UNITED
NATIONS

EP

United Nations Environment Programme

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/20/40
24 September 1996

ORIGINAL: ENGLISH

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

Twentieth Meeting
Montreal, 16-18 October 1996

CONSOLIDATED PROGRESS REPORT

1. 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.

Formats

2. Decision 19/23 approved revisions to the database format for progress and financial reporting. The decision also noted the importance of ensuring that information in the narrative of the report was fully consistent with that contained in the database. To ensure that the narrative of progress reports are consistent with the progress report database, the Secretariat and the implementing agencies developed operational guidelines for the narratives of progress and financial reports. Subsequently, the Secretariat adapted the format for the progress reports of bilateral agencies after consultations with bilateral agencies.

Data Base and Definition of Terms

3. 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 databases for the Consolidated Progress Report and for the implementing agencies' progress and financial reports are provided on diskette in the spreadsheet programme, Microsoft Excel 5.0. The diskette also contains a Microsoft Word 6.0c file of the definitions of terms used in progress and financial reporting.

4. The database includes information for each project approval such as:

- project codes including: region, country, industrial sector, meeting number where the project was approved, project type, unique sequential number per country, and implementation characteristics;
- financial information including: funds approved, disbursed, and committed;
- key dates toward implementation including: date of approval, date of first disbursement, and dates of implementation; and,
- remarks on issues concerning project implementation.

OVERVIEW

5. The Executive Committee has approved almost US $455 million for the implementation of investment and non-investment projects. In addition, over US $30 million has been approved for agency fees excluding the World Bank. This level of funding is expected to result in the permanent, annual phase-out of 71,254 ODP tonnes. Table 1 summarizes the level of approved funding by sector and agency.

TABLE 1

APPROVED FUNDING BY SECTOR AND AGENCY

Sector	UNDP	UNEP	UNIDO	World Bank	Bilaterals	Total
Aerosol	4,417,651	320,000	3,801,156	10,972,761	6,000	19,517,568
Foam	52,885,577	0	8,369,971	35,254,020	111,000	96,620,568
Several	11,244,971	16,427,990	1,907,038	23,458,026	1,517,870	54,555,895
Halon	2,369,454	390,000	496,000	2,216,736	3,026,517	8,927,707
Fumigants	426,550	397,500	0	0	355,387	1,179,437
Other	0	0	50,000	5,444,500	0	5,494,500
Production	0	0	0	4,664,814	0	4,664,814
Refrigeration	48,266,126	1,532,200	63,308,597	119,048,976	7,600,093	239,755,992
Solvents	6,546,631	0	2,133,102	11,157,855	1,815,676	21,653,264
Multiple Sectors	0	0	0	2,329,555	0	2,329,555
Total	126,156,960	19,058,490	80,065,864	215,547,243	14,432,543	454,719,300

ANNUAL SUMMARIES

6. Of the US $455 million in approved funding (including adjustments), the agencies have disbursed about US $156 million (including bilateral agencies). This has led to the permanent annual phase-out of 12,611 ODP tonnes of consumption and production. Of the balance of US $290.8 million, 27 per cent (US $77.7 million) is committed for expenditure in 1996. Therefore, over half of the funds approved for projects are expected to have been disbursed by the end of 1996.

7. 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.

8. 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 1996. 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. The per cent of funds disbursed during implementation is 34 per cent.

9. Table 3 presents a comparison of the percentage of projects completed, ODP phased out, per cent of funds disbursed (for projects that disburse during implementation), and planned

TABLE 2

Annual Summary

Year Approved/Implementation Characteristic	Number of Approvals	Number Completed	Per Cent Completed	ODP to be Phased Out	ODP Phased Out	Per Cent of ODP Phased Out	Approved Funding (US $)	Adjustment (US $)	Funds Disbursed (US $)	Per Cent of Funds Disbursed	Balance (US $)	Planned Commitment in Current Year (US $)
Disbursement during Implementation												
1991	38	31	82%	506	484	96%	6,164,550	-32,214	3,247,206	53%	2,890,506	1,364,420
1992	127	82	65%	20,173	4,491	22%	37,944,377	1,556,836	25,420,176	64%	14,081,037	6,840,084
1993	140	87	62%	4,467	1,639	37%	42,591,155	6,269,017	26,719,421	55%	22,216,789	8,644,979
1994	290	98	34%	16,286	3,134	19%	128,247,914	-1,073,695	60,613,746	48%	66,567,201	19,153,642
1995	305	39	13%	16,252	368	2%	110,214,096	0	11,872,827	11%	98,342,007	20,613,836
1996	149	0	0%	5,411	0	0%	44,921,724	0	433,100	1%	44,488,624	5,782,050
Sub-Total	1,049	337	32%	63,094	10,115	16%	370,083,816	6,719,944	128,306,476	34%	248,586,164	62,399,011
Disbursement after Completion*												
1991	0	0		0	0		0	0	0		0	0
1992	7	7	100%	373	373	100%	1,406,192	-4,523	1,307,524	93%	94,145	0
1993	26	22	85%	751	574	76%	15,986,476	0	4,041,492	25%	12,024,984	7,545,059
1994	18	6	33%	4,740	437	9%	13,534,923	-11,343	1,123,202	8%	12,400,378	675,798
1995	13	5	38%	722	18	2%	4,510,950	-509	316,991	7%	4,193,450	2,103,711
1996	4	0	0%	0	0		624,820	0	270,965	43%	353,855	78,128
Sub-Total	68	40	59%	6,586	1,402	21%	36,063,361	-16,375	7,060,174	20%	29,066,812	10,402,696
Retroactively Funded	15	10	67%	1,573	1,094	70%	7,227,459	62	2,689,434	37%	4,538,087	1,439,461
Time-sensitive Accounts	236	150	64%	0	0		33,219,053	1,401,980	18,393,373	53%	8,504,057	3,491,226
GRAND TOTAL	1,368	537	39%	71,254	12,611	18%	446,593,689	8,105,611	156,449,457	34%	290,695,120	77,732,394

* - Does not include projects that were implemented before Executive Committee approval.

Note 1: Agency and National implementation is not distinguished in this table.

Note 2: Retroactive projects and time-sensitive accounts are provided for all years as one cumulative figure (not included in annual data).

commitments in 1996 to balance of funds available. The rate of planned commitments to remaining funds may be influenced by the fact that a figure was not provided for all ongoing projects (especially for bilateral agencies).

TABLE 3

PERFORMANCE INDICATORS

Agency	Number of Approved Projects	Projects Completed (per cent)	ODP Phased Out/ODP to be Phased Out	Rate of Disbursement for projects that disburse during implementation (per cent)	Commitments to remaining Funds (per cent)
Bilateral	89	67	41	72	38
UNDP	451	32	15	40	27
UNEP	217	50	n/a	75	58
UNIDO	157	21	7	45	42
World Bank	454	43	21	18	21

Annual Summary of Bilateral Cooperation

10. The following countries involved in bilateral cooperation activities supported by the Multilateral Fund submitted progress reports: Australia, Canada, Denmark, France, South Africa, Switzerland, and the United States of America. Data from these reports is included in the Consolidated Progress Report database. Additional data from previous progress reports for other countries involved in bilateral cooperation is also included in the database.

11. Table 4 presents an Annual Summary of Bilateral Cooperation. Almost US $15 million has been approved for bilateral activities. The table indicates that 67 per cent of bilateral activities have been completed. Although most bilateral projects are non-investment projects, bilateral agencies estimate that their projects will result in the total annual phase-out of 593 ODP once completed. Completed bilateral projects have resulted in the phase-out of 242 tonnes. The rate of disbursement on bilateral activities is 72 per cent. Of the balance of disbursed funding, bilateral agencies indicate that 40 per cent of the remaining funds will be disbursed by the end of 1996.

SUMMARY DATA BY PROJECT TYPE

12. The Executive Committee approves several different types of projects including: country programme preparation, demonstration projects, institutional strengthening, project preparation, technical assistance, and training projects. A summary of the status of projects by these various categories of projects is presented in Table 5, Summary Data by Project Type.

TABLE 4

ANNUAL SUMMARY FOR BILATERAL COOPERATION

Year Approved/Implementation Characteristic	Number of Approvals	Number Completed	Per Cent Completed	ODP to be Phased Out	ODP Phased Out	Per Cent of ODP Phased Out	Approved Funding (US $)	Adjustment (US $)	Funds Disbursed (US $)	Per Cent of Funds Disbursed	Balance (US $)	Planned Commitment in Current Year (US $)
Disbursement during Implementation												
1991	0	0		0	0		0	0	0		0	0
1992	14	13	93%	0	0		2,105,000	0	2,030,000	96%	75,000	8,000
1993	10	10	100%	41	0	0%	1,811,610	-109,500	1,702,110	100%	0	0
1994	22	19	86%	252	231	92%	3,170,670	17,000	2,769,179	87%	418,491	62,922
1995	12	4	33%	94	11	12%	3,101,302	0	1,618,977	52%	1,482,325	1,569,228
1996	6	0	0%	30	0	0%	1,324,360	0	47,250	4%	1,277,110	366,500
Sub-Total	64	46	72%	417	242	58%	11,512,942	-92,500	8,167,516	72%	3,252,926	2,006,650
Disbursement after Completion*												
1991	0	0		0	0		0	0	0		0	0
1992	3	3	100%	0	0		62,192	-4,523	57,669	100%	0	0
1993	3	3	100%	0	0		234,476	0	234,476	100%	0	0
1994	7	3	43%	2	0	0%	322,700	-11,343	129,457	42%	181,900	0
1995	6	4	67%	174	0	0%	1,804,414	-509	240,387	13%	1,563,518	0
1996	4	0	0%	0	0		624,820	0	270,965	43%	353,855	78,128
Sub-Total	23	13	57%	176	0	0%	3,048,602	-16,375	932,954	31%	2,099,273	78,128
Retroactively Funded	0	0		0	0		0	0	0		0	0
Time-sensitive Accounts	2	1	50%	0	0		388,874	0	366,200	94%	22,674	0
GRAND TOTAL	89	60	67%	593	242	41%	14,950,418	-108,875	9,466,670	64%	5,374,873	2,084,778

* - Does not include projects that were implemented before Executive Committee approval.

Note 1: Agency and National implementation is not distinguished in this table.

Note 2: Retroactive projects and time-sensitive accounts are provided for all years as one cumulative figure (not included in annual data).

TABLE 5

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 Current Year (US $)
Country Programme Preparation	107	84	79%	5,692,017	967,312	4,257,133	64%	756,489	408,800
Demonstration Projects	29	10	34%	5,633,135	17,000	2,130,004	38%	3,520,131	1,385,987
Institutional Strengthening Projects	67	1	1%	11,434,459	279,500	4,849,864	41%	6,864,095	2,434,852
Investment Projects	574	90	16%	355,753,039	6,569,785	103,576,751	29%	258,751,449	64,325,595
Project Preparation	307	189	62%	27,523,311	109,401	18,279,833	66%	3,742,913	2,043,086
Technical Assistance Projects	182	101	55%	30,390,484	273,537	16,513,589	54%	13,845,532	5,160,792
Training Projects	104	63	61%	10,200,244	-110,924	6,872,283	68%	3,217,511	1,973,283
GRAND TOTAL	**1,370**	**538**	39%	**446,626,689**	**8,105,611**	**156,479,457**	34%	**290,698,120**	**77,732,394**

13. About 42 per cent of the projects approved by the Executive Committee are classified as investment projects. Investment projects represent about 80 per cent of the total funds approved by the Committee. The second largest number of projects is classified as project preparation.

14. 79 per cent of country programme preparation projects have been completed representing 77 completed country programmes. 62 per cent of project preparation activities have been completed. These activities represent the initial stage of the implementation of the ODS phase-out programme. Demonstration and investment projects have been completed at rates of 34 and 16 per cent, respectively. These projects have longer project durations. While completed institutional strengthening projects represent 1 per cent of approvals, renewals are considered adjustments to the initial project unlike country programme updates which are considered additional projects. Over 40 per cent of approved funds have been disbursed for institutional strengthening projects.

COMPLETED PROJECTS

15. 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). Overall 66 per cent of the funds approved for completed projects have been disbursed. This is a result of the fact that it may take from six months to a year to complete the accounting records.

Projects Completed during the Reporting Period

16. According to the data base, 43 investment projects were completed during the reporting period resulting in the phase-out of an additional 4,249 ODP tonnes. Due to the harmonization of reporting periods per decision 19/23, some of the completed projects were reported as such by implementing agencies at the last meeting. Bilateral agencies, in general, reported project completions since their last report which varied according to the agency. Agencies identified 84 projects that are being reported completed to the Executive Committee for the first time: countries involved in bilateral cooperation (17), UNDP (13), UNEP (38), UNIDO (9), and the World Bank (11).

Completed Investment Projects

17. Table 6, 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.

18. Through 30 June 1996, 89 investment projects representing over US $50 million have been completed resulting in the permanent, annual phase-out of 12,611 ODP tonnes with an overall cost-effectiveness of US $4.68/kg. ODP phased out. The average time from approval to

TABLE 6

Cumulative Completed Investment Projects by Region, Sector, and Implementation Characteristics

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	Overall Cost-Effectiveness to the Fund (US $/kg.)
GRAND TOTAL	89	50,541,862	66%	11	19	$4.68
Region						
Africa	14	9,984,562	79%	9	22	$9.13
Asia & Pacific	61	28,947,275	51%	9	16	$4.26
Europe	2	6,478,000	96%	16	30	$6.86
Latin America and Caribbean	12	5,132,025	89%	22	33	$2.96
Global	0	0				
Sector						
Aerosol	5	1,350,863	56%	11	14	$2.70
Foam	42	18,315,207	86%	9	18	$4.91
Several	0	0				
Halon	2	996,736	57%	13	15	$0.60
Fumigants	0	0				
Other	0	0				
Production	5	2,637,000	68%	15	27	$1.10
Refrigeration	17	19,926,081	52%	13	25	$10.80
Solvents	18	7,315,975	58%	14	16	$17.41
Multiple Sectors	0	0				
Implementation Characteristics						
Agency Implementation	43	15,684,349	89%	8	15	
National Implementation	46	34,857,513	56%	14	23	$4.35
Time or Objective-sensitive Accounts						
Time-Sensitive	0	0				
Objective-Sensitive	89	50,541,862	66%	11	19	$4.79
Disbursement Method						
During Implementation	56	33,064,999	84%	12	22	$3.83
After Implementation	23	13,045,050	25%	11	23	$15.58
Retroactive Funding	10	4,431,813	61%	8	-3	$4.05

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

first disbursement is 11 months and the average project duration is 19 months. Project duration is only slightly impacted by retroactive projects, i.e., projects funded after phase-out, since retroactive projects represent only 10 per cent of completed investment projects.

19. On a regional basis, 61 investment projects were completed in Asia and Pacific region followed 14 investment projects in Africa, 12 in Latin America and the Caribbean and 2 in Europe.

Business Plan Phase-out Forecasts

20. From 1 January through 30 June 1996, the mid-point of the implementing agencies' business plans, the implementing agencies have phased out 4,249 ODP tonnes according to the dates of completion in the database. Although agencies have reported higher phase-out amounts, the dates of completion in the database were used to determine phase-out in 1996 since reports of phase-out often comes well after the actual phase-out. The amount of phase-out expected to occur by the end of 1996 is presented below along with the agencies' business plan forecast in Table 7.

TABLE 7

BUSINESS PLAN FORECASTS AND PHASE-OUT IN 1996

Agency	ODS Phase-Out (tonnes)	
	Progress Report (January through June 1996)	Business Plan
UNDP	180	4,019
UNIDO	204	4,446
World Bank	3,865	15,953
TOTAL	4,249	24,418

Completed Non-Investment Projects

21. Table 8 presents data on Cumulative Completed Non-Investment Projects. Since 1991, 394 non-investment projects have been completed representing funding support from the Multilateral Fund for technical and preparatory assistance of almost US $40 million. Over 70 per cent of the funds for completed non-investment projects was allocated for assistance in several sectors, i.e., projects that have an impact on all sectors.

TABLE 8

Cumulative Completed Non-Investment Projects by Region, Sector, Type, and Implementation Characteristics

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	394	39,405,337	66%	3	15
Region					
Africa	75	4,263,077	73%	4	15
Asia & Pacific	130	15,509,175	83%	3	14
Europe	13	1,148,087	74%	2	12
Latin America and Caribbean	114	9,795,705	81%	3	15
Global	62	8,689,293	81%	5	17
Sector					
Aerosol	10	1,261,631	43%	2	14
Foam	18	874,122	88%	9	21
Several	283	28,796,221	82%	2	14
Halon	14	872,522	100%	7	21
Fumigants	6	642,050	77%	2	6
Other	0	0			
Production	1	240,000	133%	13	18
Refrigeration	54	5,882,137	78%	8	20
Solvents	7	656,654	77%	2	10
Multiple Sectors	1	180,000	30%	0	58
Implementation Characteristics					
Agency Implementation	381	35,773,114	81%	3	14
National Implementation	13	3,632,223	82%	10	33
Time or Objective-sensitive Accounts					
Time-Sensitive	149	19,686,578	66%	2	11
Objective-Sensitive	244	19,705,759	95%	5	18
Disbursement Method					
During Implementation	386	37,469,483	80%	4	15
After Implementation	7	1,922,854	103%	2	15
Retroactive Funding	0	0			
Note: The sum of each section (Region, Sector, etc.) equals the Grand Total.					

22. The average time from approval to first disbursement for non-investment projects is much lower than for investment projects; three months versus 11 months. Non-investment projects have been completed, on average, 15 months after they were approved by the Executive Committee. This figure is influenced by the large number of projects (283/394) classified in the sector called Several which had an average time from approval of completion of 14 months. Projects in the halon, foam, and refrigeration sector were completed from 20 to 21 months after they were approved.

23. Almost all projects (386/394) were implemented under the agency implementation method instead of national implementation. Agency implementation of non-investment projects normally do not require legal agreements which may explain the longer period of time (33 months) for nationally-implemented non-investment projects.

ONGOING PROJECTS

24. 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 810 projects valued at almost US $353 million that are currently being implemented.

25. 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 in the remarks column in the project by project listing in the database

Ongoing Investment Projects

26. Table 9, "Cumulative Ongoing Investment Projects", presents information on the status of investment projects under implementation by region, sector, and implementation characteristics.

27. There are currently 475 investment projects under implementation that are expected to result in the phase-out of an additional 58,643 ODP tonnes representing approved funding (plus adjustments) of over US $307 million. About 23 per cent of the funds have already been disbursed. The overall average cost-effectiveness of ongoing investment projects (US $5.24/kg. ODP phased out), as approved, is higher than the overall average cost-effectiveness of completed investment projects (US $4.68/kg. ODP phased out).

28. Over 63 per cent (301/475) of the ongoing investment projects are for countries in the Asia and Pacific region representing over half of the funds approved for ongoing investment

TABLE 9

Cumulative Ongoing Investment Projects by Region, Sector, Implementation Characteristics

Item	Number of Projects	Approved Funds plus Adjustment (US $)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Planned Committments plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 1996	Average Number of Months from Approval to First Disbursement	Average Length of Delay in Project Planned Completion	Overall Cost-Effectiveness to the Fund (US $/kg.)*
GRAND TOTAL	475	307,319,455	23%	177	37%	124,187,967	40%	4	9	$5.24
Region										
Africa	48	36,851,438	45%	26	54%	26,451,758	72%	3	12	$7.69
Asia & Pacific	301	187,217,397	20%	103	34%	72,338,760	39%	4	9	$4.14
Europe	8	6,555,006	12%	4	50%	4,040,487	62%	4	5	$3.44
Latin America and Caribbean	118	76,695,614	18%	44	37%	21,356,962	28%	3	8	$11.23
Global	0	0		0		0				
Sector										
Aerosol	29	15,572,274	38%	12	41%	8,708,081	56%	6	11	$0.77
Foam	210	73,630,819	20%	81	39%	29,929,537	41%	3	11	$4.53
Several	0	0		0		0				
Halon	8	2,227,069	21%	3	38%	1,636,222	73%	4	14	$0.64
Fumigants	0	0		0		0				--
Other	3	5,444,500	15%	1	33%	4,393,520	81%	13	9	$13.44
Production	3	1,787,814	0%	0	0%	100,000	6%	0	11	$1.74
Refrigeration	176	195,619,352	23%	72	41%	75,104,251	38%	3	7	$12.07
Solvents	43	10,888,072	15%	8	19%	3,952,731	36%	4	10	$17.75
Multiple Sectors	3	2,149,555	0%	0	0%	363,625	17%	0	-5	$4.84
Implementation Characteristics										
Agency Implementation	246	150,240,590	36%	135	55%	85,115,935	57%	4	9	
National Implementation	229	157,078,865	10%	42	18%	39,072,032	25%	3	9	$4.27
Time or Objective-sensitive Accounts										
Time-Sensitive	0	0		0		0				
Objective-Sensitive	475	307,319,455	23%	177	37%	124,187,967	40%	4	9	$5.24
Disbursement Method										
During Implementation	452	285,550,684	24%	171	38%	117,155,233	41%	4	9	$5.39
After Implementation	19	19,473,727	6%	6	32%	5,775,490	30%	7	6	$3.63
Retroactive Funding	4	2,295,044	0%	0	0%	1,257,244	55%	0	3	$6.04

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.

projects. The Latin America and the Caribbean region has 118 investment projects under implementation valued at US $77 million; Africa, 48 projects (US $39 million); and Europe, 8 projects (US $6.6 million).

29. Almost two-thirds of the funds approved for ongoing investment projects are in the refrigeration sector representing US $196 million that will lead to the phase-out of 16,238 ODP tonnes when completed. The next largest funding allocation for ongoing investment projects is for the foam sector (US $74 million) which is expected to phase out 16,335 ODP tonnes when completed. However, there are more foam investment projects under implementation (210 projects) than refrigeration investment project (176 projects). The remaining sectors have the following number of investment projects under implementation: solvents (43), aerosol (29), halon (8), and the remaining sector categories (9).

30. Approximately equal shares of investment projects are under agency and national implementation although the per cent of funds disbursed for ongoing agency-implemented investment projects is 36 per cent, while the per cent of funds disbursed for nationally-implemented investment projects is 10 per cent.

31. Of the 475 ongoing investment projects, 37 per cent (177) have begun disbursing funds. Only 18 per cent of nationally-implemented ongoing investment projects have begun to disburse in comparison to 55 per cent of agency-implemented ongoing investment projects. By the end of 1996, an estimated 40 per cent of approved funds will be disbursed.

32. The average number of months from approval to first disbursement is four months for those projects that have begun disbursing. Overall, projects are expected to be completed nine months after the completion date as indicated in the project proposal. Projects in the halon sector and the Africa region have been delayed the longest period of time, while projects in the refrigeration sector and the Europe region have been delayed the least.

Ongoing Non-Investment Projects

33. Table 10, "Cumulative Ongoing Non-Investment Projects", presents information on the status of non-investment projects under implementation by region, sector, and implementation characteristics.

34. There are currently 335 non-investment projects under implementation representing approved funding (plus adjustments) of almost US $46 million. Funding for ongoing non-investment projects represent approximately 15 per cent of the funding approved for ongoing investment projects. About 23 per cent of the funds for ongoing non-investment projects have been disbursed.

35. The largest amount of funding of non-investment projects by region is US $17.8 million for the Asia and Pacific region. US $13.4 million of ongoing non-investment project funding is

TABLE 10

Cumulative Ongoing Non-Investment Projects by Region, Sector, Type, and Implementation Characteristics

Item	Number of Projects	Approved Funds plus Adjustment (US $)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Planned Committments plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 1996	Average Number of Months from Approval to First Disbursement	Average Length of Delay in Project Planned Completion
GRAND TOTAL	335	45,576,721	23%	241	37%	28,416,251	40%	5	10
Region									
Africa	82	7,834,449	35%	60	54%	4,580,598	72%	6	8
Asia & Pacific	114	17,783,930	26%	80	34%	10,173,239	39%	6	15
Europe	10	1,698,443	15%	7	50%	547,559	62%	5	19
Latin America and Caribbean	85	13,433,766	41%	66	37%	8,845,189	28%	4	5
Global	44	4,826,133	44%	28		4,269,667		3	8
Sector									
Aerosol	9	845,250	14%	4	41%	353,544	56%	4	24
Foam	13	2,831,120	13%	10	39%	834,048	41%	4	41
Several	209	23,523,855	40%	163		16,274,726		6	7
Halon	12	2,517,880	33%	10	38%	1,749,680	73%	5	10
Fumigants	4	499,000	64%	3		499,000		9	8
Other	1	50,000	0%	0	33%	0	81%	0	
Production	0	0		0	0%	0	6%		
Refrigeration	83	14,704,296	27%	48	41%	8,300,570	38%	4	13
Solvents	4	614,520	30%	3	19%	409,683	36%	12	64
Multiple Sectors	0	0		0	0%	0	17%		
Implementation Characteristics									
Agency Implementation	266	24,614,547	40%	198	55%	17,529,829	57%	5	10
National Implementation	70	21,004,374	25%	43	18%	10,896,422	25%	8	9
Time or Objective-sensitive Accounts									
Time-Sensitive	80	13,842,864	36%	69		8,460,647		10	6
Objective-Sensitive	256	31,776,057	32%	172	37%	19,965,604	40%	4	11
Disbursement Method									
During Implementation	326	44,753,327	33%	236	38%	28,050,958	41%	5	10
After Implementation	10	865,594	34%	5	32%	375,293	30%	0	-2
Retroactive Funding	0	0		0	0%	0	55%		

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

for countries in the Latin America and the Caribbean region, followed by Africa (US $7.8 million), and Europe (US $4.8 million). Ongoing global activities are valued at US $4.8 million.

36. On a sector basis, most non-investment funding applies to several sectors (US $23.5 million for 209 projects). There are 83 ongoing non-investment projects in the refrigeration sector (US $14.7 million), 13 in foam (US $23.5 million), 12 in halon (US $2.5 million), and 9 in aerosol sector (US $0.8 million) and 9 for all other sectors (US $1.3 million).

37. About 80 per cent of ongoing non-investment project funding is for agency implementation. The per cent of funds disbursed for ongoing agency-implemented non-investment projects is 40 per cent, while the per cent of funds disbursed for nationally-implemented non-investment projects is 25 per cent.

38. Of the 335 ongoing non-investment projects, 37 per cent (241) have begun disbursing funds. Only 18 per cent of nationally-implemented ongoing non-investment projects have begun to disburse in comparison to 55 per cent of agency-implemented ongoing investment projects. By the end of 1996, an estimated 40 per cent of approved funds will be disbursed.

39. The average number of months from approval to first disbursement is five months for those projects that have begun disbursing. Overall, projects are expected to be completed 10 months after the completion date as indicated in the project proposal. Projects in the solvents sector and for the European region have been delayed the longest period of time, while projects in the sector classified as several and the Latin America region have been delayed the least.

Project Preparation

40. Active project preparation for the implementing agencies represents US $5 million of ongoing non-investment projects. Of that amount, the implementing agencies have a total of US $2.5 million available for use after 30 June 1996 as shown in Table 11.

TABLE 11

ACTIVE PROJECT PREPARATION

Agency[1]	Approved Funding plus Adjustments (US $)	Funds Disbursed (US $)	Per Cent of Funds Disbursed (US $)	Balance (US $)	Planned Commitments in 1996 (US $)
UNDP	1,270,500	712,793	56%	557,707	490,007
UNIDO	1,566,065	790,385	50%	775,680	471,087
World Bank	2,178,000	971,764	45%	1,206,236	395,992
Total	5,014,565	2,474,942	49%	2,539,623	1,357,086

Planned Commitments

41. The progress report database 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 through 30 June 1996) can be monitored against forecasts in annual business plans as presented below by agency in Table 12.

TABLE 12

PLANNED EXPENDITURES THROUGH 1996

Agency	Planned Commitments for 1996 and Disbursements to-date	Planned Disbursements for 1996 from Business Plan
UNDP	70,888,098	71,276,000
UNEP	16,388,455	7,886,220
UNIDO	54,472,214	57,628,000
World Bank	80,901,639	87,634,190

Delays

42. The Secretariat reviewed the implementing agencies' progress and financial reports with particular regards to projects that have experienced delays in completion of one year or more from the completion date per the proposal and those projects (with disbursements during implementation) for which less than 10 per cent of funds have been disbursed. The remarks column of each project was reviewed to determine the causes for delays and the need to bring any

[1] UNEP does not have project preparation accounts since it is not involved in investment projects.

implementation difficulties to the attention of the Executive Committee. The Secretariat communicated its questions on specific issues and projects and the implementing agencies provided responses to those queries.

43. Agencies have also indicated that projects representing a significant amount of funding (over US $35 million) have been delayed awaiting tax exemption status and presidential decrees. Remarks on a number of projects have indicated that the beneficiary was considering or has chosen different technologies from those approved for the project. In some cases, projects are being re-submitted for consideration due to a possible policy issue concerning the change in technology.

44. Project delays have also been the result of the slow transfer of funds from the Treasurer. Project completion dates per proposal were defined by some agencies as the project duration in the proposal plus the date at which funds are received at the agency. In several cases, this delay was from six months to a year.

45. Other reasons for delays were explained for the following reasons:

- a higher price of equipment bid responses as compared to budgeted costs;
- order backlogs from equipment suppliers;
- requests for better quality or higher capacity equipment;
- the need to ascertain availability of counterpart matching funds;
- unavailability of consultants;
- a greater awareness of safety issues;
- delays between project design and funding;
- negotiations with beneficiaries;
- increasing demand for national execution.

Data Consistency and Timely Submissions

46. Significant progress towards implementing the database format has been achieved and all of the reports are presented on a project by project basis according to Executive Committee approval.

47. With the addition of a narrative format that includes summary tables, a greater degree of precision is necessary than before since the tables present a statistical analysis of progress and financial reporting. Data were not provided on a consistent basis for critical dates such as date of approval and date of completion per proposal. Some data was not provided such as dates of first disbursement and planned commitments. The Secretariat and the implementing agencies will discuss these remaining inconsistencies for incorporation into the next progress reports. Nevertheless, to enable a consistent analysis in the Consolidated Progress Report and in the Secretariat's comments on the individual agencies' reports, the Secretariat assumed the dates of approvals and completion dates for investment projects as per the relevant documentation to, and reports of, the Executive Committee.

48. In decision 19/23, the Committee established fixed reporting periods and dates for the data to be received by the Secretariat. Only one implementing agency submitted the data on time. This resulted in delays in the comments and final analysis of the reports. The final revised report was received on 20 September.

FINANCIAL MATTERS

Adjustments

49. Two agencies are reporting adjustments to project approvals. The United States reported that it will offset net project surpluses of US $321,613 against future approvals. UNEP is requesting an offset of project surpluses against deficits. Data in the progress reports also indicates the possibility of project deficits that have not been adjusted. Decision 17/22 sets provisions for project deficits in implementing agencies' work programmes. Most of UNEP's requested adjustments for project deficits exceed 5 per cent of the original approval and were approved after 1 January 1995. The Sub-Committee on Financial Matters may wish to consider UNEP's requested adjustments in accordance with decision 17/22.

Interest

50. Under UNEP's standard accounting practices, any interest accrued is credited immediately to the Multilateral Fund's account; however, this is the first time that UNEP has reported this in this format. The total amount of interest that has been returned to the Fund for re-programming is US $825,258. Whilst other agencies have returned interest for re-programming during the reporting period, those amounts were reported at the 19th Meeting.

RECOMMENDATIONS

1. The Executive Committee may wish to :

- Take note, with appreciation, of the reports of the implementing agencies and the Governments of Australia, Canada, France, South Africa, and the United States;
- Take note of the offset against future approvals as noted in the progress report of the United States;
- The Sub-Committee on Financial Matters should consider the implications of decision 17/22 with regard to the request of UNEP for adjustments to project approvals.
- Consider the causes for delays as indicated in this report.