

 UNEP/OzL.Pro/ExCom/84/17
 19 November 2019

PROGRESS REPORT Of BILATERAL COOPERATION as at 31 december 2018

# The following non-Article 5 countries currently involved in bilateral cooperation activities submitted progress report[[1]](#footnote-1) databases: Australia, Canada, France, Germany, Italy, Japan, the Russian Federation and Spain. Additional data from earlier progress reports for other non-Article 5 countries previously involved in bilateral cooperation[[2]](#footnote-2) covering data for the projects already reported as financially completed are also included in the consolidated progress report.[[3]](#footnote-3)

**Scope of the document**

# This document consists of the following parts:

## Part I: Projects approved under the regular contributions to the Multilateral Fund. It presents a summary of progress in implementation of projects for 2018 and cumulative since 1991 addressing all controlled substances under the Montreal Protocol, including Annex F substances (HFCs); it contains a review on the status of implementation of each ongoing[[4]](#footnote-4) project at the country level; and it identifies projects with implementation delays and the potential impact on the phase-out of controlled substances, and projects with outstanding issues for consideration by the Executive Committee.

## Part II: Projects approved under the additional voluntary contributions for fast start support for HFC phase-down. It provides a status of implementation of HFC phase‑down projects funded under the voluntary contributions.

Recommendation.

# This document also contains the following annexes:

Annex I: A summary status and a recommendation for each ongoing project with outstanding issues for consideration by the Executive Committee.

Annex II: An analysis of the progress report.

Measurements used in the progress reports

# Prior to agreement on the Kigali Amendment, all controlled substances under the Montreal Protocol were ozone‑depleting substances, measured in ODP tonnes. Controlled substances under the Kigali Amendment are not ozone‑depleting substances, and their control targets are measured in mt CO2-eq. (i.e., consumption in metric tonnes (mt) multiplied by the global warming-potential (GWP) of the substance). Notwithstanding the two different measurements for reporting controlled substances, the progress report of bilateral cooperation submitted to the 84th meeting are based on ODP tonnes for all controlled substances.[[5]](#footnote-5)

**An overview of HFC phase-down activities**

# As of 31 December 2018, the Executive Committee has approved 14 HFC-related activities (including three investment projects and 11 enabling activities) amounting to US $1.49 million (from both the regular and additional voluntary contributions to the Fund). Approved HFC-investment projects will phase down 74 mt (105,865 mt CO2‑eq.) of HFCs. Regarding enabling activities, extension of the completion dates of four of these projects was approved at the 83rd meeting and requests for extension for four others have been submitted to the 84th meeting.

**Progress review process by the Secretariat**

# The Secretariat reviewed the status of implementation of each ongoing project on a country‑by‑country basis taking into account implementation delays that have occurred with respect to planned completion dates that had been reported in 2018, the potential impact of these delays on the phase‑out of controlled substances and the rate of planned disbursements. The Secretariat had several discussions with relevant bilateral agencies, where a number of issues on ongoing projects were raised and subsequently satisfactorily resolved.

Part I: Projects approved under the regular contributions to the Multilateral Fund

**Summary of progress in implementation of projects for 2018 and cumulative**

# Implementation of projects and activities by the bilateral agencies for 2018 and cumulative since 1992 up to 31 December 2018 is summarized as follows:

## **Phase-out:**[[6]](#footnote-6) In 2018, 12.2 ODP tonnes of consumption of controlled substances were phased out and an additional 162.8 ODP tonnes of consumption of controlled substances were approved for phase-out. Since 1992, 9,122 ODP tonnes of consumption of controlled substances had been phased out, of an expected total of 10,372 ODP tonnes from projects approved (excluding cancelled and transferred projects);

## **Disbursements/approvals:** In 2018, US $3.89 million was disbursed and US $3.69 million was planned for disbursement based on the 2017 progress report, representing a rate of disbursement of 105 per cent of that planned. Cumulatively, US $143.56 million had been disbursed out of the total US $157.35 million approved for disbursement (excluding agency support costs). This represents a rate of disbursement of 91 per cent. In 2018, US $7.05 million was approved for implementation;

## **Number of projects completed:** In 2018, eight projects were completed. Since 1992, 631 projects of the 686 projects approved (excluding closed or transferred projects) were completed. This represents a completion rate of 92 per cent;

## **Speed of delivery – investment projects:** Projects that were completed in 2018 were completed on average 30 months after their approval. Since 1992, the average time for completion of investment projects has been 40 months after their approval. First disbursements under these projects occurred, on average, 11 months after they had been approved;

## **Speed of delivery – non investment projects:** Projects that were completed in 2018 were completed 52 months after their approval. Since 1992, 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;

## **Project preparation:** Of the 123 project preparation activities approved by the end of 2018, 122 have been completed, leaving one ongoing. In 2018, one project was completed;

## **Implementation delays:** There were a total of 39 ongoing investment projects under implementation at the end of 2018. These projects, on average, are experiencing a delay of 23 months. However, there are no projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation (as multi‑year agreements (MYAs) are not subject to those procedures); and

## **MYAs**: In 2018, bilateral agencies were implementing 31 MYAs for HCFC phase-out management plans (HPMPs). Since 1992, 81 MYAs have been approved and 50 MYAs have been completed.

Project implementation progress in 2018

# Further to the review process, a number of issues were resolved, except for one tranche of the MYA for the phase‑out of HCFCs with slow progress of implementation due to a change in the Government, as shown in Annex I to the present document. 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.

# Of the 54 ongoing projects excluding project preparation, 21 have revised planned dates of completion since the 2017 progress report.

# Details of progress in implementation of projects associated with the HPMPs for China (XPS foam and refrigeration servicing sector plans)[[7]](#footnote-7) (implemented by Germany and Japan), Egypt[[8]](#footnote-8) (implemented by Germany), Iran (Islamic Republic of)[[9]](#footnote-9) (implemented by Germany and Italy) and Tunisia[[10]](#footnote-10) (implemented by France) have been submitted to the 84th meeting and will be considered under their respective country project document. Recommendations for outstanding issues for these projects, including approval of extension requests, if any, are addressed in the relevant sections of these documents.

# Part II: **Projects approved under the additional voluntary contributions for fast start support for HFC phase-down**

# As of 31 December 2018, the Executive Committee had approved seven HFC-related projects for two bilateral agencies (Germany and Italy) under the additional voluntary contributions amounting to US $480,000 (excluding agency support costs). Of this amount, US $93,809 has been disbursed. A summary of the status of these projects is presented in Table 1.

# **Table 1. HFC-related projects approved in 2018**

| **Type** | **Number of projects** | **Funding (US $)\*** |
| --- | --- | --- |
| **Approved** | **Completed** | **%****completed** | **Approved** | **Disbursed** | **Balance** | **%****disbursed** |
| Technical assistance - Enabling activities | 7 | 7 | 0 | 480,000 | 93,809 | 386,191 | 20 |
| **Total** | **7** | **7** | **0** | **480,000** | **93,809** | **386,191** | **20** |

\* Excludes agency support costs.

# Seven enabling activities approved by the end of 2018 are at various stages of implementation. Cumulatively, US $93,809 had been disbursed out of the total US $480,000 approved for disbursement (excluding support costs), representing a disbursement rate of 20 per cent.

**Recommendation**

# The Executive Committee may wish:

## To note, with appreciation, the progress reports submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan, the Russian Federation and Spain contained in document UNEP/OzL.Pro/ExCom/84/17; and

## To approve the recommendation related to an ongoing project with specific issues contained in Annex I to the present document.

**Annex I**

## **ONGOING PROJECT WITH OUTSTANDING ISSUES IN THE PROGRESS REPORT FOR BILATERAL AGENCIES**

| **Country/project code** | **Agency** | **Project title** | **Disbursement (%)** | **Status/Issues** | **Recommendation** |
| --- | --- | --- | --- | --- | --- |
| MauritiusMAR/PHA/79/INV/27 | Germany | HCFC phase-out management plan (third tranche) | 19 | Slow progress in implementation due to changes in the administrative set-up in the Government | To request a status report to the 85th meeting on progress in implementation and the level of funds disbursement  |

Annex II

ANALYSIS OF THE PROGRESS REPORT OF BILATERAL AGENCIES
AS AT 31 DECEMBER 2018

# This Annex consists of the following two parts:

## Part I: Projects approved under the regular contributions to the Multilateral Fund.

## Part II: Projects approved under the additional voluntary contributions for fast start support for HFC phase-down.

Part I: Projects approved under the regular contributions to the Multilateral Fund

# As of 31 December 2018, the Executive Committee had approved US $172.29 million, consisting of US $157.35 million for the implementation of investment and non-investment projects and US $14.93 million for agency support costs, as shown in Table 1. In 2018, 16 new projects and activities were approved. This level of funding is expected to result in the phase-out of 10,372 ODP tonnes of consumption of controlled substances.

**Table 1: Approved funding by sector for bilateral agencies as at 31 December 2018**

|  |  |
| --- | --- |
| **Sector** | **Funding (US $)** |
| Aerosol | 2,051,914 |
| Destruction | 1,526,282 |
| Foam | 8,093,857 |
| Halon | 6,147,361 |
| Fumigants | 18,229,661 |
| Phase-out plan | 63,160,785 |
| Production | 10,000,000 |
| Refrigeration | 40,910,121 |
| Several | 4,719,718 |
| Solvents | 2,512,738 |
| **Sub-total** | **157,352,436** |
| Agency support costs | 14,934,227 |
| **Total** | **172,286,664** |

# 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**

| **Type** | **Number of projects\*** | **Funding (US $)\*\*** |
| --- | --- | --- |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Country programme | 9 | 9 | 100 | 340,787 | 340,787 | 0 | 100 |
| Demonstration | 38 | 37 | 97 | 9,409,436 | 9,047,340 | 362,096 | 96 |
| Institutional strengthening (IS) | 7 | 7 | 100 | 883,376 | 883,376 | 0 | 100 |
| Investment | 226 | 187 | 83 | 105,184,994 | 96,121,871 | 9,063,124 | 91 |
| Project preparation | 123 | 122 | 99 | 5,446,111 | 5,416,111 | 30,000 | 99 |
| Technical assistance | 210 | 196 | 93 | 27,666,316 | 23,326,856 | 4,339,461 | 84 |
| Training | 73 | 73 | 100 | 8,421,416 | 8,421,416 | 0 | 100 |
| **Total** | **686** | **631** | **92** | **157,352,436** | **143,557,756** | **13,794,680** | **91** |

\* Excludes closed and transferred projects.

\*\* Excludes agency support costs.

# Table 3 presents an overview of the status of project implementation by year[[11]](#footnote-11). All projects and activities approved between 1992 to the end of 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 | 3,468,211 | 3,468,211 | 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 | 59 | 100 | 12,131,407 | 12,131,407 | 0 | 100 |
| 2000 | 29 | 29 | 100 | 4,808,878 | 4,808,878 | 0 | 100 |
| 2001 | 41 | 41 | 100 | 7,523,213 | 7,523,213 | 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 | 30 | 100 | 15,005,412 | 15,005,412 | 0 | 100 |
| 2005 | 28 | 28 | 100 | 18,586,034 | 18,183,034 | 403,000 | 98 |
| 2006 | 25 | 25 | 100 | 7,128,813 | 7,128,808 | 5 | 100 |
| 2007 | 13 | 13 | 100 | 3,138,440 | 3,138,440 | 0 | 100 |
| 2008 | 33 | 33 | 100 | 7,533,773 | 7,531,037 | 2,736 | 100 |
| 2009 | 21 | 21 | 100 | 2,347,228 | 2,347,228 | 0 | 100 |
| 2010 | 20 | 19 | 95 | 3,278,515 | 3,278,389 | 126 | 100 |
| 2011 | 20 | 19 | 95 | 6,823,868 | 6,714,903 | 108,965 | 98 |
| 2012 | 11 | 11 | 100 | 6,597,912 | 6,594,959 | 2,953 | 100 |
| 2013 | 7 | 4 | 57 | 2,276,412 | 2,147,760 | 128,652 | 94 |
| 2014 | 15 | 12 | 80 | 1,463,524 | 1,326,086 | 137,438 | 91 |
| 2015 | 27 | 19 | 70 | 4,921,949 | 4,300,860 | 621,089 | 87 |
| 2016 | 17 | 2 | 12 | 5,619,083 | 2,119,027 | 3,500,056 | 38 |
| 2017 | 9 | 1 | 11 | 2,605,614 | 716,093 | 1,889,521 | 27 |
| 2018 | 16 | 0 | 0 | 7,050,550 | 50,411 | 7,000,139 | 1 |
| **Total** | **686** | **631** | **92** | **157,352,436** | **143,557,756** | **13,794,680** | **91** |

\* Excludes closed and transferred projects.

\*\* Excludes agency support costs.

# Table 4 presents a summary of HFC-related projects approved under regular contributions.

**Table 4. HFC-related projects approved under regular contributions**

| **Type** | **Number of projects** | **Funding (US $)\*** |
| --- | --- | --- |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Investment\*\* | 3 | 0 | 0 | 764,988 | 0 | 764,988 | 0 |
| Technical assistance - Enabling activities | 4 | 0 | 0 | 250,000 | 0 | 250,000 | 0 |
| **Total** | 7 | **0** | **0** | **1,014,988** | **0** | **1,014,988** | **0** |

\*Excludes agency support costs.

\*\* 74 mt (105,865 mt CO2-eq.) of HFCs to be phased out.

# There are currently seven HFC-related activities (including three investment and four enabling activities) approved under regular contributions at a total value of US $1,014,988, with no funds disbursement. These projects are at various stages of implementation and are expected to be completed on time in 2020.

# Part II: **Projects approved under the additional voluntary contributions for fast start support for HFC phase-down**

# As of 31 December 2018, the Executive Committee had approved seven HFC-related projects for two bilateral agencies (Germany and Italy) under the additional voluntary contributions amounting to US $480,000 (excluding agency support costs). A summary of the status of these projects is presented in Table 5.

# **Table 5. HFC-related projects approved in 2018**

| **Type** | **Number of projects** | **Funding (US $)\*** |
| --- | --- | --- |
| **Approved** | **Completed** | **%****completed** | **Approved** | **Disbursed** | **Balance** | **%****disbursed** |
| Technical assistance - Enabling activities | 7 | 0 | 0 | 480,000 | 93,809 | 386,191 | 20 |
| **Total** | **7** | **0** | **0** | **480,000** | **93,809** | **386,191** | **20** |

\* Excludes agency support costs.

# Seven enabling activities approved by the end of 2018 are at various stages of implementation. Cumulatively, US $93,809 had been disbursed out of the total US $480,000 approved for disbursement (excluding support costs), representing a disbursement rate of 20 per cent.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

1. #  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.

 [↑](#footnote-ref-1)
2. #  Austria, Belgium, the Czech Republic, Denmark, Finland, Hungary, Israel, Poland, Portugal, Singapore, the Slovak Republic, South Africa, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

 [↑](#footnote-ref-2)
3. UNEP/OzL.Pro/ExCom/84/16 [↑](#footnote-ref-3)
4. Ongoing projects are all projects that were under implementation as at 31 December 2018. 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. [↑](#footnote-ref-4)
5. The issue of the two different measurements of controlled substances is discussed in the consolidated progress report (UNEP/OzL.Pro/ExCom/84/16). [↑](#footnote-ref-5)
6. The phase-out includes approvals for HFC investment projects of 74 mt with mt CO2-eq. of 105,865. [↑](#footnote-ref-6)
7. UNEP/OzL.Pro/ExCom/84/42 [↑](#footnote-ref-7)
8. UNEP/OzL.Pro/ExCom/84/49 [↑](#footnote-ref-8)
9. UNEP/OzL.Pro/ExCom/84/51 [↑](#footnote-ref-9)
10. UNEP/OzL.Pro/ExCom/84/60 [↑](#footnote-ref-10)
11. 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. [↑](#footnote-ref-11)