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

Nineteenth Meeting
Montreal, 8-10 May 1996

CONSOLIDATED PROGRESS REPORT

1. Decision 17/22 (para. 34-e) requires the Secretariat, together with the implementing agencies, to adopt the mandatory format found in Annex II to the Report of the 17th Meeting. The application of the format yielded a data base on progress of implementation of approved projects and activities. The data base is included in the back of each agency's progress report that is prefaced by a narrative. The data base provides progress and financial reporting information on a project-by-project basis. This document is based on the information provided in the format for progress and financial reporting.

2. A review of each agency's data base shows that while the application of the format was extremely useful, several key entries are yet be to provided, including, e.g., approved funding, disbursements, and ODS phase-out by projects. A comprehensive data base is necessary to track the flow of financing from the Multilateral Fund to the beneficiaries. Data consistency is essential for an accurate comparison of performance.

3. The data base is organized into three sections: annual summaries, completed projects, and ongoing projects. Completed and ongoing projects are listed by a code as assigned in the Inventory of Approved Projects. This code is a valuable tool since it includes unique numbers for each Executive Committee approval and codes for countries, ODS phase-out sectors, the meeting of the Executive Committee at which the project was approved, type of project (e.g., investment (INV), technical assistance (TAS), etc.), a unique number per country, and a regional code (e.g. ASP is for Asia and the Pacific). This information allows the user to sort data by any or several of these categories.

4. Data is also provided for each project approval concerning key dates toward implementation including: date of approval, date of first disbursement, and dates of implementation. A column is provided for status remarks to enable agencies to comment on issues concerning project implementation.

5. The annual summary data is an overview by year when the project was approved of status (number of projects approved and completed), and important financial information such as interest earned, savings plus deficits, and planned commitments.

6. The consolidated report presents an analysis of: overview of project allocations by agency and sector, which is followed by an analysis of the three sections of the agencies' project data bases.

OVERVIEW

7. The Executive Committee has approved almost US $400 million for implementation of investment and non-investment projects. The largest allocation of funds is attributed to the refrigeration sector. The allocations per agency and sector are as follows:

Sector	UNDP	UNEP	UNIDO	World Bank	Grand Total
Aerosol	2,754,741	250,000	2,495,506	10,222,470	15,722,717
Foam	44,875,422	0	6,051,963	36,074,154	87,001,539
Fumigants	426,550	302,500	0	0	729,050
Halon	2,369,454	390,000	496,000	3,969,736	7,225,190
Refrigeration	44,081,227	1,437,200	57,625,960	98,462,823	201,607,210
Several	11,090,371	13,496,690	1,874,038	36,134,952	62,527,887
Solvents	4,497,981	0	1,745,355	10,268,687	16,512,023
TOTAL	110,095,746	15,876,390	70,288,822	195,132,822	391,393,780

ANNUAL SUMMARIES

8. Annual summary data provides information according to the year when projects were approved by the Executive Committee. It treats all approvals (investment and non-investment projects) equally, although non-investment projects, in general, should be completed faster and have a better rate of disbursement than investment projects with the exception of those investment projects approved retroactively.

9. Key indicators from the annual summaries include: the percentage of projects completed, the rate of disbursement, and the percentage of commitments planned in 1996 as a percentage of the remaining funds left to be disbursed. A summary of these indicators is presented below by agency (bearing in mind that all approvals including project preparation activities and investment projects are considered individual projects):

Agency	Projects Completed (per cent)	Rate of Disbursement (per cent)	Commitments to remaining Funds (per cent)
UNDP	29	41	56
UNEP	49	69	70
UNIDO	26	27	56
World Bank	41	28	40

COMPLETED PROJECTS[1]

10. 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 complete, when the activity is finished (e.g., for a workshop, when it is conducted). Based on an average of the 21 projects for which there was sufficient data to analyze, investment projects have been completed 15 months after their approval. Most of these projects were in the foam sector and were completed by UNDP.

11. Implementing agencies have completed 100 investment projects, 4 demonstration projects, 146 project preparation activities, 87 technical assistance projects, and 95 country programmes (included some funded from other sources), and 60 training projects. The type of project was not specified for 34 projects.

Phase-out.[2]

12. The number of investment projects and the corresponding amount of ODP phased out that can be determined from the data bases are presented below by implementing agency and sector:

Sector	Number			Phase-Out (in ODP tonnes)		
	UNDP	UNIDO	World Bank	UNDP	UNIDO	World Bank
Aerosol	3	-	-	193	-	-
Foams	64	1	7	3,964	214	797
Halons	2	1	-	n/a	1,480	-
Refrigeration	10	-	5	406	-	1,739
Solvents	10	-	-	95	-	-
TOTAL	89	2	12	4,658	1,694	2,536

Financial completion

13. As defined above, completed projects are classified as those that have been implemented, but due to the possibility that not all financial charges have been reported, these projects may not be classified as financially completed. A date in the column, "Date of Financial Completion", indicates if completed projects may also be classified as financially completed. Project completion reports should be submitted to the Committee within six months of final project disbursements

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1 Since the format specifies a date of actual implementation, all those projects completed before 1 January 1996 (the end of the preceding quarter before the date of document submission to the Secretariat) should be designated "completed". Since one agency has not submitted a revision to its data base, the date of actual implementation is used to assess completed projects instead of the designation provided by that agency.

2 Additional phase-out may have occurred but cannot be determined from the data base.

(Decision 18/20). Per that decision, 7 project completion reports for investment projects are past due; however, only one agency provided sufficient data to analyze this indicator.

Disbursements

14. Rate of disbursement is defined as funds disbursed divided by approved funding. This is an indicator of the progress towards financial completion; however, financial completion may take another year before all accounts are closed.

15. Thus far, completed projects have disbursed 61 per cent of the approved funding. The following rate of disbursement of approved funding is reported in the data base for completed projects by agency:

Agency	Approved Funding	Disbursements	Rate (per cent)
UNDP	32,887,686	20,844,311	63
UNIDO	1,049,630	635,139	61
World Bank	14,444, 903	8,181,834	57

Non-investment projects

16. Non-investment projects include project preparation, technical assistance, country programme preparation, training projects, and project preparation. Non-investment projects (excluding project preparation) have been completed on average 38 months after they were approved. A total of US $14.6 million has been allocated for project preparation[3] that has resulted in the preparation of over 500 projects, of which 464 investment projects were approved as of the 18th Meeting. Disbursements for project preparation approved through 1994 and the number of the resulting investment projects approved through 1995 are as follows by agency:

Agency	Disbursements (1994 Accounts)	Investment Project Approvals (through 1995)
UNDP	2,126,687	203
UNIDO	674,222	52
World Bank	11,808,731	209

[3] Project preparation approved before 1995. Some project supervision may be included with project preparation funding.

17. Information on the level of approved funding, disbursement, and rate of disbursement is presented below for non-investment projects that have been completed by agency (excluding project preparation):

Agency	Approved Funding	Disbursements	Rate of Disbursement (per cent)
UNDP	8,237,585	5,258,047	64
UNEP	15,784,885	6,783,616	43
UNIDO	352,065	96,691	27
World Bank	5,485,590	3,378,762	62
TOTAL	29,989,591	15,517,116	52

Savings/Deficits

18. Savings or deficits are defined by decision 17/22 as approved funding minus funds disbursed. This entry to the data base should indicate any projects for which funds are under-utilized (savings) and projects that have exceeded their allocations (deficits). This should be provided for all projects for which a date of financial completion has been specified. Such information should indicate to the Committee the amount of funds that can be returned to the Multilateral Fund for reallocation and if an action needs to be taken to amend budgets. There was not sufficient information in the data base to make this determination. However, agencies have indicated to the Secretariat that some US $8 million in un-utilized funds will be returned to the Fund.

ONGOING PROJECTS

19. Ongoing projects are all projects that have been approved by the Executive Committee and are currently under implementation. The Executive Committee has approved a total of 243 investment projects valued at US $270 million and 171 non-investment projects valued at US $35 million that are currently being implemented.

20. Key indicators in the data base of progress towards implementing ongoing projects include: rate of disbursement, proposed and revised dates of implementation, planned commitments, and information in the remarks column.

21. Since financial data may be recorded in agency accounts significantly after an activity has occurred, disbursements do not necessarily correlate with implementation. Of those agencies that provide data by Executive Committee approval, about 50 per cent of the 414 projects listed as ongoing have begun to disburse. Information was not provided on disbursements for over 260 projects. Funds approved, funds disbursed, and rates of disbursement for ongoing projects (including project preparation) are as follows by agency:

Agency	Investment Projects			Non-Investment Projects		
	Approved Funding	Disbursements	Rate (per cent)	Approved Funding	Disbursements	Rate (per cent)
UNDP	56,892,707	12,447,916	22	10,039,132	4,853,213	48
UNEP	-	-	-	8,335,090	4,149,860	49
UNIDO	65,286,493	17,297,523	27	3,345,643	1,025,861	31
World Bank	147,749,123	28,452,555	19	13,149,392	4,468,520	34
TOTAL	269,928,323	58,197,994	22	34,869,257	14,497,454	42

Planned Commitments

22. The progress report data base also provides information on planned commitments. Planned commitments are defined as money set aside for the continuation of projects/activities for the current year. This information (with disbursements to-date) can be monitored against forecasts in annual business plans as presented below by agency:

Agency	Planned Commitments for 1996 and Disbursements to-date	Planned Disbursements for 1996 from Business Plan
UNDP	74,161,677	71,276,000
UNEP	15,112,706	7,886,220
UNIDO	51,868,143	57,628,000
World Bank	n/a	87,634,190

Implementation Forecasts and Delays

23. Dates of implementation are also provided for ongoing projects. The proposed date of implementation is based on a project's schedule as proposed when the Committee approved the project. The revised date of implementation is the agency's assessment of when the project is currently expected to be implemented. The date of first disbursement is provided for when disbursements have occurred for the purchase of equipment for investment projects or activities for non-investment projects. These indicators provide the Committee with information about when investment projects and non-investment projects are expected to be completed, if they have been to disburse, and delays in implementation from what was proposed to the Committee.

24. The amount of phase-out expected to occur by the end of 1996 is presented below along with the agencies' business plan forecast:

Agency	ODS Phase-Out (tonnes)	
	Progress Report	Business Plan
UNDP	8,081	4,019
UNIDO	2,762	4,446
World Bank	21,817	15,953
TOTAL	32,660	24,418

25. Delays were indicated for about one-third of ongoing projects. Most of the delays related to difficulty in reaching agreements with governments and beneficiary enterprises, changes in technologies, and the agreement of enterprises to accept funding as approved by the Executive Committee.