

**United Nations
Environment
Programme**Distr.
GENERALUNEP/OzL.Pro/ExCom/95/15
30 October 2024

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 7(a)(ii) of the provisional agenda¹

PROGRESS REPORT OF BILATERAL COOPERATION AS AT 31 DECEMBER 2023**Introduction**

1. The following non-Article 5 countries currently involved in bilateral cooperation activities submitted progress report² databases: Australia, Canada, France, Germany, Italy, Japan, and Spain. Additional data from earlier progress reports for other non-Article 5 countries previously involved in bilateral cooperation,³ covering data for the projects already reported as financially completed, are included in the consolidated progress report.⁴

2. The progress report of the bilateral cooperation⁵ includes the implementation status of projects, including seven HFC-related projects funded under the additional voluntary contributions by 17 non-Article 5 Parties to provide fast-start support for the implementation of the Kigali Amendment.

3. 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 2023, the potential impact of these delays on the phase-out of controlled substances and the rate of planned disbursements. The analysis contained in the

¹ UNEP/OzL.Pro/ExCom/95/1

² Progress reports are the only means for indicating the final closure of all funding accounts associated with projects approved by the Executive Committee for bilateral cooperation.

³ Austria, Belgium, the Czech Republic, Denmark, Finland, Hungary, Israel, Poland, Portugal, the Russian Federation, Singapore, the Slovak Republic, South Africa, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

⁴ UNEP/OzL.Pro/ExCom/95/14

⁵ The data has been included in the Consolidated Progress Report database, which is provided on the 95th meeting portal on the Multilateral Fund's website, in the spreadsheet programme, Microsoft Excel.

present document is based on ODP tonnes for all controlled substances except for HFCs, which are measured in metric tonnes (mt) and CO₂-eq tonnes.⁶

4. This document consists of the following sections:

- I. Projects approved for all controlled substances under the regular contributions to the Multilateral Fund. It presents a summary of progress in implementation of projects for 2023 and cumulative since 1992 addressing all controlled substances under the Montreal Protocol, including Annex F substances (HFCs). It also contains a review on the status of implementation of each ongoing⁷ project at the country level. 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.
- II. Projects approved for Annex F substances (HFCs) under the additional voluntary contributions for fast-start support for HFC phase-down.
- III. Recommendation.

I. Projects approved for all controlled substances under the regular contributions to the Multilateral Fund

I.1 Progress in implementation of projects for 2023 and cumulative since 1992

5. As of 31 December 2023, the Executive Committee had approved US \$189 million in projects for the bilateral agencies, consisting of US \$172.27 million for the implementation of investment and non-investment projects and US \$16.73 million for agency support costs, as shown in table 1.

Table 1: Approved funding by sector for bilateral agencies as at 31 December 2023

Sector	Funding (US \$)
Aerosol	2,051,914
Destruction	1,866,282
Energy efficiency	843,745
Foam	8,093,731
Halon	6,147,361
HFC phase-down plan	774,000
Fumigants	18,226,925
Phase-out plan	76,082,047
Production	10,000,000
Refrigeration	40,910,116
Several	4,759,718
Solvents	2,512,738
Sub-total	172,268,576
Agency support costs	16,730,516
Total	188,999,093

⁶ In line with decision 84/12(a)(iv), the measurement for HFCs in CO₂-eq tonnes is included in the progress reports submitted to the 95th meeting.

⁷ Ongoing projects are all projects that were under implementation as at 31 December 2023. 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.

6. In 2023, 23 new projects and activities were approved. This level of funding is expected to result in the phase-out of 10,476 ODP tonnes of consumption of ODS and 48.9 mt (70,104 CO₂-eq tonnes) of consumption of HFCs. Annex I shows the status of project implementation per country in 2023.

7. Table 2 shows the status of project implementation including fund disbursement per project type as at 31 December 2023. Annex II presents analytical information per year since 1992.

Table 2. Status of project implementation by type as at 31 December 2023

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	39	38	97	9,533,176	9,409,431	123,745	99
Institutional strengthening (IS)	7	7	100	883,376	883,376	0	100
Investment	255	222	87	117,633,417	108,024,447	9,608,970	92
Project preparation	139	126	91	6,695,111	5,665,522	1,029,589	85
Technical assistance	224	210	94	28,761,293	27,312,641	1,448,653	95
Training	73	73	100	8,421,416	8,421,416	0	100
Total	746	685	92	172,268,576	160,057,619	12,210,957	93

* Excludes closed and transferred projects.

** Excludes agency support costs.

8. Implementation of projects and activities by the bilateral agencies for 2023 and cumulative since 1992 up to 31 December 2023 is summarized as follows and in table 3:

- (a) **Phase-out:**⁸ In 2023, 5.1 ODP tonnes of consumption of ODS were phased out⁹ and an additional 8.2 ODP tonnes of consumption of ODS were approved¹⁰ for phase-out. Since 1992, 9,215 ODP tonnes had been phased out, of an expected total of 10,476 ODP tonnes of consumption of ODS and 45.5 mt (65,242 CO₂-eq tonnes) had been phased out, of an expected total of 48.9 mt (70,104 CO₂-eq tonnes) of consumption of HFCs from projects approved (excluding cancelled and transferred projects);
- (b) **Disbursements/approvals:** In 2023, US \$3.69 million was disbursed and US \$5.24 million was planned for disbursement based on the 2022 progress report, representing a rate of disbursement of 70 per cent of that planned. Cumulatively, US \$160.06 million had been disbursed out of the total US \$172.27 million approved for disbursement (excluding agency support costs), representing a rate of disbursement of 93 per cent. In 2023, US \$2.2 million was approved for implementation;
- (c) **Number of projects completed:** In 2023, 15 projects were completed. Since 1992, 685 projects of the 746 projects approved (excluding closed or transferred projects) were completed, representing a completion rate of 92 per cent;
- (d) **Speed of delivery – investment projects:** Projects that were completed in 2023 were completed on average 59 months after their approval. Since 1992, the average time for completion of investment projects has been 42 months after their approval. First

⁸ Phase-out of ODS is expressed in ODP tonnes and of HFCs in mt and CO₂-eq tonnes.

⁹ No phase-out for HFC-related projects in 2023.

¹⁰ No approved phase-out for HFC-related projects in 2023.

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 2023 were completed 67 months after their approval. Since 1992, the average time for completion of non-investment projects has been 44 months after their approval. First disbursements under these projects occurred, on average, 13 months after they had been approved;
- (f) **Project preparation:** Of the 139 project preparation activities approved by the end of 2023, 126 have been completed, leaving 13 ongoing activities. In 2023, three preparation activities were completed;
- (g) **Implementation delays:** A total of 61 projects were under implementation at the end of 2023, experiencing, on average, a delay of 15 months. Sixteen of these projects are classified as “projects with implementation delays”¹¹ that are subject to the procedures of project cancellation (as demonstration projects, project preparation and IS are not subject to those procedures); and
- (h) **Multi-year agreements (MYAs):** In 2023, 25 MYAs for HCFC phase-out management plans (HPMPs) were under implementation. Since 1992, 91 MYAs have been approved and 66 MYAs have been completed, representing a completion rate of 73 per cent.

9. Table 3 summarizes progress made by the bilateral agencies since 1992.

Table 3. Progress made by bilateral agencies since 1992

Phase out achieved		Disbursement (US \$)	Number of projects		Speed of delivery for completion (months)		Average project delays (months)	Number of MYAs	
ODP tonnes	CO ₂ -eq tonnes		Approved	Completed	Investment	Non-investment		Approved	Completed
9,215	65,242	160,057,619	746	685	42	44	15	91	66

HFC-related projects

10. As of 31 December 2023, the Executive Committee had approved 19 HFC-related projects (including one demonstration project, three investment projects, 10 project preparation activities and five technical assistance projects for enabling activities) under regular contributions amounting to US \$2,012,733 (excluding agency support costs). A summary of the status of these projects is presented in table 4 and the respective data has already been included in paragraphs 5 to 9.

Table 4. HFC-related projects approved under regular contributions

Type	Number of projects			Funding (US \$)*			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Demonstration	1	0	0	123,745	0	123,745	0
Investment**	3	2	67	764,988	764,988	0	100
Project preparation	10	1	10	834,000	144,410	689,590	17
Technical assistance	5	5	100	290,000	290,000	0	100
Total	19	8	42	2,012,733	1,199,398	813,335	60

* Excludes agency support costs.

** 45.5 mt (65,242 CO₂-eq tonnes) of 48.9 mt (70,104 CO₂-eq tonnes) of HFCs had been phased out.

¹¹ Projects approved over 18 months with disbursement less than 1 per cent, or projects that had not been completed 12 months after the proposed completion date in the progress report (decision 22/61).

11. As of the end of 2023, of the 19 projects approved, two investment projects, one project preparation activity and five technical assistance projects for enabling activities had been completed, leaving 11 ongoing. These activities are at various stages of implementation.

12. Of the total cumulative funding approved of US \$2,012,733, US \$1,199,398 had been disbursed, representing a disbursement rate of 60 per cent.

I.2 Issues identified in project implementation in 2023

13. Further to the review process, several issues were discussed with relevant bilateral agencies and satisfactorily addressed, except for issues on 16 projects classified as projects with implementation delays (including 14 projects related to components of MYAs that are subject to procedures for project cancellation, in line with decision 84/45(c); one HFC investment project; and one technical assistance project). Annex III to the present document presents those projects classified with implementation delays, and the Secretariat's recommendations requesting the submission of a report to the 96th meeting.

14. Details of progress in implementation of projects associated with the HPMPs for China (servicing sector plan)¹² (implemented by Germany and Japan), India¹³ (implemented by Germany), and the Pacific Island countries¹⁴ (implemented by Australia), and reports on projects with specific reporting requirements¹⁵ associated with the Kigali HFC implementation plan of Burkina Faso (implemented by Germany) and the HPMP of Viet Nam (implemented by Japan), have been submitted to the 95th meeting. Recommendations for outstanding issues for these projects, including approval of extension requests, if any, are addressed in the relevant sections of those documents. The issues relating to the HPMPs for Kenya (implemented by France) and Mauritius (implemented by Germany), tranches of which were due at the 95th meeting but were not submitted, are addressed in the document on tranche submission delays.¹⁶

15. Of the 48 ongoing projects, excluding project preparation, 16 projects have revised planned dates of completion since the 2022 progress report.

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

16. As of 31 December 2023, 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. Status of approved HFC-related projects as of the end of 2023

Type	Number of projects			Funding (US \$)*			
	Approved	Completed	% completed	Approved	Disbursed	Balance	% disbursed
Technical assistance – Enabling activities	7	7	100	480,000	479,080	920	99.8

* Excludes agency support costs.

17. As of the end of 2023, all of the seven enabling activities approved had been completed.

¹² UNEP/OzL.Pro/ExCom/95/47

¹³ UNEP/OzL.Pro/ExCom/95/58

¹⁴ UNEP/OzL.Pro/ExCom/95/71 (the Cook Islands, Kiribati, the Marshall Islands, Micronesia (Federated States of), Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)

¹⁵ UNEP/OzL.Pro/ExCom/95/20 or UNEP/OzL.Pro/ExCom/95/21

¹⁶ UNEP/OzL.Pro/ExCom/95/24

18. Of the total cumulative funding approved of US \$480,000, US \$479,080 had been disbursed, representing a disbursement rate of 99.8 per cent.

III. Recommendation

19. The Executive Committee may wish:

- (a) To note, with appreciation, the progress reports, as at 31 December 2023, submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/95/15; and
- (b) To approve the recommendations related to ongoing projects with specific issues contained in annex III to the present document.

Annex I

**OVERVIEW OF STATUS OF PROJECT IMPLEMENTATION FOR BILATERAL AGENCIES
PER COUNTRY FOR 2023**

1. Table 1 of annex I presents the status of project implementation by country for 2023 in achieved phased out, planned and achieved disbursements and project completion.

Table 1. Status of project implementation for 2023

Country	Phased out in 2023 (ODP tonnes)	Phased out in 2023 (CO ₂ -eq tonnes)*	Estimated funds disbursed in 2023 (US\$)	Funds disbursed in 2023 (US\$)	Percentage of funds disbursed over estimation in 2023	Percentage of planned projects completed in 2023**
Argentina	0.0	0	40,000	0	0	
Brazil	0.0	0	1,198,203	590,493	49	100
Burkina Faso	0.0	0	36,957	576	2	0
China	0.0	0	474,017	139,507	29	100
Colombia	0.0	0	60,308	2,498	4	50
Egypt	0.0	0	151,551	48,602	32	0
India	0.0	0	1,081,000	941,000	87	33
Iran (Islamic Republic of)	0.0	0	432,400	73,742	17	20
Kenya	0.0	0	131,897	72,630	55	
Lesotho	0.0	0	51,159	67,963	133	
Liberia	0.0	0	90,346	61,319	68	0
Mauritius	0.0	0	176,800	118,363	67	0
Mexico	3.5	0	851,616	961,547	113	100
Mongolia	0.0	0	3,000	8,112	270	0
Namibia	0.0	0	44,757	12,228	27	
Nigeria	1.6	0	120,000	251,059	209	
Papua New Guinea	0.0	0	16,805	44,276	263	100
Seychelles	0.0	0	74,555	38,011	51	100
Viet Nam	0.0	0	77,502	0	0	100
Zimbabwe	0.0	0	40,806	125,469	307	50
Region: ASP	0.0	0	81,497	131,889	162	0
Grand total	5.1	0	5,235,176	3,689,283	70	46

* No phase-out in 2023 for HFC-related projects.

** For projects that were planned to be completed in 2023.

Annex II

OVERVIEW OF STATUS OF PROJECT IMPLEMENTATION FOR BILATERAL AGENCIES PER YEAR AS AT 31 DECEMBER 2023

1. Table 1 of annex II presents an overview of the status of project implementation by year.¹ All projects and activities approved between 1992 and 2014, have now been completed.

Table 1. 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	18,183,034	18,183,034	0	100
2006	25	25	100	7,128,808	7,128,808	0	100
2007	13	13	100	3,138,440	3,138,440	0	100
2008	33	33	100	7,531,037	7,531,037	-1	100
2009	21	21	100	2,347,228	2,347,228	0	100
2010	20	20	100	3,278,389	3,278,389	-1	100
2011	20	20	100	6,821,798	6,821,798	0	100
2012	11	11	100	6,594,959	6,594,959	0	100
2013	7	7	100	2,276,412	2,276,412	0	100
2014	14	14	100	1,365,834	1,365,834	0	100
2015	26	25	96	4,881,449	4,742,669	138,780	97
2016	16	13	81	5,129,894	3,793,623	1,336,271	74
2017	9	5	56	2,605,614	2,276,064	329,550	87
2018	16	12	75	7,050,550	6,631,897	418,653	94
2019	5	3	60	1,829,814	1,166,105	663,709	64
2020	12	6	50	3,986,712	2,726,477	1,260,235	68
2021	19	4	21	4,678,887	1,639,925	3,038,962	35
2022	4	0	0	3,257,043	404,197	2,852,846	12
2023	23	1	4	2,201,953	30,000	2,171,953	1
Total	746	685	92	172,268,576	160,057,619	12,210,957	93

* Excludes closed and transferred projects.

** Excludes agency support costs.

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 tonnes/CO₂-eq tonnes phased out, and percentage of funds disbursed. There are three types of disbursements: during implementation, after implementation and for retroactively financed projects.

Annex III

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

Country/Project code	Agency	Project title	Disbursement (%)	Status/Issues	Recommendation
Kenya KEN/PHA/80/INV/62	France	HCFC phase-out management plan (stage II, first tranche)	87	12 months delays	To request the Government of France to report to the 96 th meeting on this project with implementation delays
Kenya KEN/PHA/86/INV/65	France	HCFC phase-out management plan (stage II, second tranche)	0	12 and 18 months delays	To request the Government of France to report to the 96 th meeting on this project with implementation delays
Zimbabwe ZIM/REF/82/INV/56	France	Conversion from HFC-134a to isobutane in the manufacture of domestic refrigerators at Capri (SME Harare)	100	12 months delays	Noting decision 77/8(j), to request the Government of France to report to the 96 th meeting on this project with implementation delays
China CPR/PHA/77/INV/574	Italy	HCFC phase-out management plan (stage II, first tranche) (room air-conditioner manufacturing sector plan)	1	12 months delays	To request the Government of Italy to report to the 96 th meeting on this project with implementation delays
Iran (Islamic Republic of) IRA/PHA/77/INV/224	Italy	HCFC phase-out management plan (stage II, first tranche) (foam sector)	20	12 months delays	To request the Government of Italy to report to the 96 th meeting on this project with implementation delays
Iran (Islamic Republic of) IRA/PHA/84/INV/237	Italy	HCFC phase-out management plan (stage II, second tranche) (foam sector)	6	12 months delays	To request the Government of Italy to report to the 96 th meeting on this project with implementation delays
Nigeria NIR/PHA/81/INV/151	Italy	HCFC phase-out management plan (stage II, first tranche) (polyurethane foam sector)	100	12 months delays	Noting decision 77/8(j), to request the Government of Italy to report to the 96 th meeting on this project with implementation delays
Nigeria NIR/PHA/81/TAS/149	Italy	HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector)	100	12 months delays	Noting decision 77/8(j), to request the Government of Italy to report to the 96 th meeting on this project with implementation delays
Brazil BRA/PHA/82/TAS/321	Germany	HCFC phase-out management plan (stage II, third tranche) (refrigeration servicing sector)	82	12 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays
Egypt EGY/PHA/84/INV/142	Germany	HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	34	12 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays
India IND/PHA/86/INV/481	Germany	HCFC phase-out management plan (stage II, third tranche) (refrigeration servicing sector plan)	94	12 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays

Country/Project code	Agency	Project title	Disbursement (%)	Status/Issues	Recommendation
India IND/PHA/87/INV/488	Germany	HCFC phase-out management plan (stage II, third tranche)	100	12 months delays	Noting decision 77/8(j), to request the Government of Germany to report to the 96 th meeting on this project with implementation delays
Mauritius MAR/PHA/79/INV/27	Germany	HCFC phase-out management plan (third tranche)	79	12 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays
Mauritius MAR/PHA/86/INV/30	Germany	HCFC phase-out management plan (stage I, fourth tranche)	0	12 and 18 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays
Mauritius MAR/PHA/88/TAS/33	Germany	Verification report on the implementation of stage I of the HCFC phase-out management plan	0	12 and 18 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays
Mexico MEX/PHA/77/INV/179	Germany	HCFC phase-out management plan (stage II, second tranche) (HC demonstration and training)	58	12 months delays	To request the Government of Germany to report to the 96 th meeting on this project with implementation delays