**Version 0**

**UNEP**

**Annual Progress and Financial Report**

**1 January – 31 December 2015**

Presented to the

77th Meeting of the Executive Committee

of the Multilateral Fund for the Implementation

of the Montreal Protocol

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United Nations Environment Programme

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**Introduction**

The United Nations Environment Programme (UNEP) is submitting this Annual Financial and Progress Report (APR) covering the period 1 January to 31 December 2015 for the consideration of the 77th meeting of the Executive Committee of the Multilateral Fund.

UNEP followed the Multilateral Fund’s *Revised Operational Guidelines for Progress and Financial Reporting,*[[1]](#footnote-1) as well as guidance received during the two Inter-Agency Coordination Meetings of 2016 (1 - 3 March and 31 August - 1 September) when developing this APR.

This APR details project implementation assistance UNEP provided to developing countries operating under Article 5 of the Montreal Protocol (“Article 5 countries”) in accordance with UNEP’s 2015-2017 Business Plan, which was endorsed by the 73rd meeting of the Executive Committee.[[2]](#footnote-2)

The focus and orientation of UNEP’s work in 2015 continued to be defined by the evolving needs of Article 5 countries as they progress in their implementation of the Montreal Protocol, and as they meet and sustain compliance with specific obligations. UNEP met its Business Plan objectives by following three parallel tracks of assistance for Article 5 countries:

* Track 1: Support Article 5 countries to implement responsibilities related to HCFC phase out, expeditiously meet the 2015 HCFC control measures and prepare for 2020 and beyond.
* Track 2: Foster strong partnerships in Article 5 countries to ensure sustainable compliance of phase-out targets already met.
* Track 3: Awareness, knowledge-sharing and capacity building services that promote substitutes, and alternatives to ODS that maximize safety and minimize the impact on the environment in support of Decision XIX/6.

UNEP delivered its Business Plan through project-related services at the global, regional and national levels, including new and ongoing projects related to HPMP preparation and implementation, Institutional Strengthening, and various other training and technical assistance projects.

UNEP offered assistance to a majority of Article 5 countries to achieve sustained compliance.

UNEP prioritize and delivered assistance on the basis of countries’ differentiated needs and priorities. In conformity with its mandate, UNEP dedicated most of its resources to addressing specific problems of low volume consuming countries (LVCs) and very low volume consuming countries (VLVCs). UNEP complemented, supported and backstopped the work of the other Implementing and bilateral Agencies in areas of its comparative advantage and expertise whenever opportune and agreed upon with the agencies concerned.

In 2015, UNEP in cooperation with the other Implementing and Bilateral Agencies provided significant advisory and project implementation support to Article 5 countries that resulted in an overall high note of compliance with the Montreal Protocol and its Amendments by those countries.

UNEP has previously presented to the 75th meeting of the Executive Committee a partial CAP Progress Report for the period 1 January – September 2015 as part of its 2016 Compliance Assistance Programme (CAP) budget request.[[3]](#footnote-3) UNEP will present the details of the balance support provided by CAP in 2015 (i.e. October-December) to the 77th Meeting of the Executive Committee as part of UNEP’s 2017 CAP Work Programme and Budget request.

# **I. Project Approvals and Disbursements**

## **A. Annual Summary Data**

From June 1991 until the end of December 2015, the Executive Committee approved 1991 projects for implementation by UNEP. The total funding approved for UNEP was US$ 285,354,880 including programme support costs (PSC), which represents about 9% of the total funding allocation to date approved by the Multilateral Fund for all Implementing Agencies and bilateral agencies. Of these projects, 709 were time-sensitive Institutional Strengthening (IS) projects and 1,282 were objective-sensitive projects.

During 2015, the Executive Committee approved 183 new projects for UNEP to implement, including the 2015 CAP budget. The total value of those approvals was US$ 24,029,179 plus PSC of US$ 2,087,068.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type | Code | Number approved 1991-2014 | Number approved 2015 | Total |
| Country Programmes | CPG | 95 | 0 | 95 |
| Demonstration | DEM | 2 | 0 | 2 |
| Institutional Strengthening | INS | 669 | 40 | 709 |
| Investment project | INV | 0 | 1 | 1 |
| Project preparation | PRP | 195 | 1 | 196 |
| Technical assistance | TAS | 651 | 141 | 792 |
| Training | TRA | 196 | 0 | 196 |
| **Total** |  | 1808 | 183 | 1991 |

Annex 1: Annual Summary provides details.

## **B. Interest**

The interest accrued from 1991-2015 was US$ [9,654,696] as follows:

|  |  |
| --- | --- |
| Year | Interest (US$) |
| 1991-2014 | 9,637,082 |
| 2015 | 17,614 |
| Total | 9,654,696 |

## **C.** **Summary Data by Type (CPG, DEM, INS, INV, PRP, TAS, TRA)**

The 183 projects that the Executive Committee approved in 2015 for UNEP implementation at the level of US$ 24,029,179 plus PSC of US$ 2,087,068. Of those, 40 were time-sensitive IS projects and 143 were objective-sensitive activities comprising:

|  |  |  |
| --- | --- | --- |
| Type | Code | Number |
| Institutional Strengthening | INS | 40 |
| Investment project | INV | 1 |
| Project preparation | PRP | 1 |
| Technical assistance | TAS | 141 |
| Total |  | 183 |

See Annex 1: Summary Data by Projects Type.

## **D. Multi-year Agreements**

From June 1991 until the end of December 2015, the Executive Committee has approved a cumulative 519 MYAs (PHA) for implementation by UNEP. The total funding approved for UNEP for MYAs during this period was US$ 42,030,895 plus adjustments excluding programme support costs (PSC). UNEP has received a total of US$ 2,356,655, out of which US$ 1,536,730 has been disbursed (i.e. 65%).

## **E. Sector Phase-Out by Country**

# **II. Project Completions Since Last Report**

## **A. ODP Phased Out Since Last Report**

UNEP only implements non-investment projects (i.e. capacity building and technical assistance). Due to the nature of these projects, the directly-associated ODP phase out is either zero or small according to the approved projects. The cumulative ODP phase-out achieved as a result of all completed UNEP projects to date is 1550.9 ODP tonnes.[[4]](#footnote-4)

Since the last APR, UNEP has achieved phase out of 0 ODP tonnes out of a target of 0 ODP tonnes.

|  |  |  |  |
| --- | --- | --- | --- |
| Type | Amount phased out  1991-2014 (ODP tonnes) | Amount phased out  2015 (ODP tonnes) | Total |
| INS | 145.0 | 0.0 | 145.0 |
| TAS | 658.1 | 0.0 | 658.1 |
| TRA | 747.8 | 0.0 | 747.8 |
|  | 1,550.9 | 0.0 | 1,550.9 |

## **B. Non-Investment Project Completions Since Last Report**

During 2015, UNEP completed 58 projects as follows for a total value of US$ 13,190,982 excluding PSC:

|  |  |  |
| --- | --- | --- |
| Type | Code | Number |
| Institutional Strengthening | INS | 34 |
| Technical assistance | TAS | 22 |
| Training | TRA |  |
| Country Programmes | CPG |  |
| Project preparation | PRP | 2 |
| Demonstration | DEM |  |
| Total |  | 58 |

The completion of projects by region was as follows:

| Region | Number |
| --- | --- |
| Africa | 27 |
| Asia and the Pacific | 17 |
| Europe and Central Asia | 2 |
| Latin America and the Caribbean | 11 |
| West Asia | 0 |
| Global | 1 |
| Total | 58 |

See Annex II, Completed Non-Investment Projects for details.

**III. Global and Regional Project Highlights**

## **(a) Global Projects**

During this APR reporting period, UNEP implemented 2 global projects:

Compliance Assistance Programme: 2014 (GLO/SEV/73/TAS/321)

Compliance Assistance Programme: 2015 (GLO/SEV/73/TAS/323)

## **(b) Regional Projects**

During this APR reporting period, UNEP implemented 6 regional projects:

Promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries in West Asia (ASP/REF/69/DEM/56).

HCFC phase-out management plan for PIC countries through regional approach (MAS/PHA/63/TAS/08).

HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Niue) (NIU/PHA/63/TAS/07).

HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Solomon Islands) (SOI/PHA/63/TAS/08).

HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Marshall Islands) (MAS/PHA/63/TAS/08).

HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Tonga) (TON/PHA/63/TAS/07).

# **IV. Performance Indicators**

1. **Agency Business Plan Performance Goals**

Through decision 73/30, the Executive Committee adopted the following performance indicators for UNEP for 2015:[[5]](#footnote-5)

| Type of indicator | Short title | Calculation | 2015 target | UNEP assessment of 2015 results achieved |
| --- | --- | --- | --- | --- |
| Planning--Approval | Tranches approved | Number of tranches approved vs. those planned\* | 56 | On time |
| Planning--Approval | Projects/activities  approved | Number of projects/activities approved vs. those  planned (including project preparation activities)\*\* | 69 | On time |
| Implementation | Funds disbursed | Based on estimated disbursement in progress report | US $9,510,335 | Delay in disbursement of funds due to the introduction of Umoja in 2015 |
| Implementation | ODS phase-out | ODS phase-out for the tranche when the next tranche is  approved vs. those planned per business plans | 94.5 | On time |
| Implementation | Project completion for  activities | Project completion vs. planned in progress reports for  all activities (excluding project preparation) | 99 | On time |
| Administrative | Speed of financial  completion | The extent to which projects are financially completed  12 months after project completion | 14 | Delay in disbursement of funds due to the introduction of Umoja in 2015. |
| Administrative | Timely submission of  project completion  reports | Timely submission of project completion reports vs.  those agreed | Yes | On time |
| Administrative | Timely submission of  progress reports | Timely submission of progress reports and business  plans and responses unless otherwise agreed | Yes | On time |

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

## **(b) Cumulative Completed Investment Projects**

Not applicable to UNEP.

## **(c) Cumulated Completed Non-Investment Projects**

UNEP has completed a total of 56 non-investment projects excluding project preparation assistance. Of the total amount of US$ 13,150,982 approved 82% has been disbursed. It took an average 24 months from first approval and 32 months from approval to completion. The breakdown and details are provided in the Annexes.

## **(d) Cumulative Ongoing Investment Projects**

Not applicable to UNEP.

## **(e) Cumulative Ongoing Non-Investment Projects**

UNEP has 385 ongoing non investment projects excluding project preparation assistance. Of the total amount of US$ 53,552,942, approved 29 % has been disbursed. It took an average of 24 months from approval for the first disbursement. The average number of months from approval to planed completion is 32 months. The breakdown and details are provided in the Annexes.

# **V. Status of Agreements and Project Preparation (where applicable), by country**

## **(a) Agreements to be signed/executed/finalized and when they will be ready for disbursing**

In 2015, UNEP assisted the following 40 countries with the preparation and submission of their IS renewal requests, and then with the establishment of agreements for the project implementation:

|  |  |  |  |
| --- | --- | --- | --- |
| Angola | Cape Verde | Seychelles | Tonga |
| Burkina Faso | Chad | Sierra Leone | Palau |
| Djibouti | Cameroon | Sudan | Niue |
| Equatorial Guinea | Comoros | Afghanistan | Guyana |
| Guinea | Gabon | Bhutan | Barbados |
| Kenya | Liberia | Cambodia | Grenada |
| Mali | Niger | Mongolia | Haiti |
| Zimbabwe | Congo | Philippines | Honduras |
| Burundi | Rwanda | Samoa | Jamaica |
| Benin | Senegal | Solomon Islands | Nicaragua |

These renewals represents 38% of all of the IS projects in UNEP’s project portfolio:

|  |  |  |
| --- | --- | --- |
| Region | Total number of countries assisted by UNEP for IS | Number of IS renewals approved in 2015 |
| Africa | 47 | 23 |
| Asia Pacific | 26 | 10 |
| West Asia | 5 | 0 |
| Europe & Central Asia | 5 | 0 |
| Latin America & Caribbean | 23 | 7 |
| Total | 106 | 40 |

## **(b) Project Preparation by country, approved amount, and amount disbursed**

UNEP has 2 completed project preparation activities totaling US$ 40,000, of which 24% has been disbursed. It took an average 24 months from first approval and 32 months from approval to completion. As of 31 December 2015, UNEP also has 0 ongoing project preparation activities totaling US$ 0, of which 0 % has been disbursed.

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

1. **Meetings Attended**

UNEP participated in the following global Montreal Protocol meetings in 2015:

| Meeting | Date and venue |
| --- | --- |
| Inter-Agency Coordination meeting 1 | 26-27 February, Montreal |
| Workshop on HFC Management | 20-21 April, Bangkok |
| 35th Open-Ended Working Group meeting | 22-24 April, Bangkok |
| 74th Executive Committee meeting | 18-22 May, Montreal |
| 36th Open-Ended Working Group meeting | 20-24 July, Paris |
| 54th Implementation Committee meeting | 27-28 July, Paris |
| Inter-Agency Coordination meeting 2 | 31 August-2 September, Montreal |
| 55th Implementation Committee meeting | 28 October, Dubai |
| Resumed 36th Open-Ended Working Group meeting | 29-30 October, Dubai |
| 27th Meeting of the Parties to the Montreal Protocol | 1-5 November, Dubai |
| 75th Executive Committee meeting | 16-20 November, Montreal |

UNEP will provide an update of the regional/national meetings in which it participated in 2015, as well as meetings organized by CAP itself, in the 2017 CAP Work Programme and Budget which is being submitted to the 77th meeting of the Executive Committee.

1. **Implementing Agency and Other Co-operation**

UNEP’s work under the Multilateral Fund is performed in close cooperation and coordination with the Multilateral Fund Secretariat, Ozone Secretariat, the other Implementing Agencies (UNDP, UNIDO, World Bank), bilateral agencies, and other partners at the international, regional and national levels.

Regional Network meetings. UNEP invited the Multilateral Fund Secretariat, Ozone Secretariat, and other Implementing Agencies to all of the main meetings of the Regional Networks of Ozone Officers. This action facilitated the work of the Secretariats and agencies by providing a convenient platform for conveying their key messages to Article 5 countries in a given region, easy access to Ozone Officers and partners for bilateral discussions on compliance issues, and opportunities to discuss and advance their agency’s project preparation and implementation activities.

HPMP implementation. UNEP implements many of its projects on the ground in countries jointly with other Implementing Agencies, where each agency co-implements complementary parts of a single project. For example, in 2015 UNEP was the Lead Agency for the HPMP implementation for 72 Article 5 countries, and the Cooperating Agency for the HPMPs of 30 countries. UNEP cooperated with UNIDO, UNDP, Germany and Japan for HPMP implementation.

1. **Other Issues**

No issues.

# **Annex I: Country Developments**

## **A. Highlights of projects and activities (other than IS)**

## **B. Institutional strengthening**

UNEP assisted the following 106 countries with the implementation of their IS projects in 2015:

|  |  |  |
| --- | --- | --- |
| Afghanistan | Fiji | Niger |
| Albania | Gabon | Niue |
| Algeria | Gambia | Palau |
| Angola | Grenada | Panama |
| Antigua and Barbuda | Guatemala | Paraguay |
| Bahamas | Guinea | Peru |
| Bahrain | Guinea-Bissau | Philippines |
| Barbados | Guyana | Republic of Moldova |
| Belize | Haiti | Rwanda |
| Benin | Honduras | Saint Kitts and Nevis |
| Bhutan | Iraq | Saint Lucia |
| Bolivia | Jamaica | Saint Vincent and the Grenadines |
| Botswana | Kenya | Samoa |
| Brunei Darussalam | Kiribati | Sao Tome and Principe |
| Burkina Faso | Kuwait | Saudi Arabia |
| Burundi | Kyrgyzstan | Senegal |
| Cambodia | Lao People's Democratic Republic | Seychelles |
| Cameroon | Lesotho | Sierra Leone |
| Cape Verde | Liberia | Solomon Islands |
| Central African Republic | Madagascar | Somalia |
| Chad | Malawi | South Sudan |
| Comoros | Maldives | Sudan |
| Congo | Mali | Suriname |
| Cook Islands | Marshall Islands | Swaziland |
| Cote d'Ivoire | Mauritania | Tanzania |
| Croatia | Mauritius | Timor Leste |
| DPR Korea | Micronesia FS | Togo |
| DR Congo | Mongolia | Tonga |
| Djibouti | Morocco | Tuvalu |
| Dominica | Mozambique | Uganda |
| Dominican Republic | Myanmar | Vanuatu |
| Ecuador | Namibia | Vietnam |
| El Salvador. Equatorial Guinea | Nauru | Yemen |
| Eritrea | Nepal | Zambia |
| Ethiopia | Nicaragua | Zimbabwe |

## **C. Activities that were provided by UNEP from its administrative costs**

As per the approved 2015 CAP Work Programme and Budget, UNEP funded two posts from programme support costs in 2015 to provide administrative and financial support for the programme:

* Monitoring & Administration Officer, P4 (budget line 1104)
* Assistant Monitoring & Administration, G6 (budget line 1304).

## **D. Activities conducted by UNEP to assist other agencies**

Implementing joint activities with partner implementing agencies proved to be cost effective and strategic in meeting country and regional needs. Several examples are highlighted below:

* HPMP Lead Agency. In its role as Lead Agency for HPMPs, UNEP coordinated with and supported the activities of the Cooperating Agencies for project preparation, reporting and liaison with the National Ozone Unit and Multilateral Fund Secretariat.
* Joint missions to Article 5 countries. UNEP undertook a number of joint field missions with sister agencies UNDP and UNIDO for HPMPs implementation activities and addressing specific compliance issues. Such missions resulted in enhanced and coordinated delivery of services at the national level.

1. MLF/IACM.2014/1/11. Third Revision, 24 February 2014. [↑](#footnote-ref-1)
2. UNEP/OzL.Pro/ExCom/73/21. [↑](#footnote-ref-2)
3. UNEP/OzL.Pro/ExCom/75/33/Rev.1. [↑](#footnote-ref-3)
4. Excludes new, ongoing, transferred and closed projects. [↑](#footnote-ref-4)
5. UNEP/OzL.Pro/ExCom/73/62, Annex VII. [↑](#footnote-ref-5)