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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-ninth Meeting
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PROGRESS REPORT OF UNIDO AS AT 31 DECEMBER 2016

1. This document presents the progress report of UNIDO as of 31 December 2016¹.
2. The document presents a summary of progress in implementation of projects for 2016 and cumulative since 1991. It contains a review on the status of implementation of each ongoing² project at the country level identifying projects with implementation delays and the potential impact on the phase-out of controlled substances, and projects with outstanding issues for consideration by the Executive Committee. Annex I to the present document presents for each ongoing project with outstanding issues a summary status and a recommendation for consideration by the Executive Committee. The document also includes a recommendation.

Summary of progress in implementation of projects for 2016 and cumulative

3. Implementation of projects and activities by UNIDO for 2016 and cumulative since 1991 up to 31 December 2016 is summarized as follows:
 - (a) **Phase-out:** In 2016, 1,521 ODP tonnes of consumption of ODS were phased out and an additional 556.1 ODP tonnes of consumption of ODS were approved for phase-out. Since 1991, 61,907 ODP tonnes of consumption of ODS and 17,381 ODP tonnes of production of ODS had been phased out of an expected total of 81,374 ODP tonnes from projects approved (excluding cancelled and transferred projects);

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

² Ongoing projects are all projects that have been approved and were under implementation as of 31 December 2016. Key indicators of progress include: percentage of funds disbursed and percentage of projects that have begun disbursing funds; funding expected to be disbursed by the end of the year as a percentage of the approved funding; the average length of projected delay in implementation; and information provided in the remarks column in the progress report database.

- (b) **Disbursements/approvals:** In 2016, US \$22.67 million was disbursed and US \$22.35 million was planned for disbursement based on the 2015 progress report representing a rate of disbursement of 101 per cent of that planned. Cumulatively, US \$665.83 million had been disbursed out of the total US \$781.16 million approved for disbursement (excluding agency fees). This represents a rate of disbursement of 85 per cent. In 2016, US \$37.18 million was approved for implementation;
- (c) **Cost-effectiveness (in ODP):** Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US \$11.41/kg. The cost-effectiveness for all production sector activities (CFC and methyl bromide (MB)) was US \$2.90/kg. The average cost-effectiveness of investment projects per ODP tonne was US \$6.08/kg for completed projects and US \$48.99/kg for ongoing projects³;
- (d) **Number of projects completed:** In 2016, 52 projects were completed. Since 1991, 1,407 projects of the 1,645 projects approved for UNIDO (excluding closed or transferred projects) were completed. This represents a completion rate of 86 per cent;
- (e) **Speed of delivery – investment projects:** Projects that were completed in 2016 were completed on average 50 months after their approval. Since 1991, the average time for completion of investment projects has been 36 months after their approval. First disbursements under these projects occurred, on average, nine months after they had been approved;
- (f) **Speed of delivery – non-investment projects:** Projects that were completed in 2016 were completed on average 38 months after their approval. Since 1991, the average time for completion of non-investment projects has been 35 months after their approval. First disbursements under these projects occurred, on average, nine months after they had been approved;
- (g) **Project preparation:** Of the 484 project preparation activities approved by the end of 2016, 462 have been completed. In 2016, nineteen projects were completed leaving 22 ongoing;
- (h) **Implementation delays:** There were a total of 137 ongoing investment projects under implementation at the end of 2016. These projects, on average, are experiencing a delay of 27 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to seven projects (as multi-year agreements (MYAs) are not subject to those procedures); and
- (i) **MYAs:** In 2016, UNIDO was implementing two MYAs for CFC phase-out, one MYA for MB production, two MYAs for MB consumption and 81 MYAs for HCFC phase-out management plans. Since 1991, 153 MYAs have been approved and 67 MYAs have been completed.

4. An analysis of UNIDO progress report is contained in Annex II to the present document.

Project implementation progress in 2016

5. The Secretariat reviewed the status of project implementation on a country-by-country basis taking into account implementation delays that have occurred with respect to planned completion dates

³ The higher value of the cost-effectiveness for ongoing projects is largely due to the lower ODP values of HCFCs but also due to the means of assigning phase-out by agencies.

that had been reported in 2016, the potential impact of these delays on phase-out and the rate of planned disbursements.

6. Of the 168 ongoing projects, excluding institutional strengthening (IS) and project preparation, 77 projects have extended planned dates of completion since the 2015 progress report. The Executive Committee may wish to note that UNIDO will report to the 80th meeting on seven projects with implementation delays⁴, all of which were also classified as having implementation delays in 2015 (Annex I to the present document).

7. During the review of the progress report, the Secretariat had several discussions with UNIDO, where a number of issues on ongoing projects were satisfactorily resolved. However, issues could not be resolved for a number of projects or tranches of multi-year agreements for the phase-out of CFC, MB or HCFCs; projects for ODS waste disposal; preparation of ODS alternative surveys; and renewal of IS projects, as shown in Annex I to the present document. For each ongoing project, a brief description on the status of implementation and the outstanding issues are presented and a recommendation is proposed for consideration by the Executive Committee.

Recommendation

8. The Executive Committee may wish:

- (a) To note:
 - (i) The progress report of UNIDO as at 31 December 2016 contained in document UNEP/OzL.Pro/ExCom/79/12;
 - (ii) That UNIDO would report to the 80th meeting on seven projects with implementation delays and on 22 projects recommended for additional status reports, as indicated in Annex I to the present document;
- (b) To approve the recommendations on ongoing projects with specific issues listed in the last column of the table contained in Annex I to the present document.

⁴ The Executive Committee has defined projects with implementation delays as projects approved over 18 months with disbursement less than one per cent, or projects that are expected to be completed 12 months later than forecast in the last progress report (decision 22/61).

Annex I

ONGOING PROJECTS WITH OUTSTANDING ISSUES IN THE PROGRESS REPORT FOR UNIDO

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
CFC projects				
China	Sector plan for phase-out of CFCs consumption in MDI sector (CPR/ARS/56/INV/473)		Project with implementation delays (12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.
Egypt	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) (EGY/ARS/50/INV/92)	96	Project with implementation delays (12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.
			Same fund disbursement rate has been reported for two consecutive meetings; planned completion date was in July 2018. Three CFC-free MDIs are being produced; the fourth is delayed due to failed stability tests. The terms and modalities for the technology supplier to provide the required filling head have been finalized and the agreement signed.	To request UNIDO to complete the project by July 2018 as the final date of completion; to submit a project completion report (PCR) by January 2019; and to return funds balances no later than July 2019.
Iraq	National phase-out plan (MYA)	84	Equipment has been delivered and the contract with the service provider for its installation and commissioning is being finalised.	To approve the extension of the planned date of completion to December 2017; to request UNIDO to submit a PCR by June 2018; and to return any funds balances no later than December 2018.
	Replacement of refrigerant CFC-12 with isobutane and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company (IRQ/REF/57/INV/07)	88	Project with implementation delays (12 months delay). Equipment has been delivered and the contract with the service provider for its installation and commissioning is being finalised.	To request UNIDO to report to the 80 th meeting on this project with implementation delays. To approve the extension of the planned date of completion to December 2017; to request UNIDO to submit a PCR by June 2018; and to return any funds balances no later than December 2018.
Methyl bromide projects				
China	National phase-out of methyl bromide (phase II, ninth tranche) (MYA)	79	Annual report on the status of project implementation is not available.	To request UNIDO to submit to the 80 th meeting a comprehensive report on the project that addresses all the activities and expenditures since the last report.

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Egypt	Technical assistance on two alternatives to methyl bromide in the palm date sector (EGY/FUM/74/TAS/123)	33	A set of hand-on training on the use of phosphine was delivered in March 2017; training activities will be completed by November 2017; and an awareness campaign will be organised in 2017	To approve the revised completion date of February 2018 as the final date of completion; and to request UNIDO to submit a PCR no later than August 2018 and to return funds balances no later than February 2019.
Iraq	Technical assistance for alternatives to methyl bromide (IRQ/FUM/62/INV/13)	77	Project with implementation delays (12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.
			No progress was reported during 2016 and 2017.	To approve the revised completion date of April 2018 as the final date of completion; and to request UNIDO to submit a PCR no later than October 2018 and to return funds balances no later than April 2019.
Sudan (the)	Technical assistance for the final phase-out of methyl bromide in the post-harvest sector (SUD/FUM/73/TAS/36)	22	Project with implementation delays (12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.
			The installation of material has started, and training activities will be organised once installation of the equipment completed.	To approve the revised completion date of February 2018 as the final date of completion; and to request UNIDO to submit a PCR no later than August 2018 and to return funds balances no later than February 2019.
Tunisia	Technical assistance for the final phase-out of methyl bromide in the palm dates sector (TUN/FUM/73/TAS/63)	62	Project with implementation delays (12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.
			UNIDO, the national ozone unit (NOU) and the Association will verify the status of conversions at beneficiaries' site. The Association has also planned to build a fumigation chamber in the southern part of the country.	To approve the revised completion date of November 2017 as the final date of completion; and to request UNIDO to submit a PCR no later than May 2018 and to return funds balances no later than November 2018.
ODS disposal projects				
Algeria	Pilot demonstration project on ODS waste management and disposal (ALG/DES/72/DEM/79)	4	No progress reported. Project is proposed for cancellation.	To cancel the project and to request UNIDO to return fund balances no later than June 2018.

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
China	Pilot demonstration project on ODS waste management and disposal (CPR/DES/67/DEM/520)	100	The two components (including project from Japan) are jointly implemented, and will be finalized once activities on both grants are completed.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements.
Lebanon	Pilot demonstration project on ODS waste management and disposal (LEB/DES/73/DEM/83)	31	National consultant/coordinator has been onboard since June 2016. ODS is being collected and stored for subsequent export.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements.
Mexico	Demonstration project for disposal of unwanted ODS (MEX/DES/63/DEM/154)	92	Disposal of the remaining amount for destruction took place. Project implementation delay due to administrative and technical reasons. Final report is being prepared. Revised planned completion date is June 2017.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements and to complete the project by June 2017.
Nigeria	Demonstration project for disposal of unwanted ODS (NIR/DES/67/DEM/133)	24	Low amounts of wastes found, but additional stocks identified recently. Revised planned completion date is July 2018.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements and to complete the project by July 2018.
Turkey	Demonstration project for disposal of unwanted ODS (TUR/DES/66/DEM/99)	53	Shipment-related documentation for waste transportation was taking longer than expected due to administrative procedures. Disposal of the available waste is taking place. Revised planned completion date is December 2017.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements and to complete the project by December 2017.
Region: Europe and Central Asia	Demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region (EUR/DES/69/DEM/14)	68	The authorization for shipment of the last batch for destruction was obtained in March 2017, and shipment was planned in April 2017. Delay is due to obtaining the authorization for the export. Revised planned completion date is July 2017.	To reiterate decision 77/8(e)(i), and to request UNIDO to submit to the 80 th meeting a detailed report on this project as a project with specific reporting requirements and to complete the project by July 2017.
ODS alternative surveys				
Georgia, Kuwait, Libya, the Niger, Turkey, Venezuela (Bolivarian Republic of)			A consultant was hired and, in most cases, the survey is underway.	To request UNIDO to submit the surveys on ODS alternatives to the 80 th meeting in accordance with decision 74/53(h) and 78/2(c).

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Renewal of institutional strengthening projects				
Syrian Arab Republic	Phase V: 1/2015- 12/2016 (SYR/SEV/73/INS/104)	0	Low disbursement rate of approved funds due to security situation.	To request a status report to the 80 th meeting to monitor low disbursement of approved funds due to security situation.
Tunisia	Phase VIII: 4/2015-4/2017 (TUN/SEV/74/INS/64)	0	Low disbursement rate of approved funds due to focus on activities from the previous phase.	To request a status report to the 80 th meeting to monitor low disbursement of approved funds due to focus on activities from the previous phase.
HCFC phase-out management plan (HPMP) preparation				
Iraq	Preparation of a HCFC phase-out management plan/ investment activities in air-conditioning sector (stage II) (IRQ/PHA/73/PRP/19) (IRQ/REF/73/PRP/20)	0	Security situation in the country.	To request a status report to the 80 th meeting on the HPMP preparation project due to the security situation in the country.
Syrian Arabic Republic	Preparation of a HCFC phase-out management plan (SYR/PHA/55/PRP/97)	80	Security situation in the country.	To request a status report to the 80 th meeting on the HPMP preparation project due to the security situation in the country.
Syrian Arabic Republic	Preparation for HCFC phase-out investment activities (foam sector) (SYR/FOA/61/PRP/102)	58		
Yemen	Preparation of a HCFC phase-out management plan/ investment activities in foam sector (stage II) (YEM/PHA/73/PRP/45) (YEM/FOA/73/PRP/46)	0	Security situation in the country.	No status reports are required since activities in the country have been frozen.
HCFC demonstration projects				
Morocco	Demonstration of the use of low cost pentane foaming technology for the conversion to non-ODS technologies in polyurethane foams at small and medium enterprises (MOR/FOA/75/DEM/74)	4	Several equipment suppliers and chemicals manufacturers were contacted; the equipment and chemical systems identified; two study tours are underway with chemical suppliers and equipment manufacturers.	To request a status report to the 80 th meeting to monitor the implementation progress, including low disbursement rates of approved funds.

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Tranches of HPMPs				
Albania	HCFC phase-out management plan (stage I, third tranche) (ALB/PHA/75/INV/30)	0	Low disbursement rate of approved funds due to ongoing activities under previously approved tranche.	To request a status report to the 80 th meeting due to low disbursement rate of approved funds.
Algeria	HCFC phase-out management plan (stage I, first tranche) (activities in the refrigeration servicing sector including phase-out of HCFC-141b used for flushing, and project monitoring) (ALG/PHA/66/INV/77)	17	Low disbursement rates of approved funds. Awaiting feedback from the NOU on the preparation of the verification report and plan remaining activities.	To request a status report to the 80 th meeting due to low disbursement rate of approved funds noting that this project was approved 12 meetings ago.
Bolivia (Plurinational State of)	HCFC phase-out management plan (stage I, third tranche) (BOL/PHA/75/INV/44)	25	Changes in NOU.	To request a status report to the 80 th meeting on the appointment of a national ozone officer.
Brazil	HCFC phase-out management plan (stage II, first tranche) (commercial refrigeration and air-conditioning sector) (BRA/PHA/75/INV/311)	0	Low disbursement rates of approved funds due to late agreement signing.	To request a status report to the 80 th meeting due to low disbursement rate of approved funds.
Central African Republic (the)	HCFC phase-out management plan (stage I, first tranche) (CAF/PHA/64/INV/21)	15	Activities suspended due to security situation in the country. The equipment has been ordered and is being stored at supplier's premises.	To request a status report to the 80 th meeting to monitor the resumption of the activities in the country.
Korea (Democratic People's Republic of)	HCFC phase-out management plan (stage I, first tranche) (phase-out of HCFC-141b in polyurethane foam sector at Pyongyang Sonbong and Puhung Building Materials) (DRK/PHA/73/INV/59)	18	Low disbursement rates of approved funds. Execution of the contract for the foam equipment delayed due to the supplier bank guarantee and changes in implementation modalities.	To request a status report to the 80 th meeting due to low disbursement rate of approved funds.

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Korea (Democratic People's Republic of)	HCFC phase-out management plan (stage I, second tranche) (phase-out of HCFC-141b in polyurethane foam sector at Pyongyang Sonbong and Puhung Building Materials) (DRK/PHA/75/INV/62)	1	Low disbursement due to changes in implementation modalities.	To request a status report to the 80 th meeting due to low disbursement rate of approved funds.
Iraq	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector) (IRQ/PHA/74/INV/23)	0	Slow progress due to security situation.	To request a status report to the 80 th meeting to monitor the implementation progress and disbursement rate of approved funds due to security situation.
Libya	HCFC phase-out management plan (stage I, first tranche) (foam sector) (LIB/PHA/75/INV/36)	0	Slow progress due to security situation.	To request a status report to the 80 th meeting to monitor the implementation progress and disbursement rate of approved funds due to security situation.
Morocco	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector) (MOR/PHA/65/INV/68)	32	Completion of the audit.	To request a status report to the 80 th meeting to monitor the completion of the audit.
Morocco	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector) (MOR/PHA/68/INV/69)	5	Low disbursement rate of approved funds. Awaiting feedback from the NOU on project implementation.	To request a status report to the 80 th meeting to monitor the low disbursement rate of approved funds.
Nicaragua	HCFC phase-out management plan (stage I, second tranche) (NIC/PHA/74/INV/32)	0	Low disbursement rate of approved funds. Administrative issues with customs authorities; latest information indicates 40 per cent disbursement rate.	To request a status report to the 80 th meeting to monitor the administrative issues with customs authorities and the low disbursement rate of approved funds.
Nigeria	HCFC phase-out management plan (stage I, third tranche) (refrigeration air-conditioning manufacturing and coordination) (NIR/PHA/71/INV/136)	2	Low disbursement rate of approved funds. Beneficiaries were not prepared for the conversion due to currency crisis in the country; however installation is currently ongoing.	To request a status report to the 80 th meeting to monitor the installation exercise and the low disbursement rate of approved funds due to currency crisis in the country.

Country	Project title/project code	Disbursement rate (%)	Status/Issues	Recommendation
Senegal	HCFC phase-out management plan (stage I, first tranche) (SEN/PHA/65/INV/31)	66	Procurement and/or delivery of equipment. Funds from two tranches were combined, which delayed the financing of the procurement activity.	To request a status report to the 80 th meeting to monitor the procurement and/or delivery of equipment.
South Africa	HCFC phase-out management plan (stage I, third tranche) (polyurethane foam sector plan) (SOA/PHA/76/INV/10)	0	Release of funds pending verification report addressing the Secretariat's comments. Revised verification submitted on 23 May 2017.	n/a
Suriname	HCFC phase-out management plan (stage I, first tranche) (SUR/PHA/65/INV/18)	84	Lack of communication with NOU.	To request a status report to the 80 th meeting to monitor communication issues with NOU.
Syrian Arab Republic	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment and rigid polyurethane insulation panels at Al Hafez Group (SYR/REF/62/INV/103)		Project with implementation delays 12 months delay).	To request UNIDO to report to the 80 th meeting on this project with implementation delays.

Annex II

ANALYSIS THE PROGRESS REPORT OF UNIDO AS AT 31 DECEMBER 2016

1. As of that date, the Executive Committee had approved US \$880.66 million consisting of US \$781.16 million for investment and non-investment projects and US \$99.5 million for agency fees and administrative support costs, as shown in Table 1. In 2016, 58 new projects and activities were approved. This level of funding is expected to result in the phase-out of 81,374 ODP tonnes of ODS consumption and production.

Table 1: Approved funding by sector for UNIDO as at 31 December 2016

Sector	Funding (US \$)
Aerosol	34,413,700
Destruction	5,367,342
Foam	89,018,632
Halon	1,810,064
Fumigants	78,189,630
Multiple sectors	139,440
Other	11,317,246
Phase-out plan	285,543,305
Process agent	6,337,359
Production	50,520,740
Refrigeration	180,251,568
Several	15,004,529
Solvents	23,247,443
Sub-total	781,160,997
Administrative cost	99,496,665
Total	880,657,662

2. A summary of the status of projects implemented by category is presented in Table 2.

Table 2: Status of project implementation by category

Type	Number of projects*			Funding (US \$)			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Country programme	11	11	100	722,669	722,669	0	100
Demonstration	43	28	65	24,620,328	19,358,999	5,261,329	79
Institutional strengthening (IS)	72	59	82	10,688,334	8,992,815	1,695,519	84
Investment	846	709	84	702,987,716	601,322,317	101,665,399	86
Project preparation	484	462	95	21,116,062	19,930,553	1,185,509	94
Technical assistance	166	115	69	19,829,353	14,307,667	5,521,686	72
Training	23	23	100	1,196,535	1,196,533	2	100
Total	1,645	1,407	86	781,160,997	665,831,553	115,329,444	85

*Excludes closed and transferred projects.

3. Table 3 presents an overview of status of project implementation by year⁵. All projects and activities approved between 1991 and the end of 2005, as well as 2007, have now been completed.

Table 3: Status of project implementation by year

Year	Number of projects*			Funding (US \$)			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
1993	22	22	100	11,815,540	11,815,540	0	100
1994	52	52	100	30,645,899	30,645,900	-1	100
1995	59	59	100	25,662,091	25,662,091	0	100
1996	46	46	100	19,820,493	19,820,493	0	100
1997	130	130	100	42,083,037	42,083,039	-2	100
1998	88	88	100	23,638,291	23,638,290	1	100
1999	123	123	100	34,140,324	34,140,324	0	100
2000	96	96	100	30,180,880	30,180,750	130	100
2001	119	119	100	24,700,254	24,700,253	2	100
2002	76	76	100	35,992,040	35,992,038	2	100
2003	49	49	100	29,997,305	29,997,304	1	100
2004	44	44	100	33,105,460	33,105,458	2	100
2005	74	74	100	52,080,918	52,035,619	45,299	100
2006	44	43	98	20,815,112	20,574,178	240,933	99
2007	42	42	100	24,196,074	23,809,343	386,731	98
2008	78	75	96	33,486,107	33,015,121	470,986	99
2009	70	66	94	15,466,002	14,342,816	1,123,186	93
2010	71	59	83	47,114,589	42,639,989	4,474,600	91
2011	72	56	78	76,851,448	69,232,470	7,618,978	90
2012	53	29	55	34,144,962	24,269,910	9,875,052	71
2013	37	19	51	31,272,543	26,386,209	4,886,334	84
2014	58	24	41	28,426,256	15,246,438	13,179,818	54
2015	84	16	19	38,340,861	2,358,809	35,982,052	6
2016	58	0	0	37,184,512	139,172	37,045,340	0
Total	1,645	1,407	86	781,160,997	665,831,553	115,329,444	85

*Excludes closed and transferred projects.

4. Table 4 presents project implementation by country for 2016.

Table 4. Summary of project implementation by UNIDO for 2016

Country	Phased out in 2016	Percentage of planned phase-out achieved in 2016	Estimated funds disbursed in 2016 (US\$)	Funds disbursed in 2016 (US\$)	Percentage of funds disbursed over estimation in 2016	Percentage of planned projects completed in 2016
Albania	0.0		89,567	87,221	97	0
Algeria	0.0		240,001	16,703	7	100
Argentina	0.0		221,300	236,418	107	
Armenia	0.0		65,000	66,893	103	
Bahamas (the)	0.0		101	0	0	
Bahrain	0.0		220,000	10,194	5	
Benin	0.0		15,001	16,839	112	0

⁵ The data is presented according to the year when a project was approved by the Executive Committee. It treats all approvals (investment and non-investment projects) equally (i.e., an investment project or a funding tranche of a MYA of US \$1 million is considered one project, same as a country programme preparation of US \$30,000). Key indicators from the annual summary are: the percentage of projects completed, ODP phased out, and percentage of funds disbursed. There are three types of disbursements: during implementation, after implementation and for retroactively-financed projects.

Country	Phased out in 2016	Percentage of planned phase-out achieved in 2016	Estimated funds disbursed in 2016 (US\$)	Funds disbursed in 2016 (US\$)	Percentage of funds disbursed over estimation in 2016	Percentage of planned projects completed in 2016
Bolivia (Plurinational State of)	0.5	100	165,038	119,392	72	50
Bosnia and Herzegovina	0.0		138,491	98,643	71	50
Botswana	0.0		20,000	4,281	21	
Brazil	0.0		25,400	24,477	96	
Burkina Faso	0.0		1,000	36	4	
Burundi	0.0		6,000	8,201	137	
Cameroon	0.0		236,836	171,463	72	0
Central African Republic (the)	0.0		10,000	0	0	
Chad	0.0		2,000	4,025	201	
Chile	0.0		45,841	94,171	205	100
China	0.0		8,735,489	11,975,946	137	0
Colombia	0.0			1		
Congo (the)	0.0		1,000	1	0	
Cote d'Ivoire	0.0		150,000	1	0	
Croatia	0.0		51,100	51,344	100	
Cuba	0.0			1		
Democratic People's Republic of Korea (the)	0.0		170,206	59,538	35	
Dominican Republic (the)	0.0			1		
Ecuador	0.0		100,551	97,130	97	100
Egypt	0.0		487,715	383,846	79	40
Equatorial Guinea	0.0		1	0	0	
Eritrea	0.0		16,500	3,402	21	0
Ethiopia	0.0		10,000	0	0	
Gabon	0.0		10,000	2,166	22	
Gambia (the)	0.0		4,395	4,396	100	100
Georgia	0.0		30,000	10,907	36	
Global	0.0		145,001	166,367	115	100
Guatemala	0.0		240,361	554,913	231	100
Guinea	0.0		4,000	4,327	108	
Guinea-Bissau	0.0		862	0	0	
Honduras	0.0		77,790	49,122	63	0
India	0.0			2		
Indonesia	0.0	100	200,000	3	0	0
Iran (Islamic Republic of)	1.2	100	90,014	391,574	435	80
Iraq	1,451.5	100	520,000	29,237	6	0
Jordan	0.1		147,370	179,478	122	0
Kenya	0.0		5,000	1,682	34	
Kuwait	10.9	100	1,265,600	18,403	1	100
Lebanon	0.0		40,001	38,629	97	
Libya	0.0		385,000	145,745	38	100
Madagascar	0.0		13,000	0	0	0
Malaysia	0.0			1		
Mexico	22.4	60	1,633,460	2,554,486	156	33
Montenegro	0.1	100	90,000	65,623	73	100
Morocco	0.0		45,001	35,834	80	
Mozambique	0.0		44,000	4,034	9	
Nicaragua	0.0		60,777	10,210	17	0
Niger (the)	1.7	100	145,000	2,046	1	0
Nigeria	0.0		249,700	99,135	40	

Country	Phased out in 2016	Percentage of planned phase-out achieved in 2016	Estimated funds disbursed in 2016 (US\$)	Funds disbursed in 2016 (US\$)	Percentage of funds disbursed over estimation in 2016	Percentage of planned projects completed in 2016
Oman	0.0		131,869	62,221	47	100
Pakistan	2.0	100	185,385	160,790	87	100
Philippines (the)	0.0		10,000	629	6	
Qatar	0.0		74,500	130,832	176	0
Romania	0.0			3		
Rwanda	0.0		500	0	0	100
Saint Lucia	0.0		9,600	6,049	63	100
Saint Vincent and the Grenadines	0.0		2,000	1,341	67	
Saudi Arabia	0.0		1,536,900	888,872	58	100
Senegal	0.0		75,000	26,375	35	
Serbia	0.0		347,491	213,805	62	50
Sierra Leone	0.0		2,000	0	0	100
Somalia	0.5		47,364	34,021	72	
South Africa	24.9	100	748,560	1,127,438	151	33
Sudan (the)	0.0		278,400	240,827	87	100
Suriname	0.0		10,000	0	0	
Syrian Arab Republic	0.0		46,001	14,380	31	
The former Yugoslav Republic of Macedonia	0.0		125,622	75,278	60	100
Togo	0.0		10,000	4,636	46	
Tunisia	4.4	100	272,001	289,847	107	0
Turkey	0.0		1,128,584	554,489	49	33
Turkmenistan	0.7	100	57,311	48,933	85	0
Uganda	0.0		40,000	22,872	57	0
United Republic of Tanzania (the)	0.0			37		
Uruguay	0.0		7,727	7,727	100	
Venezuela (Bolivarian Republic of)	0.0		319,889	528,912	165	100
Yemen	0.0		20,001	19,001	95	
Zambia	0.0		12,100	5,926	49	100
Zimbabwe	0.0			1		
Region: AFR	0.0		40,000	73,878	185	100
Region: ASP	0.0		50,000	188,503	377	0
Region: EUR	0.0		90,728	48,679	54	50
Grand Total	1,521.0	99	22,350,003	22,674,792	101	59



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO Progress and Financial Report 2016

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I. Project Approvals and Disbursements

Annual summary data

- 1) Table 1 “Annual Summary” in the Excel file includes the most relevant annual data, such as number of approvals, corresponding ODP (wherever applicable), approved funding, adjustment and disbursement characteristics. The cumulative funds for the period 1993-2016 approved for UNIDO activities under the Multilateral Fund amount to US\$ 781,160,997, excluding agency support cost and the core unit funding. This amount, however, includes the adjustments made until end 2016. The details are contained in the attached database (Annex II in the Excel file). In this annex, the data are sorted by regions and within each region the completed, financially completed; ongoing and closed (cancelled) projects are listed.
- 2) As of 31 December 2016, UNIDO’s cumulative disbursement for all projects (completed and ongoing) amounts to US\$ 665,831,553 excluding agency support cost and core unit funding. This corresponds to a delivery rate of 85 per cent. Out of this amount, US\$ 601,322,317 relate to cumulative disbursement for investment projects (Table 2, “Summary Data by Project Type” in the Excel file).

Interest

- 3) The interest earned for the period 1993 – 2016 amounts to US\$ 37,488,100 and is shown by years in the Table 1 “Annual Summary” in the Excel file. The interest earned in 2016 amounts to US\$ 250,142.

Summary data by type

- 4) The cumulative activities of UNIDO approved by the Multilateral Fund are listed in Annex II in the Excel file. The following table summarizes their breakdown by types.

Type	US\$*	Share of portfolio in per cent	Number of projects	Share of portfolio in per cent
CPG (Country Programme Preparation)	815,000	0.10%	11	0.67%
DEM (Demonstration projects)	25,283,552	3.22%	43	2.61%
INS (Institutional strengthening)	10,570,620	1.34%	72	4.38%
INV (Investment projects)	704,267,067	89.57%	846	51.43%
PRP (Project preparation)	23,614,052	3.00%	484	29.42%
TAS (Technical Assistance)	20,480,120	2.60%	166	10.09%
TRA (Training)	1,249,459	0.16%	23	1.40%
Total (excluding agency support cost)	786,279,870	100%	1,645	100%

* These figures are without adjustments, which are in total US\$ -5,118,874.

- 5) Table 2 “Summary of Data by Project Type” in the Excel file, shows approvals, adjustments and disbursements by type of project/activity. In 2016 UNIDO’s overall disbursement rate (excluding agency support cost) was 85%. Disbursements by activity type and as percentage of activity allocations are summarized as follows:

Type	US\$	Disbursement rate in per cent
CPG (Country Programme Preparation)	722,669	100%
DEM (Demonstration projects)	19,358,999	79%
INS (Institutional strengthening)	8,992,815	84%
INV (Investment projects)	601,322,317	86%
PRP (Project preparation)	19,930,553	94%
TAS (Technical Assistance)	14,307,667	72%
TRA (Training)	1,196,533	100%
Total (excluding agency support cost)	665,831,553	85%

Multi-Year Agreements

In the reporting year, eight new multi-year performance based projects were approved for UNIDO's implementation, the Stage I HCFC Phase-out Management Plan in Afghanistan (transferred from Germany at the 77th ExCom), Stage II in Chile, China (2), Iran, Jordan, Pakistan and Venezuela.

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

Sector phase out by country

- 7) This section indicates ONGOING projects with sectors (excluding HCFCs) by countries for which total phase-out has been funded. Most of the activities are multi-year performance based projects, however there are some individual projects phasing out one or more substances in a particular sector. These activities are listed in the table below:

#	Country	Project Title	ODS	Multi-year (yes/no)	Phase-out in sector
1.	China	MDI phase-out	CFC	No	Total
2.	China	National methyl bromide phase-out plan*	MBr	Yes	Total
3.	Egypt	CFC phase-out in the MDI sector	CFCs	No	Total

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

* In cooperation with bilateral and/or implementing agencies

- 8) Information on funded ODP phase-out by region/country for ongoing projects is given in Table 3 “ODP Phase-out by Region, Country and Sector – Ongoing Projects” in the Excel file

Ongoing projects	
Sector	ODP tonnes
Aerosols	482
Foams	288.4
Fumigants	282.8
Phase-out	3,865
Production	0
Refrigeration	260
Total	5,178.2

- 9) As per Table 3a “ODP Phase-out by Region, Country and Sector – Completed Projects” in the Excel file, until end of the reporting period, UNIDO eliminated 76,663.1 ODP tonnes (excluding partial phase-out of ongoing projects). ODP phase by sector is summarized in the below table.

Completed projects	
Sector	ODP tonnes
Aerosols	3,683.4
Foams	12,858.4
Fumigants	5,328.9
Halons	2,002.8
Other (Tobacco)	1,170
Process agents	907.7
Phase-out	12,676.2
Production	17,381
Refrigeration	18,421.4
Several	39.3
Solvents	2,194
Total	76,663.1

- 10) Partial ODP phase out is reported in Table 3b “Partial ODP Phase-out by Sector, Region, Country” and in Annex III in the Excel file. The partial phase-out achieved in 2016 is shown in the following table on a sector basis.

Partial phase-out	
Sector	ODP tonnes
Foams	24.9
Fumigants	4.4
PHA	1,283.3
REF	193.6
Total	1,506.2

II. Project Completion since last Report

ODP phased out since last report - investment projects

- 11) As per Table 4 in the Excel file, the cumulative ODP phase out through investment projects completed in the reporting period (1 January – 31 December 2016) amounts to 117.2 ODP tonnes. In addition, 1,506.2 ODP tonnes were partially phased-out from ongoing projects. The details are shown in Table 3b, Table 4 in the Excel file. Table 4 in the Excel file lists all investment, demonstration, technical assistance and institutional strengthening projects completed in 2015.

Non-investment project completions since last report

- 12) Since the last report, 29 non-investment projects, with an approved funding of US\$ 2,245,254 were completed; nine in Africa, eight in Asia and the Pacific, five in Latin America and the Caribbean, four in Europe, two Global and the Core Unit Funding.

III. Global and Regional Project Highlights

Global Projects

- 13) Core Unit Funding for the year 2017 was approved in November 2016. The core unit funding for the year 2016 that was approved in 2015 for UNIDO as a global project in the amount of US\$ 2,040,715 and it was completed in December 2016. In addition two preparations for Global demonstration projects were completed in 2016.

Regional Projects

- 14) The below regional projects have been ongoing in Asia and Europe in the reporting year:
- Demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region;
 - Promoting alternative refrigerants in air-conditioning for high ambient countries in West Asia (PRAHA-II);
 - Promoting low-global warming potential refrigerants for air-conditioning sectors in high-ambient temperature countries in West Asia;

The Regional demonstration project in Africa on alternatives to the use of methyl bromide for treatment of high moisture dates (Algeria and Tunisia), was completed in 2016. Furthermore the Preparation of a regional centre of excellence for demonstration and training of low-global warming potential ozone-safe alternative technologies in the Europe and Central Asia region (ECA) was concluded.

IV. Performance Indicators

Business Plan Performance Goals as decided by the Executive Committee

- 15) The 71st Meeting of the Executive Committee in December 2013 reviewed and modified the performance indicators established by earlier decisions. The new weightings, based on Decision 71/28, are indicated in the below table.
- 16) The targets and achievements for the year 2016 performance indicators approved during the 75th Meeting of the ExCom are indicated below.

A1. Planning – Approvals

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

In 2016, 39 tranches were approved in total against the updated target of 39¹. The original target was 49, however, as reported to the 77th Meeting of the Executive Committee, UNIDO was ready for submission of the following tranches, but could not submit them due circumstances beyond UNIDO's control: the Bahamas, Bahrain, Burundi, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Myanmar and Togo (lead agency was not ready) and Suriname (the Government indicated that due to staffing issues in the NOU they preferred deferring submission to 2017). For this reason, the target should be reduced to 39.

Out of the 39 tranches approved, 30 are tranches of existing multi-year projects (including three tranches approved for Benin at the 76th ExCom Meeting to UNIDO). In addition, 9 tranches were approved for new multi-year projects (Stage II in Chile, China (2 – RAC and XPS sectors), Iran, Jordan, Pakistan and Venezuela; including two tranches in Afghanistan transferred from Germany).

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

During 2016, 13 individual projects were approved against the agreed target of 18. However, the target contains Stage II project preparation for Yemen, which has already been approved earlier (73rd ExCom). Consequently, additional project preparation was not eligible for funding and the target should be reduced to 17 due to this apparent oversight. The approvals include 2 project preparations (Argentina and Tunisia), 3 renewals of institutional strengthening projects (Armenia, Egypt and Libya), 6 demonstration projects (as listed under section 34) and 2 technical assistance projects (1 verification project for Ecuador and 1 global project for UNIDO's 2017 Core Unit Funding).

¹ The original target was 49, however, as reported to the 77th ExCom Meeting, UNIDO was ready for submission of the following tranches, but could not do that due to other circumstances: the Bahamas, Bahrain, Burundi, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Myanmar and Togo (lead agency was not ready) and Suriname (the Government indicated that due to staffing issues in the NOU they prefer to defer submission to 2017).

A2. Implementation

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

During 2016 the funds disbursed as per IPSAS were US\$ 22,651,876 against the target of US\$ 22,350,000.

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

Altogether 572.6 ODP tonnes can be recorded as achievements compared to the target of 680.5 ODP tonnes for all MYA projects approved in 2016. 13 ODP tonnes need to be deducted from the target as explained in section 17 due to the non-submission of several tranches beyond UNIDO's control (Bahamas, Burundi, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Suriname, Togo).

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

During 2016 UNIDO completed 33 projects against the target of 37.

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

Performance indicators: Targets and achievements in 2016

Type of Indicator	Short title	Calculation	Weighting	Target 2016	Achievement 2016
Planning-- Approval	Tranches approved	Number of tranches approved vs. those planned	10	39*	39
Planning-- Approval	Projects/ activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	10	17**	13
	Sub-total		20		
Implementation	Funds disbursed	Based on estimated disbursement in progress report (USD)	15	22,350,000	22,651,876
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	667.5*** ODP tonnes	572.6 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excl. project preparation)	20	37	33
	Sub-total		60		

Type of Indicator	Short title	Calculation	Weighting	Target 2016	Achievement 2016
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	10	12 months after operational completion	12 months
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	5	On time	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time	On time or as agreed

* The original target was 49, however, as reported to the 77th ExCom Meeting, UNIDO was ready for submission of the following tranches, but could not do that due to other circumstances: the Bahamas, Bahrain, Burundi, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Myanmar and Togo (lead agency was not ready) and Suriname (the Government indicated that due to staffing issues in the NOU they prefer to defer submission to 2017).

** The original target of 18 included, by mistake, project preparation for Stage II HPMP in Yemen, which was approved before the reporting period, at the 73rd ExCom Meeting.

*** 13 ODP tonnes to be reduced from the original target of 680.5 ODP tonnes due to the non-submission of several tranches beyond UNIDO's control (Bahamas, Burundi, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Suriname, Togo).

In addition to the above, UNIDO's approvals in 2016 amounted to US\$ 37,184,512.

Cumulative completed investment projects

23) Since 1993, UNIDO's cumulative number of completed investment projects has grown to 709. Out of a total of US\$ 449,970,649 of approved MLF financing for completed projects, 100 per cent of these funds were disbursed. The average number of months from approval to first disbursement was 9.1 months. The average number of months from approval to completion was 36.4 months. The cost effectiveness of completed projects is US\$ 6.08/kg. Table 5 "Cumulative completed investment projects by region, sector and implementation characteristics" in the Excel file illustrates more details, presenting information both on a regional and on a sector basis. The vast majority of completed investment projects have been implemented with disbursements of funds during implementation; only ten retroactively funded projects were implemented by UNIDO.

Cumulative completed non-investment projects

24) Since 1993, UNIDO's cumulative number of completed non-investment projects, including the preparation of RMPs, is 236. Out of a total of US\$ 39,337,064 of approved MF financing, 99 per cent of funds have been disbursed. Except for fifty nine institutional strengthening projects, all UNIDO completed non-investment projects were objective-sensitive. Disbursement took place during implementation for all completed projects. Table 6 "Cumulative completed non-investment projects by region, sector and

implementation characteristics” in the Excel file provides details according to geographic region and sectors.

Cumulative ongoing investment projects

25) By the end of 2016, UNIDO’s cumulative portfolio of ongoing investment, demonstration and recovery and recycling projects contained 137 projects. Of the US\$ 248,621,009 approved budget, 60 per cent has been disbursed. It took an average of 8.6 months from approval to first disbursement. The Africa region had 53 ongoing projects, Asia and the Pacific 50 ongoing projects, Europe 12 ongoing projects and Latin America and the Caribbean 22 ongoing projects. Table 7 “Cumulative ongoing investment projects by region, sector and implementation characteristics” in the Excel file illustrates the implementation characteristics among regions and sectors for UNIDO’s ongoing investment projects. The ongoing projects are objective sensitive and the disbursement of funds takes place during implementation.

Cumulative ongoing non-investment projects

26) At the end of 2016, UNIDO’s cumulative portfolio of ongoing non-investment projects, including preparation of RMPs, consisted of 79 projects. Out of a total of US\$ 17,707,254 of approved funding, 31 per cent has been disbursed. Table 8 “Cumulative ongoing non-investment projects by region, sector and implementation characteristics” in the Excel file illustrates details, presenting the projects according to regions, sectors and types.

V. Status of Agreements and Project Preparation by Country

Agreements to be signed/executed/finalized and ready for disbursing

27) As soon as a project is approved by the Executive Committee and after having notified the respective authorities, UNIDO secures officially from the recipient country's Ozone and project authorities, validity/confirmation of basic project data, such as actual ODS consumption; validity of counterpart commitment, etc., since by this time, a substantial period of time might have elapsed from the time of formulation of the project, and the projects, in most cases, are adjusted as a result of the negotiations during the approval process. After this, wherever it is required by the Country, UNIDO prepares and signs with the Ozone Authorities the agreement of cooperation. UNIDO prepares detailed Terms of Reference (TOR) for services to be rendered under the project. The TOR and the list of potential suppliers are approved by the counterpart. The bidding and subcontracting takes place based on the mutually agreed TOR. The first payment is due upon entry into force of the first contract. Even if the first payment is released, as per the IPSAS, disbursements are not reflected until after services have been delivered. Under UNSAS, any payment outflow was recorded as disbursement. The above-illustrated preparatory work explains, for multi-year programmes, investment, demonstration and recovery and recycling projects, the time elapsing between project approval and first disbursement.

Project preparation by country, approved amount and amounts disbursed

28) As of the end of 2016, UNIDO had approved project preparation funding amounting to US\$ 2,031,250 out of which US\$ 962,281 has been disbursed.

The list and details of active project preparation accounts are shown in Table 9 "Active project preparation accounts" in the Excel file.

29) Stage II HPMP PRP activities have been initiated in 2016 in the following countries:

#	Mtg	Country	Agencies involved
1	77	Argentina	UNIDO Lead Agency with World Bank
2	77	Tunisia	UNIDO only impl. Agency

Activities related to the phase-out of HCFCs

- 30) UNIDO is lead agency or only implementing agency for altogether 33 **Stage I HPMPs**. These MYAs/projects are listed below:

#	Mtg	Country	Main / Cooperating agency
1.	64	Albania	UNIDO lead agency with UNEP
2.	66	Algeria	UNIDO only impl. Agency
3.	66	Argentina	UNIDO lead agency with World Bank
4.	74	Bolivia	UNIDO only impl. agency
5.	66	Bosnia & Herzegovina	UNIDO only impl. Agency
6.	64	Cameroon	UNIDO only impl. Agency
7.	64	China – RAC sector	UNIDO only impl. Agency
8.	64	China – XPS sector	UNIDO lead agency with GIZ
9.	73	Democratic People's Republic of Korea	UNIDO lead agency with UNEP
10.	65	Ecuador	UNIDO lead agency with UNEP
11.	65	Egypt	UNIDO lead agency with UNDP
12.	64	Guatemala	UNIDO lead agency with UNEP
13.	65	Jordan	UNIDO lead agency with WB
14.	75	Libya	UNIDO only impl. agency
15.	60	Macedonia, FYR	UNIDO only impl. agency
16.	64	Mexico	UNIDO lead agency with UNDP
17.	63	Montenegro	UNIDO only impl. Agency
18.	65	Morocco	UNIDO only impl. Agency
19.	66	Niger	UNIDO lead agency with UNEP
20.	65	Oman	UNIDO lead agency with UNEP
21.	62	Pakistan	UNIDO lead agency with UNEP
22.	62	Philippines (foam sector plan)	UNIDO lead, Japan cooperating
23.	65	Qatar	UNIDO lead agency with UNEP
24.	68	Saudi Arabia	UNIDO lead agency with UNEP
25.	65	Senegal	UNIDO lead agency with UNEP
26.	62	Serbia	UNIDO lead agency with UNEP
27.	67	Somalia	UNIDO only impl. Agency
28.	67	South Africa	UNIDO only impl. Agency
29.	66	Sudan	UNIDO only impl. Agency

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

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

- UNEP: Afghanistan, Bahamas, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Congo (Rep. of), Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Guinea, Guinea-Bissau, Honduras, Iraq, Kuwait, Madagascar, Mozambique, Malawi, Myanmar, Nicaragua, Rwanda, Saint Lucia, St. Vincent and the Grenadines, Sierra Leone, Suriname, Tanzania, Togo, Uganda, Yemen and Zambia;
- UNDP: Indonesia, Iran and Nigeria;

Outstanding **Stage I HPMPs**:

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

Completed **Stage I HPMPs**:

- Croatia, implemented by UNIDO.

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

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

ODS destruction demonstration projects

- 32) Seven pilot ODS destruction demonstration projects are under implementation for Algeria, China, Lebanon, Mexico, Nigeria, Turkey and for three low-volume consuming countries in Europe.

Climate impact of Montreal Protocol activities

- 33) In the selection of alternative technologies to replace ODS, energy efficiency, has been taken into account since the first investment projects, from early 1990s in UNIDO. In the recent years, the introduction of low Global Warming Potential and high energy efficiency alternatives has gained high attention to achieve additional climate benefits in the ODS phase-out process. UNIDO has been looking into the assessment of climate impacts of the MP activities in order to respond to the needs of Dec XIX/6 of the Meeting of the Parties. In Decision 72/40 (May 2014) bilateral and implementing agencies have been encouraged to submit proposals for demonstration projects for low GWP alternatives to HCFCs in the refrigeration and air-conditioning subsectors and feasibility studies, including business cases for district cooling.
- 34) Since then eight demonstration projects have been approved at the 75th and 76th Meetings of the Executive Committee for UNIDO's implementation and all of them have been ongoing in 2016:

75th Executive Committee Meeting (2015)

- Demonstration project on the use of low cost pentane foaming technology for the conversion to non-ODS technologies in polyurethane foams at small and medium enterprises (Morocco)
- Feasibility study addressing district cooling (Egypt)

76th Executive Committee Meeting (2016)

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

- 35) At the 26th Meeting of the Parties to the Montreal Protocol (Paris, 17-21 November 2014) Parties took a key decision on assessing alternatives to ozone-depleting substances (Decision XXVI/9) and requested the Executive Committee of the Multilateral Fund to

consider financial support to conduct inventories or surveys on alternatives to ODS in Article 5 parties who request so. In 2015 27 national surveys were approved for UNIDO's implementation. All of these surveys have been ongoing in 2016; some of them got completed the same year and submitted to the Multilateral Fund Secretariat early 2017. Further submissions are foreseen for 2017.

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

Meetings attended

36) UNIDO attended/participated in the following meetings in 2016:

#	Meeting	Location	Dates
1.	Inter-Agency Coordination Meeting	Montreal, Canada	March
2.	Joint Network and Thematic Meetings of the ODS Officers of Africa and West Asia	Victoria Falls, Zimbabwe	March
3.	Technological Innovations in Refrigeration and Air-Conditioning Conference	Milan, Italy	March
4.	40 th Mostra Convegno Expocomfort (MCE) 2016	Milan, Italy	March
5.	37 th Meeting of the Open-ended Working Group of the Parties (OEWG)	Geneva, Switzerland	April
6.	International Stakeholder Workshop on Assessment of Global Training Programs for the Refrigeration Servicing Sector (RSS), UNEP	Paris, France	April
7.	76 th Executive Committee Meeting	Montreal, Canada	May
8.	Meeting of the Ozone Action Networks of Latin America and the Caribbean	Santiago, Chile	May
9.	ECA customs cooperation and network meeting, UNEP	Ashgabat, Turkmenistan	May
10.	Innovation for change, organized by Turin's Politecnico University and CERN Geneva	Turin, Italy	June
11.	37 th Meeting of the Open-ended Working Group of the Parties (OEWG) - Resumed	Vienna, Austria	July
12.	38 th Meeting of the Open-ended Working Group of the Parties (OEWG)	Vienna, Austria	July
13.	3 rd Extraordinary Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer: high-level meeting (MOP-ExMOP)	Vienna, Austria	July
14.	56 th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol (ImpCom)	Vienna, Austria	July
15.	Inter-Agency Coordination Meeting	Montreal, Canada	September
16.	Workshop on Alternatives to Ozone Depleting Substance and Hydrofluorocarbons, Swedish Environmental Protection Agency	Stockholm, Sweden	September
17.	International Exhibition in Refrigeration, AC and ventilation, Heat Pumps - CHILLVENTA	Nuremberg, Germany	October
18.	57 th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol (ImpCom)	Kigali, Rwanda	October
19.	38 th Meeting of the Open-ended Working Group of the Parties (OEWG) – Resumed	Kigali, Rwanda	October

#	Meeting	Location	Dates
20.	Twenty-Seventh Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer	Kigali, Rwanda	October
21.	28 th Meeting of the Parties (MOP)	Kigali, Rwanda	October
22.	77 th Executive Committee Meeting in Montreal	Montreal, Canada	November
23.	Thematic Meeting on HCFC phase-out management plans (HPMPS) and ODS alternative survey	Belgrade, Serbia	November
24.	Thematic meeting on implementation of HCFC Phase-out Management Plans (HPMPs)	Chisinau, Republic of Moldova	November
25.	UNIDO 50 th Anniversary, Third Donor Meeting (Planet Panel) with the participation of the MLF Secretariat	Vienna, Austria	November

Implementing agency and other cooperation

37) Cooperation with UNDP and the World Bank:

Several ongoing HPMP activities in different countries and regions are being implemented together with UNDP and/or the World Bank, among others the following Stage I HPMPs: Argentina, China, Egypt, Indonesia, Iran, Jordan, Mexico, Nigeria and Stage II HPMP in Brazil, Chile, China, Iran, Jordan and Venezuela.

38) Cooperation with UNEP: In 2016 thirty-two tranches of ongoing or new HPMPs were approved with UNEP as lead or co-implementing agency in Afghanistan (2), Benin (3), Chad (1), China (2), the Republic of the Congo (1), the Democratic People's Republic of Korea (1), Ecuador (1), Eritrea (1), Ethiopia (1), the Gambia (1), Grenada (1), Guinea Bissau (1), Honduras (1), Iran (1), Madagascar (1), Malawi (1), Mexico (1), Pakistan (1), Rwanda (1), Saint Lucia (1), Saudi Arabia (1), Senegal (1), Sierra Leone (1), Tanzania (1), Tunisia (2), Uganda (1) and Zambia (1).

Furthermore, two demonstration projects, (1) Demonstration project on refrigerant quality, containment and introduction of low-global warming potential alternatives in Eastern Africa and the Caribbean regions and (2) Promoting alternative refrigerants in air-conditioning for high ambient countries in West Asia (PRAHA-II) have also been approved for UNIDO's and UNEP's implementation.

39) Participation in inter-agency meetings: As in the past years, UNIDO participated in all major inter-agency coordination meetings organized by either the Multilateral Fund Secretariat or by any of the other implementing agencies.

40) Cooperation with Bilateral Agencies: During 2016, UNIDO continued implementation of the ongoing bilateral projects.

- 41) Those bilateral projects under UNIDO's implementation, which have been ongoing or have been completed in 2016 are listed in the below table. The list is sorted in alphabetical order of the bilateral agencies.

#	Bilateral Agency	Country	Project Title	Impact	Approved Funding (US\$)	Status
1	France	Mexico	Demonstration project for disposal of unwanted ODS	0	500,000	ONG
2	France	Regional Africa	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	0	360,000	ONG
3	France	Regional Africa	Strategy for disposal and destruction of ODS for five low-volume-consuming Central African countries (Burundi, Cameroon, Central African Republic, Congo and Guinea)	0	80,000	ONG
4	France	Algeria	Pilot demonstration project on ODS waste management and disposal	0	250,000	ONG
5	France	Tunisia	HCFC phase-out management plan (stage I, first tranche) (residential air-conditioning manufacturing sector plan)	0.4	97,690	ONG
6	France	Tunisia	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	0.5	38,000	ONG
7	Italy	Argentina	Phase-out of HCFC-22 in the room and unitary air-conditioning equipment manufacturing sector of Argentina	0	300,000	COM
8	Italy	China	HCFC phase-out management plan (stage II, first tranche) (room air-conditioner manufacturing sector plan)	10.3	891,892	ONG
9	Italy	Iran	HCFC phase-out management plan (stage II, first tranche) (foam sector)	7.1	403,203	ONG
10	Italy	Mexico	HCFC phase-out management plan (stage II,	0	458,191	ONG

#	Bilateral Agency	Country	Project Title	Impact	Approved Funding (US\$)	Status
			first tranche) (reclamation of HCFC refrigerants)			
11	Italy	Tunisia	Technical assistance for the final phase-out of methyl bromide in the palm dates sector	2.2	132,743	COM
12	Japan	China	Pilot demonstration project on ODS waste management and disposal	0	900,000	ONG
13	Japan	Regional Africa	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	0	700,000	ONG
14	Japan	Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of XPS panel at Al-Watania Plastics	1.9	110,000	ONG
15	Spain	Libya	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others (2 nd tranche)	40	500,000	ONG
16	Spain	Mexico	HCFC phase-out management plan (stage II, second tranche) (cleaning agent phase-out in refrigeration servicing sector)	2.3	76,991	ONG
17	Spain	Mexico	HCFC phase-out management plan (stage II, second tranche) (phase-out of HCFC-22 and HCFC-141b in solvent)	0	700,000	ONG
18	Spain	Mexico	HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	0	280,000	ONG
19	Spain	Mexico	National Methyl-Bromide Phase-Out Plan (3 rd tranche)	80	800,000	COM

Other issues

- 42) The status of ongoing projects is described in Annex II. The success and timely implementation of these activities are crucial in the current compliance period. In order to ensure timely project completion of projects approved so far, and to facilitate compliance of the recipient countries with their MP obligations, in 2016, UNIDO has continued to practice the following initiatives, which supported successful project implementation:
- Regular missions to ozone offices and project sites are organized to monitor together with the ozone officers the implementation of national and/or sector phase-out plans and ongoing stand-alone projects. UNIDO visits the respective ozone offices at least once a year. When required, UNIDO fields ad-hoc missions and requests support from the field representatives, who are in regular contact with the ozone office of the country to organize training, clear equipment from the customs, recruit national experts, undertake local procurement, process project travels, etc.
 - Good cooperation with the national ozone offices has continued and regular follow up of the implementation process is being done by the staff of the ozone office together with UNIDO's national and international consultants and project managers. This ensures that effective actions on critical issues such as resolving bottlenecks in site preparation, customs clearance, installation, commissioning and safety certification, monitoring of destruction of ODS-related equipment are taken in a timely manner.
 - Due to security issues, UNIDO experienced delays in project implementation during 2016 particularly in West Asia and Africa.
- 43) UNIDO is regularly attending Regional Network Meetings and respective workshops providing additional support to our counterpart countries.
- 44) UNIDO also provides, when requested, support such as policy assistance, putting in place relevant legislation etc.
- 45) From February 2016, the Montreal Protocol portfolio of UNIDO has been managed by the Montreal Protocol Division and by the Emerging Compliance Regimes Division under the Environment Department.
- 46) In July 2016 the 38th Meeting of the Open-ended Working Group of the Parties to the Montreal Protocol (OEWG-38) and the Third Extraordinary Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (ExMOP3) and its High-Level Meeting took place in Vienna. UNIDO, as the host agency, considerably contributed to the efforts to prepare and organize the events.
- 47) On the margins of the meetings under the Montreal Protocol, the Special Executive Session of the Climate and Clean Air Coalition's High Level Assembly also took place in Vienna and was facilitated mainly by UNIDO's Montreal Protocol Division.
- 48) UNIDO celebrated its 50th anniversary in 2016 with several events around the year and final festivities at UNIDO HQ, Vienna in November 2016. One of the highlights was

UNIDO's Third Donor Meeting, where in the context of the "Planet Panel Discussion", high-level invitees talked about the latest challenges and new ways forward in terms of the Montreal Protocol and its Kigali Amendment. The Chief Officer of the Multilateral Fund Secretariat, Mr. Eduardo Ganem was one of the participants in the panel discussions.

- 49) Several publications and video materials were published on the occasion of the 50th anniversary, including the "Some like it cool" by the Montreal Protocol Division, summarizing the work carried out by UNIDO as implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol.

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