funds.
Tunisia	France	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector) (TUN/PHA/72/INV/60)	0	Project with zero disbursements. Specifications of the equipment/tools for vocational schools have been prepared, and the 2017 work plan is under development. The planned date of completion has been revised to May 2018.	To approve the revised completion date of May 2018, and to request a status report to the 80 <sup>th</sup> meeting to monitor the low disbursement rate of approved funds.
Algeria	France	Pilot demonstration project on ODS waste management and disposal (ALG/DES/72/DEM/78)	0	Project is jointly implemented with UNIDO. It is proposed for cancellation in UNIDO's progress report due to lack of progress.	To cancel the project and to request the return of fund balances no later than June 2018.
Mexico	France	Demonstration project for disposal of unwanted ODS (MEX/DES/63/DEM/155)	34	The disposal of the remaining amount for destruction took place.	To reiterate decision 77/8(e)(i) and to request France, with the assistance of UNIDO, to submit to the 80 <sup>th</sup> meeting a detailed report on the project as projects with specific requirements..
Region: Africa	France	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan) (AFR/REF/48/DEM/36)	96	The beneficiary has awarded a contract to the enterprise Petra to complete the retrofit of the air-conditioning system. Completion date was June 2016 (decision 75/11(b)(ii)); revised planned completion date is December 2017.	To approve the revised completion date of December 2017 as the final date of completion; and to request France to submit a PCR no later than June 2018 and to return funds balances no later than December 2018; and to reiterate decision 77/8(e)(ii), and to request France to submit to the 80 <sup>th</sup> meeting a detailed report on this project as a project with specific reporting requirements.

Country	Agency	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Region: Africa	France	Strategy for disposal and destruction of ODS for five low-volume-consuming Central African countries (Burundi, Cameroon, Central African Republic, Congo and Guinea) (AFR/DES/68/TAS/41)		Project with implementation delays (12 months delay).	To request France to report to the 80 <sup>th</sup> meeting on this project with implementation delays.
Jordan	Germany	Complete phase-out of the use of methyl bromide in Jordan (JOR/FUM/29/INV/54)		Project with implementation delays (12 months delay).	To request Germany to report to the 80 <sup>th</sup> meeting on this project with implementation delays.
Region: Africa	Japan	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan) (AFR/REF/48/DEM/35)	66	Chillers were delivered to the beneficiary in the Sudan in July 2016. However, the grant validity expired in June 2016. The remaining payment was obligated, prior to June 2016, and will be cleared once chillers have been installed. Revised planned completion date is December 2017.	To approve the revised completion date of December 2017 as the final date of completion; and to request France to submit a PCR no later than June 2018 and to return funds balances no later than December 2018; and to reiterate decision 77/8(e)(ii), and to request Japan to submit to the 80 <sup>th</sup> meeting a detailed report on this project as a project with specific reporting requirements.
Libya	Spain	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others (second tranche) (LIB/FUM/56/INV/30)	85	The remaining activity relates to the finalization of the installation and commissioning of the equipment; it could not be finalised due to the political and security situation in the country.	To consider requesting UNIDO, through Spain, to complete the project by December 2017; and to submit a PCR no later than June 2018 and to return funds balances no later than December 2018.

**Annex II**

**ANALYSIS THE PROGRESS REPORT OF BILATERAL AGENCIES  
AS AT 31 DECEMBER 2016**

1. As of that date, the Executive Committee had approved approximately US \$162.7 million, consisting of US \$148.75 million for the implementation of investment and non-investment projects and US \$13.96 million for agency fees and administrative support, as shown in Table 1. In 2016, 17 new projects and activities were approved. This level of funding is expected to result in the phase-out of 10,193 ODP tonnes of ODS consumption.

**Table 1: Approved funding by sector for bilateral agencies as at 31 December 2016**

Sector	Funding (US \$)
Aerosol	2,051,914
Destruction	1,789,410
Foam	8,095,338
Halon	6,147,361
Fumigants	18,295,227
Phase-out plan	54,929,671
Production	10,000,000
Refrigeration	40,412,768
Several	4,511,975
Solvents	2,512,738
<b>Sub-total</b>	<b>148,746,402</b>
Administrative costs	13,958,227
<b>Total</b>	<b>162,704,629</b>

2. 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 category**

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	39	32	82	9,758,088	7,280,171	2,477,917	75
Institutional strengthening (IS)	7	7	100	883,376	883,376	0	100
Investment	212	170	80	100,201,730	89,374,620	10,827,110	89
Project preparation	122	121	99	5,415,428	5,411,946	3,482	100
Technical assistance	200	187	94	23,726,568	22,604,919	1,121,649	95
Training projects	73	73	100	8,420,425	8,420,886	-461	100
<b>Total</b>	<b>662</b>	<b>599</b>	<b>90</b>	<b>148,746,402</b>	<b>134,316,706</b>	<b>14,429,696</b>	<b>90</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency fees/administrative costs.

3. Table 3 presents an overview of status of project implementation by year<sup>6</sup>. All projects and activities approved between 1992 and the end of 2004 (except 1999), as well as 2007 and 2009, have now been completed.

<sup>6</sup> 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

**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	3,468,211	3,468,211	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	12,127,108	-2,591	100
2000	29	29	100	4,808,878	4,808,878	0	100
2001	41	41	100	7,522,222	7,522,683	-461	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	30	100	14,999,441	15,001,320	-1,879	100
2005	28	27	96	19,036,887	18,180,987	855,900	96
2006	25	23	92	7,226,782	6,977,581	249,201	97
2007	13	13	100	3,138,440	3,138,440	0	100
2008	33	32	97	7,600,856	7,461,120	139,736	98
2009	21	21	100	2,345,591	2,346,352	-761	100
2010	20	19	95	3,457,988	3,272,081	185,907	95
2011	20	16	80	6,829,143	5,932,420	896,723	87
2012	11	7	64	6,612,877	4,826,356	1,786,521	73
2013	7	3	43	2,276,412	1,705,726	570,686	75
2014	16	10	63	1,713,524	860,191	853,333	50
2015	27	5	19	4,921,949	1,643,651	3,278,298	33
2016	17	0	0	5,619,083	0	5,619,083	0
<b>Total</b>	<b>662</b>	<b>599</b>	<b>90</b>	<b>148,746,402</b>	<b>134,316,706</b>	<b>14,429,696</b>	<b>90</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency fees/administrative costs.

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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.