|  |  |
| --- | --- |
| **UNITEDNATIONS** | **EP** |
|  | **United Nations****Environment****Programme** | Distr.GENERALUNEP/OzL.Pro/ExCom/86/2023 October 2020ORIGINAL: ENGLISH |

EXECUTIVE COMMITTEE OF
 THE MULTILATERAL FUND FOR THE
 IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting

Montreal, 2-6 November 2020

Postponed to 8-12 March 2021[[1]](#footnote-1)

**PROGRESS REPORT OF THE WORLD BANK AS AT 31 DECEMBER 2019**

# This document presents the progress report of the World Bank as at 31 December 2019.[[2]](#footnote-2)

**Introduction**

# The progress report of the World Bank includes the status of implementation of projects, including five HFC‑related projects that have been funded under the additional voluntary contributions by 17 non‑Article 5 Parties to provide fast-start support for implementation of the Kigali Amendment.

# 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 2019, the potential impact of these delays on the phase‑out of controlled substances and the rate of planned disbursements. The analysis contained in the present document is based on ODP tonnes for all controlled substances (including HFCs which should be measured in mt CO2-eq).[[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 2019 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 summary on the status of implementation of HFC phase‑down projects funded under the voluntary contributions.[[5]](#footnote-5)

Recommendation.

# The 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.

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

**Summary of progress in implementation of projects for 2019 and cumulative**

# Implementation of projects and activities by the World Bank for 2019 and cumulative since 1991 up to 31 December 2019, is summarized as follows:

## **Phase-out:**[[6]](#footnote-6) In 2019, 1,922.1 ODP tonnes of consumption of controlled substances were phased out and an additional 61.4 ODP tonnes of consumption of controlled substances were approved for phase-out. Since 1991, 146,740 ODP tonnes of consumption of controlled substances and 187,996 ODP tonnes of production of controlled substances had been phased out, of an expected total of 304,639 ODP tonnes from projects approved (excluding cancelled and transferred projects);

## **Disbursements/approvals:** In 2019, US $9.37 million was disbursed and US $11.73 million was planned for disbursement based on the 2018 progress report, representing a rate of disbursement of 80 per cent of that planned. Cumulatively, US $1.14 billion had been disbursed out of the total US $1.16 billion approved for disbursement (excluding agency support costs), representing a rate of disbursement of 98 per cent. In 2019, US $3.19 million was approved for implementation;

## **Cost-effectiveness (in ODP):**[[7]](#footnote-7) Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US $5.47/kg and for the production sector was US $4.86/kg. The average cost‑effectiveness of investment projects per ODP tonne was US $3.20/kg for completed projects and US $125.08/kg for ongoing projects;[[8]](#footnote-8)

## **Number of projects completed:** In 2019, 12 projects were completed. Since 1991, 1,076 projects of the 1,088 projects approved (excluding closed or transferred projects) were completed, representing a completion rate of 99 per cent;

## **Speed of delivery – investment projects:** Projects that were completed in 2019 were completed on average 70 months after their approval. Since 1991, the average time for completion of investment projects has been 40 months after their approval. First disbursements under these projects occurred, on average, 24 months after they had been approved;

## **Speed of delivery – non-investment projects:** Projects that were completed in 2019 were completed on average 25 months after their approval. Since 1991, the average time for completion of non-investment projects has been 36 months after their approval. First disbursements under these projects occurred, on average, 22 months after they had been approved;

## **Project preparation:** All of the 291 project preparation activities approved by the end of 2019 have been completed;

## **Implementation delays:** A total of 12 investment projects were under implementation at the end of 2019, experiencing, on average, a delay of 38 months. Three of these projects are classified as “projects with implementation delays”[[9]](#footnote-9) that are subject to the procedures of project cancellation (as demonstration projects, project preparation and IS are not subject to those procedures); and

## **Multi-year agreements (MYAs)**: In 2019, five MYAs for HCFC phase-out management plans (HPMPs) were under implementation. Since 1991, 39 MYAs have been approved and 34 MYAs have been completed, representing a completion rate of 87 per cent.

Project implementation progress in 2019

# Further to the review process, a number of issues were discussed and satisfactorily addressed, except for three projects related to components of MYAs with implementation delays that are subject to procedures for project cancellation, in line with decision 84/45(c). Annex I to the present document presents those projects classified with implementation delays, and the Secretariat’s recommendation requesting the submission of a report to the 87th meeting.

# Details of progress in implementation of projects associated with the HCFC production phase-out management plan for China[[10]](#footnote-10) and reports on projects with specific reporting requirements associated with China (HPMP)[[11]](#footnote-11) and Jordan (HPMP)[[12]](#footnote-12) have been submitted to the 86th meeting. Recommendations for outstanding issues for these projects, including approval of extension requests, if any, are addressed in the relevant sections of these documents. The issues relating to the HPMPs for Thailand and Viet Nam that were due to the 86th meeting but were not submitted, are addressed in the document on tranche submission delays.[[13]](#footnote-13)

# Of the 10 ongoing projects, excluding IS and project preparation, two projects have revised their planned dates of completion since the 2018 progress report.

# Part II: PROJECTS APPROVED UNDER THE ADDITIONAL VOLUNTARY CONTRIBUTIONS FOR FAST-START SUPPORT FOR HFC PHASE-DOWN

# As of 31 December 2019, the Executive Committee had approved five HFC-related projects as summarized in Table 1.

# **Table 1. Status of approved HFC-related projects as of the end of 2019**

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of projects\*** | **Funding (US $)\*\*** |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Investment | 1 | 0 | 0 | 183,514 | 0 | 183,514 | 0 |
| Project preparation | 1 | 1 | 100 | 30,000 | 30,000 | 0 | 100 |
| Enabling activities | 3 | 0 | 0 | 750,000 | 240,513 | 509,487 | 32 |
| **Total** | **5** | **1** | **20** | **963,514** | **270,513** | **693,001** | **28** |

\*Excludes transferred projects.

\*\*Excludes agency support costs.

# As of the end of 2019, of the five projects approved, one project preparation had been completed. Extension of the completion dates of the three enabling activities was approved at the 83rd meeting (two projects) and at the 84th meeting (one project); these activities are at various stages of implementation.

# The investment project related to the phase-out of 8.8 mt (12,555 mt CO2-eq.) of HFCs is currently under implementation; the equipment based on the alternative technology is under production; funds would be disbursed by the end of 2020 to the beneficiary enterprise retroactively, after signing of the agreement between the financial intermediary and the beneficiary.

# Of the total cumulative funding approved of US $963,514, US $270,513 had been disbursed, representing a disbursement rate of 28 per cent.

# **Recommendation**

# The Executive Committee may wish:

## To note the progress report of the World Bank as at 31 December 2019 contained in document UNEP/OzL.Pro/ExCom/86/20; and

## To approve the recommendations related to ongoing projects with specific issues contained in Annex I to the present document.

**Annex I**

## **ONGOING PROJECTS WITH OUTSTANDING ISSUES IN THE PROGRESS REPORT FOR THE WORLD BANK**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country/project code** | **Project title** | **Disbursement****(%)** | **Status/Issues** | **Recommendation** |
| ChinaCPR/PRO/81/INV/593 | HCFC production phase-out management plan | 40 | 12 months delays | To request the World Bank to report to the 87th meeting on this project with implementation delays |
| JordanJOR/PHA/77/INV/99 | HCFC phase-out management plan (stage II, first tranche) (polyurethane foam sector) | 21 | 12 months delays | To request the World Bank to report to the 87th meeting on this project with implementation delays |
| Viet NamVIE/PHA/76/INV/70 | HCFC phase-out management plan (stage II, first tranche) (polyurethane rigid foam sector) | 55 | 12 months delays | To request the World Bank to report to the 87th meeting on this project with implementation delays |

# **Annex II**

ANALYSIS OF THE PROGRESS REPORT OF THE WORLD BANK

AS AT 31 DECEMBER 2019

# 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 2019, the Executive Committee had approved US $1.28 billion consisting of US $1.16 billion for the implementation of investment and non-investment projects and US $118.39 million for agency support costs, as shown in Table 1. In 2019, three new projects and activities were approved. This level of funding is expected to result in the phase-out of 304,639 ODP tonnes of consumption and production of controlled substances.

# **Table 1: Approved funding by sector for the World Bank as at 31 December 2019**

|  |  |
| --- | --- |
| **Sector** | **Funding (US $)** |
| Aerosol | 22,984,030 |
| Destruction | 400,000 |
| Fire fighting | 0 |
| Foam | 136,339,172 |
| Halon | 70,221,038 |
| Fumigants | 5,837,887 |
| Multiple sectors | 2,341,168 |
| Other | 5,059,360 |
| Phase-out plan | 200,687,026 |
| Process agent | 114,342,497 |
| Production | 378,930,190 |
| Refrigeration | 180,259,970 |
| Several | 28,969,731 |
| Solvents | 10,237,394 |
| Sterilant | 661,227 |
| **Sub-total** | **1,157,270,690** |
| Agency support costs | 118,391,340 |
| **Total** | **1,275,662,030** |

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

**Table 2: Status of project implementation by category**

| **Type** | **Number of projects\*** | **Funding (US $)\*\*** |
| --- | --- | --- |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Country programme | 29 | 29 | 100 | 1,627,732 | 1,627,732 | 0 | 100 |
| Demonstration | 8 | 8 | 100 | 6,172,901 | 6,172,901 | 0 | 100 |
| Institutional strengthening (IS) | 50 | 48 | 96 | 9,569,981 | 8,939,202 | 630,779 | 93 |
| Investment | 633 | 625 | 99 | 1,097,208,969 | 1,076,686,134 | 20,522,836 | 98 |
| Project preparation | 291 | 291 | 100 | 26,623,320 | 26,623,320 | 0 | 100 |
| Technical assistance | 73 | 71 | 97 | 15,762,020 | 14,947,550 | 814,470 | 95 |
| Training | 4 | 4 | 100 | 305,766 | 305,766 | 0 | 100 |
| **Total** | **1,088** | **1,076** | **99** | **1,157,270,690** | **1,135,302,605** | **21,968,085** | **98** |

\*Excludes closed and transferred projects.

\*\*Excludes agency support costs.

# Table 3 presents an overview of the status of project implementation by year[[14]](#footnote-14). All projects and activities approved between 1991 and 2015, and 2017, 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** |
| 1991  | 42 | 42 | 100 | 5,429,404 | 5,429,404 | 0 | 100 |
| 1992  | 76 | 76 | 100 | 28,047,705 | 28,047,705 | 0 | 100 |
| 1993  | 79 | 79 | 100 | 42,538,405 | 42,538,405 | 0 | 100 |
| 1994  | 91 | 91 | 100 | 41,081,267 | 41,081,267 | 0 | 100 |
| 1995  | 112 | 112 | 100 | 47,224,186 | 47,224,186 | 0 | 100 |
| 1996  | 55 | 55 | 100 | 29,319,479 | 29,319,479 | 0 | 100 |
| 1997  | 95 | 95 | 100 | 56,173,102 | 56,173,104 | -2 | 100 |
| 1998  | 59 | 59 | 100 | 35,959,418 | 35,959,417 | 1 | 100 |
| 1999  | 73 | 73 | 100 | 64,173,138 | 64,173,138 | 0 | 100 |
| 2000  | 67 | 67 | 100 | 36,982,134 | 36,982,134 | 0 | 100 |
| 2001  | 29 | 29 | 100 | 55,212,853 | 55,212,854 | -1 | 100 |
| 2002  | 32 | 32 | 100 | 64,357,778 | 64,357,778 | 0 | 100 |
| 2003  | 24 | 24 | 100 | 72,734,119 | 72,734,119 | 0 | 100 |
| 2004  | 29 | 29 | 100 | 77,111,770 | 77,111,770 | 0 | 100 |
| 2005  | 28 | 28 | 100 | 68,592,865 | 68,592,865 | 0 | 100 |
| 2006  | 22 | 22 | 100 | 64,473,260 | 64,473,260 | 0 | 100 |
| 2007  | 25 | 25 | 100 | 66,005,270 | 66,005,270 | 0 | 100 |
| 2008  | 28 | 28 | 100 | 40,214,774 | 40,214,774 | 0 | 100 |
| 2009  | 22 | 22 | 100 | 25,563,461 | 25,563,461 | 0 | 100 |
| 2010  | 16 | 16 | 100 | 1,148,623 | 1,148,623 | 0 | 100 |
| 2011  | 10 | 10 | 100 | 44,367,458 | 44,314,997 | 52,461 | 100 |
| 2012  | 10 | 10 | 100 | 11,698,145 | 11,698,145 | 0 | 100 |
| 2013  | 7 | 7 | 100 | 43,650,189 | 43,602,958 | 47,231 | 100 |
| 2014  | 13 | 13 | 100 | 28,336,509 | 28,336,509 | 0 | 100 |
| 2015  | 13 | 13 | 100 | 62,990,648 | 62,990,648 | 0 | 100 |
| 2016  | 18 | 15 | 83 | 12,631,821 | 10,642,987 | 1,988,834 | 84 |
| 2017  | 3 | 3 | 100 | 1,651,291 | 1,651,291 | 0 | 100 |
| 2018  | 7 | 1 | 14 | 26,408,870 | 9,722,058 | 16,686,812 | 37 |
| 2019  | 3 | 0 | 0 | 3,192,747 | 0 | 3,192,747 | 0 |
| **Total** | **1,088** | **1,076** | **99** | **1,157,270,690** | **1,135,302,605** | **21,968,085** | **98** |

\*Excludes closed and transferred projects.

\*\*Excludes agency support costs.

# Table 4 presents project implementation by country for 2019.

Table 4. Summary of project implementation by the World Bank for 2019

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Phased out in 2019\*** **(ODP tonnes)** | **Percentage of planned phase-out achieved in 2019** | **Estimated funds disbursed in 2019****(US$)** | **Funds disbursed in 2019****(US$)** | **Percentage of funds disbursed over estimation in 2019** | **Percentage of planned projects completed in 2019** |
| China | 1,918.8 |   | 10,450,587 | 8,494,116 | 81 | 100 |
| Indonesia | 3.3 | 100 | 357,229 | 309,918 | 87 | 100 |
| Jordan | 0 | 0 | 630,130 | 288,376 | 46 | 50 |
| Saudi Arabia | 0 |   | 1,379 | 36,294 | 2632 |   |
| Thailand | 0 |   | 90,387 | 72,544 | 80 | 100 |
| Viet Nam | 0 |   | 198,000 | 167,349 | 85 |   |
| Global | 0 |   | 0 | 0 |   | 100 |
| **Total** | **1,922.1** | **25** | **11,727,712** | **9,368,597** | **80** | **93** |

\* No phase-out in 2019 for HFC-related projects.

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

# As of 31 December 2019, the Executive Committee had approved five HFC-related projects under the additional voluntary contributions amounting to US $963,514 (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 2019**

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of projects\*** | **Funding (US $)\*\*** |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Investment | 1 | 0 | 0 | 183,514 | 0 | 183,514 | 0 |
| Project preparation | 1 | 1 | 100 | 30,000 | 30,000 | 0 | 100 |
| Enabling activities | 3 | 0 | 0 | 750,000 | 240,513 | 509,487 | 32 |
| **Total** | **5** | **1** | **20** | **963,514** | **270,513** | **693,001** | **28** |

\* Excludes transferred projects.

\*\* Excludes agency support costs.

# As of the end of 2019, of the five projects approved, one project preparation had been completed. Extension of the completion dates of the three enabling activities was approved at the 83rd meeting (two projects) and at the 84th meeting (one project); these activities are at various stages of implementation.

# The investment project related to the phase-out of 8.8 mt (12,555 mt CO2-eq.) of HFCs, is at an early stage of implementation, with no funding being disbursed. Enabling activities are at various stages of implementation. Of the total cumulative funding approved of US $963,514, US $270,513 had been disbursed, representing a disbursement rate of 28 per cent.

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

1. Due to coronavirus disease (COVID-19) [↑](#footnote-ref-1)
2. The progress report is attached to the present document. The data has been included in the Consolidated Progress Report database that is available upon request. [↑](#footnote-ref-2)
3. In line with decision 84/12(a)(iv), the measurement for HFCs in mt CO2-eq. would be included in the progress reports submitted from the 88th meeting. This issue is discussed in the consolidated progress report (UNEP/OzL.Pro/ExCom/86/15). [↑](#footnote-ref-3)
4. Ongoing projects are all projects that were under implementation as at 31 December 2019. 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. In line with decision 84/12(b), a detailed progress report providing an overview of the objectives, status of implementation, key findings and lessons learned, the amounts of HFC phased out where applicable, the level of funds approved and disbursed and potential challenges in completing the projects and activities, is presented in the consolidated progress report (UNEP/OzL.Pro/ExCom/86/15). [↑](#footnote-ref-5)
6. All the controlled substances under these projects were ozone-depleting substances. [↑](#footnote-ref-6)
7. All the controlled substances under these projects were ozone-depleting substances. [↑](#footnote-ref-7)
8. The higher value of the cost-effectiveness for ongoing projects is largely due to the lower ODP values of HCFCs but also due to the means of assigning phase-out by agencies. [↑](#footnote-ref-8)
9. 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) (as demonstration projects, project preparation, and institutional strengthening (IS) are not subject to those procedures). [↑](#footnote-ref-9)
10. UNEP/OzL.Pro/ExCom/86/SGP [↑](#footnote-ref-10)
11. UNEP/OzL.Pro/ExCom/86/21/Add.1 [↑](#footnote-ref-11)
12. UNEP/OzL.Pro/ExCom/86/21 [↑](#footnote-ref-12)
13. UNEP/OzL.Pro/ExCom/86/24 [↑](#footnote-ref-13)
14. 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. There are three types of disbursements: during implementation, after implementation and for retroactively‑financed projects. [↑](#footnote-ref-14)