



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/82/18
2 November 2018

ORIGINAL: ENGLISH



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

PROGRESS REPORT OF UNIDO AS AT 31 DECEMBER 2017

1. This document presents the progress report of UNIDO as of 31 December 2017¹.

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 ongoing² project at the country level; and it identifies 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.

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.

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

² 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.

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 UNIDO for 2017 and cumulative since 1991 up to 31 December 2017 is summarized as follows:

- (a) **Phase-out:** In 2017, 935.5 ODP tonnes of consumption of ODS were phased out and an additional 78.6 ODP tonnes of consumption of ODS were approved for phase-out. Since 1991, 62,842 ODP tonnes of consumption of ODS and 17,381 ODP tonnes of production of ODS had been phased out of an expected total of 81,452 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2017, US \$30.9 million was disbursed and US \$25.35 million was planned for disbursement based on the 2016 progress report, representing a rate of disbursement of 122 per cent of that planned. Cumulatively, US \$696.41 million had been disbursed out of the total US \$796.5 million approved for disbursement (excluding support costs). This represents a rate of disbursement of 87 per cent. In 2017, US \$16.48 million was approved for implementation;
- (c) **Cost-effectiveness (in ODP):** Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US \$11.50/kg and for all production sector activities (CFC and methyl bromide (MB)) was US \$2.91/kg. The average cost-effectiveness of investment projects per ODP tonne was US \$6.25/kg for completed projects and US \$49.71/kg for ongoing projects³;
- (d) **Number of projects completed:** In 2017, 72 projects were completed. Since 1991, 1,479 projects of the 1,673 projects approved for UNIDO (excluding closed or transferred projects) were completed. This represents a completion rate of 88 per cent;
- (e) **Speed of delivery – investment projects:** Projects that were completed in 2017 were completed on average 56 months after their approval. Since 1991, the average time for completion of investment projects has been 37 months after their approval. First disbursements under these projects occurred, on average, nine months after they had been approved;
- (f) **Speed of delivery – non-investment projects:** Projects that were completed in 2017 were completed on average 38 months after their approval. Since 1991, the average time for completion of non-investment projects has been 35 months after their approval. First disbursements under these projects occurred, on average, ten months after they had been approved;
- (g) **Project preparation:** Of the 484 project preparation activities approved by the end of 2017, 470 have been completed. In 2016, eight projects were completed leaving 14 ongoing;

³ The higher value of the 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.

- (h) **Implementation delays:** There were a total of 133 ongoing investment projects under implementation at the end of 2017. These projects, on average, are experiencing a delay of 30 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to four (as project preparation, multi-year agreements (MYAs), and institutional strengthening (IS) are not subject to those procedures); and
- (i) **MYAs:** In 2017, UNIDO was implementing two MYAs for CFC phase-out, one MYA for MB production, two MYAs for MB consumption and 79 MYAs for HCFC phase-out management plans. Since 1991, 155 MYAs have been approved and 71 MYAs have been completed.

Project implementation progress in 2017

5. The Secretariat reviewed the status of project implementation on a country-by-country basis considering implementation delays that have occurred with respect to planned completion dates that had been reported in 2017, the potential impact of these delays on phase-out and the rate of planned disbursements.

6. Of the 169 ongoing projects, excluding IS and project preparation, 83 projects have extended planned dates of completion since the 2016 progress report.

7. During the review of the progress report, the Secretariat had several discussions with UNIDO, where several issues on ongoing projects were satisfactorily resolved. However, issues could not be resolved for a number of projects or tranches of MYAs for the phase-out of CFCs or HCFCs; projects for ODS waste disposal; and renewal of IS projects, 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.

8. The issues identified with regard to the demonstration project for the introduction of trans-critical CO₂ refrigeration technology for supermarkets (Argentina and Tunisia) (GLO/REF/76/DEM/335) and the global chiller replacement project (Argentina component) (GLO/REF/80/DEM/344) are discussed under relevant sections of the reports on projects with specific reporting requirements.⁴

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

9. In 2017, the Executive Committee had approved 21 HFC-related projects under the additional voluntary contributions amounting to US \$2,426,000 (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
Project preparation	3	0	0	90,000	0	90,000	0
Technical assistance - Enabling activities	18	0	0	2,336,000	0	2,336,000	0
Total	21	0	0	2,426,000	0	2,426,000	0

*Excludes agency support costs.

⁴ UNEP/OzL.Pro/ExCom/82/20

General recommendation

10. The Executive Committee may wish:

- (a) To note the progress report of UNIDO as at 31 December 2017 contained in document UNEP/OzL.Pro/ExCom/82/18; and
- (b) To approve the recommendations on ongoing projects with specific issues listed contained in Annex I to the present document.

Annex I

ONGOING PROJECTS WITH OUTSTANDING ISSUES IN THE PROGRESS REPORT FOR UNIDO

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
Algeria ALG/PHA/66/INV/77	HCFC phase-out management plan (stage I, first tranche) (activities in the refrigeration servicing sector including phase-out of HCFC-141b used for flushing, and project monitoring)	20	Low disbursement rate of approved funds; activities not relevant as HCFC-141b consumption is nil for the last three years	To request cancellation of the project by the 83 rd meeting and outstanding balances to be returned to the 84 th meeting
Bahrain BAH/PHA/68/INV/27	HCFC phase-out management plan (stage I, first tranche) (phase-out of HCFC-22 from the manufacturing of central air-conditioning and window air-conditioning at Awal Gulf manufacturing company)	56	Project progress to be monitored after extension at the 80 th meeting considering technology challenges in introducing the low-global warming potential technology	To request a status report to the 83 rd meeting on progress of implementation
Central African Republic (the) CAF/PHA/64/INV/21	HCFC phase-out management plan (stage I, first tranche)	15	Project delayed due to security situation in the country; difficult to continue implementation of the HPMP given that the first tranche of stage I was approved 18 meetings ago	To request cancellation of the project by the 82 nd meeting and outstanding balances to be returned to the 83 rd meeting
China CPR/ARS/56/INV/473	Sector plan for phase-out of CFCs consumption in MDI sector	98	Project with implementation delays (12 months delay) at final stages of implementation	To request completion of the project by the 83 rd meeting and balances to be returned by the 84 th meeting, noting that the project was approved 26 meetings ago
Democratic People's Republic of Korea (the) DRK/PHA/73/INV/59	HCFC phase-out management plan (stage I, first tranche) (phase-out of HCFC-141b in polyurethane foam sector at Pyongyang Sonbong and Puhung Building Materials)	20	Delayed due to United Nations Security Council (UNSC) resolutions	To request a status report to the 83 rd meeting on implementation including updates on the resumption of activities
Democratic People's Republic of Korea (the) DRK/PHA/73/TAS/60	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing and monitoring)	74		
Democratic People's Republic of Korea (the) DRK/PHA/75/INV/62	HCFC phase-out management plan (stage I, second tranche) (phase-out of HCFC-141b in polyurethane	1		

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
	foam sector at Pyongyang Sonbong and Puhung Building Materials)			
Democratic People's Republic of Korea (the) DRK/PHA/75/TAS/63	HCFC phase-out management plan (stage I, second tranche) (policy, refrigeration servicing and monitoring)	82		
Democratic People's Republic of Korea (the) DRK/PHA/77/INV/64	HCFC phase-out management plan (stage I, third tranche) (policy, refrigeration servicing and monitoring)	1		
Egypt EGY/ARS/50/INV/92	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs)	96	Project with implementation delays (12 months delay) at final stages of implementation	To request completion of the project by the 83 rd meeting and balances to be returned by the 84 th meeting, noting that the project was approved 32 meetings ago
Ethiopia ETH/PHA/77/INV/28	HCFC phase-out management plan (stage I, second tranche)	3	Low disbursement rate; delayed due to coordination issues and administrative changes in the national ozone unit	To request a status report to the 83 rd meeting on progress achieved and the level of funds disbursement
Iraq IRQ/REF/57/INV/07	Replacement of refrigerant CFC-12 with isobutane and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company	89	Project with implementation delays (12 months delay) due to operational issues and national security situation affecting final stages of implementation	To request a status report to the 83 rd meeting on implementation
Iraq IRQ/PHA/58/INV/09	National phase-out plan (first tranche)	89	Delayed due to operational issues and national security situation affecting final stages of implementation	
Iraq IRQ/PHA/73/PRP/19	Preparation of a HCFC phase-out management plan (stage II)	0	Low disbursement rate; delayed due to difficult security situation in the country and issues in stage I	
Iraq IRQ/REF/73/PRP/20	Preparation for HCFC phase-out investment activities (stage II) (air-conditioning sector)	0		
Iraq IRQ/PHA/74/INV/23	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	19		

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
Kuwait KUW/PHA/74/INV/24	HCFC phase-out management plan (stage I, second tranche) (polyurethane foam sector phase-out: Kuwait polyurethane Industry Co.; Kirby Building Systems, technical assistance to spray foam users and other small users)	1	Low disbursement rate, though 87 percent of the funds are obligated and 12 percent is paid as advance to suppliers	To request a status report to the 83 rd meeting on implementation
Kuwait KUW/PHA/74/INV/25	HCFC phase-out management plan (stage I, second tranche) (extruded polystyrene foam sector phase-out: Gulf Insulating Materials Manufacturing and Trading; Isofoam Insulating Materials Plants; and Al Masaha Company)	0	Low disbursement rate, though 97 per cent of the funds are obligated	
Lebanon LEB/DES/73/DEM/83	Pilot demonstration project on ODS waste management and disposal	79	Return of balances to the 82 nd meeting by decision 81/24(d)	To note the cancellation of the project and return of balances to the 82 nd meeting
Morocco MOR/PHA/65/INV/68	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	32	Tranche request submitted to the 82 nd meeting, was subsequently withdrawn due to low level of disbursement	To request a status report to the 83 rd meeting on implementation
Morocco MOR/PHA/68/INV/69	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	5		
Qatar QAT/PHA/65/INV/18	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	54	Project activities to be reprogrammed in stage II of the HPMP, to be submitted to the 83 rd meeting	To complete the project by June 2019, and return outstanding balances to the 84 th meeting, noting that stage II of the HPMP would be submitted to 83 rd meeting
Qatar QAT/PHA/65/INV/19	HCFC phase-out management plan (stage I, first tranche) (sector conversion from HCFC-142b/HCFC-22 in the production of extruded polystyrene insulation boards to low GWP isobutene at Qatar Insulation, Orient Insulation and Al Kawthar Insulation)	93	Project at final stages of completion; pending incremental operating costs payment of one enterprise and administrative procedures for closure	

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
Qatar QAT/PHA/73/PRP/21	Preparation of a HCFC phase-out management plan (stage II)	8	Low disbursement rate and slow implementation; stage II of the HPMP would be submitted to the 83 rd meeting	To request a status report to the 83 rd meeting to monitor submission of stage II
Qatar QAT/SEV/79/INS/22	Renewal of institutional strengthening project (phase IV: 8/2017-7/2019)	0		To request a status report to the 83 rd meeting on implementation and the level of funds disbursement
Saudi Arabia SAU/FOA/62/INV/13	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene panel at Al-Watania Plastics	17	Project implementation stalled due to enterprise's withdrawal from the project; equipment proposed to be procured for the project needs to be sold; 62 per cent of the funds are obligated	To request a status report to the 83 rd meeting on implementation, including update on auctioning of the equipment that was procured and needs to be sold
Saudi Arabia SAU/PHA/68/INV/17	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing and monitoring)	84	UNEP is working with NOU on implementing obligations relating to legislation (Appendix 8-A of the Agreement)	To request a status report to the 83 rd meeting on implementation
Saudi Arabia SAU/PHA/72/INV/20	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing and monitoring)	42		
Saudi Arabia SAU/PHA/75/INV/24	HCFC phase-out management plan (stage I, third tranche) (polyurethane foam sector plan)	30	Contracts with suppliers finalised and co-financing secured	To request a status report to the 83 rd meeting on implementation
Saudi Arabia SAU/PHA/75/INV/25	HCFC phase-out management plan (stage I, third tranche) (refrigeration servicing and monitoring)	62	UNEP is working with NOU on implementing obligations relating to legislation (Appendix 8-A of the Agreement)	To request a status report to the 83 rd meeting on implementation
Saudi Arabia SAU/PHA/77/INV/31	HCFC phase-out management plan (stage I, fourth tranche) (polyurethane foam sector plan)	3	Low level of disbursement	To request a status report to the 83 rd meeting on implementation and the level of funds disbursement

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
South Africa SOA/FOA/76/DEM/09	Demonstration project on the technical and economic advantages of the vacuum assisted injection in discontinuous panels plant retrofitted from HCFC-141b to pentane	3	Project report submitted to the 81 st meeting; final payments are being made to close the project	To request balances to be returned to the 83 rd meeting
Somalia SOM/PHA/77/INV/12	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	18	Delayed due to security situation in the country	To request a status report to the 83 rd meeting on implementation
Somalia SOM/PHA/77/TAS/13	HCFC phase-out management plan (stage I, second tranche) (additional security)	41		
Syrian Arab Republic (the) SYR/PHA/55/PRP/97	Preparation of a HCFC phase-out management plan	82	Delayed due to security situation in the country. Difficult to continue implementation	To request a status report to the 83 rd meeting on implementation and monitor submission of stage I
Syrian Arab Republic (the) SYR/FOA/61/PRP/102	Preparation for HCFC phase-out investment activities (foam sector)	58		
Syrian Arab Republic (the) SYR/REF/62/INV/103	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment and rigid polyurethane insulation panels at Al Hafez Group	28	Project with implementation delays (12 months delay) due to security situation in the country. Updated information shows some improvement in situation and agency is exploring alternative project implementation modalities	To request a status report to the 83 rd meeting on implementation
Syrian Arab Republic (the) SYR/SEV/73/INS/104	Extension of institutional strengthening (phase V: 1/2015-12/2016)	0	Delayed due to security situation in the country	To request a status report to the 83 rd meeting on implementation
Tunisia TUN/PHA/76/INV/68	HCFC phase-out management plan (stage I, second tranche) (residential air-conditioning manufacturing sector plan)	0	Low disbursement rate of approved funds; technical issues faced relating to adoption of R-290 in air-conditioner manufacturing	To request a status report to the 83 rd meeting on progress on implementation and the level of funds disbursement
Tunisia TUN/PHA/77/PRP/71	Preparation of a HCFC phase-out management plan (stage II)	0	Low disbursement rate of approved funds; delayed due to technical issues in stage I	To request a status report to the 83 rd meeting on the level of funds disbursement and monitor submission of stage II
Tunisia TUN/FOA/77/PRP/72	Preparation for HCFC phase-out investment activities (stage II) (polyurethane foam sector)	0		

Country/Project code	Project title	Disbursement rate (%)	Status/Issues	Recommendation
Turkey TUR/PHA/74/PRP/105	Preparation of a HCFC phase-out management plan (stage II)	0	Low disbursement rate of approved funds; issues faced due to reorganisation of NOU, changes in administration and adoption of new legislation	To request a status report to the 83 rd meeting on the level of funds disbursement and monitor submission of stage II
Yemen YEM/PHA/55/INV/28	National ODS phase-out plan (first tranche)	97	Security situation in the country; difficult to continue implementation	To request cancellation of the national ODS phase-out plan by the 82 nd meeting and return outstanding balances by the 83 rd meeting
Yemen YEM/PHA/60/INV/36	National ODS phase-out plan (second tranche)	74		
Yemen YEM/PHA/68/TAS/39	HCFC phase-out management plan (stage I, first tranche)	43		To request cancellation of stage I of the HPMP by the 82 nd meeting and return outstanding balances by the 83 rd meeting
Yemen YEM/PHA/73/PRP/45	Preparation of a HCFC phase-out management plan (stage II)	0	Security situation in the country; difficult to continue implementation given that stage I cannot be implemented	To request cancellation of the project by the 82 nd meeting and return outstanding balances by the 83 rd meeting
Yemen YEM/FOA/73/PRP/46	Preparation for HCFC phase-out investment activities (stage II) (foam sector)	0	Security situation in the country; difficult to continue implementation given that stage I cannot be implemented	
Zambia ZAM/PHA/77/INV/33	HCFC phase-out management plan (stage I, third tranche)	0	Low disbursement rate of approved funds and no progress on project activities; delays in approval of technical specification of equipment by national ozone unit	To request a status report to the 83 rd meeting on implementation and the level of funds disbursement

Annex II

ANALYSIS THE PROGRESS REPORT OF UNIDO 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 \$899.11 million consisting of US \$796.5 million for the implementation of investment and non-investment projects and US \$102.61 million for agency support costs, as shown in Table 1. In 2017, 28 new projects and activities were approved. This level of funding is expected to result in the phase-out of 81,452 ODP tonnes of ODS consumption and production.

Table 1: Approved funding by sector for UNIDO as at 31 December 2017

Sector	Funding (US \$)
Aerosol	34,413,700
Destruction	5,005,764
Foam	88,967,004
Halon	1,780,369
Fumigants	78,092,525
Multiple sectors	139,440
Other	11,317,246
Phase-out plan	300,110,322
Process agent	6,337,359
Production	50,515,326
Refrigeration	180,640,788
Several	15,932,021
Solvents	23,247,443
Sub-Total	796,499,307
Agency support costs	102,606,340
Total	899,105,647

3. A summary of the status of projects implemented 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	11	11	100	722,669	722,669	0	100
Demonstration	43	33	77	24,942,125	19,848,089	5,094,036	80
Institutional strengthening (IS)	77	66	86	11,669,275	9,828,418	1,840,857	84
Investment	863	730	85	716,919,240	628,169,138	88,750,102	88
Project preparation	484	470	97	21,048,029	20,329,349	718,680	97

Type	Number of projects*			Funding (US \$)**			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Technical assistance	172	146	85	20,001,434	16,313,185	3,688,249	82
Training	23	23	100	1,196,535	1,196,535	0	100
Total	1,673	1,479	88	796,499,307	696,407,383	100,091,924	87

*Excludes closed and transferred projects.

**Excludes agency support costs.

4. Table 3 presents an overview of status of project implementation by year⁵. All projects and activities approved between 1993 and the end of 2005, as well as 2007, 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
1993	22	22	100	11,815,540	11,815,540	0	100
1994	52	52	100	30,645,899	30,645,899	0	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	42,083,037	0	100
1998	88	88	100	23,638,291	23,638,291	0	100
1999	123	123	100	34,140,324	34,140,324	0	100
2000	96	96	100	30,180,751	30,180,751	0	100
2001	119	119	100	24,700,254	24,700,254	0	100
2002	76	76	100	35,992,040	35,992,040	0	100
2003	49	49	100	29,997,305	29,997,305	0	100
2004	44	44	100	33,105,460	33,105,460	0	100
2005	74	74	100	52,035,806	52,035,806	0	100
2006	44	43	98	20,760,992	20,533,030	227,962	99
2007	42	42	100	24,196,074	24,161,671	34,403	100
2008	78	75	96	33,437,487	33,056,025	381,462	99
2009	70	68	97	15,410,461	14,666,940	743,521	95
2010	71	62	87	46,742,684	43,476,780	3,265,904	93
2011	72	62	86	76,805,405	70,162,767	6,642,638	91
2012	53	35	66	34,119,175	25,240,224	8,878,951	74
2013	37	31	84	31,244,847	26,848,854	4,395,993	86
2014	57	33	58	28,020,614	20,718,066	7,302,548	74
2015	84	45	54	38,283,166	14,479,682	23,803,484	38
2016	59	5	8	37,184,513	9,178,528	28,005,985	25
2017	28	0	0	16,476,598	67,525	16,409,073	0
Total	1,673	1,479	88	796,499,307	696,407,383	100,091,924	87

*Excludes closed and transferred projects.

**Excludes agency support costs.

⁵ 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. There are three types of disbursements: during implementation, after implementation and for retroactively-financed projects.

5. Table 4 presents project implementation by country for 2017.

Table 4. Summary of project implementation by UNIDO for 2017

Country	Phased out in 2017	Percentage of planned phase-out achieved in 2017	Estimated funds disbursed in 2017 (US\$)	Funds disbursed in 2017 (US\$)	Percentage of funds disbursed over estimation in 2017	Percentage of planned projects completed in 2017
Afghanistan	0.0		20,000	20,226	101	
Albania	0.0		35,001	15,912	45	100
Algeria	13.5	100	820,002	16,494	2	50
Argentina	0.0		220,003	1,446,159	657	100
Armenia	0.0		27,959	68,572	245	100
Bahamas (the)	0.0		2	0	0	
Bahrain	0.0		235,000	322,059	137	100
Benin	0.0		16,000	5,930	37	100
Bolivia (Plurinational State of)	0.0		42,166	59,079	140	100
Bosnia and Herzegovina	0.0		94,682	64,019	68	100
Botswana	0.0		10,000	1,408	14	
Brazil	10.2		80,001	87,333	109	
Burkina Faso	0.0		1	0	0	
Burundi	0.4		1	0	0	
Cameroon	2	100	175,000	154,559	88	100
Central African Republic (the)	0.0		1	0	0	
Chad	2.4		60,001	98,827	165	
Chile	0.0		66,002	123,354	187	100
China	211.3		10,943,708	20,066,052	183	100
Congo (the)	0.0		5,001	55	1	
Cote D'Ivoire	0.0		100,000	164,728	165	
Croatia	0.0		2	0	0	
Democratic People's Republic of Korea (the)	0.0		125,003	64,038	51	
Ecuador	0.0		43,443	59,498	137	100
Egypt	6.0		331,004	449,040	136	83
Eritrea	0.2		28,139	28,749	102	100
Ethiopia	0.2	100	72,501	71,079	98	100
Gabon	0.0		10,000	7,472	75	
Gambia (the)	0.2		5,001	2,293	46	
Georgia	0.0		20,000	16,000	80	100
Grenada	0.1		10,000	38,144	381	
Guatemala	0.0		177,649	83,170	47	
Guinea	0.0		1	141		
Guinea-Bissau	0.3		15,001	36,870	246	
Honduras	0.4		80,902	86,937	107	100
Indonesia	0.0		277,000	277,264	100	100
Iran (Islamic Republic of)	63.1	100	410,003	54,896	13	50
Iraq	3.5		810,001	291,603	36	0
Jordan	0.0		81,565	34,789	43	100
Kuwait	0.0	0	585,615	26,274	4	33
Lebanon	0.0		30,000	59,012	197	

Country	Phased out in 2017	Percentage of planned phase-out achieved in 2017	Estimated funds disbursed in 2017 (US\$)	Funds disbursed in 2017 (US\$)	Percentage of funds disbursed over estimation in 2017	Percentage of planned projects completed in 2017
Libya	24.1		579,363	117,237	20	50
Madagascar	1.0		27,000	11,901	44	100
Malawi	1.3		10,000	3,358	34	
Mexico	104.6	100	1,919,404	2,848,869	148	83
Montenegro	0.0		31,001	40,483	131	
Morocco	0.0		50,001	27,738	55	
Mozambique	0.0		30,000	0	0	
Nicaragua	0.0		76,001	81,649	107	100
Niger (the)	0.0		180,000	95,121	53	100
Nigeria	30		630,002	166,548	26	50
Oman	0.0		140,003	152,183	109	67
Pakistan	31.2		117,860	60,112	51	
Philippines (the)	0.0		1	12,661		
Qatar	0.0	0	95,001	73,515	77	50
Rwanda	0.0		10,001	3,762	38	
Saint Lucia	0.1		12,500	8,720	70	
Saint Vincent and the Grenadines	0.0		1	607		
Saudi Arabia	173.7	100	1,336,033	377,812	28	0
Senegal	0.0		60,000	1,751	3	0
Serbia	2.6		257,003	78,972	31	100
Sierra Leone	0.1		5,001	0	0	
Somalia	1.3		44,000	58,801	134	100
South Africa	69.3	100	1,025,001	272,306	27	0
Sudan (the)	9.1		320,007	158,602	50	100
Suriname	0.0		5,000	0	0	0
Syrian Arab republic (the)	0.0		10,002	6,337	63	
The former Yugoslav Republic of Macedonia	0.2	100	105,002	111,031	106	67
Togo	0.0		30,000	29,569	99	0
Tunisia	4.7	100	425,002	307,641	72	100
Turkey	144		1,140,002	526,868	46	67
Turkmenistan	1.7		25,002	39,864	159	100
Uganda	0.0		27,100	21,445	79	100
United Republic of Tanzania (the)	0.2		20,000	10,582	53	
Uruguay	0.0		50,000	72,293	145	100
Venezuela (Bolivarian Republic of)	22.5	100	192,148	387,473	202	100
Yemen	0.0		5	0	0	
Zambia	0.0		17,703	26,684	151	
Region: AFR	0.0		2	9,977		
Region: ASP	0.0		95,000	160,198	169	100
Region: EUR	0.0		50,201	2,908	6	100
Global	0.0		141,001	127,604	90	100
Grand Total	935.5	77	25,351,715	30,895,217	122	76

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

6. In 2017, the Executive Committee had approved 21 HFC-related projects under the additional voluntary contributions amounting to US \$2,426,000 (excluding agency support costs). A summary of the status of these projects is presented in Table 5.

Table 5. HFC-related projects approved in 2017

Type	Number of projects			Funding (US \$)*			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Project preparation	3	0	0	90,000	0	90,000	0
Technical assistance - Enabling activities	18	0	0	2,336,000	0	2,336,000	0
Total	21	0	0	2,426,000	0	2,426,000	0

*Excludes agency support costs.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO Progress and Financial Report 2017

Table of Contents

I. Project Approvals and Disbursements.....	3
Annual summary data	3
Interest.....	3
Summary data by type	3
Multi-Year Agreements	4
Sector phase out by country	4
II. Project Completion since last Report.....	6
ODP phased out since last report - investment projects.....	6
Non-investment project completions since last report	6
III. Global and Regional Project Highlights	7
Global Projects.....	7
Regional Projects	7
IV. Performance Indicators.....	8
Business Plan Performance Goals as decided by the Executive Committee	8
Performance indicators: Targets and achievements in 2017.....	9
Cumulative completed investment projects	10
Cumulative completed non-investment projects.....	10
Cumulative ongoing investment projects.....	11
Cumulative ongoing non-investment projects	11
V. Status of Agreements and Project Preparation by Country	12
Agreements to be signed/executed/finalized and ready for disbursing.....	12
Project preparation by country, approved amount and amounts disbursed.....	12
ODS destruction demonstration projects	15
Climate impact of Montreal Protocol activities	15
Activities related to HFC phase down	16
VI. Administrative Issues (Operational, Policy, Financial and Other Issues).....	17
Meetings attended	17
Implementing agency and other cooperation	18
Other issues	20
VII Tables and Annexes*	22

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 1993-2017 approved for UNIDO activities under the Multilateral Fund amount to US\$ 796,499,709, excluding agency support cost and the core unit funding. This amount, however, includes the adjustments made until end 2017. The details are contained in the attached database (Annex II in the Excel file). In this annex, 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 2017, UNIDO’s cumulative disbursement for all projects (completed and ongoing) amounts to US\$ 696,407,386 excluding agency support cost and core unit funding. This corresponds to a delivery rate of 87 per cent. Out of this amount, US\$ 628,169,140 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 – 2017 amounts to US\$ 38,145,461 and is shown by years in the Table 1 “Annual Summary” in the Excel file. The interest earned in 2017 amounts to US\$ 657,361.

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	Approved Funding US\$*	Share of portfolio in per cent	Number of projects	Share of portfolio in per cent
CPG (Country Programme Preparation)	815,000	0.10%	11	0.66%
DEM (Demonstration projects)	26,092,395	3.25%	43	2.57%
INS (Institutional strengthening)	11,623,590	1.45%	77	4.60%
INV (Investment projects)	718,623,758	89.52%	863	51.58%
PRP (Project preparation)	23,614,052	2.94%	484	28.93%
TAS (Technical Assistance)	20,738,620	2.58%	172	10.28%
TRA (Training)	1,249,459	0.16%	23	1.37%
Total (excluding agency support cost)	802,756,874	100%	1,673	100%

* These figures are without adjustments, which are in total US\$ -6,257,160.

- 5) Table 2 “Summary of Data by Project Type” in the Excel file, shows approvals, adjustments and disbursements by type of project/activity. In 2017 UNIDO’s overall disbursement rate (excluding agency support cost) was 87%. 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)	19,848,089	80%
INS (Institutional strengthening)	9,828,418	84%
INV (Investment projects)	628,169,140	88%
PRP (Project preparation)	20,329,350	97%
TAS (Technical Assistance)	16,313,185	82%
TRA (Training)	1,196,535	100%
Total (excluding agency support cost)	696,407,386	87%

Multi-Year Agreements

In the reporting year, two new multi-year performance based projects were approved for UNIDO's implementation, the Stage II HCFC Phase-out Management Plan in Argentina and Egypt.

- 6) As shown in Annex II in the Excel file, UNIDO has been implementing hundred-fifty-three performance-based, multi-year agreements. Eighty seven of these agreements are HCFC Phase-out Management Plans (Afghanistan, Albania, Algeria, Argentina (2), Bahamas, Bahrain, Benin, Bolivia, Bosnia & Herzegovina, Botswana, Brazil, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Chile, China (2x2), Congo (Rep. of), Cote d'Ivoire, Croatia, DPR Korea, Ecuador, Egypt (2), Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Granada, Guinea-Bissau, Guinea, Guatemala, Honduras, Indonesia, Iran (2), Iraq, Jordan (2), Kuwait, Libya, Macedonia, Madagascar, Malawi, Mexico (2), Montenegro, Morocco, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Oman (2), Pakistan (2), Philippines, Qatar, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Serbia, Sierra Leone, Somalia, South Africa, Sudan (2), Suriname, Tanzania, Togo, Tunisia, Turkey, Turkmenistan, Uganda, Venezuela (2), Yemen and Zambia).

Sector phase out by country

- 7) 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.	China	MDI phase-out	CFC	No	Total
2.	China	National methyl bromide phase-out plan*	MBr	Yes	Total
3.	Egypt	CFC phase-out in the MDI sector	CFCs	No	Total

#	Country	Project Title	ODS	Multi-year (yes/no)	Phase-out in sector
4.	Egypt	Technical assistance on two alternatives to methyl bromide in the palm date sector	MBr	No	Total
5.	Guatemala	Fumigants phase-out plan	MBr	Yes	Total
6.	Iraq	National ODS Phase Out Plan	CFC, Halon, CTC, TCA	Yes	Total
7.	Iraq	Technical assistance for the Methyl Bromide phase-out	MBr	No	Total
8.	Sudan	Technical assistance for the final phase-out of methyl bromide in the post-harvest sector	MBr	No	Total
9.	Yemen	National phase-out plan	CFC/TCA	Yes	Total

* In cooperation with bilateral and/or implementing agencies

- 8) 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	482
Foams	286
Fumigants	278.4
Phase-out	3,841.7
Production	0
Refrigeration	206.5
Total	5,094.6

- 9) 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 76,820.70 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	3,683.50
Foams	12,860.80
Fumigants	5,333.30
Halons	2,002.80

Other (Tobacco)	1,170
Process agents	907.7
Phase-out	12,773.30
Production	17,381
Refrigeration	18,475
Several	39.3
Solvents	2,194
Total	76,820.70

- 10) 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 2017 is shown in the following table on a sector basis.

Partial phase-out	
Sector	ODP tonnes
FUM	10.7
PHA	890.1
Total	900.80

II. Project Completion since last Report

ODP phased out since last report - investment projects

- 11) 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 2017) amounts to 157 ODP tonnes. In addition, 900.80 ODP tonnes were partially phased-out from ongoing projects. The details are shown in Table 3b and Table 4 in the Excel file. Table 4 in the Excel file lists all investment, demonstration, technical assistance and institutional strengthening projects completed in 2017.

Non-investment project completions since last report

- 12) Since the last report, 41 non-investment projects, with an approved funding of US\$ 3,648,175 were completed; ten in Africa, nine in Asia and the Pacific, ten in Latin America and the Caribbean, eleven in Europe, and the Core Unit Funding.

III. Global and Regional Project Highlights

Global Projects

- 13) Core Unit Funding for the year 2018 was approved in November 2017. The core unit funding for the year 2017 that was approved in 2016 for UNIDO as a global project in the amount of US\$ 2,055,000 and it was completed in December 2017.

Regional Projects

- 14) The below regional project has been ongoing in Asia in the reporting year:
 - Promoting alternative refrigerants in air-conditioning for high ambient countries in West Asia (PRAHA-II);

The Regional demonstration project in Asia and the Pacific “Promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries in West Asia” and in Europe “Demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region” were completed in 2017.

IV. Performance Indicators

Business Plan Performance Goals as decided by the Executive Committee

- 15) The 71st Meeting of the Executive Committee in December 2013 reviewed and modified the performance indicators established by earlier decisions. The new weightings, based on Decision 71/28, are indicated in the below table.
- 16) The targets and achievements for the year 2017 performance indicators approved during the 77th Meeting of the ExCom are indicated below.

A1. Planning – Approvals

- 17) Tranches approved: Number of tranches approved vs. those planned

In 2017, 14 tranches were approved in total against the updated target of 26. The original target was 33 (35 was recorded by mistake), however, the below projects were not approved beyond UNIDO's control:

- as reported to the 80th Meeting of the Executive Committee under the tranche submission delays, UNIDO was ready for submission of the following tranches: Burundi, Cote d'Ivoire, Equatorial Guinea, Guinea, Suriname.
- The 2nd tranche of the Stage II RAC sector plan for China (Decision 80/66 i and j) was submitted to the ExCom, but was not approved.
- The Stage II HPMP for Nigeria was submitted, but was withdrawn.

Out of the 14 tranches approved, 12 are tranches of existing multi-year projects. In addition, 2 tranches were approved for the new multi-year projects of Stage II in Argentina and Egypt.

- 18) Projects/activities approved: Number of projects/activities approved vs. those planned (including project preparation activities)

During 2017, 9 individual projects were approved against the originally agreed target of 13. However, in Decision 79/31, project preparation activities for DPR Korea were removed by the Executive Committee from UNIDO's work programme in 2017. For this reason, the subject target should be reduced from 13 to 11.

The approvals include 5 renewals of institutional strengthening projects (Bosnia and Herzegovina, Mexico, Qatar, Turkey and Serbia), and 3 technical assistance projects (2 verification projects for Oman and Sudan, and 1 global project for UNIDO's 2018 Core Unit Funding), and the Argentina component of the global chillers demonstration project transferred from the World Bank to UNIDO at the 80th ExCom.

A2. Implementation

19) Funds disbursed: Based on estimated disbursement in Progress Report

During 2017 the funds disbursed as per IPSAS were US\$ 31,079,667 against the target of US\$ 22,350,000.

20) ODS phased-out: ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans

Altogether 285 ODP tonnes can be recorded as achievements compared to an adjusted target of 482 ODP tonnes for all MYA projects approved in 2017. 140 ODP tonnes need to be deducted from the target as explained in section 17 due to the non-submission and/or non-approval of several tranches beyond UNIDO's control (Burundi, China RAC sector, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Nigeria Stage II HPMP, Suriname).

21) Project completion for activities: Project completion vs. planned in progress reports for all activities (excluding project preparation)

During 2017 UNIDO completed 64 projects against the target of 60.

22) The performance indicators with the weightings are summarized in the following table:

Performance indicators: Targets and achievements in 2017

Type of Indicator	Short title	Calculation	Weighting	Target 2017	Achievement 2017
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned	10	26*	14
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	10	11**	9
	Sub-total		20		
Implementation	Funds disbursed	Based on estimated disbursement in progress report (USD)	15	22,350,000 US\$	31,079,667 US\$
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	482*** ODP tonnes	285 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excl. project preparation)	20	60	64
	Sub-total		60		

Type of Indicator	Short title	Calculation	Weighting	Target 2017	Achievement 2017
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	10	12 months after operational completion	12 months
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	5	On time	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time	On time or as agreed

* The original target was 33 (35 was recorded by mistake), however, as reported to the 80th Meeting of the Executive Committee under the tranche submission delays, UNIDO was ready for submission of the following tranches: Burundi, Cote d'Ivoire, Equatorial Guinea, Guinea, Suriname and the below projects were not approved beyond UNIDO's control: 2nd the tranche of the Stage II RAC sector plan for China (Decision 80/66 i and j), Stage II HPMP for Nigeria was submitted, but was withdrawn.

** The subject target should be reduced from 13 to 11 as per Decision 79/31, project preparation activities for DPR Korea were removed by the Executive Committee from UNIDO's work programme in 2017.

*** 140 ODP tonnes to be reduced from the original target of 622.5 ODP tonnes due to the non-submission and/or non-approval of several tranches beyond UNIDO's control (Burundi, China RAC sector, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Nigeria Stage II HPMP, Suriname).

In addition to the above, UNIDO's approvals in 2017 amounted to US\$ 16,477,003 plus US\$ 2,426,000 for HFC related activities.

Cumulative completed investment projects

23) Since 1993, UNIDO's cumulative number of completed investment projects has grown to 730. Out of a total of US\$ 464,002,377 of approved MLF financing for completed projects, 100 per cent of these funds were disbursed. The average number of months from approval to first disbursement was 9 months. The average number of months from approval to completion was 36.9 months. The cost effectiveness of completed projects is US\$ 8.17/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

24) Since 1993, UNIDO's cumulative number of completed non-investment projects, including the preparation of RMPs, is 279. Out of a total of US\$ 46,083,758 of approved MF financing, 98 per cent of funds have been disbursed. Except for 66 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

- 25) By the end of 2017, UNIDO's cumulative portfolio of ongoing investment, demonstration and recovery and recycling projects contained 133 projects. Of the US\$ 248,520,804 approved budget, 65 per cent has been disbursed. It took an average of 8.3 months from approval to first disbursement. The Africa region had 48 ongoing projects, Asia and the Pacific 51 ongoing projects, Europe 12 ongoing projects and Latin America and the Caribbean 22 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

- 26) At the end of 2017, UNIDO's cumulative portfolio of ongoing non-investment projects, including preparation of RMPs, consisted of 47 projects. Out of a total of US\$ 12,422,226 of approved funding, 44 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

27) 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. Even if the first payment is released, as per the IPSAS, disbursements are not reflected until after services have been delivered. Under UNSAS, any payment outflow was recorded as disbursement. 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

28) As of the end of 2017, UNIDO had on-going project preparation approved funding amounting to US\$ 971,250 out of which US\$ 331,183 has been disbursed.

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

29) UNIDO is lead agency or only implementing agency for altogether 33 **Stage I 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.	74	Bolivia	UNIDO only impl. agency
5.	66	Bosnia & Herzegovina	UNIDO only impl. Agency
6.	64	Cameroon	UNIDO only impl. Agency
7.	64	China – RAC sector	UNIDO only impl. Agency
8.	64	China – XPS sector	UNIDO lead agency with GIZ
9.	73	Democratic People's Republic of Korea	UNIDO lead agency with UNEP
10.	65	Ecuador	UNIDO lead agency with UNEP
11.	65	Egypt	UNIDO lead agency with UNDP
12.	64	Guatemala	UNIDO lead agency with UNEP
13.	65	Jordan	UNIDO lead agency with WB
14.	75	Libya	UNIDO only impl. agency
15.	60	Macedonia, FYR	UNIDO only impl. agency
16.	64	Mexico	UNIDO lead agency with UNDP
17.	63	Montenegro	UNIDO only impl. Agency
18.	65	Morocco	UNIDO only impl. Agency
19.	66	Niger	UNIDO lead agency with UNEP
20.	65	Oman	UNIDO lead agency with UNEP
21.	62	Pakistan	UNIDO lead agency with UNEP
22.	62	Philippines (foam sector plan)	UNIDO lead, Japan cooperating
23.	65	Qatar	UNIDO lead agency with UNEP
24.	68	Saudi Arabia	UNIDO lead agency with UNEP
25.	65	Senegal	UNIDO lead agency with UNEP
26.	62	Serbia	UNIDO lead agency with UNEP
27.	67	Somalia	UNIDO only impl. Agency
28.	67	South Africa	UNIDO only impl. Agency
29.	66	Sudan	UNIDO only impl. Agency

#	Mtg	Country	Main / Cooperating agency
30.	72	Tunisia	UNIDO lead agency with UNEP and France
31.	62	Turkmenistan	UNIDO only impl. Agency
32.	68	Turkey	UNIDO lead agency with UNEP
33.	63	Venezuela	UNIDO lead agency with UNEP

Furthermore, UNIDO is co-implementing agency for the **Stage I HPMPs** for the following countries with the below agencies:

- UNEP: Afghanistan, Bahamas, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Congo (Rep. of), Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Grenada, 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;

Outstanding **Stage I HPMPs**:

- Stage I HPMP PRP activities could still not be finalized in Syria due to the security situation in the country.

Completed **Stage I HPMPs**:

- Croatia, implemented by UNIDO.

30) UNIDO is involved in **ongoing Stage II HPMPs** as only, lead or cooperating implementing in the following countries and sectors:

	Mtg	Country	Main / Cooperating agency
1.	79	Argentina	UNIDO only agency since 80 th ExCom
2.	75	Brazil	UNDP/UNIDO/Germany/Italy
3.	76	Chile	UNDP lead agency w UNIDO
4.	77	China- RAC Sector	UNIDO lead w. Italy
5.	77	China – XPS sector	UNIDO lead agency with GIZ
6.	79	Egypt	UNIDO lead agency/UNDP/UNEP/Germany
7.	77	Iran	UNDP/UNEP/UNIDO/Germany
8.	77	Jordan	World Bank lead w. UNIDO
9.	73	Mexico	UNIDO lead agency w. Germany, Italy and UNEP
10.	75	Oman	UNIDO lead agency w. UNEP
11.	76	Pakistan	UNIDO lead agency w. UNEP
12.	75	Sudan	UNIDO only impl. Agency
13.	76	Venezuela	UNIDO lead agency w. UNDP

ODS destruction demonstration projects

- 31) Four pilot ODS destruction demonstration projects were completed in 2017 for China, Mexico, Turkey and three low-volume consuming countries in Europe. Two projects are under implementation for Lebanon and Nigeria, and one ODS destruction demonstration project was closed in 2017 for Algeria.

Climate impact of Montreal Protocol activities

- 32) 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. In Decision 72/40 (May 2014) bilateral and implementing agencies have been encouraged to submit proposals for demonstration projects for low GWP alternatives to HCFCs in the refrigeration and air-conditioning subsectors and feasibility studies, including business cases for district cooling.

- 33) During the reporting period, the following demonstration projects were ongoing:

- Demonstration project on the use of low cost pentane foaming technology for the conversion to non-ODS technologies in polyurethane foams at small and medium enterprises (Morocco)
- Feasibility study addressing district cooling (Egypt)
- Promoting alternative refrigerants in air-conditioning for high ambient countries in West Asia (PRAHA-II)
- Demonstration project on refrigerant quality, containment and introduction of low-global warming potential alternatives (Eastern Africa and Caribbean regions)
- Demonstration project for the introduction of trans-critical CO₂ refrigeration technology for supermarkets (Argentina and Tunisia)
- Demonstration project for the phase-out of HCFCs by using HFO as foam blowing agent in the spray foam applications in high ambient temperatures (Saudi Arabia)
- Demonstration project on promoting HFO-based low-global warming potential refrigerants for air-conditioning sector in high ambient temperatures (Saudi Arabia)
- Demonstration project on the technical and economic advantages of the vacuum assisted injection in discontinuous panels plant retrofitted from HCFC-141b to pentane (South Africa)

The demonstration project “Promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries in West Asia” was completed in 2017.

- 34) At the 26th Meeting of the Parties to the Montreal Protocol (Paris, 17-21 November 2014) Parties took a key decision on assessing alternatives to ozone-depleting substances (Decision XXVI/9) and requested the Executive Committee of the Multilateral Fund to consider financial support to conduct inventories or surveys on alternatives to ODS in Article 5 parties who request so. In 2015 26 national surveys were approved for UNIDO's implementation. All of these surveys have been completed and were submitted to the Multilateral Fund Secretariat by the end of 2017.

Activities related to HFC phase down

- 35) From the additional contributions to provide fast-start support for implementation of the Kigali Amendment, in 2017 18 enabling activities projects were approved for UNIDO with a total approved funding amounting to 2,336,000 US\$. In addition 3 project preparations were approved for HFC related projects in Ecuador, Lebanon and Mexico. Details on UNIDO HFC projects can be found in Annex IIa, "HFC Database" in the Excel file.

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

Meetings attended

36) UNIDO attended/participated in the following meetings in 2017:

#	Meeting	Location	Dates
1.	ASHRAE Meeting, Clean Climate and Air Coalition (CCAC) conference	Las Vegas, United States of America	January
2.	Inter-Agency Coordination Meeting	Montreal, Canada	February
3.	78 th Executive Committee Meeting	Montreal, Canada	April
4.	Sustainable Management of Refrigeration Technologies in Marine and Off-Shore Fisheries Sectors	Bangkok, Thailand	April
5.	Network Meeting of the Ozone Officers of Southeast Asia and the Pacific	Phuket, Thailand	May
6.	ECA Network Meeting, UNEP	Skopje, Macedonia	May
7.	7 th Conference on Ammonia and CO ₂ Refrigeration Technologies	Ohrid, Macedonia	May
8.	Eurammon's Symposium 2017 "Small Applications <200 kW with Natural Refrigerant"	Shaffhausen, Switzerland	June
9.	79 th Executive Committee Meeting	Bangkok, Thailand	July
10.	39 th Meeting of the Open-ended Working Group of the Parties (OEWG)	Bangkok, Thailand	July
11.	58 th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol (ImpCom)	Bangkok, Thailand	July
12.	Inter-Agency Coordination Meeting	Montreal, Canada	September
13.	Attend the celebration of the 30 th anniversary of the Montreal Protocol	Beijing, China	September
14.	Europe and Central Asia Thematic Meeting on HCFC Phase-out Management Plans and HFCs Phase-down Initiatives	Tbilisi, Georgia	October
15.	LAC Network meeting. UNEP	San Jose, Costa Rica	October
16.	ECA Thematic Meeting on HCFC Phase-out Management Plans and HFCs Phase-down Initiatives	Tirana, Albania	October
17.	59 th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol (ImpCom)	Montreal, Canada	November
18.	CCAC Workshop	Montreal, Canada	November
19.	29 th Meeting of the Parties (MOP)	Montreal, Canada	November

#	Meeting	Location	Dates
20.	80 th Executive Committee Meeting	Montreal, Canada	November

Implementing agency and other cooperation

- 37) Cooperation with UNDP and the World Bank:
Several ongoing 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 and Stage II HPMP in Brazil, Chile, China, Egypt, Iran, Jordan and Venezuela.
- 38) Cooperation with UNEP: UNIDO has been implementing 59 HPMPs together with UNEP until 2017. In 2017 7 tranches of ongoing or new HPMPs were approved with UNEP as lead or co-implementing agency in Afghanistan, Bahamas, Burkina Faso, the Gambia, Myanmar, Togo and Serbia.
- 39) 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.
- 40) Cooperation with Bilateral Agencies: During 2017, UNIDO continued implementation of the ongoing bilateral projects.
- 41) Those bilateral projects under UNIDO's implementation, which have been ongoing or have been completed in 2017 are listed in the below table. The list is sorted in alphabetical order of the bilateral agencies. The list includes one HFC phase-down enabling activity project for Tunisia.

#	Bilateral Agency	Project Title	Country	Impact	Approved Funding (US\$)	Status
1	France	Strategy for disposal and destruction of ODS for five low-volume-consuming Central African countries (Burundi, Cameroon, Central African Republic, Congo and Guinea)	Regional Africa	-	80,000	COM
2	France	HCFC phase-out management plan (stage I, first tranche) (residential air-conditioning manufacturing sector plan)	Tunisia	0.40	97,690	ONG
3	France	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	Tunisia	0.50	38,000	ONG

#	Bilateral Agency	Project Title	Country	Impact	Approved Funding (US\$)	Status
4	France	HCFC phase-out management plan (stage I, second tranche) (residential air-conditioning manufacturing sector plan)	Tunisia	1.50	356,397	ONG
5	France	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	Regional Africa	-	450,645	COM
6	France	Demonstration project for disposal of unwanted ODS in Mexico - French contribution	Mexico	-	453,103	COM
7	France	Demonstration project for disposal of unwanted ODS	Mexico	-	500,000	COM
8	Italy	Phase-out of HCFC-22 in the room and unitary air-conditioning equipment manufacturing sector	Argentina	-	300,000	COM
9	Italy	HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector)	Argentina	2.90	250,000	ONG
10	Italy	HCFC phase-out management plan (stage II, first tranche) (foam sector)	Iran	7.10	403,203	ONG
11	Italy	HCFC phase-out management plan (stage II, first tranche) (reclamation of HCFC refrigerants)	Mexico	-	458,191	ONG
12	Italy	HCFC phase-out management plan (Stage II, first tranche)(RAC sector)	China	10.30	891,892	ONG
13	Italy	Enabling activities for HFC phase-down	Tunisia	-	75,000	ONG
14	Japan	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	Regional Africa	-	700,000	COM

#	Bilateral Agency	Project Title	Country	Impact	Approved Funding (US\$)	Status
15	Japan	Pilot demonstration project on ODS waste management and disposal	China	-	900,000	COM
16	Japan	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene panel at Al-Watania Plastics	Saudi Arabia	1.90	110,000	ONG
17	Russia	Development of a regional centre of excellence for training and certification and demonstration of low-global warming potential alternative refrigerants	Regional Europe	-	591,600	ONG
18	Spain	HCFC phase-out management plan (stage II, second tranche) (cleaning agent phase-out in refrigeration servicing sector)	Mexico	2.30	76,991	ONG
19	Spain	HCFC phase-out management plan (stage II, second tranche) (phase-out of HCFC-22 and HCFC-141b in solvent)	Mexico	-	700,000	ONG
20	Spain	HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	Mexico	-	280,000	ONG
21	Spain	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others (second tranche)	Libya	40.00	500,000	COM

Other issues

42) 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 2017, 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.
 - Due to security and/or political issues, UNIDO experienced delays in project implementation during 2017 in several countries.
- 43) UNIDO is regularly attending Regional Network Meetings and respective workshops providing additional support to our counterpart countries.
- 44) UNIDO also provides, when requested, support such as policy assistance, putting in place relevant legislation etc.
- 45) In June 2017, 75 participants from 55 countries accepted the invitation from UNIDO to join the Kigali Amendment - Vienna Talks.
The event brought together mostly representatives from National Ozone Units in Africa, Asia and Latin America, but also experts from academia and the private sector to share their insights. The Vienna Talks aimed to support Article 5 countries to better address the upcoming challenges but most importantly to grasp the immediate and longer term opportunities offered by the Kigali Amendment to the Montreal Protocol. Over three days of presentations, interactive panels and two dedicated workshops, participants expressed their main priorities in tackling the phase down of ozone depleting substances and high global warming potential HFCs, while at the same time also considering economic development, energy efficiency and safety.
- 46) UNIDO published the document "Ready, Steady, Go! Africa and the Kigali Amendment" with the support of the Government of Italy. The report summarizes current needs, concerns and challenges faced by African nations in making the Kigali Amendment a success. It also provides general guidance on the Amendment's major obligations deadlines and opportunities. Finally, the report suggests possible sets of activities to be adopted for a smooth and effective KA ratification, implementation and enforcement.
- 47) To celebrate the 30th anniversary of Montreal Protocol UNIDO organized, in collaboration with the Institute for Ecological Economics of the University of Economics in Vienna, the event #Ozoneheroes and reached out to more than 200 students by distributing brochures summarizing the key achievements of the Montreal Protocol and what actions are still to be taken in the future.

VII Tables and Annexes*

Table 1	Annual Summary
Table 2	Summary Data by Project Type
Table 3	ODP to be Phased out – By Region, Country and Sector – Ongoing Projects
Table 3a	ODP Phased out by Region, Country and Sector – Completed Projects
Table 3b	Partial ODP Phase out – By Sector, Region and Country
Table 4	Projects Completed since Last Report
Table 5	Cumulative Completed Demonstration, Investment and R&R Projects by Region, Sector and Implementation Characteristics
Table 6	Cumulative Completed Non-Investment Projects by Region, Sector, Type and Implementation Characteristics
Table 7	Cumulative Ongoing Demonstration, Investment and R&R Projects by Region, Sector and Implementation Characteristics
Table 8	Cumulative Ongoing Non-Investment Projects by Region, Sector, Type and Implementation Characteristics
Table 9	Active Project Preparation Accounts
Table 10	Completed Projects With Balances Returned to the Multilateral Fund During the Reporting Year
Annex I	Country Development Highlights
Annex II	Database
Annex IIa	HFC Database

* Worksheets in Excel file