



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/75/13  
31 October 2015

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-fifth Meeting  
Montreal, 16-20 November 2015

**PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2014**

1. The following countries currently involved in bilateral cooperation activities submitted progress report<sup>1</sup> databases: Australia, the Czech Republic, France, Germany, Italy, Japan and Spain.
2. Progress reports have not been received from Israel and Portugal. However, data from their previous progress reports or the Secretariat's Inventory of Approved Projects are included in the summary table.
3. Additional data from earlier progress reports for other countries previously involved in bilateral cooperation<sup>2</sup> covering data for the projects already reported as financially completed are also included in the consolidated progress report<sup>3</sup>.
4. The bilateral progress report consists of:

Executive Summary

- Part I: Implementation progress as at 31 December 2014 (cumulative)  
Part II: Summary of project implementation progress in 2014 and issues identified  
Annex I: Project implementation progress in 2014 by agencies

<sup>1</sup> Progress reports are the only vehicle for indicating the final closure of all funding accounts associated with projects approved by the Executive Committee for bilateral cooperation.

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

<sup>3</sup> UNEP/OzL.Pro/ExCom/75/12.

## Executive Summary

5. The following is a summary of progress in the implementation of projects and activities by the bilateral agencies, for the year 2014 and cumulative since 1992:

- (a) **Phase-out:** In 2014 alone, 45.8 ODP tonnes of consumption were phased out and an additional 15.1 ODP tonnes of consumption were approved for phase-out. Since 1991, 8,884 ODP tonnes of consumption had been phased out, of an expected total of 10,041 ODP tonnes from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2014, US \$3.41 million was disbursed and US \$6.37 million was planned for disbursement based on the 2013 progress report representing a rate of disbursement of 53 per cent of that planned. Cumulatively, US \$126.61 million had been disbursed out of the total US \$139.05 million approved for disbursement (excluding agency fees). This represents a rate of disbursement of 91 per cent. In 2014, US \$2.45 million was approved for implementation;
- (c) **Number of projects completed:** In 2014, ten projects were completed. Since 1991, 564 projects of the 626 projects (excluding closed or transferred projects) were completed. This represents a completion rate of 90 per cent;
- (d) **Speed of delivery – investment projects:** Projects that were completed in 2014 were completed on average 39 months after their approval. Since 1991, the average time for completion of investment projects has been 38 months after their approval. First disbursements under these projects occurred, on average, 11 months after they had been approved;
- (e) **Speed of delivery – non investment projects:** In 2014, the bilateral agencies have not completed any non-investment project. Since 1991, the average time for completion of non-investment projects has been 43 months after their approval. First disbursements under these projects occurred, on average, 13 months after they had been approved;
- (f) **Project preparation:** Of the 121 project preparation activities approved by the end of 2014, 112 have been completed. In 2014, one project was completed leaving nine ongoing. The bilateral agencies carried a balances of US \$ 268,697 from 2014 (including approximately US \$7,384 for completed project preparation activities), which are available for new project preparation activities;
- (g) **Implementation delays:** There were a total of 38 ongoing investment projects under implementation at the end of 2014. 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 three projects (as multi-year agreements (MYAs) are not subject to those procedures); and
- (h) **MYAs:** In 2014, bilateral agencies are implementing one MYA for CTC phase-out plan, three MYAs for methyl bromide (MB) consumption and 25 MYAs for HCFC phase-out management plans (HPMPs). Since 1991, 70 MYAs have been approved and 41 MYAs have been completed.

**Part I: Implementation progress as at 31 December 2014 (cumulative)**

6. As of that date, the Executive Committee had approved approximately US \$151.9 million, consisting of US \$139.05 million for the implementation of investment and non-investment projects and US \$12.85 million for agency fees and administrative support, as shown in Table 1. In 2014, 23 new projects and activities were approved. This level of funding is expected to result in the phase-out of 10,041 ODP tonnes of ODS consumption.

**Table 1: Approved funding by sector for bilateral agencies as at 31 December 2014**

<b>Sector</b>	<b>Funding (US \$)</b>
Aerosol	2,111,400
Destruction	1,795,000
Foam	8,095,547
Halon	6,147,361
Fumigants	18,297,979
Phase-out plan	45,943,371
Production	10,000,000
Refrigeration	39,806,006
Several	4,337,914
Solvents	2,512,738
<b>Sub-total</b>	<b>139,047,316</b>
Administrative costs	12,852,396
<b>Total</b>	<b>151,899,712</b>

7. A summary of the status of projects implemented by the bilateral agencies, by category, is presented in Table 2.

**Table 2: Status of project implementation by category**

<b>Type</b>	<b>Number of projects*</b>			<b>Funding (US \$)**</b>			
	<b>Approved</b>	<b>Completed</b>	<b>% completed</b>	<b>Approved</b>	<b>Disbursed</b>	<b>Balance</b>	<b>% disbursed</b>
Country programme	9	9	100	340,787	340,787	0	100
Demonstration	38	31	82	9,166,697	6,748,100	2,418,597	74
Institutional strengthening (IS)	7	7	100	883,376	883,376	0	100
Investment	187	149	80	91,818,903	83,159,338	8,659,565	91
Project preparation	121	112	93	5,362,812	5,094,115	268,697	95
Technical assistance	191	183	96	23,069,478	21,981,475	1,088,004	95
Training	73	73	100	8,405,263	8,405,263	0	100
<b>Total</b>	<b>626</b>	<b>564</b>	<b>90</b>	<b>139,047,316</b>	<b>126,612,454</b>	<b>12,434,863</b>	<b>91</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency fees/administrative costs.

8. Table 3 presents an overview of status of project implementation by year<sup>4</sup>. All projects and activities approved between 1992 and the end of 2003 (except 1999), as well as 2007 and 2009, have now been completed.

**Table 3: Status of project implementation by year**

Year	Number of projects*			Funding (US \$)**			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
1992	18	18	100	2,883,669	2,883,669	0	100
1993	10	10	100	1,445,586	1,445,586	0	100
1994	30	30	100	3,190,374	3,190,374	0	100
1995	17	17	100	4,654,902	4,654,902	0	100
1996	26	26	100	3,453,049	3,453,049	0	100
1997	32	32	100	4,040,251	4,040,251	0	100
1998	39	39	100	4,108,525	4,108,525	0	100
1999	59	58	98	12,124,517	12,118,421	6,096	100
2000	29	29	100	4,808,878	4,808,878	0	100
2001	41	41	100	7,522,222	7,522,222	0	100
2002	61	61	100	7,910,174	7,910,174	0	100
2003	32	32	100	6,810,120	6,810,120	0	100
2004	30	29	97	14,999,441	14,999,441	0	100
2005	28	27	96	19,036,887	17,375,779	1,661,108	91
2006	25	23	92	7,226,782	6,716,094	510,688	93
2007	13	13	100	3,138,440	3,138,440	0	100
2008	33	29	88	7,663,062	7,166,037	497,024	94
2009	21	21	100	2,345,591	2,345,591	0	100
2010	20	15	75	3,460,962	2,729,957	731,005	79
2011	21	11	52	6,882,671	5,252,589	1,630,082	76
2012	11	3	27	6,612,877	2,832,057	3,780,820	43
2013	7	0	0	2,276,412	780,048	1,496,364	34
2014	23	0	0	2,451,924	330,250	2,121,674	13
<b>Total</b>	<b>626</b>	<b>564</b>	<b>90</b>	<b>139,047,316</b>	<b>126,612,454</b>	<b>12,434,863</b>	<b>91</b>

\* Excludes closed and transferred projects.

\*\* Excludes agency fees/administrative costs.

## Part II: Summary of project implementation progress in 2014 and issues identified

9. Of the 62 ongoing bilateral projects concerned, one is an investment project; one is technical assistance activities; one is a sectoral phase-out plan project; six are MB activities; two are CTC phase-out plan activities; 35 are HPMP activities; nine are project preparation activities; and seven are demonstration projects (including two chiller projects, three ODS disposal activities and two HCFC projects in the solvent and foam sectors). A summary of project implementation progress in 2014 by bilateral agency is presented in Annex I to the present document.

<sup>4</sup> The data is presented according to the year when a project was approved by the Executive Committee. It treats all approvals (investment and non-investment projects) equally (i.e., an investment project or a funding tranche of an MYA of US \$1 million is considered one project, same as a country programme preparation of US \$30,000). Key indicators from the annual summary are: the percentage of projects completed, ODP phased out, and percentage of funds disbursed. In reviewing the data on funds disbursed, it should be noted that there are three types of disbursements: during implementation, after implementation and for retroactively-financed projects.

10. In reviewing the bilateral progress reports, the Secretariat noted that only one project approved before the 71<sup>st</sup> meeting and several (approved after the 71<sup>st</sup> meeting) were delayed including five ODS destruction projects (Algeria, China, Mexico and the African and Asian regions); six MB projects (Jordan, Libya, Mexico, Tunisia, Yemen, and the Latin American region); two chiller projects (African region); two CTC phase-out tranches (India), a metered-dose inhaler (MDI) project (India), and a demonstration project (China).

11. The Secretariat also identified a few issues related to implementation progress and low rate of disbursement of approved funds for HPMP activities in Afghanistan, Indonesia, Mexico, Saudi Arabia, Thailand and Tunisia. Additional status reports seeking information about the next milestone to be completed for these activities are recommended as indicated in Appendix II of Annex III to the consolidated progress report.

12. The Executive Committee may wish to request that a progress report from the Governments of Israel and Portugal be submitted to the 76<sup>th</sup> 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).

### **Recommendations**

13. The Executive Committee may wish:

- (a) To note:
  - (i) With appreciation the progress reports submitted by the Governments of Australia, the Czech Republic, France, Germany, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/75/13;
  - (ii) That the bilateral agencies would report to the 76<sup>th</sup> meeting on three projects with implementation delays and on 10 projects recommended for additional status reports, as indicated in Appendices I and II, respectively, of Annex III to the consolidated progress report (UNEP/OzL.Pro/ExCom/75/12); and
- (b) To request the Governments of Israel and Portugal to provide their progress reports to the 76<sup>th</sup> meeting.



## Annex I

### PROJECT IMPLEMENTATION PROGRESS IN 2014 BY AGENCY

#### Australia

1. Australia has completed 25 projects and cancelled one. It is currently implementing one HPMP project for Indonesia (IDS/PHA/64/TAS/196), approved in July 2011. In 2014, activities relating to regulations enforcement in the refrigeration and air-conditioning (RAC) sector to achieve complete phase-out of HCFC as a refrigerant in manufacturing activities, as well as the translation of technical manuals were undertaken. In 2015, outreach on HCFC-free technologies covering RAC applications would be undertaken. This project has a disbursement rate of nine per cent and is planned to be completed in December 2016, two year later than originally planned. A tranche request has been submitted to the 75<sup>th</sup> meeting<sup>5</sup>.

#### The Czech Republic

2. The Czech Republic has completed all projects under its implementation including three technical assistance projects and one project preparation.

#### France

3. France is implementing seven projects. It has reported 98 completed projects and five cancelled projects. The status of implementation of ongoing projects is presented in Table 1. These ongoing projects should result in the phase-out of 6.1 ODP tonnes when completed.

**Table 1: Status of implementation of ongoing projects by France**

Country/Project code	Project title	Project status
Algeria (ALG/DES/72/DEM/78)	Pilot demonstration project on ODS waste management and disposal	The National Ozone Unit (NOU) has not provided a nomination for a representative for a work group to initiate activities. No funds were disbursed as at 31 December 2014.
Kenya (MYA)	HCFC phase-out management plan (stage I, second tranche)	Ten recovery units were distributed to local companies and two train-the-trainers on best practices and safe handling of refrigerants were undertaken. Six training workshops have been conducted for 123 technicians. Four technical training programmes have been conducted in 2015. A tranche request has been submitted to the 75 <sup>th</sup> meeting <sup>6</sup> .
Mexico (MEX/DES/63/DEM/155)	Demonstration project for disposal of unwanted ODS	The first contractor's contract was canceled due to non-performance; a second contract has been signed for the destruction of the first batch of 74.1 mt of ODS waste using a cement kiln facility, and a trial run has occurred. Seven per cent of funds had been disbursed as at 31 December 2014.
Tunisia* (TUN/PHA/72/INV/57 TUN/PHA/72/INV/60)	HCFC phase-out management plan (stage I)	A meeting of the project team, NOU and relevant stakeholders took place in 2014. Implementation of a certification programme and workshops are at their initial stages.

<sup>5</sup> UNEP/OzL.Pro/ExCom/75/49.

<sup>6</sup> UNEP/OzL.Pro/ExCom/75/51.

Country/Project code	Project title	Project status
Region: Africa (AFR/REF/48/DEM/36)	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African countries (Cameroon, Egypt, Namibia, Nigeria and Sudan (the))	Documents for participation in the project from beneficiaries in Nigeria and Senegal have been received. Chillers were purchased for the Sudan. Project could be completed in December 2015 as required by decisions 71/10(d)(ii) and 74/2(c)(iii), six years later than planned.
Region: Africa (AFR/DES/68/TAS/41)	Strategy for disposal and destruction of ODS for five low-volume-consuming Central African countries (Burundi, Cameroon, Central African Republic (the), Congo (the) and Guinea)	Completion is expected two years later than planned. Difficulties have occurred in some countries due to health and civil unrest crises. The technical report is expected to be submitted to the 76 <sup>th</sup> meeting.

\* A recommendation to send letters on the decisions on tranche submission delays to the relevant governments is proposed under document UNEP/OzL.Pro/ExCom/75/6.

### Germany

4. Germany is implementing 31 projects. It has completed 203 additional projects and cancelled four. The ongoing projects should result in the phase-out of 251.5 ODP tonnes when completed.

### MYAs

5. Germany is implementing 19 tranches of HPMPs in 13 countries (Afghanistan, Brazil, China, India, Iran (Islamic Republic of), Lesotho, Liberia, Mauritius, Mexico, Namibia, Papua New Guinea, Seychelles and Zimbabwe). Germany indicated that it was seeking to transfer its project in Afghanistan to another agency due to the security situation in the country. Low disbursement rates of approved funds have been recorded for the projects in India and Iran (Islamic Republic of). Delays have occurred in Liberia due to the death of the National Ozone Officer.

6. Germany is also implementing one tranche of the MB phase-out plan in Yemen (YEM/FUM/68/INV/41). Several activities took place in 2014 including a decree to prohibit the import of MB for soil fumigation in December 2014. The planned completion date is July 2015.

### HPMP development

7. Germany has seven ongoing projects for the preparation of HPMPs in five countries (Brazil, Colombia, China, India and Iran (Islamic Republic of)). These projects were approved in 2014. No funds had been disbursed for preparatory activities in India or Iran (Islamic Republic of) as at 31 December 2014; however company visits are underway in Iran (Islamic Republic of). Projects for Brazil<sup>7</sup> and Colombia<sup>8</sup> have been submitted to the 75<sup>th</sup> meeting.

### Individual projects

8. Germany is implementing four individual projects including one investment and three technical assistance projects in 2014. For the investment project for the complete phase-out of the use of MB in Jordan (JOR/FUM/29/INV/54), Germany indicated that a workshop, a survey and field visits with continuous cross checks of consumption compared to licenses have occurred. The project is planned to be completed in December 2015.

<sup>7</sup> UNEP/OzL.Pro/ExCom/75/40.

<sup>8</sup> UNEP/OzL.Pro/ExCom/75/42.



## Italy

9. Italy is implementing five investment projects (three MYAs in three countries and two individual projects) that will phase out 143.3 ODP tonnes once implemented. It has also completed 19 additional projects. The status of implementation of ongoing projects is presented in Table 2.

**Table 2: Status of implementation of ongoing projects by Italy**

Country/Project code	Project title	Project status
Argentina (MYA)	Phase-out of HCFC-22 in the room and unitary air-conditioning equipment manufacturing sector	Technical problems were resolved at one beneficiary company and the last company began civil works to prepare for the installation of equipment. Completion is expected by June 2016 almost three years later than planned.
Ghana (MYA)	HCFC phase-out management plan (stage I, third tranche)	Specifications for the HCFC reclamation equipment for the tranche and training have occurred but procurement has not begun.
India (IND/ARS/56/INV/424)	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs	As of 31 December 2014, all activities are completed except a few administrative and verification procedural issues relating to CFC stocks. All enterprises are producing CFC-free alternatives to CFC MDIs. Any balances will be returned to the Fund.
Mexico (MYA)	HCFC phase-out management plan (stage II, first tranche) (reclamation of HCFC refrigerants)	Study tour of operational reclamation centres completed, TOR for equipment agreed and bidding planned.
Tunisia (TUN/FUM/73/TAS/62)	Technical assistance for the final phase-out of methyl bromide in the palm dates sector	Bidding for the purchase of equipment has been initiated with delivery expected in autumn 2015.

## Japan

10. Japan is implementing 15 projects. It has also completed 28 additional projects. Ongoing projects implemented by Japan are expected to result in the phase-out of 12.9 ODP tonnes when completed.

### MYAs

11. The status of implementation of the ongoing nine tranches of six MYAs is presented in Table 3.

**Table 3: Status of implementation of ongoing MYAs by Japan**

Country	Project title	Project status
China	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector including enabling programme)	Japan referred to UNEP's progress report. A progress report is provided in the tranche request submitted to the 75 <sup>th</sup> meeting. <sup>9</sup>
India	CTC phase-out plan	Japan, the World Bank and UNDP are coordinating a plan for the completion of the project. A report on this project has been submitted to the 75 <sup>th</sup> meeting <sup>10</sup> .
Mongolia	HCFC phase-out management plan (stage I, first tranche)	Companies ceased using XPS foam in July 2013 but a search for an appropriate alternative technology is still ongoing. Completion is expected 2.5 years later than planned.

<sup>9</sup> UNEP/OzL.Pro/ExCom/75/41.

<sup>10</sup> UNEP/OzL.Pro/ExCom/75/20.

Country	Project title	Project status
Philippines (the)	Phase out HCFC-141b in the foam sector	Procurement of the spray foam equipment for the eligible eight beneficiaries has begun. No funds have been reported as having been disbursed.
Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene (XPS) panel in Saudi Arabia	Arabian Chemical Company: installation, start-up and commissioning were completed in March 2015 and confirmed by the Certificate of Acceptance. Al-Watania: The contract to the selected supplier was issued in February 2015. Technical meeting was organized in June 2015. However, no funds have been reported as having been disbursed. A tranche request has been submitted to the 75 <sup>th</sup> meeting. <sup>11</sup>
Thailand	HCFC phase-out management plan (stage I, first tranche) (technical assistance)	All project funds and agency fees were transferred to the World Bank for implementation.

#### Individual projects

12. Japan is implementing six individual projects, including four demonstration and two preparation projects listed in Table 4.

**Table 4: Status of implementation of ongoing individual projects by Japan**

Country/Project code	Project title	Project status
China (CPR/DES/67/DEM/521)	Pilot demonstration project on ODS waste management and disposal	Six contracts have been signed; however no destruction of CFCs has been reported. Five per cent of project funds have been disbursed as at 31 December 2014.
China (CPR/PHA/73/PRP/556)	Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme)	No funds had been reported as having been disbursed as at 31 December 2014. No remarks were provided.
China (CPR/SOL/64/DEM/506)	Demonstration project for conversion from HCFC-141b based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	Completed in 2013 but not so recorded in the progress report. Moreover, no funds had been reported to have been disbursed as at 31 December 2014. This project has been included in the HPMP tranche request for China submitted to the 75 <sup>th</sup> meeting as mentioned in Table 3 above.
Colombia (COL/FOA/60/DEM/75)	Demonstration project to validate the use of super-critical CO <sub>2</sub> in the manufacture of sprayed polyurethane rigid foam	Evaluation of the foam physical properties is underway with the results of the demonstration to be presented in a seminar at the regional network meeting. An assessment report has been submitted.
Region: Africa (AFR/REF/48/DEM/35)	Strategic demonstration project for accelerated conversion of CFC chillers in African countries	Beneficiaries have provided information for Nigeria and Senegal; three CFC chillers have been identified for the component in Sudan (the). Completion is expected by December 2015, over six years later than planned.
Region: Asia (ASP/DES/54/PRP/53)	Project preparation for a demonstration project on ODS disposal	All project funds disbursed but no completion date provided.

<sup>11</sup> UNEP/OzL.Pro/ExCom/75/64.

**Spain**

13. Spain is implementing three MB projects as shown in Table 5. It has also completed five additional projects.

**Table 5: Status of implementation of ongoing MB projects by Spain**

Country/Project code	Project title	Project status
Latin America (LAC/FUM/54/TAS/40)	The technical assistance to introduce chemical alternatives in countries which have rescheduled methyl bromide phase-out plan (Argentina and Uruguay)	Completed in March 2015.
Libya (MYA)	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others in Libya	Last equipment installation pending improvement in the security situation.
Mexico (MYA)	National methyl bromide phase-out plan (third tranche)	All activities except the project closing event have been completed but no funds have been reported as having been disbursed.