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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-fourth Meeting
Montreal, 16–20 December 2019

PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2018

1. The following non-Article 5 countries currently involved in bilateral cooperation activities submitted progress report¹ 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 cooperation² covering data for the projects already reported as financially completed are also included in the consolidated progress report.³

Scope of the document

2. 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 ongoing⁴ 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.

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.

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.

³ UNEP/OzL.Pro/ExCom/84/16

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.

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.

3. 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

4. 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

An overview of HFC phase-down activities

5. 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

6. 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

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

⁵ The issue of the two different measurements of controlled substances is discussed in the consolidated progress report (UNEP/OzL.Pro/ExCom/84/16).

- (a) **Phase-out:**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);
- (b) **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;
- (c) **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;
- (d) **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;
- (e) **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;
- (f) **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;
- (g) **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
- (h) **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

8. 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.

⁶ The phase-out includes approvals for HFC investment projects of 74 mt with mt CO₂-eq. of 105,865.

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

10. Details of progress in implementation of projects associated with the HPMPs for China (XPS foam and refrigeration servicing sector plans)⁷ (implemented by Germany and Japan), Egypt⁸ (implemented by Germany), Iran (Islamic Republic of)⁹ (implemented by Germany and Italy) and Tunisia¹⁰ (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

11. 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.

12. 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

13. The Executive Committee may wish:

- (a) 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
- (b) To approve the recommendation related to an ongoing project with specific issues contained in Annex I to the present document.

⁷ UNEP/OzL.Pro/ExCom/84/42

⁸ UNEP/OzL.Pro/ExCom/84/49

⁹ UNEP/OzL.Pro/ExCom/84/51

¹⁰ UNEP/OzL.Pro/ExCom/84/60

Annex I

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

Country/project code	Agency	Project title	Disbursement (%)	Status/Issues	Recommendation
Mauritius MAR/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 85 th 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**

1. 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

2. 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

3. 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

Type	Number of projects*			Funding (US \$)**			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Total	686	631	92	157,352,436	143,557,756	13,794,680	91

* Excludes closed and transferred projects.

** Excludes agency support costs.

4. Table 3 presents an overview of the status of project implementation by year¹. 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.

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

¹ 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.

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.

6. 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

7. 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.

8. 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.