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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-second Meeting  
Montreal, 3-7 December 2018

**PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2017**

1. The following countries currently involved in bilateral cooperation activities submitted progress report<sup>1</sup> databases: Australia, France, Germany, Italy, Japan, the 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>

Scope of the document

2. This document consists of the following parts:

Part I: Projects approved under the regular contributions to the Multilateral Fund. It presents a summary of progress in implementation of projects for 2017 and cumulative since 1991; it contains a review on the status of implementation of each ongoing<sup>4</sup> project at the country level; and it identifies projects with implementation

<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/82/14.

<sup>4</sup> Ongoing projects are all projects that were under implementation as at 31 December 2017. 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.

delays and the potential impact on the phase-out of controlled substances, and projects with outstanding issues for consideration by the Executive Committee.

Part II: Projects approved under the additional voluntary contributions for HFC activities and the status of implementation.

General recommendation.

3. This document also contains the following annexes:

Annex I: A summary status and a recommendation for each ongoing project with outstanding issues for consideration by the Executive Committee.

Annex II: An analysis of the progress report.

## **PART I: PROJECTS APPROVED UNDER THE REGULAR CONTRIBUTIONS TO THE MULTILATERAL FUND**

### **Summary of progress in implementation of projects for 2017 and cumulative**

4. Implementation of projects and activities by the bilateral agencies for 2017 and cumulative since 1992 up to 31 December 2017 is summarized as follows:

- (a) **Phase-out:** In 2017, 80.7 ODP tonnes of consumption were phased out and an additional 16.5 ODP tonnes of consumption were approved for phase-out. Since 1992, 9,110 ODP tonnes of consumption had been phased out, of an expected total of 10,209 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2017, US \$5.49 million was disbursed and US \$7.97 million was planned for disbursement based on the 2016 progress report, representing a rate of disbursement of 69 per cent of that planned. Cumulatively, US \$139.80 million had been disbursed out of the total US \$151.07 million approved for disbursement (excluding agency support costs). This represents a rate of disbursement of 93 per cent. In 2017, US \$2.60 million was approved for implementation;
- (c) **Number of projects completed:** In 2017, 25 projects were completed. Since 1992, 624 projects of the 670 projects (excluding closed or transferred projects) were completed. This represents a completion rate of 93 per cent;
- (d) **Speed of delivery – investment projects:** Projects that were completed in 2017 were completed on average 63 months after their approval. Since 1992, the average time for completion of investment projects has been 41 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 2017 were completed 54 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, 13 months after they had been approved;
- (f) **Project preparation:** Of the 122 project preparation activities approved by the end of 2017, 121 have been completed. In 2017, zero project was completed leaving one ongoing;

- (g) **Implementation delays:** There were a total of 38 ongoing investment projects under implementation at the end of 2017. These projects, on average, are experiencing a delay of 14 months. However, there are no projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation (as multi-year agreements (MYAs) are not subject to those procedures); and
- (h) **MYAs:** In 2017, bilateral agencies are implementing one MYA for methyl bromide (MB) consumption and 37 MYAs for HCFC phase-out management plans (HPMPs). Since 1992, 80 MYAs have been approved and 42 MYAs have been completed.

### Project implementation progress in 2017

5. Of the 45 ongoing projects excluding project preparation, 26 have extended planned date of completion since the 2016 progress report.

6. During the review of the progress report, the Secretariat had several exchanges with bilateral agencies, 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 MYAs for HCFCs 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.

### PART II: PROJECTS APPROVED UNDER THE ADDITIONAL VOLUNTARY CONTRIBUTIONS FOR HFC ACTIVITIES

7. In 2017, the Executive Committee had approved seven HFC-related projects under the additional voluntary contributions amounting to US \$480,000 (excluding agency support costs). A summary of the status of these projects is presented in Table 1.

**Table 1. HFC-related projects approved in 2017**

Type	Number of projects			Funding (US \$)*			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Technical assistance - Enabling activities	7	0	0	480,000	0	480,000	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>0</b>

\*Excludes agency support costs.

### General recommendation

8. The Executive Committee may wish:
- (a) To note with appreciation, the progress reports submitted by the Governments of Australia, France, Germany, Italy, Japan, the Russian Federation and Spain contained in document UNEP/OzL.Pro/ExCom/82/15; and
- (b) To approve the recommendations related to ongoing projects with specific issues contained in Annex I to the present document.



## Annex I

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

Country/project code	Agency	Project title	Disbursement rate (%)	Status/Issues	Recommendation
Tunisia (TUN/PHA/72/INV/57)	France	HCFC phase-out management plan (stage I, first tranche) (residential air-conditioning manufacturing sector plan)	0	Low disbursement rates of approved funds; technical issues relating to adoption of R-290 affecting implementation progress.	To request a status report to the 83 <sup>rd</sup> meeting due to low disbursement rate of approved funds and slow implementation.
Tunisia (TUN/PHA/76/INV/66)	France	HCFC phase-out management plan (stage I, second tranche) (residential air-conditioning manufacturing sector plan)	0	Low disbursement rates of approved funds; technical issues relating to adoption of R-290 affecting implementation progress.	To request a status report to the 83 <sup>rd</sup> meeting due to low disbursement rate of approved funds and slow implementation.
Mauritius (MAR/PHA/79/INV/27)	Germany	HCFC phase-out management plan (third tranche)	6	Low disbursement due to challenges faced in project implementation due to changes in Ministry and Ozone unit.	To request a status report to the 83 <sup>rd</sup> meeting on progress in implementation.



**Annex II**

**ANALYSIS OF THE PROGRESS REPORT OF BILATERAL AGENCIES  
AS AT 31 DECEMBER 2017**

1. This Annex consists of the following two parts:

Part I: Projects approved under the regular contributions to the Multilateral Fund.

Part II: Projects approved under the additional voluntary contributions for HFC activities.

**PART I: PROJECTS APPROVED UNDER THE REGULAR CONTRIBUTIONS TO THE MULTILATERAL FUND**

2. As of 31 December 2017, the Executive Committee had approved US \$165.29 million, consisting of US \$151.07 million for the implementation of investment and non-investment projects and US \$14.22 million for agency support costs, as shown in Table 1. In 2017, nine new projects and activities were approved. This level of funding is expected to result in the phase-out of 10,209 ODP tonnes of ODS consumption.

**Table 1: Approved funding by sector for bilateral agencies as at 31 December 2017**

Sector	Funding (US \$)
Aerosol	2,051,914
Destruction	1,789,410
Foam	8,095,338
Halon	6,147,361
Fumigants	18,230,946
Phase-out plan	57,531,878
Production	10,000,000
Refrigeration	40,243,785
Several	4,469,718
Solvents	2,512,738
<b>Sub-total</b>	<b>151,073,088</b>
Agency support costs	14,218,639
<b>Total</b>	<b>165,291,727</b>

3. 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	38	37	97	9,758,088	8,590,149	1,167,939	88
Institutional strengthening (IS)	7	7	100	883,376	883,376	0	100
Investment	221	183	83	102,630,315	93,097,423	9,532,892	91
Project preparation	122	121	99	5,416,111	5,414,411	1,700	100
Technical assistance	200	194	97	23,622,995	23,054,639	568,356	98
Training projects	73	73	100	8,421,416	8,421,416	0	100
<b>Total</b>	<b>670</b>	<b>624</b>	<b>93</b>	<b>151,073,088</b>	<b>139,802,201</b>	<b>11,270,887</b>	<b>93</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency support costs.

4. Table 3 presents an overview of status of project implementation by year<sup>5</sup>. All projects and activities approved between 1992 to the end of 2009, 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	3,468,211	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	59	100	12,131,407	12,131,407	0	100
2000	29	29	100	4,808,878	4,808,878	0	100
2001	41	41	100	7,523,213	7,523,213	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	30	100	15,005,412	15,005,412	0	100
2005	28	28	100	18,996,677	18,183,034	813,643	96
2006	25	25	100	7,227,465	6,979,271	248,194	97
2007	13	13	100	3,138,440	3,138,440	0	100
2008	33	33	100	7,535,058	7,462,988	72,069	99
2009	21	21	100	2,347,228	2,347,228	0	100
2010	20	19	95	3,279,996	3,279,706	290	100
2011	20	19	95	6,823,868	6,581,560	242,308	96
2012	11	10	91	6,611,040	6,315,036	296,004	96
2013	7	4	57	2,276,412	1,949,269	327,143	86
2014	15	12	80	1,713,524	1,045,967	667,557	61
2015	27	15	56	4,921,949	3,232,446	1,689,503	66
2016	17	1	6	5,619,083	1,269,484	4,349,599	23
2017	9	0	0	2,601,626	37,050	2,564,576	1
<b>Total</b>	<b>670</b>	<b>624</b>	<b>93</b>	<b>151,073,088</b>	<b>139,802,201</b>	<b>11,270,887</b>	<b>93</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency support costs.

## **PART II: PROJECTS APPROVED UNDER THE ADDITIONAL VOLUNTARY CONTRIBUTIONS FOR HFC ACTIVITIES**

5. In 2017, the Executive Committee had approved seven HFC-related projects for two bilateral agencies (Germany and Italy) under the additional voluntary contributions amounting to US \$480,000 (excluding agency support costs). A summary of the status of these projects is presented in Table 4.

<sup>5</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 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 4. HFC-related projects approved in 2017**

Type	Number of projects			Funding (US \$)*			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Technical assistance - Enabling activities	7	0	0	480,000	0	480,000	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>0</b>

\* Excludes agency support costs.