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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

CONSOLIDATED PROGRESS REPORT

EXECUTIVE SUMMARY

1. The following summarizes the progress of the implementation of projects and activities supported by the Multilateral Fund through 31 December 1997:

a) **Phase-out:** 46,159 ODP tonnes have been phased out of a total 105,263 ODP tonnes to be phased out from projects approved through 1997.

b) **Disbursements/Approvals:** US $303 million has been disbursed of the US $661 million approved through 1997 representing a rate of disbursement of 46 per cent.

c) **Number of Projects Completed:** 955 projects of the 2,068 projects financed by the Fund have been completed representing a completion rate of 46 per cent.

d) **Speed of Delivery (Investment Projects):** On average, investment projects have been completed 27 months after they were approved by the Executive Committee, and the first disbursement on these projects occurred 18 months after they were approved.

e) **Speed of Delivery (Non-Investment Projects):** On average, non-investment projects have been completed 21 months after approval and the first disbursement on non-investment projects occurred 8 months after approval.

f) **Project Preparation:** Implementing agencies have a balance of US $3,973,618 (including approximately US $0.4 million for completed project preparation) available for project preparation plus US $3.6 million approved in 1998.

g) **Adjustments:** Agency progress reports indicate that they are returning US $9,342,836 from projects that are closed or completed for reprogramming at the 25th Meeting.

h) **Implementation Delays:** Ongoing investment projects are experiencing an average delay of 14 months. The agencies have annexed lists of 214 projects with implementation delays to their progress reports. The Executive Committee has been requested to cancel some of these projects and in other cases, to determine if projects might be canceled if there is no action by the next meeting.

i) **Data Discrepancies:** There remain discrepancies between the implementing agencies' progress report and the Inventory of Approved Projects as well as problems with the entry of data into the prescribed format and the timely submission of the reports.

2. The Consolidated Progress Report summarizes progress and financial information provided by implementing and bilateral agencies both in narrative and database formats. The Secretariat combines the databases from all of the agencies to produce the report.

Data Base

3. Implementing and bilateral agencies provide detailed information about their respective shares of the 2139 projects approved by the Executive Committee through December 1997 in the databases submitted to the Secretariat. In decision 19/23, the Executive Committee requested that detailed information on a project by project basis should be submitted in a diskette form to Committee members with a printout available upon request. The database for the Consolidated Progress Report is provided on diskette in the spreadsheet programme, Microsoft Excel 5.0 as document cpr-25-9.xls.

OVERVIEW OF APPROVED FUNDING

4. The Executive Committee has approved over US $661 million for the implementation of investment and non-investment projects through the end of 1997. In addition, about US $67 million has been approved for agency fees and administrative support. This level of funding is expected to result in the permanent, annual phase-out of 105,263 ODP tonnes. Table 1 summarizes the level of approved funding by sector and agency.

TABLE 1

APPROVED FUNDING BY SECTOR AND AGENCY

Item	UNDP (US$)	UNEP (US$)	UNIDO (US$)	World Bank (US$)*	Bilaterals (US$)	Grand Total (US$)*
Sector						
Aerosol	5,214,581	370,000	6,266,792	12,297,780	6,000	24,155,153
Foam	84,933,599	0	17,809,273	55,341,597	852,077	158,936,546
Halon	2,369,454	593,000	532,000	14,866,736	3,453,459	21,814,649
Fumigants	426,550	872,500	2,758,180	0	733,730	4,790,960
Multiple Sectors	0	0	0	1,112,391	0	1,112,391
Other	0	0	122,000	5,934,000	0	6,056,000
Production	0	0	0	4,380,934	0	4,380,934
Refrigeration	70,978,936	2,566,600	99,734,624	161,124,128	12,073,746	346,478,034
Several	14,928,553	23,796,640	2,748,388	23,763,362	1,491,339	66,728,282
Solvents	8,869,465	0	5,044,880	10,727,887	1,812,999	26,455,231
Sub-Total	187,721,138	28,198,740	135,016,137	289,548,814	20,423,350	660,908,179
Agency fees/administrative costs	24,403,748	3,665,836	17,552,098	21,719,762	n/a	67,341,444
GRAND TOTAL	212,124,886	31,864,576	152,568,235	311,268,576	20,423,350	728,249,623

* 13 per cent agency fee only charged to projects approved after the 16th Meeting.

ANNUAL SUMMARIES

5. Table 2, Annual Summary, presents an overview of status by year. The data is presented according to the year when projects were approved by the Executive Committee. It treats all approvals (investment and non-investment projects) equally, i.e., an investment project of US $1 million is considered one project as is a country programme preparation of US $30,000.

6. Key indicators from the Annual Summary table include: the percentage of projects completed, ODP phased out, per cent of funds disbursed, and planned commitments in 1998. In reviewing the data on funds disbursed, it should be noted that there are four types of disbursement: during implementation, after implementation, for retroactively-financed projects, and for time-sensitive projects. The rate of disbursement during implementation is the only type of disbursement that indicates progress towards completion since the other types either disburse after the completion of the project or the completion of a period of time as is the case with institutional strengthening projects.

TABLE 2

ANNUAL SUMMARY

Year Approv-ed	Numbe r of Ap-prov-als	Numbe r Com-pleted	Per Cent Com-pleted	ODP to be Phased Out	ODP Phased Out	Per Cent of ODP Phased Out	Approved Funding (US$)	Funds Disbursed (US$)	Per Cent of Funds Dis-burs-ed	Balance (US$)	Planned Commit-ment in 1998 (US$)
1991	71	68	96%	535	525	98%	8,752,491	8,908,237	102%	-155,746	0
1992	176	159	90%	19,372	22.354	115%	44,891,795	38,707,200	86%	6,184,595	2,719,470
1993	215	171	80%	5,573	4,061	73%	78,824,948	61,953,303	79%	16,871,645	7,688,814
1994	391	254	65%	21,090	10,527	50%	143,403,883	99,379,161	69%	44,024,722	21,477,944
1995	370	193	52%	16,544	5,756	35%	121,019,980	63,996,879	53%	57,023,101	29,199,705
1996	281	62	22%	11,054	1,696	15%	92,595,399	21,194,948	23%	71,400,451	32,326,297
1997	564	48	9%	31,095	1.137	4%	171,632,919	9,226,424	5%	162,406,444	48,694,939
Total	2,068	955	46%	105,263	46.056	44%	661,121,415	303,366,153	46%	357,755,212	142,107,169

7. Of the US $661 million in approved funding (including adjustments), the agencies disbursed about US $303 million (including bilateral agencies). Projects approved by the Executive Committee have led to the permanent annual phase-out of 46,159 ODP tonnes of consumption and production, of which 46,056 ODP tonnes is from completed projects and 103 tonnes from ongoing projects. Of a balance of US $358 million in undisbursed funds, 40 per cent (US $142 million) is committed for expenditure in 1998.

COMPARISON OF AGENCIES' PERFORMANCE

8. Table 3 presents a comparison of implementing agencies according to the percentage of projects completed, ODP phased out, funds disbursed, and the 1997 funds balance that is committed for expenditure in 1998.

TABLE 3

COMPARISON OF AGENCIES' PERFORMANCE

Item	UNDP	UNEP	UNIDO	World Bank	Bilaterals	Grand Total
Investment Projects						
Number of completed projects	133	n/a	40	91	1	265
Number of ongoing projects	291	n/a	146	259	14	710
Total ongoing and completed*	424	n/a	186	350	15	975
Per cent completed	31%	n/a	22%	26%	7%	27%
ODP phased out	7,525	0	6,963	31,173	498	46,159
ODP to be phased out	24,288	311	18,524	62,105	819	106,046
Per cent phased out	31%	0%	38%	50%	61%	44%
Non-Investment Projects**						
Number of completed projects	104	181	12	53	62	412
Number of ongoing projects	63	134	22	15	29	263
Total ongoing and completed*	167	315	34	68	91	675
Per cent completed	62%	57%	35%	78%	78%	61%
All Projects						
Total funds disbursed	$86,755,955	$17,084,485	$57,306,964	$128,605,344	$13,695,805	$303,448,553
Total funds approved***	$187,721,138	$28,198,740	$135,016,137	$289,548,814	$20,738,986	$661,223,815
Per cent disbursed	46%	61%	42%	44%	66%	46%
Planned Commitments	$37,092,282	$8,258,294	$39,410,556	$54,671,122	$2,674,915	$142,107,169
Balance of Funds	$100,965,183	$11,114,255	$77,709,173	$161,457,900	$7,043,120	$358,289,631
Per cent of 1997 balance committed in 1998	37%	74%	51%	34%	38%	40%

* The total number of ongoing and completed projects does not include closed projects and projects that were transferred.

**Does not include project preparation.

*** Includes adjustments.

SUMMARY DATA BY PROJECT TYPE

9. The Executive Committee approves several different types of projects including: country programme preparation, demonstration projects, institutional strengthening, project preparation, investment projects, technical assistance, and training projects. A summary of the status of projects by these various categories of projects is presented in Table 4, Summary Data by Project Type.

TABLE 4

SUMMARY DATA BY PROJECT TYPE

Type	Number of Approvals	Number Completed	Per Cent Completed	Approved Funding (US$)	Adjustment (US $)	Funds Disbursed (US $)	Per Cent of Funds Disbursed	Balance (US$)	Planned Commitments in 1998 (US $)
Country Programme Preparation	134	108	81%	6,705,105	-796,644	4,676,579	79%	1,231,882	637,343
Demonstration Projects	41	18	44%	8,357,942	-55,300	3,451,953	42%	4,900,689	2,540,056
Institutional Strengthening Projects	107	21	n/a	15,461,476	391,830	8,412,508	53%	7,440,798	3,409,418
Investment Projects	1,002	265	26%	540,818,787	2,638,472	222,653,962	41%	321,015,487	123,161,455
Project Preparation	444	280	63%	33,404,612	-5,599,980	23,831,014	86%	3,973,618	1,549,324
Technical Assistance Projects	278	174	63%	50,245,863	-1,277,488	31,949,850	65%	17,018,507	9,137,467
Training Projects	133	91	68%	11,052,708	-123,568	8,472,687	78%	2,708,649	1,672,107
GRAND TOTAL	2,139	957	45%	666,046,493	-4,822,678	303,448,553	46%	358,289,631	142,107,169

10. 1,002 of the 2,139 projects approved by the Executive Committee (about 47 per cent) are classified as investment projects. Investment projects represent about US $541 million of the US $666 approved for activities under the Multilateral Fund (81 per cent of the total funds approved). The second largest number of projects is classified as technical assistance for which the Committee has approved a total of over US $50 million.

11. Country programme preparation and project preparation activities represent the initial stage of the implementation of the ODS phase-out programme. 81 per cent of country programme preparation projects have been completed through the end of 1997. 86 per cent of the funds allocated for project preparation activities had been disbursed through 1997 while 39 per cent of the balance in approved project preparation funds (US $1.55 of US $3.97 million) are planned for commitment in 1998.

12. Demonstration and investment projects have been completed at rates of 44 and 26 per cent, respectively. These projects have longer project durations. 53 per cent of approved funds have been disbursed for institutional strengthening projects.

COMPLETED PROJECTS

13. Completed projects/activities are defined in decision 17/22 as projects that have been commissioned and the ODS has been phased out. Work programme activities without an ODS phase-out are considered completed, when the activity is finished (e.g., for a workshop, when it is conducted). Overall, 85 per cent of the funds approved for completed investment projects have

been disbursed. The reason that 100 per cent of funds have not been disbursed for completed projects is that it may take from six months to a year to complete the accounting records.

Completed Investment Projects

14. Table 5, Cumulative Completed Investment Projects, presents information on those investment projects that have been completed since 1991. The table presents a grand total of data followed by data according to region, sector, implementation characteristics, and disbursement methods.

15. Through December 1997, 265 investment projects representing about US $149 million have been completed resulting in the permanent phase-out of 40,988 ODP tonnes[1] with an overall cost-effectiveness of US $3.63/kg. ODP phased out. The overall cost-effectiveness of completed investment projects is largely influenced by six projects in China in the aerosol, halon and production sectors that phased out 20,900 ODP tonnes at a cost of US $4.5 million representing an overall cost-effectiveness of US $0.21/kg.

16. The average time from approval to first disbursement was 18 months and the average project duration was 27 months. Project duration is only slightly impacted by retroactive projects, i.e., projects funded after phase-out, since retroactive projects represent only about 8.7 per cent of the total number of completed investment projects.

17. On a regional basis, 159 investment projects were completed in Asia and Pacific region (85 through 1996), 65 investment projects in Latin America and the Caribbean (26 through 1996), 35 in Africa (17 through 1996), and 6 in Europe (2 through 1996).

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[1] Total phased out for the Fund is 46,159 includes 40,988 from completed investment projects, 5,068 from completed non-investment projects and 103 from ongoing projects.

TABLE 5

CUMULATIVE COMPLETED INVESTMENT PROJECTS

Item	Number of Projects	Approved Funds (US $)	Per Cent of Funds Disbursed	ODP Phased Out**	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Completion
GRAND TOTAL	265	148,921,020	85%	40,988	18	27
Region						
Africa	35	25,167,202	90%	2,860	11	24
Asia & Pacific	159	86,841,318	82%	32,568	17	24
Europe	6	8,684,325	97%	1,381	12	19
Latin America and Caribbean	65	28,228,175	86%	4,180	24	34
Global	n/a	0	0%	0	n/a	n/a
Sector						
Aerosol	17	9,070,363	91%	14,278	16	25
Foam	118	40,155,591	88%	7,539	14	25
Halon	8	2,857,961	99%	6,431	15	29
Fumigants	0	0	0%	0	n/a	n/a
Other	0	0	0%	0	n/a	n/a
Production	5	1,923,120	100%	4,800	20	25
Refrigeration	77	81,588,994	83%	7,170	23	31
Solvents	39	13,324,991	79%	769	23	23
Multiple Sectors*	1	0	0%	0	n/a	61
Implementation Characteristics						
Agency Implementation	162	84,209,440	85%	12,360	11	23
National Implementation	103	64,711,580	84%	28,628	30	33
Time or Objective-sensitive Accounts						
Time-Sensitive	0	0	0%	0	n/a	n/a
Objective-Sensitive	265	148,921,020	85%	40,988	18	27
Disbursement Method						
During Implementation	208	121,866,299	88%	36,961	17	29
After Implementation	34	16,850,445	79%	2,140	24	23
Retroactive Funding	23	10,204,276	64%	1,887	17	9

* No funds are listed for the multiple sector investment project, but are recorded in appropriate sector.

** Total phased out for the Fund is 46,159 includes 5,068 from completed non-investment projects and 103 from ongoing projects.

Completed Non-Investment Projects

18. Table 6 presents data on Cumulative Completed Non-Investment Projects. Since 1991, 412 non-investment projects have been completed representing funding support from the Multilateral Fund for technical and preparatory assistance of about US $47 million. 93 per cent of the funds for completed non-investment projects has been disbursed. 62 per cent of non-investment funding is in the sector called several which means those projects that have an impact on more than one sector, for example, UNEP's clearinghouse and networking activities.

19. The average time from approval to first disbursement for non-investment projects is much shorter than for investment projects; 8 months versus 18 months. Non-investment projects have been completed, on average, 21 months after they were approved by the Executive Committee. This figure is influenced by the large number of projects (252 of 412) classified in the sector called Several which had an average time from approval to completion of 19 months. Non-investment projects in the other sectors (e.g. halon, solvents, etc.) were completed from 8 to 26 months after they were approved.

20. Almost all projects (372 of 412) were implemented by the agency concerned rather than through national implementation. Agency implementation of non-investment projects normally do not require legal agreements which may explain the shorter period of time (16 months) compared with nationally-implemented non-investment projects (46 months).

TABLE 6

CUMULATIVE COMPLETED NON-INVESTMENT PROJECTS

Item	Number of Projects	Approved Funds plus Adjustment (US $)	Per Cent of Funds Disbursed	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Completion
GRAND TOTAL	412	47,190,401	93%	8	21
Region					
Africa	85	6,645,555	87%	6	20
Asia & Pacific	99	10,557,538	93%	10	22
Europe	11	833,589	86%	12	21
Latin America and Caribbean	114	12,541,143	94%	11	21
Global	103	16,612,576	94%	4	18
Sector					
Aerosol	10	775,277	93%	6	23
Foam	13	685,866	96%	17	26
Halon	33	3,350,984	98%	5	19
Fumigants	7	818,096	100%	4	8
Other	1	72,000	106%	7	25
Production	0	0	n/a	n/a	n/a
Refrigeration	83	11,235,788	90%	14	26
Several	252	29,091,103	93%	5	19
Solvents	9	971,025	92%	18	13
Multiple Sectors	0	0	n/a	n/a	n/a
Implementation Characteristics					
Agency Implementation	372	38,792,478	94%	6	18
National Implementation	38	8,315,523	89%	25	46
Time or Objective-sensitive Accounts					
Time-Sensitive	62	11,614,960	98%	7	24
Objective-Sensitive	348	35,493,041	91%	8	20
Disbursement Method					
During Implementation	392	44,893,078	93%	8	21
After Implementation	18	2,214,923	97%	12	13
Retroactive Funding	0	0	0%	n/a	n/a

Note:
(1) Per decision 22/11(a)(vi), project preparation is not included as a non-investment project.
(2) The sum of each section (Region, Sector, etc.) equals the Grand Total.

ONGOING PROJECTS

21. Ongoing projects are all projects that have been approved by the Executive Committee and are currently under implementation. Key indicators in the database of progress towards implementing ongoing projects include:

- per cent of Funds Disbursed and per cent of projects that have begun disbursing funds for projects that disburse during implementation,
- the level of funding expected to be disbursed by the end of the year (Funds Disbursed plus Planned Commitments) as a percentage of the Approved Funding,
- the average length of projected delay in implementation (Project Completion per Proposal and currently Planned Date of Completion), and
- information provided by the implementing agencies in the remarks column of the project-by-project listing in the database.

Ongoing Investment Projects

22. Table 7, "Cumulative Ongoing Investment Projects", presents information on the status of investment projects under implementation by region, sector, and implementation characteristics.

23. There are currently 708 investment projects under implementation. These projects represent approved funding (plus adjustments) of over US $393 million. About 24 per cent of the funds have already been disbursed. The overall average cost-effectiveness of ongoing investment projects (US $5.86/kg. ODP phased out), as approved.

24. Almost 62 per cent (436 of 708) of the ongoing investment projects are for countries in the Asia and Pacific region representing almost 69 per cent of the funds approved for ongoing investment projects. The Latin America and the Caribbean region has 161 investment projects under implementation valued at US $81 million; Africa, 92 projects (US $33 million); and Europe, 19 projects (US $10 million).

25. Almost 60 per cent of the funds approved for ongoing investment projects are in the refrigeration sector representing almost US $234 million. The next largest funding allocation for ongoing investment projects is for the foam sector (US $114 million). However, there are more foam investment projects under implementation (349 projects) than refrigeration investment project (259 projects). The remaining sectors have the following number of investment projects under implementation: solvents (37), aerosol (54), halon (4), production (3), and other and multiple sectors (2 each).

26. Of the 708 ongoing investment projects, 52 per cent (367) have begun disbursing funds. By the end of 1998, an estimated 53 per cent of approved funds will be disbursed.

TABLE 7

CUMULATIVE ONGOING INVESTMENT PROJECTS

Item	Number of Projects	Approved Funds plus Adjustment (US$)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Planned Commitments plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 1998	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Planned Completion	Average Length of Delay in Project Planned Completion	Overall Cost-Effectiveness to the Fund (US$/kg.) *
GRAND TOTAL	708	393,384,083	24%	367	52%	206,855,049	53%	15	31	14	$5.86
Region											
Africa	92	33,490,129	38%	51	55%	20,813,096	62%	16	31	12	$7.48
Asia & Pacific	436	269,654,956	23%	221	51%	143,503,449	53%	16	31	19	$5.07
Europe	19	9,625,218	26%	12	63%	6,640,270	69%	9	23	12	$4.50
Latin America and Caribbean	161	80,613,780	22%	83	52%	35,898,233	45%	14	32	10	$10.87
Global	0	0	0%	0	0%	0	0%	n/a	n/a	19	n/a
Sector											
Aerosol	54	13,563,263	29%	27	50%	8,183,474	60%	17	25	17	$1.60
Foam	349	114,484,686	23%	184	53%	54,355,899	47%	14	30	11	$4.97
Halon	4	13,485,844	1%	2	50%	10,774,831	80%	30	41	17	$1.19
Fumigants	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
Other	2	5,934,000	64%	1	50%	4,526,294	76%	39	44	36	$13.49
Production	3	1,787,814	18%	2	67%	425,941	24%	36	57	n/a	$1.74
Refrigeration	259	233,980,948	26%	142	55%	122,384,357	52%	15	33	13	$10.60
Solvents	37	9,680,923	8%	9	24%	6,134,253	63%	18	28	24	$13.92
Multiple Sectors	2	1,058,599	0%	0	0%	70,000	7%	n/a	48	n/a	$11.26
Implementation Characteristics											
Agency Implementation	404	161,909,007	25%	229	57%	91,977,529	57%	11	29	14	$6.79
National Implementation	295	229,661,456	24%	131	44%	114,433,663	50%	22	34	24	$5.32
Time or Objective-sensitive Accounts											
Time-Sensitive	0	0	0%	0	0%	0	0%	n/a	n/a	17	n/a
Objective-Sensitive	699	391,570,463	25%	360	52%	206,411,192	53%	15	31	15	$5.84
Disbursement Method											
During Implementation	685	387,137,604	24%	352	51%	203,170,354	52%	15	31	15	$5.83
After Implementation	10	2,675,065	70%	8	80%	2,198,845	82%	14	31	8	$6.64
Retroactive Funding	4	1,757,794	0%	0	0%	1,041,993	59%	n/a	27	n/a	$9.39

Note: The sum of each section (Region, Sector, etc.) equals the Grand Total.

*Based on the ODS to be phased out according to the proposal

27. Most ongoing investment projects are under agency implementation (404 projects) but there are 295 projects under national implementation. Only 44 per cent of nationally-implemented ongoing investment projects have begun to disburse in comparison to 57 per cent of agency-implemented ongoing investment projects.

28. The average number of months from approval to first disbursement is 15 months for those projects that have begun disbursing. Overall, ongoing investment projects are expected to be completed 31 months after the completion date indicated in the project proposal.

29. The time from approval to planned completion in some cases is as high as 57 months for the production sector. The 3 production sector projects are World Bank projects in India approved in 1993 and 1994 and concern the production of polyol. The average of 48 months for completing the 2 multiple use sector projects is for the 2 Bank projects in Chile, one of which was approved in 1992.

Ongoing Non-Investment Projects

30. Table 8, "Cumulative Ongoing Non-Investment Projects", presents information on the status of non-investment projects under implementation by region, sector, and implementation characteristics.

31. There are currently 263 non-investment projects under implementation representing approved funding (plus adjustments) of almost US $43 million. About 30 per cent of the funds for ongoing non-investment projects have been disbursed.

32. The largest amount of funding of non-investment projects by region is US $16 million for the Asia and Pacific region. US $14 million of ongoing non-investment project funding is for countries in the Latin America and the Caribbean region, followed by Africa (US $8 million), and Europe (US $2 million). Ongoing global activities are valued at US $4 million.

33. On a sector basis, most non-investment funding applies to the several sector (US $21 million for 150 projects). There are 77 ongoing non-investment projects in the refrigeration sector (US $16 million), 15 in the fumigants sector (US $4 million), and 18 projects for all other sectors (US $2 million).

34. Of the 263 ongoing non-investment projects, 63 per cent (167 projects) have begun disbursing funds. By the end of 1998, an estimated 71 per cent of approved funds will be disbursed.

35. The average number of months from approval to first disbursement is 11 months for those projects that have begun disbursing. Overall, ongoing non-investment projects are expected to be completed 35 months after the completion date indicated in the project proposal, which is longer than the completion time for ongoing investment projects (31 months). Non-investment projects are normally expected to be completed in 12 months (except institutional strengthening).

TABLE 8

CUMULATIVE ONGOING NON-INVESTMENT PROJECTS

Item	Number of Projects	Approved Funds plus Adjustment (US$)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Planned Commitments plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 1998	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Planned Completion	Average Length of Delay in Project Planned Completion
GRAND TOTAL	263	42,872,925	30%	167	63%	27,760,941	65%	11	35	11
Region										
Africa	66	7,541,938	25%	51	77%	4,824,321	64%	11	37	9
Asia & Pacific	71	15,620,555	35%	51	72%	10,374,353	66%	16	41	18
Europe	13	1,965,921	26%	7	54%	1,279,338	65%	16	42	5
Latin America and Caribbean	71	13,701,961	33%	41	58%	7,773,903	57%	7	32	6
Global	42	4,042,550	16%	17	40%	3,509,026	87%	5	25	13
Sector										
Aerosol	5	665,250	41%	3	60%	512,184	77%	19	38	21
Foam	3	2,280,000	74%	3	100%	2,052,274	90%	28	55	30
Halon	7	1,542,360	52%	5	71%	1,069,653	55%	21	48	12
Fumigants	15	3,831,584	13%	10	67%	2,107,831	0%	8	25	8
Other	0	0	n/a	0	n/a	0	n/a	n/a	n/a	n/a
Production	0	0	n/a	0	n/a	0	n/a	n/a	n/a	n/a
Refrigeration	77	15,961,391	25%	47	61%	8,787,890	55%	10	32	10
Several	150	20,605,101	30%	93	62%	12,612,088	61%	11	37	11
Solvents	3	881,823	50%	3	100%	571,921	65%	11	31	17
Multiple Sectors	0	0	n/a	0	n/a	0	n/a	n/a	n/a	n/a
Implementation Characteristics										
Agency Implementation	198	24,935,704	23%	122	62%	16,954,814	68%	9	34	10
National Implementation	49	15,773,192	41%	35	71%	9,730,712	62%	19	45	17
Time or Objective-sensitive Accounts										
Time-Sensitive	89	12,114,434	37%	66	74%	7,797,163	64%	12	44	11
Objective-Sensitive	158	28,594,462	27%	91	58%	18,888,363	66%	10	31	12
Disbursement Method										
During Implementation	244	40,362,335	30%	156	64%	26,663,126	66%	11	36	12
After Implementation	3	346,561	6%	1	33%	22,400	6%	14	26	5
Retroactive Funding	0	0	0%	0	n/a	0	n/a	n/a	n/a	n/a
Note:										
(1) Per decision 22/11(a)(vi), project preparation is not included as a non-investment project.										
(2) The sum of each section (Region, Sector, etc.) equals the Grand Total.										

36. The timely completion of non-investment projects should facilitate the implementation of investment projects. However, the 3 projects in the foam sector are expected to be completed 55 months after approval. The 3 foam projects were approved in 1993 and 1994 and include: the BHERI technical assistance project in China (UNDP), the development of a foam sector strategy in India (UNDP), and the small foam users project in Indonesia (World Bank). The long duration of ongoing non-investment projects in the halon sector is due primarily to four projects: 3 UNDP projects including the halon strategy in India and 2 projects in China concerning technology transfer and the development of codes and standards that were approved in 1993 and 1994, and 1 UNEP project approved in 1994 concerning case studies in halon bank management.

PROJECT PREPARATION

37. Project preparation requests are included in annual work programmes and work programme amendments. Project preparation leads to investment projects in general and in some cases demonstration projects (in particular for methyl bromide) and the implementation of the projects included in refrigerant management plans.

38. Implementing agencies have requested project preparation on the basis of general project preparation for a country or specific requests for specified enterprises (UNIDO in particular has requested project preparation for specific enterprises). At its 23rd Meeting, the Executive Committee adopted "Criteria for Project Preparation" which requires inter alia that agencies indicate requests on the basis of sectors.

39. Table 9 presents data on both completed and ongoing project preparation activities. The implementing agencies have completed 280 project preparation projects and disbursed all but two per cent of the approved US $21 million for these activities. On average, it has taken 13 months to complete project preparation.

40. Implementing agencies have a balance of US $3.6 million[2] available for project preparation activities in 1998 plus an additional US $3.6 million approved for such activities already in 1998. Of the US $3.6 million balance, only US $1.5 million is expected to be disbursed in 1998. Ongoing project preparation activities are expected to take 18 months to complete which is 5 months more than for completed project preparation.

41. On a regional basis, most of the ongoing project development activity (45 per cent) is in the Asia and Pacific region. Most of the ongoing project preparation is occurring in the several sector (US $1 million) which means that projects are being prepared in several sectors.

[2] Excluding approximately US $0.4 million for completed project preparation.

TABLE 9

PROJECT PREPARATION

	COMPLETED PROJECT PREPARATION					ONGOING PROJECT PREPARATION							
Item	**Number of Projects**	**Approved Funds plus Adjustment (US$)**	**Per Cent of Funds Disbursed**	**Average Number of Months from Approval to First Disbursement**	**Average Number of Months from Approval to Completion**	**Number of Projects**	**Approved Funds plus Adjustment (US$)**	**Funds Disbursed (US$)**	**Per Cent of Funds Disbursed**	**Average Number of Months from Approval to First Disbursement**	**Average Number of Months from Approval to Planned Completion**	**Balance (US$)**	**Planned Commitments in Current Year (1998) (US$)**
GRAND TOTAL	280	21,397,473	98%	3	13	141	6,406,738	2,799,845	44%	4	18	3,606,893	1,501,587
Agency													
UNDP	71	3,826,136	99%	2	14	40	2,000,000	1,025,195	51%	4	13	974,805	455,144
UNEP	2	45,000	56%	3	8	9	250,000	61,000	24%	4	13	189,000	159,000
UNIDO	40	1,174,065	91%	6	21	66	2,016,000	921,483	46%	5	22	1,094,517	492,443
WORLD BANK	152	14,932,015	100%	3	11	11	1,682,738	405,567	24%	5	28	1,277,171	390,000
Bilaterals	15	1,420,257	n/a	n/a	n/a	15	458,000	386,600	84%	n/a	n/a	71,400	5,000
Region													
Africa	44	1,319,081	97%	3	12	42	1,147,300	769,629	67%	4	17	377,671	128,129
Asia & Pacific	125	12,331,023	98%	4	15	47	2,887,278	1,267,858	44%	5	20	1,619,420	595,648
Europe	13	840,787	99%	2	9	8	170,000	77,313	45%	3	19	92,687	27,000
Latin Amer./Car.	96	6,564,828	98%	2	12	38	1,300,560	569,527	44%	4	16	731,033	301,832
Global	2	341,754	100%	3	25	6	901,600	115,518	13%	4	23	786,082	448,978
Sector													
Aerosol	3	31,000	67%	3	13	3	50,000	27,561	55%	5	16	22,439	15,569
Foam	15	565,505	96%	3	15	21	730,000	402,101	55%	4	16	327,899	109,602
Halon	5	546,000	81%	7	19	1	31,500	0	n/a	n/a	n/a	31,500	0
Fumigants	0	0	n/a	n/a	n/a	15	141,280	92,782	66%	2	11	48,498	84,218
Other	0	0	n/a	n/a	n/a	1	50,000	13,037	26%	16	48	36,963	10,000
Production	1	320,000	100%	13	33	1	350,000	0	0%	n/a	n/a	350,000	0
Refrigeration	41	1,906,057	95%	5	17	49	1,743,000	996,724	57%	4	15	746,276	312,965
Several	209	16,871,157	100%	3	12	45	3,150,458	1,211,371	38%	4	23	1,939,087	942,233
Solvents	5	1,127,754	89%	11	24	5	160,500	56,269	35%	10	28	104,231	27,000
Multiple Sectors	0	0	n/a	n/a	n/a	0	0	0	n/a	n/a	n/a	0	0
Implementation Type													
Agency	267	19,172,930	98%	3	13	127	5,868,738	2,478,245	42%	4	19	3,390,493	1,351,587
National	10	2,134,543	100%	14	30	1	150,000	0	n/a	n/a	n/a	150,000	150,000
Time/Objective Accounts													
Time	123	11,342,535	100%	2	9	0	0	0	n/a	n/a	n/a	0	0
Objective	154	9,964,938	96%	4	16	128	6,018,738	2,478,245	41%	4	19	3,540,493	1,501,587
Disbursement													
During Imp.	271	20,408,216	98%	3	13	127	5,998,738	2,458,245	41%	5	19	3,540,493	1,501,587
After Imp.	6	899,257	100%	8	20	1	20,000	20,000	100%	1	12	0	0
Retroactive	0	0	n/a	n/a	n/a	0	0	0	n/a	n/a	n/a	0	0

Note: The sum of each section (Region, Sector, etc.) equals the Grand Total.

ADJUSTMENTS

42. Implementing agencies have indicated in their progress reports that they are returning a total of US $15,342,836 for re-programming. This amount includes: US $13,751,503 in interest on resources transferred to the agencies for project implementation and US $1,591,333 for canceled projects that had remaining unused balances and overruns. UNDP noted that US $6 million of this amount has already been offset against 24th Meeting approvals leaving an overall balance of US $9,342,836 for reprogramming at the 25th Meeting.

PROJECT IMPLEMENTATION DELAYS

43. The Executive Committee has defined projects with implementation delays as those projects where no disbursement had occurred 18 months after approval or those projects that are expected to be completed 12 months later than forecast in the last progress report (decision 22/61). The Secretariat requested the implementing agencies to annex a list of such projects to their progress reports along with full explanations of the reasons for the delays.

44. Agencies identified 214 projects with implementation delays. Per decision 23/4, the Sub-Committee on Monitoring, Evaluation, and Finance is requested to maintain a watching brief on these projects and the implementing agencies will be requested to report on these projects to each meeting of the Sub-Committee until the next progress report on all projects.

45. The Executive Committee has taken several decisions that address the causes of delays to prevent such problems in the future including decisions on counterpart funding, technology changes after approval, establishing project milestones to identify problems such as prolonged contract negotiation, establishing a database on the costs of major equipment items to ensure that the bidding process does not result in higher costs than anticipated, adopting criteria for project preparation that identify countries where there is a slow rate of disbursement or regulatory impediments for individual consideration, and allowing agencies to remove projects in countries with regulatory impediments from their business plans. The Sub-Committee on Monitoring, Evaluation and Finance has asked that agencies should seek a commitment from enterprises to use the new equipment provided by the Fund without waiting for conversion by competitors.

46. The implementing agencies are reporting some of the same reasons for delays in the implementation of projects approved before the Committee took the actions cited above. For example, UNIDO continues to report difficulties in obtaining customs clearances and the World Bank notes ongoing difficulties in obtaining customs tax exemptions for six of its projects in Argentina although it reports that the issue has been resolved for its other projects in Argentina. The financial difficulties in certain countries continue to be a reason for delays and the issue of bankruptcy is being addressed in another paper before the Committee.

47. UNDP categorized the reasons for delays in its progress report as those related to technical reasons, financial reasons, or external reasons. Most of these reasons for delays have been addressed in the past but generally concern issues beyond the control of Executive Committee action. In many cases, obtaining commitments for immediate implementation after approval and identifying potential implementation delays before project approval may further remedy some of the reasons for delays.

48. Many agencies have indicated that the possibility of project cancellation by the Executive Committee has resulted in removing some of these delays. UNEP identified some projects that the Executive Committee may consider canceling.

DATA DISCREPANCIES, DATA FORMAT, AND LATE SUBMISSIONS

49. Only UNIDO submitted its progress report on 1 May as required by decision 22/16. Other agencies submitted progress reports about 2 weeks late. Once the progress reports were received, the Secretariat noted several issues concerning inconsistency with the descriptive data in the approved project proposals as recorded in the Inventory of Approved Projects. None of the progress reports completely complied with the approved format and revised progress report databases were requested.

50. The information from progress reports is used for many studies and documents used by the Executive Committee including the Status of Phase-out in Article 5 countries, Fund replenishment studies and the Evaluation of Agency Business Plans. Data entered incorrectly may have significant implications on analyses pertaining to LVCs and specific conclusions about types of projects or projects in certain sectors or regions. Moreover, progress reports are only submitted one time per year and consequently any inconsistency remains in the data for a year. The Secretariat is proposing to hold a workshop on the requirements of the progress report to avoid this problem in the future.