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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Seventeenth Meeting
Montreal, 26-28 July 1995

UNDP PROGRESS REPORT

This document includes Comments and Recommendations from the Fund Secretariat.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

COMMENTS

1. During the reporting period, UNDP submitted 36 investment project proposals and 12 work programme amendments to the 17th Meeting, completed four technical assistance activities, one country programme, and 12 investment projects which resulted in the phase-out of 1,028 ODS tonnes. Disbursements/Obligations increased since the last progress report from US \$17.3 million to US \$27.5 million.

2. UNDP's input to the consolidated progress report includes both ongoing projects and projects previously reported as completed. The two categories of projects should be separated to facilitate a review of activities pertinent to the reporting period.

Investment projects

3. The Executive Committee has allocated US \$62 million for investment projects that will lead to the phase-out of over 8,000 ODP tonnes. US \$19 million has been disbursed, 12 new investment projects have been completed, and 1,455 ODS tonnes have been phased out to-date. UNDP reports that two of the 12 completed phase-out investment projects represented the first phase-out projects to be completed in China and Thailand. Several of the completed projects were completed earlier than projected.

4. The Matsushita Port Klang Plant TCA elimination project was completed with an estimated cost overrun of 15 per cent. UNDP states that the overrun occurred since no contingency funds were included in the original project budget.

5. Nine project preparation projects were reported completed. Based on the information provided in the progress report, UNDP has US \$520,000 available for project preparation purposes.

Technical assistance

6. Four technical assistance projects were completed including two global projects: global safety in foams/solvents and the strategy for low halon-consuming countries. The strategy for the low halon-consuming countries will be presented to the 17th Meeting of the Executive Committee after meeting documentation is circulated. A foam safety audit was also completed for Ghana. Although the survey of ODS use in small-scale and informal sectors was reported completed, the final survey report will be presented to the 18th Meeting of the Executive Committee.

7. In its country highlights section, UNDP mentioned that all institutional strengthening projects were progressing. However, the project document has not yet been signed by the Government of Bangladesh to enable UNDP to begin disbursement of institutional strengthening funds approved for Bangladesh.

Administration

8. Following a meeting at UNDP headquarters between officials from the Government of India and UNDP, it was determined that UNDP would not be able to use IDBI as a financial intermediary due to its internal procedures. UNDP is awaiting formal notification of this fact, but it did not indicate what the impact would be on implementing projects already approved for UNDP in India.

9. As mentioned in the Secretariat's comments on UNDP's financial report, the UNDP progress report states that US \$559,861 from 1991-1993 interest and US \$1,726,099 from 1994 interest could be utilized to offset new UNDP approvals at the 17th Meeting. It should be noted that UNDP received special approval to enable the 1994 interest to be utilized since normal UNDP internal procedures require that interest funds are held for one year following their accrual before they are available for use.

10. Through its progress report, UNDP is informing the Executive Committee that it has transferred US \$32,065 plus support costs to UNIDO for project preparation in Iran. Transfers of this nature as well as accrued interest should be noted in Executive Committee Meeting Reports so that the Treasurer will have the authority to adjust the official records, accordingly.

RECOMMENDATIONS

11. The Fund Secretariat recommends that:

- The Executive Committee take note, with appreciation, of the progress report of UNDP;
- US \$2,285,960 should be offset against future approvals for UNDP and the Treasurer should be so informed;
- the transfer of US \$32,065 plus support costs to UNIDO for project preparation in Iran be noted in the Report of the Executive Committee and that the Treasurer should be so informed;
- the Executive Committee should request UNDP to separate completed and ongoing activities in its input to the consolidated progress report; and,

- the Executive Committee should request UNDP to prepare a full report on completed investment projects and submit it to the 18th Meeting.