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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-eighth Meeting
Montreal, 6-10 July 2009

PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2008

This document includes:

- The Comments and Recommendations of the Fund Secretariat
- The Bilateral Progress Reports of Australia, Canada, Finland, France, Germany, Italy, Japan, Spain, Sweden, Switzerland and United States of America (January-December 2008)

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

Comments

1. The following countries involved in bilateral cooperation activities submitted progress report databases: Australia, Canada, Finland, France, Germany, Italy, Japan, Spain, Sweden, Switzerland and United States of America. Canada and France also submitted progress report narratives (see Annexes I and II).
2. Progress reports have not been received from Israel and Portugal. However, data from their previous progress reports or inventories of approved projects are included in the summary table. Progress reports are the only vehicle for indicating the final closure of all funding accounts associated with projects approved by the Executive Committee for bilateral cooperation. The Executive Committee may wish to request that progress reports from Israel and Portugal be submitted to the 59th Meeting in light of the fact that the progress report of bilateral agencies is the only financial indication that all approved funds have been disbursed or that funds should be returned (plus interest as relevant).
3. Additional data from past progress reports for other countries previously involved in bilateral cooperation are also included in the database (covering data for the projects already reported as completed by Austria, Belgium, Czech Republic, Denmark, Hungary, Poland, Singapore, Slovak Republic, South Africa and United Kingdom). These data are included in the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/58/10).
4. Table 1 presents a summary of bilateral cooperation. Since the Fund's inception, over US \$116.8 million plus US \$10.1 million in support costs have been approved for bilateral activities. The table indicates that 79 per cent of bilateral activities have been completed. Although most bilateral projects are non-investment projects, bilateral agencies estimated that their projects will result in the total annual phase-out of 12,288 ODP tonnes once completed. Completed and ongoing bilateral projects have already resulted in the phase-out of 6,585 ODP tonnes. The rate of disbursement for bilateral activities is 75 per cent.

Table 1

ANNUAL SUMMARY OF BILATERAL COOPERATION

Year approved	Number of approvals*	Number completed	Percent completed	Consumption ODP to be phased out*	Consumption ODP phased out*	Percent of consumption ODP phased out	Approved funding plus adjustment (US\$)	Funds disbursed (US\$)	Percent of funds disbursed	Balance (US\$)	Estimated disbursement in current year (US\$)	Support costs approved (US\$)	Support cost adjustments (US\$)
1991	0	0	0%	0	0	0%	0	0	0%	0	0	0	0
1992	18	18	100%	0	0	0%	2,883,669	2,883,669	100%	0	0	0	0
1993	10	10	100%	0	0	0%	1,445,586	1,445,586	100%	0	0	0	0
1994	30	30	100%	347	243	70%	3,190,374	3,190,374	100%	0	0	0	0
1995	17	17	100%	483	296	61%	4,698,849	4,654,902	99%	43,947	0	0	0
1996	26	26	100%	251	209	83%	3,453,049	3,453,049	100%	0	0	0	0
1997	32	30	94%	154	29	19%	4,040,251	3,263,493	81%	776,758	400,000	0	1,500
1998	39	39	100%	41	23	56%	4,275,851	4,108,526	96%	167,325	0	0	0
1999	60	57	95%	734	386	53%	12,751,211	11,230,753	88%	1,520,458	675,785	1,038,298	-2,819
2000	29	29	100%	967	959	99%	4,808,878	4,808,946	100%	-68	0	543,836	-596
2001	37	32	86%	1,504	1,087	72%	7,623,009	7,400,021	97%	222,988	130,800	896,577	-27,582
2002	61	55	90%	1,097	798	73%	8,023,028	7,812,854	97%	210,174	158,218	917,984	1,004
2003	32	26	81%	245	315	129%	6,927,400	6,789,667	98%	137,733	100,980	743,181	58,605
2004	31	19	61%	329	121	37%	15,159,150	13,308,409	88%	1,850,741	1,636,747	1,599,058	-36,950
2005	29	13	45%	4,355	851	20%	19,320,469	5,979,824	31%	13,340,645	10,259,586	2,126,577	-84,193
2006	27	11	41%	842	825	98%	7,276,530	5,003,146	69%	2,273,384	1,154,798	902,173	-910
2007	14	1	7%	300	275	92%	3,229,021	1,360,433	42%	1,868,588	1,447,629	439,452	0
2008	33	0	0%	640	166	26%	7,714,818	701,308	9%	7,013,510	2,918,497	941,083	0
Total	525	413	79%	12,288	6,585	54%	116,821,143	87,394,960	75%	29,426,183	18,883,040	10,148,219	-91,941

*Excludes Closed and Transferred Projects but includes project preparation

Implementation delays

5. There are nine bilateral cooperation projects with implementation delays. According to the procedures for project cancellation (decision 26/2), a report on the projects with implementation delays should be provided to the 59th Meeting to determine if there has been any progress towards removing the impediments causing the delays. Table 2 presents, by bilateral agency, those projects with implementation delays for which updated reports will be required for the 59th Meeting.

Table 2

PROJECTS WITH IMPLEMENTATION DELAYS

Agency	Code	Project title	Category of delays
Australia	ASP/SEV/50/TAS/52	Additional support for the regional strategy for 11 Article 5 countries in the Pacific (PIC strategy)	12 & 18 month delay
Canada	JAM/FUM/47/TAS/22	Technical assistance to phase-out the use of methyl bromide	12 & 18 month delay
Canada	LAC/SEV/51/TAS/38	Latin American Customs Enforcement Network: Preventing illegal trade of ODS	12 & 18 month delay
Italy	DRC/SOL/51/INV/25	Umbrella project for terminal phase-out of ODS in the solvent sector (first phase)	12 & 18 month delay
Japan	NIR/SEV/38/TAS/104	Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol	12 month
Japan	SRL/PHA/43/TAS/26	National compliance action plan: incentive programme for commercial and industrial refrigeration end-users	18 months delay
Japan	SRL/PHA/43/TAS/27	National compliance action plan: MAC recovery/recycling and retrofit	12 month
Japan	SRL/PHA/43/TAS/28	National compliance action plan: recovery and recycling programme	12 month
Spain	BRA/FUM/46/INV/272	Total phase-out of MB used in tobacco, flowers, ornamental plants, strawberries and other uses	12 & 18 month delay

Highlights from bilateral activities

6. Out of the 112 ongoing bilateral projects there are, 47 investment projects, 47 technical assistance, 11 project preparation activities, three demonstration activities, two training, and two institutional strengthening activities. Bilateral agencies are involved in 43 Multi Year Agreements (MYAs).

Australia

7. Australia is currently implementing five projects for four Pacific Island countries (Federated State of Micronesia, Tonga, Tuvalu, and Vanuatu) including the Pacific Island Countries (PIC) strategy technical assistance projects (ASP/SEV/50/TAS/52) approved at the 50th Meeting. Ongoing Australian bilateral projects are expected to result in the phase-out of 0.6 ODP tonnes when completed. Australia has completed 31 additional projects and cancelled one.

8. Decision XVIII/35 of the 18th Meeting of the Parties requests those concerned to report to the Implementation Committee on the establishment of a licensing system. In this regard, the Government of Australia reported on the following PIC countries: Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Australia had previously reported to the Fund Secretariat that licensing systems had been established for Niue, Kiribati, Palau, Samoa and Solomon Islands. In addition, the Government of Australia reported that in Tuvalu the ODS Act had been passed in June 2008 and regulations were being finalized, and in the Federated States of Micronesia it reported that regulations have been passed by one of the three branches of Government.

9. Only Tonga and Vanuatu do not have relevant import and export controls in place. The proposed regulations in Tonga (TON/REF/361/TAS/01) have been passed by the Law Committee and are before the Cabinet but have not yet been considered by the Parliament.

10. With respect to the project in Vanuatu (VAN/REF/36/TAS/02), the Government of Australia reported that progress in drafting the regulations had been stalled and that the customs training workshop had not been held. The Executive Committee may consider requesting the Chairman to write to the Government of Vanuatu urging the completion of legislation thereby enabling the training of customs officers to facilitate compliance with the Montreal Protocol. The Executive Committee may wish to request additional status reports be submitted to the 59th Meeting on the technical assistance projects in Tonga and Vanuatu.

Project with implementation delays

11. The project for the Additional support for the regional strategy for 11 Article 5 countries in the Pacific (PIC strategy) (ASP/SEV/50/TAS/52) has been classified as a project with implementation delays.

Canada

12. Annex I contains Canada's progress report narrative. Canada is implementing 15 bilateral projects, most of which are associated with CFC or ODS phase-out plans. Ongoing Canadian bilateral projects are expected to result in the phase-out of 116.1 ODP tonnes when completed. It has completed 64 projects, transferred two projects, and cancelled one.

13. Canada is implementing seven MYAs, which include: CFC phase-out plans in Bolivia, Burkina Faso, Chile, Saint Lucia, and Uruguay, Cuba; and a methyl bromide plan in Mexico. There have been delays in the projects in Cuba, Mexico, and Saint Lucia.

14. The delay associated with the Canadian component of the project in Cuba (CUB/PHA/45/INV/32) related to the time it took to receive feedback on equipment specifications and the determination to spread out awareness-raising activities instead of conducting them at one time.

15. The delay in Mexico's national methyl bromide phase-out plan is related to the need to complete the technical assistance programme (MEX/FUM/42/TAS/122). However, the plan is expected to begin implementation in the middle of 2009.

16. The delay in the Saint Lucia TPMP (STL/PHA/52/INV/12) was due mainly to the length of time taken to identify informal technicians and convince them to attend the workshop. There have also been delays in ozone regulations and in the creation of the technician association. However, these delays should not impact on compliance as most of the project activities will have been completed by the end of 2009 and Saint Lucia has a functional ODS import licensing system in place.

17. The Executive Committee may wish to request additional status reports on the MYAs in Cuba, Mexico and Saint Lucia to be submitted to the 59th Meeting.

Projects with implementation delays

18. The following two Canadian bilateral projects have been classified as projects with implementation delays: Technical assistance to phase-out the use of methyl bromide in Jamaica (JAM/FUM/47/TAS/22) and the Latin American Customs Enforcement Network: Preventing illegal trade of ODS (LAC/SEV/51/TAS/38).

Finland

19. Finland completed its final project in December 2008 which was Implementation of the RMP: monitoring and evaluation of the RMP in Panama. In total, Finland has completed five projects and transferred one project. Two of the five completed projects have been financially completed. There were

still balances for three completed projects. Progress reports are required until all projects are financially completed.

France

20. Annex II contains France's progress report narrative. France is implementing 24 bilateral projects. It has reported 67 completed projects, three transferred projects, and eight cancelled projects. Ongoing projects include nine investment projects, 11 technical assistance projects, two training projects, one project preparation, and one demonstration project. France has ongoing projects that should result in the phase out of 1,700.9 ODP tonnes, when completed.

Multi-year agreements

21. France is implementing seven MYA agreements including: CFC phase-out projects in Central African Republic, Kenya, Lao DPR, and Seychelles; ODS phase-out plan in Uganda; a CTC phase-out plan in India; and a CFC sector plan for MACs and recovery and recycling in the Islamic Republic of Iran. All MYAs seem to be progressing with the exception of delays in Kenya and Seychelles.

22. With respect to the 14-month delay for the CFC phase-out plan in Kenya (KEN/PHA/44/INV/37), the Government of France indicated that the delay would have no effect on compliance because the slow implementation had been due to internal problems with respect to the release of funds to the National Ozone Unit (NOU) for conducting activities, and this issue was being settled through discussions among all concerned parties.

23. Concerning the delay with respect to the CFC phase-out plan in Seychelles (SEY/PHA/55/INV/12), the Government of France also indicated that the delay should have no effect on compliance because it was due to ongoing discussions to determine which activities would be most appropriate to pursue, given that Seychelles has recorded zero CFC imports for some years. An agreement on some activities has been reached and the tranche should be completed in 2009.

24. The Executive Committee may wish to request status reports be submitted to the 59th Meeting on the MYA projects in Kenya and Seychelles.

Possible overrun

25. France's Technical assistance for cold storage equipment (training and demonstration project) in Morocco (MOR/REF/32/TAS/42) has an overrun of US \$68 and US \$3 in support costs. The Government of France has indicated that it would accept the overrun, but it has not adjusted the financial information on its project accordingly. Decision 17/22 prevents any overruns with Fund resources. Similarly, the project for the Conversion to ODS-free technology at Dorcharkh Company in the Islamic Republic of Iran (IRA/SOL/28/INV/48) has a possible overrun amounting to US \$4,285. The Government of France indicated that this was "done in order to reflect what was written in the text of the project financial agreement". The Executive Committee may wish to note that overruns are not allowed and request the Government of France to adjust the accounting in its next progress report to reflect the Committee's longstanding decision.

Projects not subject to monitoring through procedures for implementation delays

26. The following RMP projects are expected to be completed in 2009 according to planned completion dates: Ethiopia, Lao PDR, Lebanon, Madagascar, Morocco, and the United Republic of Tanzania. The Secretariat asked if the delays in the implementation of these RMPs would have a negative impact on compliance with the 1 January 2010 phase-out. The Government of France advised that the delays in the RMPs in Lao PDR (LAO/REF/34/TRA/03&04 and LAO/REF/34/TAS/06) and Lebanon (LEB/REF/23/TAS/21) would not have an impact on potential compliance. However, it noted that that

the delay in the approval of regulations had prevented the completion of the RMP project in Ethiopia (ETH/REF/44/TAS/14) and the subsequent submission of the TPMP. With respect to the RMP update activity in United Republic of Tanzania (URT/REF/46/TAS/18), the Government of France indicated that it was being used for training for monitoring and enforcement but that it had been agreed that if no more activities were to be conducted under the project it would be closed and remaining funds returned. With respect to the ODS recycling network in Morocco (MOR/REF/23/TAS/17), the Government of France reported that the project has encountered implementation difficulties as no institution has agreed to host the R&R center and that a risk exists that the country may not be in compliance if the project is not implemented. The Executive Committee may wish to request additional status reports to be submitted to the 59th Meeting for the RMPs in Ethiopia and United Republic of Tanzania and for the ODS recycling network in Morocco.

Germany

27. Germany is implementing 33 bilateral projects. In addition, it has completed 142, transferred three, and cancelled four. Ongoing projects include 13 investment projects, nine technical assistance projects, eight project preparation requests, two institutional strengthening projects, and one demonstration project. The ongoing projects should result in the phase out of 912.8 ODP tonnes when completed.

Multi-year agreements

28. Germany is implementing 13 MYAs including: CFC phase-out plans in Brazil, Lesotho, Namibia, Papua New Guinea, and Zimbabwe; CFC sector plans for the refrigeration sector in India and for the Foam and MAC sectors in the Islamic Republic of Iran; ODS phase-out plans in Afghanistan, Cuba, and Mauritius; methyl bromide phase-out plans in Kenya and Yemen; and a CTC phase-out plan in India. Most of these MYAs are progressing.

29. The delays in the CFC phase-out plans in Lesotho, Namibia, and Papua New Guinea and the ODS phase-out plan in Mauritius have been resolved and the Government of Germany reported progress for these MYAs.

30. In the case of the CFC Phase-out plan (Foam, MAC Training, Management) in the Islamic Republic of Iran (IRA/PHA/51/INV/181 and IRA/PHA/54/INV/186), delays have been due to lengthy procedures associated with the tender process and difficulties in the bidding process during which one foam company refused the technical bid forcing the tender process to be re-started. However, Germany reported that there would be no negative impact on compliance as the companies would be converted during next implementation phase. The Executive Committee may wish to request an additional status report to be submitted to the 59th Meeting on the CFC phase-out plan for Foam, MAC training and Management in the Islamic Republic of Iran.

HPMP preparation

31. Planned completion dates have been moved back with respect to several projects for the preparation of HPMPs that are being implemented by Germany. These include project preparation in Bolivia (BOL/PHA/55/PRP/31), Brazil (BRA/PHA/55/PRP/282), People's Republic of China (CPR/PHA/55/PRP/469), India (IND/PHA/56/PRP/426), the Islamic Republic of Iran (IRA/PHA/56/PRP/190), Mauritius (MAR/PHA/55/PRP/20), and Namibia (NAM/PHA/55/PRP/14).

32. In its report to the Secretariat the Government of Germany noted that delays were due to preliminary discussions and planning with respect to project implementation, and obtaining signatures on project documents, which took longer than expected. In all cases, except for Mauritius, work is underway, but in all countries disbursements have already been made and/or are planned during 2009. With respect to Mauritius, the Government of Germany reported that progress had been slow as the planning stage

involved developing a questionnaire and awaiting a decision by the government to employ the NOU staff to conduct the survey. However, it indicated that the survey would begin in May 2009. The date of completion has been moved from July 2009 to December 2009.

33. Project preparation for the HPMP in India (IND/PHA/56/PRP/426) has been delayed from November 2009 to July 2010. The Government of Germany reported that a representative survey in the servicing sector (as per the original plan submitted to the 55th and 56th Meetings of the Executive Committee) could not be undertaken as the cost of such a survey was higher than the allocated budget for Germany under the HPMP preparation. It reported that UNDP, as the lead implementing agency, would undertake a more general survey in the county. It also advised that data on the servicing sector would be collected during stakeholder consultations with manufacturers, industry associations and selected servicing enterprises and that legislation and regulatory aspects would be taken into account during the stakeholder consultations. The Executive Committee may wish to request an additional status report to be submitted to the 59th Meeting on the project preparation for the HPMP in India and Mauritius.

Projects not subject to monitoring through procedures for implementation delays

RMP activities

34. Germany is still implementing RMP projects in the following six countries: Angola, Botswana, Lesotho, Liberia, Swaziland, and Zambia. All of these are reported to be progressing although there have been implementation delays in Swaziland and Zambia. In the case of the implementation of the RMP update in Swaziland (SWA/REF/41/TAS/08), the Government of Germany reported that although activities had been conducted in 2008, there was no ozone officer and work had come to a standstill. However, it indicated that it does not believe that this will impact compliance because Swaziland has the necessary regulations to control imports. In the case of the RMP update for the refrigeration and air conditioning sector in Zambia (ZAM/REF/42/TAS/13), the Government of Germany advised that there had been no progress as the focus in Zambia had been on the development of the TPMP, however, any risk of non-compliance associated with the delay in this RMP is not expected. The Executive Committee may wish to request additional status reports to be submitted to the 59th Meeting on the RMPs in Swaziland and Zambia.

Halon banking projects

35. Germany is implementing the regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, the United Republic of Tanzania and Zimbabwe) (AFR/HAL/35/TAS/29). The Government of Germany reported that the regional recycling centre in South Africa is functioning, and stored halons from South Africa's halon bank are being recycled. Additionally, it reported that the Zimbabwe Power Company had undertaken a tender process but that no local company qualified and the tendering information had been passed on to Namibian companies. It was hoped that Zimbabwe would decommission all halons during the first half of 2009. Botswana is also tendering for their halon conversion and Lesotho is decommissioning the last remaining halons through an incentive scheme. Namibia has already decommissioned stored halons, which will be transported to South Africa. Kenya, Ethiopia, and the United Republic of Tanzania had not responded to repeated requests for information. The project is expected to be completed in December 2009. The Executive Committee may wish to request an additional status report be submitted to the 59th Meeting on the regional halon bank with respect to the status of halon decommissioning in Kenya, Ethiopia and the United Republic of Tanzania.

Italy

36. Italy is implementing nine ongoing projects; all of which are investment projects that will phase out 796.4 ODP tonnes when completed. Italy has completed seven projects. It is implementing the following five MYAs: CFC phase-out plan in Senegal; a domestic refrigeration sector plan in China; and

methyl bromide phase-out plans in China, Mexico and Morocco. The CFC phase-out plan in Senegal and the methyl bromide project in China are progressing.

37. No funds have been reported as disbursed for either the methyl bromide project in Mexico (MEX/FUM/54/INV/137) approved in April 2008 or for the project in Morocco, which was approved in November 2008 (MOR/FUM/56/INV/62). Under the project in Mexico, agreements with the farmers have been signed and terms of reference have been prepared for five greenhouses. Bidding has been completed and the delivery of the first two greenhouses was expected before June 2009. Levels of consumption in 2008 were reported to have been lower than stipulated by the agreement.

38. The lack of disbursement for the methyl bromide project in Morocco is due primarily to the fact that it had been approved only one month before the end of the reporting period for this progress report. Nevertheless, the Government of Italy advised that the 2009 and 2010 action plans had been agreed during a mission to the project site and in a stakeholders meeting. The national institution responsible for project implementation has been selected and the contract is being finalized. The Executive Committee may wish to request additional status reports be submitted to the 59th Meeting for the methyl bromide projects in Mexico and Morocco.

Project with implementation delays

39. The Umbrella project for terminal phase-out of ODS in the solvent sector in Congo DR (DRC/SOL/51/INV/25) has been classified as a project with implementation delays.

Japan

40. Japan is implementing 12 ongoing projects including five investment projects, five technical assistance projects, one project preparation and one demonstration project. Ongoing projects will phase out 1,056.8 ODP tonnes when completed. Japan has completed 16 projects, and is implementing three MYAs including the CTC phase-out plan in India, a CFC refrigeration sector plan in China, and a CFC phase-out plan in Mongolia. All of these MYAs appear to be progressing.

Projects with implementation delays

41. Four Japanese bilateral projects have been classified as projects with implementation delays. These include Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol in Nigeria (NIR/SEV/38/TAS/104). They also include the following three projects in Sri Lanka: National compliance action plan: incentive programme for commercial and industrial refrigeration end-users (SRL/PHA/43/TAS/26), National compliance action plan: MAC recovery/recycling and retrofit (SRL/PHA/43/TAS/27), and National compliance action plan: recovery and recycling programme (SRL/PHA/43/TAS/28).

Possible overrun

42. There appears to be an overrun in Japan's project to develop a strategy for the refrigeration servicing sector in China (CPR/REF/31/TAS/359). After taking into account a previous return from Japan of US \$179, the Government of Japan indicated that it had nevertheless disbursed the unadjusted value approved for the project. The Secretariat asked the Government of Japan to address the issue, but a response has not been received. Overruns are not allowed pursuant to decision 17/22 and the Executive Committee may wish to note this fact in requesting Japan to adjust the accounting in its next progress report to reflect the Committee's longstanding decision.

Spain

43. Spain is implementing three individual MB bilateral projects, including one investment project in Brazil and two technical assistance projects – one as a regional project, which includes Argentina and Uruguay (LAC/FUM/54/TAS/40), and the other in Paraguay (PAR/FUM/47/TAS/15). The project in Brazil (BRA/FUM/46/INV/272) will phase out 65 ODP tonnes when implemented. The MB technical assistance project in Mexico (MEX/FUM/42/TAS/118) was completed in 2008. The project in Paraguay has been operationally completed and the project in Brazil has been almost completed. With respect to the regional project, the Government of Spain reported that trials with new chemicals are underway in Uruguay and will begin soon in Argentina.

44. Spain is implementing one MYA for the methyl bromide sector in Libya Arab Jamahiriya (LIB/FUM/56/INV/30) that was approved in November 2008. This tranche will phase out 55 ODP tonnes when implemented. Spain intends to release the full project funding to UNIDO to initiate the project in 2009.

Project with implementation delays

45. The project for the Total phase-out of MB used in tobacco, flowers, ornamental plants, strawberries and other uses in Brazil (BRA/FUM/46/INV/272) has been classified as a project with implementation delays.

Sweden

46. Sweden is implementing six ongoing projects, all of which are technical assistance projects. These are: three annual tranches of the national CFC phase-out plan in the Philippines, one tranche of the national CFC phase-out plan in Romania, one halon banking project in Thailand and one tranche of the national CFC phase-out plan in Serbia. Sweden's halon banking project has a phase-out associated with it amounting to 135.9 ODP tonnes when completed.

Multi-year agreements

47. Sweden is implementing three MYAs covering national CFC phase-out plans in the Philippines, Romania and Serbia. Concerning the phase-out plan in Romania, the Government of Sweden has reported substantial progress. Although there had been some delays, the work to establish a reclamation scheme and work on training continues. However, there have been continued implementation delays in the Philippines and Serbia.

48. The Government of Sweden reported that in the Philippines (PHI/PHA/44/TAS/77) ground-breaking on the reclamation site had been conducted in 2007. However, difficulties in the bidding process have delayed the procurement of one of the two major pieces of equipment for the reclamation facility. In 2007 the Government of Sweden also reported that a third-party audit would be conducted to verify the extent to which the guidelines and procedures had been adhered to under the voucher scheme and how service shops fared with the equipment (use, performance, maintenance, and compliance with regulations and policies). In 2008, the audit determined that the reclamation facility to reclaim refrigerants for reuse was not technically and financially viable given the low levels of refrigerants being recovered and the fact that they were contaminated. As a result, the project is exploring a business model for an alternative to the original reclamation scheme whereby refrigerants would be recovered from shops and transferred into a storage tank using an industrial grade R&R machine. The cylinders would then be returned to the shops to allow for the continued recovery of refrigerants. Exploratory meetings with treatment, storage and disposal facilities would be conducted in 2009 to explore this model if the Philippine Association of Refrigerant Importers, Inc. (PARII), the original partner in the reclamation scheme, were to decide not to participate in an alternative scheme. The Government of Sweden indicated that different options are under consideration and data including projected operating costs and the

estimated levels of refrigerant that can be recovered is being collected by the Government of the Philippines. The Government of Sweden reported further that the World Bank would then develop a business model to help PARI determine whether it would be financially viable and profitable to venture into this type of activity.

49. With respect to Serbia's NCPP, implementation began with UNIDO as Lead Agency and Sweden as Cooperating Agency. In 2006 the Swedish Government decided to cease the bilateral window and, since then, UNIDO has been the sole implementing agency with Sweden supporting only through the already contracted Swedish consultants. The project has been severely delayed partly due to the difficulties in making the project management unit operational but also due to the split with Montenegro. A frequent change of staff at the NOU has caused further delays. A new NOU manager was assigned as of December 2008 who, along with the assistant, has been drafting the terms of reference for the PMU. The project is expected to be delayed by four months with a completion projected in March 2010.

50. The Executive Committee may wish to request additional status reports be submitted to the 59th Meeting on the MYAs in Philippines (PHI/PHA/44/TAS/77) and Serbia (YUG/PHA/43/TAS/22).

Switzerland

51. Switzerland is implementing one MYA in cooperation with the lead agency, Germany, for the CFC phase-out plan for the refrigeration servicing sector in India. Under this project, US \$70,593 has been disbursed of the US \$81,141 approved for the project.

United States of America

52. The United States of America is implementing one MYA investment project for CFCs, CTC and halon accelerated phase-out-plan in China. This project is planned to be completed by December 2009 and all funds are expected to be disbursed by the end of 2009.

RECOMMENDATION

53. The Executive Committee may wish to:

- (a) Note with appreciation the progress reports submitted by the Governments of Australia, Canada, , France, Germany, Italy, Japan, Spain, Sweden, Switzerland, and the United States of America as contained in UNEP/OzL.Pro/ExCom/58/11;
- (b) Request the Governments of Israel and Portugal to provide their progress reports to the 59th Meeting of the Executive Committee;
- (c) Request the Governments of Australia, Canada, Italy, Japan, and Spain to provide reports on the projects with implementation delays to the 59th Meeting of the Executive Committee as shown in Table 2 of the current document;
- (d) Request additional status reports on the following projects:
 - (i) The PIC strategy for Tonga (TON/REF/361/TAS/01) under Australian implementation;
 - (ii) The PIC strategy for Vanuatu (VAN/REF/36/TAS/02) under Australian implementation;
 - (iii) The ODS phase-out plan in Cuba under Canadian implementation; (CUB/PHA/45/INV/32);

- (iv) The methyl bromide phase-out plan in Mexico under Canadian implementation; (MEX/FUM/42/TAS/122);
 - (v) The CFC phase-out plan in Saint Lucia under Canadian implementation; (STL/PHA/52/INV/12);
 - (vi) The CFC phase-out plan in Kenya (KEN/PHA/44/INV/37) under French implementation;
 - (vii) The CFC phase-out plan in Seychelles (SEY/PHA/51/INV/12) under French implementation;
 - (viii) The RMP project in Ethiopia (ETH/REF/44/TAS/14) under French implementation;
 - (ix) The RMP project in the United Republic of Tanzania (URT/REF/46/TAS/18) under French implementation;
 - (x) The ODS recycling network in Morocco (MOR/REF/23/TAS/17) under French implementation;
 - (xi) CFC phase-out plan for the Foam, MAC training and Management in the Islamic Republic of Iran under German implementation; (IRA/PHA/51/INV/181 and IRA/PHA/54/INV/186);
 - (xii) HPMP preparation in Mauritius (MAR/PHA/55/PRP/20) under German implementation;
 - (xiii) HPMP preparation in India (IND/PHA/56/PRP/426) under German implementation;
 - (xiv) The RMP update in Swaziland (SWA/REF/41/TAS/08) under German implementation;
 - (xv) The RMP update for the refrigeration and air conditioning sector in Zambia (ZAM/REF/42/TAS/13) under German implementation;
 - (xvi) The Eastern and Southern African countries regional halon bank (AFR/HAL/35/TAS/29) with respect to the status of halon decommissioning in Kenya, Ethiopia and the United Republic of Tanzania under German implementation;
 - (xvii) The methyl bromide project in Mexico (MEX/FUM/54/INV/137) under Italian implementation;
 - (xviii) The methyl bromide project in Morocco (MOR/FUM/56/INV/62) under Italian implementation;
 - (xix) CFC phase-out plan in Philippines (PHI/PHA/44/TAS/77) under Swedish implementation; and
 - (xx) CFC phase-out plan in Serbia (YUG/PHA/43/TAS/22) under Swedish implementation.
- (e) Request the Chairman of the Executive Committee to write to the Government of

Vanuatu urging the completion of legislation thereby enabling the training of customs officers to facilitate compliance with the Montreal Protocol with respect to the PIC strategy in Vanuatu (VAN/REF/36/TAS/02); and

- (f) Note that since decision 17/22, no overruns have been allowed for Fund supported activities and, in the light of that decision, request that the Governments of France and Japan should adjust the accounting in their next progress report to the Executive Committee to address the rule of no overruns.

Annex I

PROGRESS REPORT OF CANADA

2008 Status on Canada's Bilateral Activities

I. Project Approvals and Disbursements

A. Annual Summary Data

As of December 31st 2008, the Executive Committee has approved 82 activities as bilateral contribution from the Government of Canada to the Multilateral Fund. Of the \$9,400,968 approved as bilateral contributions from Canada, US \$ 8,218,785 has been disbursed. Bilateral contributions on an annual basis are as follows:

Year	Amount*
1993	\$649,500
1994	\$536,270
1995	\$50,000
1996	\$761,685
1997	\$853,950
1998	\$548,710
1999	\$727,040
2000	\$917,251
2001	\$878,582
2002	\$525,450
2003	\$412,959
2004	\$682,825
2005	\$177,259
2006	\$399,455
2007	\$322,050
2008	\$957,982
TOTAL	\$9,400,968

*Adjusted for the return of unutilized funds

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

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

Type	Number of Projects	Amount Approved (US dollars)*
Country Programmes		
Demonstration Projects	4	\$562,000
Institutional Strengthening		
Investment Projects	8	\$1,246,132
Project Preparation	8	\$165,100
Technical Assistance	39	\$5,482,805
Training	23	\$1,944,931
TOTAL	82	\$9,400,968

*Adjusted for the return of unutilised funds

II. Project Completions Since Last Report

Since the last progress report, Canada completed 6 projects.

III. Global and Regional Project Highlights

Canada is implementing one regional project, in collaboration with UNEP, the project, Latin American Customs Enforcement Network: Preventing illegal trade of ODS. Implementation of this project essentially started in 2008, based on a work plan agreed to by the participating countries of the region in 2007. The principal elements of this work plan include the following:

- Conducting an analysis of the control of ODS trade in the region, including reviewing the licensing systems of participating countries, identifying gaps in those systems, recommending areas for improvements and identifying communications and/or enforcement tools which can be adopted at the national and/or regional levels to combat illegal trade;
- Fostering regional cooperation in addressing the control of ODS trade through an informal network of customs authorities focal points to share information, and identify approaches and tools to combat illegal trade within the region;
- Based on the analysis and discussions of the informal network indicated above, initiate the implementation of the national and/or regional tools identified.

In 2008, a consultant was contracted, through Canada's contribution to the project, to conduct the analysis referred to above and a draft report was submitted by this consultant in April 2009.

In addition, through UNEP's contribution to the project, a regional workshop of ozone officers and customs focal points from each participating country took place, back-to-back with a regional network meeting for the Latin America and Caribbean region. The workshop represented the first time that National Ozone Units and Customs authorities from almost all countries in Latin America were brought together to discuss the issue of control of ODS trade. The workshop helped to foster trust and communication among customs focal points, identified strengths, weaknesses, risks and opportunities for reaching a better effectiveness of the national and/or regional controls, considered useful tools and implementing processes for the control and prevention of illegal ODS trade, compared opportunities to leverage existing domestic and regional initiatives, and discussed the pros and cons of harmonizing ODS tariff codes.

IV. Completed and On-going Projects

Of the 85 activities approved to date, 64 have been completed, one was closed, 2 have been transferred to other agencies and the remaining 19 are on-going.

V. Status of Project preparation, by country

n/a

VI. Administrative Issues (Adjustments and Other Issues)

n/a

Annex II

PROGRESS REPORT OF FRANCE

SECRETARIAT DU FONDS FRANÇAIS POUR L'ENVIRONNEMENT MONDIAL**SUMMARY NARRATIVE OF FRANCE PROGRESS REPORT 2008**

The annual progress report relates to projects implemented through the French bilateral contribution to the Multilateral Fund. It comprises a summary narrative report and an Excel database sent separately and referred to as Annex 2.

France's bilateral programme is monitored by the FFEM Secretariat on behalf of the Ministry of Economy, Industry and Employment, General Directorate of the Treasury and Economic Policy (Direction générale du Trésor et de la politique économique, DGTPE). Some activities are implemented through other agencies, such as GTZ and UNIDO for example.

The EU was led by the French presidency during the second half of 2008 when the Multilateral Fund replenishment negotiations occurred. This reduced the time usually taken up by project monitoring.

The FFEM Secretariat finalised the project database maintenance in 2008 and organized the return of completed projects' balances to the Fund and the transfer one project to UNIDO, as previously mentioned in the 2007 progress report. The detail values are found under VI.C. Adjustments.

I. Project Approvals and Disbursements:**A. Annual Summary Data:**

From 1994 until 31 December 2008, the Executive Committee approved 102 projects as French bilateral contribution to the Multilateral Fund.

In 2008, the Executive Committee approved five new activities. They correspond to tranches of the Terminal Phase out Management Plans (TPMPs) of Kenya, Lao PDR, Central African Republic, the Seychelles and Uganda.

Since 1994, the Executive Committee approved a total of US\$ 13.3 million of activities financed through France's bi-lateral programme, adjustments made until the end of 2008 included.

The annual values are the following:

Year	Approved funding plus Adjustments
1994	\$ 220 767
1995	\$ 120 000
1996	\$ 944 662
1997	\$ 1 642 481
1998	\$ 452 190
1999	\$ 2 581 776
2000	\$ 246 837
2001	\$ 474 593
2002	\$ 13 364
2003	\$ 1 006 620
2004	\$ 1 567 045
2005	\$ 1 697 752
2006	\$ 940 000
2007	\$ 725 000
2008	\$ 746 000
Total	\$ 13 379 087

US\$ 8 533 354 have been disbursed at the end of 2008, or **64 %** of the Adjusted approved amounts.

Support costs are not reflected. A budget was approved as such for France since July 1999.

B. Summary of Data by Project Type (CPG, DEM, INS, INV, PRP, TAS, TRA)

France has typically carried out mainly investment and technical assistance activities. The break down of all 102 bilateral is the following:

PROJECT TYPE	Number of Activities	Approved Funding plus Adjustments (US\$)	%
Preparation (PRP)	17	\$ 399 531	2,99%
Country programme (CPG)	4	\$ 129 287	0,97%
Institutional Strengthening (INS)	1	\$ 25 983	0,19%
Demonstration (DEM°)	1	\$ 360 000	2,69%
Investment (INV)	31	\$ 7 871 750	58,84%
Technical assistance (TAS)	33	\$ 3 638 269	27,19%
Training (TRA)	15	\$ 954 267	7,13%
TOTAL	102	\$ 13 379 087	

II. Project Completions since Last Report

The following projects have been completed in 2008:

AFR/MOR/FUM/29/INV/37	Phase-out of methyl bromide use in the cut flower and banana production
ASP/IND/PHA/42/INV/374	CTC phase-out plan for the consumption and production sectors: 2004 work programme
AFR/UGA/PHA/50/PRP/12	Project preparation for a terminal ODS phase-out management plan

The following projects were financially completed with their balances returned to the Multilateral Fund:

ASP/IRA/REF/23/TAS/31	Set up of a national programme of recovery and recycling CFC-12 (pilot project in Tehran)
ASP/ SYR/REF/29/INV/54	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Bashar Refrigerators
AFR/ MAU/SEV/13/CPG/01	Country programme preparation

The following project was transferred:

AFR/IVC/REF/37/INV/17	ODS phase out in 50 existing centrifugal chillers units
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The following projects were cancelled and their balances returned to the Multilateral Fund:

AFR/IVC/REF/37/PRP/15	Project preparation for projects in commercial refrigeration production facilities
AFR/IVC/REF/37/TAS/16	Implementation of the refrigerant management plan: monitoring the activities of the RMP and set up of an import/export licensing system
AFR/IVC/REF/24/TAS/10	Implementation of the RMP
AFR/CAF/REF/34/TAS/10	Implementation of the RMP: development and implementation of a tax/incentive programme
AFR/CAF/REF/34/TRA/11	Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs
AFR/CAF/REF/34/TRA/08	Implementation of the RMP: training programme for customs officers
AFR/CAF/REF/34/TRA/09	Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector

IV. Performance Indicators (INV, TAS and TRA):

Project preparation, country programs and institutional strengthening projects are not taken into account by the performance indicators. Since 1994, the Executive committee approved 22 of them, which corresponds to 22% of France's portfolio.

In total, 80 projects comprise demonstration, investment, technical assistance and training activities. Their status is the following:

	CLOsed	COMpleted	FINancially completed	ONGoing	TRF (transferred)
Demonstration (DEM°	0	0	0	1	0
Investment (INV)	2	5	13	9	2
Technical assistance (TAS)	3	2	16	11	1
Training (TRA)	3	0	10	2	0
TOTAL	8	7	39	23	3

V. Status of Agreements and Project Preparation by country:

Of the 17 project preparations approved by the Executive Committee since 1994, 15 are financially completed, one is ongoing (Ethiopia TPMP preparation approved in March 2007) and one was recently completed (Uganda TPMP preparation approved in Nov 2006).

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

The financial agreement concerning the R&R project in Lebanon was signed in January after a few years of negotiation between the Lebanese Ministry and AFD.

A. Meetings Attended

The FFEM Secretariat represented France in the three Executive Committee meetings held in Canada (April), Thailand (July) and Qatar (November).

We also attended a thematic meeting for West African ozone officers in Cameroon (May), the ODSNET Africa meeting in Benin and the UNEP CAP Advisory Group Meeting in Paris, both held in September.

B. Co-operation

France has an on-going co-operation with Germany, by means of which GTZ implements projects on behalf of the FFEM Secretariat. Three financial agreements were signed with GTZ in 2008 concerning the TPMPs of Kenya and the Seychelles.

Regarding the “Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan) (AFR/REF/48/DEM/36) implemented by UNIDO on behalf of France, the financial agreement between AFD and UNIDO was signed in August after quite long negotiations on legal concepts and terminology. The second agreement concerning the FFEM financial contribution to the project should be signed early 2009.

Besides this project France also implements a few projects in cooperation with UNEP.

C. Adjustments

AFD on behalf of the French GEF Secretariat transferred the amount of 1 227 939.28 € (one million two hundred and twenty seven thousand nine hundred and thirty nine euros and twenty eight cents) to the Multilateral Fund’s account as return of bilateral project balances and one project transfer. The 2006-2008 fix exchange rate was applied.

As a consequence, the following adjustments have been made:

Project Reference	Project title	Adjustment of approved funding	Adjustment of Support costs
AFR/IVC/REF/37/INV/17	ODS phase out in 50 existing centrifugal chillers units	\$ -1 000 000,00	\$ -100 000,00
ASP/IRA/REF/23/TAS/31	Set up of a national programme of recovery and recycling CFC-12 (pilot project in Tehran)	\$ -103 155,00	\$ -
AFR/IVC/REF/37/PRP/15	Project preparation for projects in commercial refrigeration production facilities	\$ -1 636,00	\$ -
ASP/SYR/REF/29/INV/54	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Bashar Refrigerators	\$ -1 615,00	\$ -81,00
AFR/MAU/SEV/13/CPG/01	Country programme preparation	\$ -1 649,00	\$ -
AFR/IVC/REF/37/TAS/16	Implementation of the refrigerant management plan: monitoring the activities of the RMP and set up of an import/export licensing system	\$ -49 500,00	\$ -4 950,00
AFR/IVC/REF/24/TAS/10	Implementation of the RMP	\$ -196 214,00	\$ -
AFR/CAF/REF/34/TAS/10	Implementation of the RMP: development and implementation of a tax/incentive programme	\$ -3 904,00	\$ -508,00
AFR/CAF/REF/34/TRA/11	Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs	\$ -8 986,00	\$ -1 168,00
AFR/CAF/REF/34/TRA/08	Implementation of the RMP: training programme for customs officers	\$ -26 940,00	\$ -3 502,00
AFR/CAF/REF/34/TRA/09	Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector	\$ -17 759,00	\$ -2 309,00
		\$ -1 411 358,00	\$ -112 518,00

Sec FFEM/BV

C. Other Issues

None

Annex I Country Development and Institutional Strengthening Unit Highlights

A. Country Programs

Since 1994, 4 Country Program preparations have been approved and completed for Mauritania, Vietnam, Madagascar and Vietnam.

B. Institutional Strengthening:

1 project was approved in 1994 and completed in 1999.

Annex II: Database of French bilateral activities carried out within the framework of the Montreal Protocol on 31 December 2005.

The Excel spreadsheets are sent separately.