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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fourth Meeting
Montreal, 25-27 March 1998

STATUS REPORT ON THE IMPLEMENTATION OF 1997 BUSINESS PLANS

1. At its Twenty-first Meeting, the Executive Committee requested the Secretariat to work with the implementing agencies to develop more standardized criteria for evaluating their performance so that it would be possible to examine the relative performance of the agencies prior to consideration of their 1998 business plans (decision 21/5 (d)). At its Twentieth Meeting, the Executive Committee decided that agency shares would be discussed during the consideration of business plans with regard to the agencies' 1997 business plans (decision 20/11).

2. At its Twenty-third Meeting, the Executive Committee requested the implementing agencies to include in their business plans information on ongoing activities in addition to new proposals (decision 23/43).

3. The Secretariat requested the implementing agencies to provide data through the end of 1997 in their 1998 business plans per decision 23/43 and to address the extent to which 1997 business plan targets were met per decision 21/5 (d).

4. Implementing agencies indicated that a comprehensive assessment of their performance against their 1997 business plans could not be made in their 1998 business plans for two reasons:

a. Actual data on 1997 performance would not be available until the agencies submitted their single annual progress report on 1 May 1998 (decision 22/16), and

b. The evaluation of 1997 business plans is scheduled for the second meeting of 1998 according to the revised calendar of meetings and work programmes (decision 23/56).

5. The implementing agencies' 1998 business plans provided estimated disbursement, phase-out, and cost of project preparation and, in varying degrees, the extent to which these estimates reflect their accomplishment of the targets of their 1997 business plans.

Investment projects

6. Per decision 22/18, performance indicators for investment projects include:

- disbursement during the year of the plan,
- actual ODS phased out from completed projects,
- the cost of project preparation (project preparation disbursed divided by the value of investment projects),
- cost-effectiveness of project submissions (total value of investment projects divided by the total amount of phase-out from projects approved during the year of the plan),
- cost-effectiveness of projects submissions for low-volume consuming countries (LVCs),
- the speed of first disbursement (months from approval to first disbursement), and
- the speed of ODS phase out (months from approval to completion).

7. The following table summarizes the data provided by the implementing agencies in their 1998 business plans and their 1997 business plan targets.

1997 PERFORMANCE INDICATORS FOR INVESTMENT PROJECTS

Agency	ODS to be phased out in 1997 (ODP tonnes)		Disbursement (US$ thousands)		Cost of project preparation divided by Approved Funding*		Cost-effectiveness of project submissions (non-LVCs) (US$/kg.)*		Cost-effectiveness of project submissions (LVCs) (US$/kg.)*	
	Target	Estimate Achieved	Target	Estimate Achieved	Target	Estimate Achieved	Target	Estimate Achieved ***	Target	Estimate Achieved
UNDP	4,271	3,065	30,414	29,618	3.7%	1991-1997: 3.1%	7.34	overall: 6.70	10.30	not provided
UNIDO	4,318	2,618	28,158	** 23,040	2.6%	2.3%	6.05	5.44	6.11	5.43
World Bank	19,190	16,400	57,785	54,680	3.0%	less than 2.0%	overall: 6.00	overall: 2.15	not provided	not provided
Grand Total	27,779	22,083	116,356	107,338	2.9%	n/a	6.12	n/a	6.11	n/a

* Data in these tables are presented as reported by the agencies.

** Comparison to data in UNIDO's 1997 business plan results in a disbursement in 1997 of US $12.4 million; however, UNIDO's 1997 business plan disbursement data included obligations.

*** The estimate achieved does not account for projects emanating from the agencies' 1997 business plans for the World Bank amounting to the unused portion of their 1997 shares that were allowed to be submitted to the Twenty-fourth Meeting per decision 23/36.

ODP Phase-out in 1997 from projects approved before 1996

8. The agencies are estimating that the Fund phased out 22,083 ODP tonnes in 1997, but achieved 79 per cent of its phase-out target. Projects approved through 1997 are expected to phase out 115,799 ODP tonnes when implemented according to the agencies' business plans. The agencies are indicating that implemented projects have resulted in the phase-out of 42,655 ODP tonnes which is 36 per cent of the ODP to be phased out from all the project approvals through 1997.

9. The agencies achieved the following percentages of their phase-out targets: UNDP (72 per cent), UNIDO (61 per cent), and the World Bank (85 per cent), which overall represents 5,696 ODP tonnes less than their targets.

Disbursement

10. The agencies are estimating that over US $107 million was disbursed in 1997 against cumulative project approvals valued at about US $549 million for investment projects or 92 per

cent of 1997 the target. The agencies achieved the following percentages of their disbursement targets: UNDP (97 per cent), UNIDO (82 per cent), and the World Bank (95 per cent).

Other investment project performance indicators

11. The cost of project preparation and the cost-effectiveness of projects cannot be comprehensively assessed as UNDP and the World Bank have submitted projects to this meeting that are to be included as part of their 1997 business plan. As presented by the agencies in their business plans, all of the agencies have met their targets.

12. Whilst the agencies have provided speed of delivery information in their business plans, the indicators are not all attributable to 1997 alone. A determination of these indicators will be presented at the Twenty-fifth Meeting.

Targeted investment project approvals in 1997

13. As mentioned above, UNDP and the World Bank have submitted projects to this meeting that are part of their 1997 business plans. Therefore, an overall assessment will be made at the Twenty-fifth Meeting. However, the overall amount approved thus far will result in a larger phase-out (15,254 ODP tonnes more) for the Fund than targeted due largely to the production and consumption phase-out associated with the China Halon Plan. The agencies' targeted approvals are based on their investment project shares for 1997. Those targeted approvals and the level of approvals in 1997 are presented in the following table. UNIDO exceeded its 1997 funding allocation, but its approved projects will result in a lower phase-out than its business plan target. UNIDO's project approvals in 1997 were 710 ODP tonnes less than its target of 7,695 ODP tonnes.

Agency	Project Approvals in 1997 (US $ millions)		ODP to be Phased Out from Approvals in 1997	
	Target	Actual to-date	Target	Actual to-date
UNDP	54.9	51.1	4,271	6,743
UNIDO	45.8	46.4	7,695	6,985
World Bank	82.4	67.1	14,818	28,310
TOTAL	183.1	164.6	26,784	42,038

Non-investment projects

14. Per decision 22/18, performance indicators for non-investment projects include:

- number of projects completed
- disbursement during the year of the plan
- speed of project completion (months from approval to completion)
- the speed of first disbursement (months from approval to first disbursement)

15. Agencies addressed performance against 1997 business plan targets for non-investment projects in varying degrees of completeness.

16. UNDP stated that it disbursed 66 per cent of the funds approved for non-investment projects through 1997. The first disbursement for UNDP's non-investment projects in 1997 occurred six months after approval and the average time for non-investment project completion was two years.

17. All of UNEP's activities are classified as non-investment activities. UNEP is awaiting the completion of its progress report to be able to provide an overall assessment of its 1997 performance. Through December 1996, UNEP's disbursement was 73 per cent of the funds approved and 67 per cent of its activities had been completed. Through June 1997, UNEP had completed 56 country programmes in total.

18. UNIDO disbursed in 1997 US $661,665 for its non-investment projects. This amount was US $ 50,000 above UNIDO's target. It also stated that funds for non-investment projects were disbursed within 2 months of project approval.

19. The World Bank mentioned a total rate of disbursement of 60 per cent for its non-investment activities approved through 1997.

RECOMMENDATION

1. The Executive Committee may wish to consider this status report in conjunction with its consideration of the implementing agencies' 1998 business plans.