



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/52/11
24 June 2007

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23-27 July 2007

PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2006

This document includes:

- The Comments and Recommendations of the Fund Secretariat
- The Bilateral Progress Reports of Australia, Canada, France, Germany, Italy, Japan, Spain and Switzerland (January - December 2006)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

Comments

1. The following countries involved in bilateral cooperation activities submitted progress reports (see Annexes I-III): Australia (database only), Canada, France, Germany, Italy (database only), Japan (database only), Spain (database only) and Switzerland (database only). Bilateral database information is included in the Consolidated Progress Report that is available on the Executive Committee's intranet in the spreadsheet programme, Microsoft Excel 2002.
2. Progress reports have not been received from Finland, Portugal, Sweden and the United States of America. However, data from their previous progress reports or inventories of approved projects are included in the summary table. Despite the fact that Sweden has indicated that it would no longer conduct bilateral activities, a final progress report is needed indicating that all funds have been disbursed or that bilateral contributions have been adjusted accordingly. 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.
3. The Executive Committee may wish to request progress reports from Finland, Portugal, Sweden and the United States of America be submitted to the 53rd Meeting in light of the fact that the progress report of bilateral agencies is the only financial indication that all approved funds have been disbursed or that funds should be returned (plus interest).
4. Additional data from previous progress reports for other countries previously involved in bilateral cooperation are also included in the database (covering data for the projects already reported as completed by Austria, Belgium, Czech Republic, Denmark, Hungary, Israel, Poland, Singapore, Slovak Republic, South Africa and United Kingdom). These data are included in the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/52/10).
5. Table 1 presents a summary of bilateral cooperation. Since the Fund's inception, over US \$107.96 million has been approved for bilateral activities. The table indicates that 69 per cent of bilateral activities have been completed. Although most bilateral projects are non-investment projects, bilateral agencies estimated that their projects will result in the total annual phase-out of 8,182 ODP tonnes once completed. Completed and ongoing bilateral projects have already resulted in the phase-out of 2,414 ODP tonnes. The rate of disbursement for bilateral activities is 64 per cent.

Table 1

ANNUAL SUMMARY OF BILATERAL COOPERATION

Year approved	Number of approvals *	Number completed	Per cent completed	ODP to be phased out*	ODP phased out*	Per cent of ODP phased out	Approved funding plus adjustment (US\$)	Funds disbursed (US\$)	Per cent of funds disbursed	Balance (US\$)	Estimated disbursement in current year (US\$)	Support costs approved (US\$)	Support Cost Adjustments (US\$)
1991	0	0	0%	0	0	0%	0	0	0%	0	0	0	0
1992	18	18	100%	0	0	0%	2,883,669	2,883,669	100%	0	0	0	0
1993	10	10	100%	0	0	0%	1,445,586	1,445,586	100%	0	0	0	0
1994	30	30	100%	229	243	106%	3,192,023	3,190,374	100%	1,649	0	0	0
1995	17	17	100%	234	296	127%	4,698,849	4,654,902	99%	43,947	0	0	0
1996	26	26	100%	218	188	86%	3,453,049	3,410,887	99%	42,162	0	0	0
1997	32	30	94%	154	29	19%	4,143,406	3,263,493	79%	879,913	300,000	0	1,500
1998	40	37	93%	66	23	35%	4,472,065	4,108,650	92%	363,415	76,730	0	0
1999	61	52	85%	586	251	43%	12,906,176	10,594,112	82%	2,312,064	1,089,396	1,030,434	0
2000	29	25	86%	943	291	31%	4,837,561	4,789,946	99%	47,615	43,100	543,836	0
2001	41	30	73%	1,093	164	15%	7,745,351	6,736,217	87%	1,009,134	824,482	896,577	-11,754
2002	64	37	58%	525	199	38%	9,075,117	7,713,297	85%	1,361,820	305,868	917,984	106,077
2003	32	15	47%	209	88	42%	6,927,400	5,382,761	78%	1,544,639	1,266,358	743,181	58,605
2004	32	9	28%	188	23	12%	15,247,150	6,617,445	43%	8,629,705	2,732,672	1,599,058	-25,510
2005	31	2	6%	2,896	618	21%	19,651,990	3,692,082	19%	15,959,908	4,475,927	2,126,577	-41,080
2006	27	0	0%	842	0	0%	7,283,530	1,107,136	15%	6,176,394	2,200,509	902,173	0
Total	490	338	69%	8,182	2,414	30%	107,962,922	69,590,558	64%	38,372,364	13,315,043	8,759,820	87,838

*Excludes Closed and Transferred Projects

Note: Includes Project Preparation

Implementation delays

6. There are 16 bilateral cooperation projects with implementation delays, after taking into consideration any projects removed from the list of implementation delays by a decision of the Executive Committee. Between 2005 and 2006 the bilateral implementing agencies decreased the number of projects with implementation delays by 13. According to the procedures for project cancellation (decision 26/2), a report on the projects with implementation delays should be provided to the 53rd Meeting to determine if there has been any progress towards removing the impediments causing the delays. Table 2 presents, by bilateral agency, those projects with implementation delays for which an updated report will be required for the 53rd Meeting.

Table 2

PROJECTS WITH IMPLEMENTATION DELAYS

Code	Agency	Project title	Category of delays
MEX/FUM/42/TAS/122	Canada	Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	12 and 18 months delays
MOR/FUM/29/INV/37	France	Phase-out of methyl bromide use in the cut flower and banana production	12 and 18 months delays
SYR/REF/29/INV/48	France	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarkisian Refrigerators	12 months delays
SYR/REF/29/INV/53	France	Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co.	12 months delays
ALG/SEV/43/CPG/60	Germany	Development of a country programme update	12 months delays

Code	Agency	Project title	Category of delays
CPR/REF/43/TAS/414	Germany	Development of a suitable strategy for the long term management of HCFCs, in particular HCFC-22	12 months delays
IRA/FOA/37/INV/152	Germany	Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded PU foam at Sanayeh Dashboard Iran	12 months delays
KEN/SOL/39/INV/32	Germany	Conversion of TCA based cleaning process to non-ODS alternatives at the Kenya Power and Lighting Company	12 months delays
YEM/FUM/41/TAS/21	Germany	Technical assistance programme for the phase-out of methyl bromide in agriculture	12 months delays
YUG/REF/34/INV/13	Italy	Replacement of CFC-11 with cyclopentane foam blowing agent and CFC-12 with HFC-134a refrigerant in the manufacture of domestic refrigerators and freezers at Obod Elektroindustria	12 months delays
NIR/SEV/38/TAS/104	Japan	Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol	12 and 18 months delays
SRL/PHA/43/TAS/27	Japan	National compliance action plan: MAC recovery/recycling and retrofit	12 months delays
SRL/PHA/43/TAS/28	Japan	National compliance action plan: recovery and recycling programme	12 months delays
MEX/FUM/42/TAS/118	Spain	Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	12 months Delays
ASP/SEV/34/TAS/42	Sweden	Regional cooperation for monitoring and control of ODS consumption	12 months delays
GLO/SEV/41/TAS/253	Sweden	Development of handbook on industry operated systems for recovery and reuse of ozone depleting substances	12 months delays

Differences in the value of bilateral contributions

7. Table 3 presents the differences in data for the net value of bilateral cooperation in the Status of Contributions, the progress reports submitted by bilateral implementing agencies and the Inventory of Approved Projects maintained by the Fund Secretariat.

Table 3

DIFFERENCES BETWEEN PROGRESS REPORT, INVENTORY OF APPROVED PROJECTS, AND STATUS OF CONTRIBUTIONS VALUE OF BILATERAL CONTRIBUTIONS (US\$) AS AT 31 DECMEBER 2006

Party	Bilateral Cooperation in the Status of Contributions	Inventory of Approved Projects	Progress Report	Difference (Status of Contributions and Inventory)	Difference (Status of Contributions and Progress Reports)
France	14,255,299	14,262,559	14,262,559	7,260	7,260
Germany	37,672,566	37,866,204	37,866,209	193,638	193,643

8. The Table shows that there are differences between the data listed as bilateral cooperation in the Status of Contributions and the data in the Secretariat's Inventory of Approved Projects and the progress reports submitted by the bilateral agencies themselves. The Treasurer has been informed of these differences and any adjustments will be addressed in a revision of the Status of Contributions and Disbursements document (UNEP/OzL.Pro/ExCom/52/3).

Highlights from bilateral activities

9. Fifty out of the 152 ongoing bilateral projects concern refrigerant management plans (RMPs) or their components. Eleven are investment projects; 14 are technical assistance

activities; eight are halon banking projects; five are sectoral phase-out plan activities; 12 are ODS phase-out plan activities; 22 are CFC phase-out plans activities; eight are CTC phase-out plan activities; two are ODS closure activities; nine are project preparation activities; three are recovery and recycling (R&R) activities; two are institutional strengthening activities; five are demonstration activities; and one is a country programme project.

Australia

10. Australia is currently implementing 18 projects, 16 of which represent Australia's contribution to the Pacific Island Countries (PIC) Regional Strategy approved by the Executive Committee in March 2002.

11. The remaining Australian projects under implementation are PIC strategy technical assistance projects (ASP/SEV/50/TAS/52) approved at the 50th Meeting and the national halon management and banking programme in India (IND/HAL/32/TAS/281). The Executive Committee declared this project completed at its 51st Meeting with the understanding that India was committed not to import virgin halon and that the beneficiaries of the project would report recovered, recycled and reclaimed amounts of halon to the Ozone Cell for transmission to the Executive Committee through reporting on the implementation of country programmes (decision 51/14).

Implementation delays in the PIC Regional Strategy

12. Decision XVIII/35 of the 18th Meeting of the Parties requests the Parties concerned to report to the Implementation Committee on the establishment of a licensing system for several PIC countries including Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, and Tuvalu. Australia reported to the Fund Secretariat that licensing systems have commenced operation in Palau and Samoa in August 2006 and May 2006 respectively. It advised further that draft regulations are awaiting consideration by Parliament in Kiribati, Nauru, and Tonga and were under preparation in Niue. Micronesia, Tuvalu and Vanuatu have sought technical assistance on the legislation at the 17th South Pacific Regional Environment Programme (SPREP) Meeting. Australia also advised that the Marshall Islands (MAS/REF/36/TAS/04) had approved regulations and a Customs training workshop took place in 2005.

13. Kiribati (KIR/REF/36/TAS/02), Federated States of Micronesia (FSM/REF/36/TAS/01), Palau (TTR/REF/36/TAS/01), Solomon Island (SOI/REF/36/TAS/02), Tonga (TON/REF/36/TAS/01), Tuvalu (TUV/REF/36/TAS/02 and 04) and Vanuatu (VAN/REF/36/TAS/02 and 04) are still working towards establishing ODS regulations. Although these countries participated in 2 regional meetings on development of ODS regulations, Australia reported little progress with respect to the development of regulations in Kiribati, Micronesia, Solomon Islands and Vanuatu, but some progress in Tonga, Palau and Tuvalu. The Executive Committee may also wish to request an additional status report for those countries with little progress.

14. The Fund Secretariat is awaiting a response from Australia as to whether the MAC R&R projects in Micronesia (FSM/REF/36/TAS/02), Kiribati (KIR/REF/36/TAS/03), the Marshall Islands (MAS/REF/36/TAS/02), Palau (TTR/REF/36/TAS/02), Tuvalu (TUV/REF/36/TAS/04), Vanuatu (VAN/REF/36/TAS/04) and Solomon Islands (SOI/REF/36/TAS/04) have been

completed. The Executive Committee may wish to request additional status reports for these projects.

Canada

15. Annex I contains Canada's progress report narrative. Canada is implementing 20 bilateral projects, most of which are associated with RMPs. It has completed 52 additional projects and cancelled one. Ongoing Canadian bilateral projects are expected to result in the phase-out of 302.7 ODP tonnes when completed. Canada is implementing RMPs in Benin, Bolivia, Chile and Saint Lucia. Canada is also implementing halon banking projects in India (with Australia), a methyl bromide (MB) demonstration project in Kenya, CFC phase-out plans in Burkina Faso and Uruguay, two ODS phase-out plans in Cuba, three MB technical assistance projects in Jamaica, Mexico and Trinidad and Tobago, a chiller demonstration project in Cuba (transferred to UNDP at the 51st Meeting) and CFC phase-out plan project preparations in Benin, Bolivia, Chile and Saint Lucia.

16. Canada's RMP activities in Benin, Bolivia, Chile, and Saint Lucia have been delayed. Some of these activities are expected to be completed in 2007. The R&R project in Chile (CHI/REF/35/TAS/147) was approved in December 2001, but had only disbursed US \$10,000 by the end of 2006 (US \$200,000 was obligated). All but US \$10,000 of project funding is expected to be disbursed in 2007 as part of the December 2007 procurement. Because the project is now almost six years old, the Executive Committee may wish to request that an additional status report be submitted to the 53rd Meeting.

17. Canada is implementing four multi-year agreement (MYA) projects including two national ODS phase-out plans in Cuba and terminal phase-out management plans (TPMPs) in Burkina Faso and Uruguay.

Projects with implementation delays

18. One Canadian bilateral project is classified as a project with implementation delays namely, "technical assistance to comply with 2005 phase-out of 20% of methyl bromide" in Mexico (MEX/FUM/42/TAS/122). This delay is due to the change in implementing agencies approved at the 48th Meeting. Canada reported that the project was being implemented by UNDP on behalf of Canada. Activities were delayed in 2006 because UNDP had to re-initiate a tendering process to contract a project consultant, due to lack of response to the first process. The Executive Committee may wish to request an additional status report on this project.

Activities that are not subject to cancellation

19. Canada reported that there are several remaining activities to be completed for the halon management and banking project in India (IND/HAL/32/TAS/278). The Executive Committee agreed to close the project (decision 51/16) on the basis of information from the Government of India indicating that it had completed the work required to make the reclamation centre operational and had begun to reclaim halon from various sources. India also indicated that its licensing system enables it to stop the import of halons and that it is therefore no longer importing any.

20. There is a delay in the completion of the MB project in Kenya (KEN/FUM/26/DEM/20). Canada has reported that it is expected that the project will be completed by June 2007. If a Project Completion Report has not been submitted for this project prior to the 52nd Meeting of the Executive Committee, the Committee may wish to request that an additional status report be submitted to the 53rd Meeting.

France

21. Annex II contains France's progress report narrative. France is implementing 31 bilateral projects, in addition to 59 completed projects and one cancelled project. Ten of France's ongoing projects are investment projects including: three CFC phase-out plan projects two of which are in the Islamic Republic of Iran and one in Kenya, three CTC phase-out plan projects in India, two refrigeration projects in the Syrian Arab Republic, one chiller refrigeration project in Cote d'Ivoire, and one MB investment project in Morocco. France is implementing RMPs in the Central African Republic, Cote d'Ivoire, Ethiopia, Lao People's Democratic Republic, Madagascar, Mozambique, Uganda and United Republic of Tanzania. France is also implementing halon banking in the Islamic Republic of Iran, R&R projects in Lebanon and Morocco, one chiller demonstration project in the African region and three terminal phase-out plan preparation projects in Lao People's Democratic Republic, Seychelles and Uganda. France has ongoing projects that should result in the phase out of 337.7 ODP tonnes, when completed.

22. France is implementing six MYA projects including three CTC phase-out projects in India, two national CFC phase-out plan projects in Islamic Republic of Iran and one TPMP in Kenya. France reported progress in the implementation of these agreements.

Projects with implementation delays

23. Three French bilateral projects are classified as projects with implementation delays, namely the phase-out of MB project in Morocco (MOR/FUM/29/INV/37) and two refrigeration projects in the Syrian Arab Republic (SYR/REF/29/INV/48 and SYR/REF/29/INV/53).

24. Concerning the R&R network in Lebanon (LEB/REF/23/TAS/21), France reported that the Government of Lebanon decided to delay the project to implement it with the national phase-out plan. However, the national phase-out plan was approved in December 2004 while the R&R network had been approved in November 1997. France reported that the agreement would be signed in early 2007.

Germany

25. Annex III contains Germany's report on "status changes 2006". Germany is implementing 50 bilateral projects. It has completed 111 additional projects and cancelled two. Germany has ongoing projects that should result in the phase out of 2,760.8 ODP tonnes when completed. Twenty-four of Germany's 50 ongoing projects are investment projects including: ten CFC phase-out plan projects in Brazil, Islamic Republic of Iran, Lesotho, Namibia and Zimbabwe, three CTC phase-out plan projects in India, two refrigeration sector phase-out plan projects in India, five ODS phase-out plans in Afghanistan, Mauritius and Papua New Guinea, two MB projects in Jordan and Kenya, one solvent TCA project in Kenya and one foam project in the Islamic Republic of Iran. Germany is also implementing RMP activities in Angola (1), Botswana (1), Egypt (1), Gambia (1), Liberia (5), Malawi (1), Swaziland (1), the Syrian Arab

Republic (1) and Zambia (1). It has US \$42,000 in project preparation funds available to it to prepare activities in Algeria (phase-out sector). This project has been delayed for about four years.

26. Germany is further implementing four halon banking activities in Algeria, Croatia, Nigeria and the African region, one MB technical assistance in Yemen, and one chiller demonstration project in the African region. In addition, there is one R&R project in the United Republic of Tanzania, one refrigeration technical assistance project in China, one CFC phase-out training project in Brazil, two institutional strengthening projects in Angola and Papua New Guinea, and one CP activity in Algeria.

Projects with implementation delays

27. In 2006 five German bilateral projects were classified as having implementation delays. Germany had three projects classified as such in 2005. In 2006, the delayed projects included: a CP in Algeria (ALG/SEV/43/CPG/60), a refrigeration technical assistance project in China (CPR/REF/43/TAS/414), a foam project in the Islamic Republic of Iran (IRA/FOA/37/INV/152), a solvent project in Kenya (KEN/SOL/39/INV/32) and a MB technical assistance project in Yemen (YEM/FUM/41/TAS/21).

Projects not subject to monitoring through procedures for implementation delays

28. Some projects are not subject to monitoring under the procedures for implementation delays, but may merit an additional status report, as in the case of the R&R component of the RMP project in Tanzania (URT/REF/36/TAS/14) for 2005. Although the construction of the R&R centre had been planned to be finished by December 2006, its completion has now been postponed until December 2007. The Executive Committee may wish an additional status report on this project.

Multi-year agreements

29. Germany is implementing ten MYAs covering Afghanistan, Brazil, India (2), Islamic Republic of Iran, Kenya, Lesotho, Mauritius, Namibia and Papua New Guinea. Germany reported that the tranches of these agreements are progressing well, with the exception of the agreement in the Islamic Republic of Iran.

30. The 2006 progress report indicated no progress from 2005 for the phase-out plan tranche in Iran (IRA/PHA/45/INV/169) although in 2005 the report had indicated that all funds were obligated. Germany reported that due to delays in equipment delivery and related technical assistance, not all of the funds that had been obligated could be distributed by the end of 2006, and the remaining funds will be disbursed in 2007. As Germany will submit an annual tranche request for the Islamic Republic of Iran for 2008 and 2009, the issue of project delays can be addressed in that context.

Halon banking projects

31. With respect to the halon banking project in Algeria (ALG/HAL/35/TAS/51), the status report requested by the Committee as part of the Committee's consideration of project cancellation (which was due by 28 May 2007) has not yet been received. Moreover, there has

been no approval of the CP update (ALG/SEV/43/CPG/60) or of the NPP preparation (ALG/PHA/37/PRP/57) due to a lack of endorsement on the part of the Government of Algeria.

32. In Croatia, the halon bank project (CRO/HAL/43/TAS/24) seems to have been stalled for the past two years, during which time Germany reported that it has been trying to find an appropriate site for the bank. In the interim, only US \$5,000 of the project's funds had been disbursed. Germany reported that a consulting mission had been conducted in March 2007 and that a new plan of action and timeline had been established with the NOU.

33. With respect to the halon banking project in Nigeria (NIR/HAL/37/TAS/103) a legal consultant has been retained to, *inter alia*, optimize the operation of the halon bank. However, there are no funds remaining in this project.

34. Germany is implementing the regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe) (AFR/HAL/35/TAS/29). With respect to the decommissioning of halon equipment in the participating countries, a proposal has been received from Zimbabwe. Discussions with stakeholders have also been held in Kenya and Ethiopia, but Tanzania has been slow to respond on how to accomplish decommissioning. A Code of Conduct has been drafted and is awaiting approval in Namibia. Lesotho conducted an awareness workshop for owners of halon 1211. Germany indicated that progress continues to be slow with respect to establishing an agreement with the South African company selected to handle the regional reclamation equipment.

35. The Executive Committee may wish to request additional status reports on these projects to be submitted to the 53rd Meeting.

R & R projects

36. There appears to have been some progress in the R&R project in Egypt (EGY/REF/29/TAS/75). However, as in previous years, despite the fact that progress is reported, the project had not been completed, and is now planned to be finalized in December 2007. A ten-day training was conducted for 60 technicians in February 2007, and additional activities are planned for 2007 (including a monitoring workshop and awareness raising materials), despite the fact that the budget is almost depleted.

37. With respect to the R&R project in Tanzania (URT/REF/36/TAS/14), most of the project funds have been disbursed, but the R&R centre has not been constructed.

38. The Executive Committee may wish to request additional status reports to be submitted on these R & R projects to the 53rd Meeting.

Italy

39. Italy is implementing eight investment projects that will phase out 973.9 ODP tonnes when completed. Italy finalised four foam projects in 2004, one refrigeration project in 2005 and one MB project in 2006. The remaining two projects are ongoing and include one refrigeration project in Serbia and one MB project in China, which are expected to be completed in 2007 and 2015, respectively.

40. One Italian bilateral project – the refrigeration project in Serbia (YUG/REF/34/INV/13) – is classified as a project with implementation delays.

41. Italy is implementing one MB MYA project in China.

Japan

42. Japan is implementing ten bilateral projects, and has completed 16. Four of Japan's ongoing projects are investment projects including: two CTC phase-out plan projects in India, a TPMP project in Mongolia, and a refrigeration project in China. Japan has ongoing projects that should result in the phase out of 1,055.3 ODP tonnes when completed. Japan is also implementing a chiller demonstration project in the African region and five technical assistance projects, including four national compliance action plans in Sri Lanka, and an assistance for compliance project in Nigeria.

43. Three Japanese bilateral projects are classified as projects with implementation delays, namely, a technical assistance project in Nigeria (NIR/SEV/38/TAS/104) and two national compliance action plan projects in Sri Lanka (SRL/PHA/43/TAS/27 and SRL/PHA/43/TAS/28).

44. Japan is implementing one MYA project in China, two in India, and one in Mongolia.

45. There are no planned disbursements for the Strategic demonstration project for accelerated conversion of CFC chillers (AFR/REF/48/DEM/35) in 2007. The Government of Japan reported that the approval of the project was conditional on the understanding that disbursement of funds for the project is associated with the mobilization of external resources, and that approval of funds from the French GEF is expected in July 2007 as the source of the external funding. The disbursement target for 2007 is US \$200,000 (subject to the approval of the external resources by the French GEF). Moreover, a regional workshop funded by the Government of Germany (the Strategic Workshop on Energy Efficient Replacements of CFC Chillers in Africa) was held in Cairo during 19-21 September 2006 with the participation, *inter alia*, of all countries included in the project, financing institutions, chiller suppliers, and engineering companies. The Executive Committee may wish to request an additional status report on this project.

Spain

46. Spain is implementing four MB bilateral projects, including one investment project in Brazil and three technical assistance projects in Mexico, Paraguay and Latin America and the Caribbean region. These projects will phase out 172.8 ODP tonnes when implemented. Spain will complete these projects in 2007.

47. One project – the MB technical assistance project in Mexico (MEX/FUM/42/TAS/118) – is classified as a project with implementation delays.

Switzerland

48. Switzerland is implementing eight projects including four investment projects, two technical assistance and two training projects. Switzerland completed six projects including two

refrigeration investment projects, two technical assistance projects and two training projects. The remaining two ongoing projects are refrigeration servicing multi-year projects in India.

RECOMMENDATION

49. The Executive Committee may wish to:

- (a) Note with appreciation the progress reports submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan, Spain and Switzerland;
- (b) Request the Governments of Finland, Portugal, Sweden and United States of America to provide their progress reports to the 53rd Meeting of the Executive Committee;
- (c) Request the Governments of Canada, France, Germany, Italy, Japan, Spain and Sweden to provide reports on the projects with implementation delays to the 53rd Meeting of the Executive Committee;
- (d) Request additional status reports on the following projects:
 - (i) Customs officer training project in Kiribati (KIR/REF/36/TAS/02) under Australian implementation;
 - (ii) Customs officers training project in the Federated States of Micronesia (FSM/REF/36/TAS/01) under Australian implementation;
 - (iii) Customs officers training project in Palau (TTR/REF/36/TAS/01) under Australian implementation;
 - (iv) Customs officers training project in Solomon Island (SOI/REF/36/TAS/02) under Australian implementation;
 - (v) Customs officers training project in Tonga (TON/REF/36/TAS/01) under Australian implementation;
 - (vi) Customs officers training project in Tuvalu (TUV/REF/36/TAS/02) under Australian implementation;
 - (vii) Customs officers training project in Vanuatu (VAN/REF/36/TAS/02) under Australian implementation;
 - (viii) MAC recovery and recycling project in Micronesia (FSM/REF/36/TAS/02) under Australian implementation;
 - (ix) MAC recovery and recycling project in Kiribati (KIR/REF/36/TAS/03) under Australian implementation;

- (x) MAC recovery and recycling project in the Marshall Islands (MAS/REF/36/TAS/02) under Australian implementation;
- (xi) MAC recovery and recycling project in Palau (TTR/REF/36/TAS/02) under Australian implementation;
- (xii) MAC recovery and recycling project in Tuvalu (TUV/REF/36/TAS/04) under Australian implementation;
- (xiii) MAC recovery and recycling project in Vanuatu (VAN/REF/36/TAS/04) under Australian implementation;
- (xiv) MAC recovery and recycling project in Solomon Islands (SOI/REF/36/TAS/04) under Australian implementation;
- (xv) The recovery and recycling project in Chile (CHI/REF/35/TAS/147) under Canadian implementation;
- (xvi) The methyl bromide project in Kenya (KEN/FUM/26/DEM/20) under Canadian implementation;
- (xvii) The recovery and recycling component of the RMP project in Tanzania (URT/REF/36/TAS/14) under German implementation;
- (xviii) Halon banking project in Algeria (ALG/HAL/35/TAS/51) under German implementation;
- (xix) Halon banking project in Croatia (CRO/HAL/43/TAS/24) under German implementation;
- (xx) Halon banking project in Nigeria (NIR/HAL/37/TAS/103) under German implementation;
- (xxi) Regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe) (AFR/HAL/35/TAS/29) under German implementation;
- (xxii) The recovery and recycling project in Egypt (EGY/REF/29/TAS/75) under German implementation;
- (xxiii) The recovery and recycling project in Tanzania (URT/REF/36/TAS/14) under German implementation; and
- (xxiv) The Strategic demonstration project for accelerated conversion of CFC chillers (AFR/REF/48/DEM/35) under Japanese implementation.

Annex I

PROGRESS REPORT OF CANADA

2006 Status on Canada's Bilateral Activities

I. Project Approvals and Disbursements

A. Annual Summary Data

As of December 31st 2006, the Executive Committee has approved 74 activities as bilateral contribution from the Government of Canada to the Multilateral Fund. Of the US \$8,352,060 approved as bilateral contributions from Canada, US \$6,777,522 has been disbursed including completed projects. Bilateral contributions on an annual basis are as follows:

Year	Amount*
1993	\$649,500.00
1994	\$536,270.00
1995	\$50,000.00
1996	\$761,685.00
1997	\$853,950.00
1998	\$548,710.00
1999	\$727,040.00
2000	\$917,251.00
2001	\$878,582.00
2002	\$525,450.00
2003	\$412,959.00
2004	\$682,825.00
2005	\$400,473.00
2006	\$407,365.00
TOTAL	\$8,352,060

*Adjusted for the return of unutilized funds

B. Summary Data by type (CPG, DEM, INS, INV, PRP, TAS, TRA)

According to the Secretariat's classification system, Canada's bilateral activities are distributed among the following types of projects:

Type	Number of Projects	Amount Approved (US dollars)*
Country Programmes		
Demonstration Projects	4	\$784,464
Institutional Strengthening		
Investment Projects	10	\$1,282,185
Project Preparation	8	\$173,760
Technical Assistance	32	\$4,330,569
Training	20	\$1,781,082
TOTAL	74	\$8,352,060

*Adjusted for the return of unutilized funds

II. Project Completions Since Last Report

Since the last progress report, Canada technically completed 6 projects.

III. Global and Regional Project Highlights

n/a

IV. Completed and On-going Projects

Of the 74 activities approved to date, 53 have been completed, one was closed, one was transferred to another agency and the remaining 19 are on-going.

V. Status of Project preparation, by country

Benin TPMP Preparation:

This project is to be developed in collaboration with UNEP, which received US \$18,000 for preparation of the TPMP, and Canada, which received US \$12,000. Canada was awaiting final financial and progress reports from Benin, under its RMP co-implemented with UNEP, before proceeding with TPMP preparation. These reports were only completely received by February 2007. Since then, it was agreed that UNEP would initiate preparation of the TPMP using the funds approved for it. It is expected that this TPMP will be ready for submission by the 53rd Meeting of the ExCom.

Bolivia TPMP Preparation:

Canada completed the preparation of a TPMP project proposal for Bolivia in December 2006 and submitted it, jointly with UNDP, to the 51st Meeting of the ExCom (March 2007). The ExCom approved the first tranche of the TPMP for Canada (lead agency) and UNDP implementation.

Burkina Faso TPMP Preparation:

Canada and UNEP completed the preparation of a TPMP project proposal for Burkina Faso in September 2006. The TPMP proposal was submitted to the 50th Meeting of the ExCom (November 2006), which approved the first tranche of the project for UNEP (lead agency) and Canada.

Chile TPMP Preparation:

Funds for the preparation of this TPMP were only approved at the 50th Meeting of the ExCom, in November 2006. There has been little progress since then, but it is expected that the TPMP will be ready for submission either at the 53rd or 54th ExCom meeting.

Saint Lucia TPMP Preparation:

Preparation of this TPMP project proposal was completed in April 2007 and submitted to the 52nd Meeting of the ExCom for consideration.

VI. Administrative Issues (Adjustments and Other Issues)

n/a

Annex II

PROGRESS REPORT OF FRANCE



SUMMARY NARRATIVE OF FRANCE PROGRESS REPORT UNTIL 31 DEC 2006

According to the decisions ExCom 17/22, 22/79 and 22/16, France has prepared its annual progress report on the projects implemented through its bilateral contribution to the Multilateral Fund. This report comprises a summary narrative report and a database (Annex2).

I. Project Approvals and Disbursements:

A. Annual Summary Data:

From 1994 until 31 December 2006, the Executive Committee (ExCom) approved 93 projects as French bilateral contribution to the Multilateral Fund.

In 2006, two project transfers occurred, following the request of Cuba. These values have been written in the adjustment columns.

In addition, a chiller demonstration project was approved in 2006, but added to France's approved bilateral contribution of 2005.

At the end of 2006 France's total approved funding plus adjustments¹ since 1994 therefore equals: US \$13,360,668.

¹ Adjustments correspond to changes in project budgets that have been approved by the Executive Committee.

Year	Approved funding plus Adjustments
1994	\$ 222,416
	\$ 120,000
1995	
1996	\$ 944,662
1997	\$ 1,745,636
1998	\$ 648,404
1999	\$ 2,624,614
2000	\$ 246,837
2001	\$ 532,182
2002	\$ 1,064,500
2003	\$ 1,006,620
2004	\$ 1,567,045
2005	\$ 2,057,752
2006	\$ 580,000
Total	\$ 13,360,668

46 % of the Adjusted approved amounts, or US\$ 6,204,078 have been disbursed until the end of 2006.

B. Summary of Data by Project Type (CPG, DEM, INS, INV, PRP, TAS, TRA)

According to the Multilateral Fund Secretariat classification, France's bilateral activities are of the following nature:

Type	Number of Projects	<u>Approved Funding plus Adjustments (US\$)</u>
Country Program (CPG)	4	130,936
Demonstration (DEM)	1	360,000
Institutional Strengthening (INS)	1	25,983
Investment Project (INV)	25	8,048,588
Project Preparation (PRP)	16	371,167
Technical Assistance (TAS)	32	3,442,292
Training (TRA)	14	981,702
TOTAL	93	13,360,668

II. Project Completions since Last Report

The following projects have been completed in 2006:

LAO/REF/34/TRA/03	Implementation of the RMP: training of trainers in good refrigerant management practices (phase I); national technicians training project (phase II)
SYR/REF/29/INV/56	CFC emission reduction in central air conditioning

IV. Performance Indicators (INV, TAS and TRA):

21 projects out of 93 projects approved as French bilateral contribution to the Multilateral Fund are project preparations, country programs and institutional strengthening projects.

72 projects out of 93 are demonstration, investment, technical assistance and training projects. Their status is the following on 31 December 2006:

	CLOsed	COMpleted	FINAncially completed	ONGoing	TRF (transferred)
DEMOstration				1	
INV (investment)	1	3	10	10	1
TAS (technical assistance)	1	2	15	13	1
TRA (training)		1	10	3	
Total	2	6	35	27	2

V. Status of Agreements and Project Preparation by country:

The Executive Committee has approved a total of 16 project preparations as French bilateral contribution to the Multilateral Fund since 1994. 13 have been completed.

Three new preparation projects were approved in 2006:

- A project preparation for a terminal phase-out management plan of Seychelles
- A project preparation for a terminal phase-out management plan of Laos
- A project preparation for a terminal ODS phase-out management plan of Uganda

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

A. Meetings Attended

The French GEF Secretariat represented France in 3 Executive Committee meetings, 1 ozone officers' network meeting for the South Asia, South East Asia and Pacific countries, and 1 ozone officers' joint network meetings for Africa.

B. Co-operation

France has continued to co-operate with Germany through financial agreements in which the GTZ implements projects on behalf of France.

Through the chiller demonstration project, France has further increased its cooperating with UNIDO on the one hand. On the other, France has contributed to the preparation and submission of a first project document to the French GEF through the French Ministry of Ecology and Sustainable Development. This Project identification was approved by the French GEF Steering committee in December 2006, thus allowing UNIDO and the French Ministry of Ecology and Sustainable Development to prepare a project document and a presentation report in 2007. French GEF project preparation funds of up to 30,000 USD were approved by the Steering committee for that purpose.

B. Adjustments

The following 2 adjustments were approved in 2006:

		Approved Funding (US\$)		Adjustment (US\$)	Approved Funding plus Adjustments (US\$)
CUB/PHA/43/TAS/27	National CFC phase-out management plan: phase-out of ODS in the refrigeration and air-conditioning sector (first tranche)	200,000		-119,681	80,319
CUB/PHA/45/INV/31	National ODS phase-out plan for CFCs: 2005 annual implementation plan	200,000	0	-200,000	0

C. Other Issues

None

Annex I Country Development and Institutional Strengthening Unit Highlights

A. Country Programs

Since 1994, 4 Country Program preparations have been approved and completed for Mauritania, Vietnam, Madagascar and Vietnam.

B. Institutional Strengthening:

1 project was approved in 1994 and completed in 1999.

Annex II: Database of French bilateral activities carried out within the framework of the Montreal Protocol on 31 December 2005.

Annex III

PROGRESS REPORT OF GERMANY

Status Changes 2006

Financially completed 2006

Status	Project Title	Country	Sector	Mtg	Type	Num	Date Completed (Actual)	Date of Financial Completion	Remarks (Specify milestone achieved, remedial actions, and issues of relevance to ExCom)
FIN	Elimination of CFC-11 and CFC-12 in the manufacture of domestic refrigerators and freezers at China Aerospace Industry Corp. Kunming Refrigerator Factory	CPR	REF	27	INV	282	Dec-04	Oct-06	Project completed. PCR has been submitted.
FIN	Conversion of the use of CFC-12 to HC in the manufacture of thermostats at Foshan Tongbao Co., Ltd.	CPR	REF	35	INV	384	Sep-04	Oct-06	Project completed. PCR has been submitted.

Status Changes 2006

Completed 2006

Status	Project Title	Country	Sector	Mtg	Type	Num	Date Completed (Actual)	Remarks (Specify milestone achieved, remedial actions, and issues of relevance to ExCom)
COM	Establishment of the Ozone Unit	ANG	SEV	38	INS	03	Dec-06	Installation of NOU-office in Luanda has been completed, with internet and telephone /fax connection. Regional support groups have been created in several of Angolas provinces in order to assist NOU in the fields of data collection, public awareness activities, etc. ODS data for 2004 has been submitted to both Ozone Secretariat and Multilateral Fund Secretariat.
COM	National CFC phase-out plan: training of refrigeration mechanics in domestic and commercial refrigeration service sub-sectors (first tranche)	BRA	PHA	37	TRA	261	Dec-06	By end of 2006 7000 technicians had been trained under the national programme. A total of 27 mobile training units have been built and are used in the field. Production of 8,000 free books with photo-training on good practices for mechanics in the commercial and domestic refrigeration sector, 7000 material kits on safety in gas recovery, as well as 6,000 posters for publicity on good practice training has been completed.
COM	National CFC consumption phase-out plan focusing on the refrigeration service sector (first tranche)	IND	REF	42	INV	369	Apr-06	The project infrastructure has been successfully established and all activities as per the the annual working plan have been accomplished.
COM	National CFC consumption phase-out plan focusing on the refrigeration service sector: 2005 work programme	IND	REF	44	INV	380	Apr-06	All activities as per the annual working plan have been accomplished.
COM	Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (second tranche)	KEN	FUM	42	INV	35	Dec-06	Second tranche approved at 42nd ExCom. During 2005 technology transfer activities continued through agreements with farms for the adoption of alternatives such as substrates, IPM and chemicals such as metham sodium. Practical demonstrations and training workshops were carried out with farmers and students at farms and the project training center. During 2006 the project continued in making agreements with additional farmers, procuring relevant materials, installing alternatives, providing technical assistance on farms, monitoring and reporting on pilots/demonstrations to increase farmers' confidence in alternatives, disseminating information materials, and cooperating with stakeholders in the relevant agricultural sectors and government departments.
COM	Terminal phase-out management plan for ODS (1st tranche)	PNG	PHA	39	INV	05	Jul-06	PNG has successfully completed the 1st Action Plan of the TPMP and the country's consumption is well below the TPMP reduction targets.
COM	Extension of institutional strengthening project	PNG	SEV	41	INS	06	Mar-06	ISP completed successfully.
COM	Phasing out ODS use in the refrigeration and air conditioning sector	SEY	REF	40	TAS	08	Dec-06	Seychelles has successfully managed to have zero CFC imports. Trainings have been provided to the refrigeration industry and the customs to ensure that zero consumption is maintained. The PCR will be submitted in 2007.