



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/44/11
28 October 2004

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

2004 CONSOLIDATED PROJECT COMPLETION REPORT

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Table of Contents

| | | |
|------|--|---|
| I. | Introduction..... | 1 |
| II. | Overview of PCRs Received and Due | 1 |
| III. | Analysis of Project Completion Reports for Investment Projects | 4 |
| | (a) PCRs Received and Due..... | 4 |
| | (b) ODS Phase-out Achieved..... | 4 |
| | (c) Implementation Delays..... | 4 |
| | (d) Completeness of Information | 4 |
| | (e) Overall Assessment and Rating..... | 4 |
| | (f) Descriptive Assessments in PCRs for Investment Projects..... | 4 |
| | (g) Lessons Learned | 4 |
| IV. | Analysis Of Non-Investment Project Completion Reports..... | 4 |
| | (a) Overview | 4 |
| | (b) Quality of Information Received and Improvements Suggested | 4 |
| | (c) Lessons Learned | 4 |
| V. | Schedule for Submission of PCRs In 2005..... | 4 |
| VI. | Improve Consistency of Data Reported in PCRs and in Annual Progress Reports..... | 4 |
| VII. | Recommendations..... | 4 |

I. Introduction

1. The purpose of this report is to provide the Executive Committee with an overview of the results reported in the project completion reports (PCR) received during the reporting period, i.e. since the 41st meeting in December 2003. This corresponds to decisions 23/8 (i) and 26/11 of the Executive Committee requesting the Senior Monitoring and Evaluations Officer to present a consolidated PCR, after consultation with the implementing agencies at the third meeting of each year. Comments on the draft were received from the four implementing agencies as well as Australia, Environment Canada and GTZ/PROKLIMA. They were taken into account when finalizing the report.

2. At its 41st meeting, the Executive Committee decided:

- (a) To take note of the 2003 consolidated project completion report, as contained in document UNEP/OzL.Pro/ExCom/41/8 and Add.1, including the schedule for submission of project completion reports due;
- (b) To request the World Bank, in cooperation with the Fund Secretariat, to establish full consistency of data reported in the project completion reports, in the inventory and in the annual progress reports by the end of January 2004;
- (c) Also to request UNDP and the World Bank to provide the information still missing in a number of project completion reports by the end of January 2004;
- (d) To urge implementing agencies to continue to improve their descriptive assessments of completed projects in project completion reports, while at the same time ensuring that each assessment contained useful information specific to the project that was the subject of the report; and
- (e) To request the Senior Monitoring and Evaluation Officer to provide the Executive Committee with information compiled on the lessons learned from project completion reports.

(Decision 41/6)

3. PCRs received from the implementing agencies to comply with this decision including efforts to establish full consistency of data reported are summarized in this consolidated PCR, along with a description of efforts to improve the quality of PCRs.

II. Overview of PCRs Received and Due

4. The total number of PCRs received for investment projects in the year 2004 decreased to 169 (compared to 201 in 2003) while the total number of PCRs still due for completed investment projects has increased from 201 to 216. For non-investment projects, the number of PCRs received in 2004 decreased from 79 to 48, while the number of outstanding PCRs increased (from 52 to 78). For project preparations, country programmes, recurrent activities like networking and information exchange, as well as extended institutional strengthening projects no PCRs are required (Decision 29/3). Recurrent activities are reported upon in the annual progress reports while terminal reports are provided on each phase of IS projects, jointly with the request for extension. Annual tranches of multi-year projects are not supposed to be reported upon in PCRs. Tables 1 and 2 below present more detailed data by agency including comparative figures for the previous two reporting periods.

5. Implementing and bilateral agencies have submitted as of 13 October 2004 a total of 1,307 project completion reports (PCRs) for investment projects and 514 PCRs for non-investment projects, representing 85.8% (compared to 84.9% last year) of PCRs due for investment and 86.8% (89.8% last year) for non-investment projects completed as of 31 December 2003.

Table 1
Investment Projects Overview

| Agency | Completed Projects up to December 2003 | Total PCR(s) Received for Projects Completed up to December 2003 | PCR(s) still due | PCR(s) Received in the Reporting Period | | |
|--------------|--|--|------------------|---|--------------------------|---------------------|
| | | | | 2002 | 2003 | 2004 ⁽¹⁾ |
| France | 11 | 8 | 3 | 2 | 0 | 0 |
| Germany | 3 | 2 | 1 | 1 | 0 | 0 |
| IBRD | 388 | 318 ⁽²⁾ | 70 | 27 | 16 | 37 |
| Japan | 2 | 2 | 0 | 0 | 2 | N/A |
| UNDP | 800 | 670 ⁽³⁾ | 130 | 140 | 135 | 96 |
| UNIDO | 317 | 306 ⁽⁴⁾ | 11 | 44 | 48 | 36 |
| USA | 2 | 1 | 1 | 0 | 0 | 0 |
| Total | 1,523 | 1,307 | 216 | 214 | 201⁽⁵⁾ | 169 |

⁽¹⁾ After the 41st Meeting of the Executive Committee (20 December 2003 to 13 October 2004).

⁽²⁾ In addition, the World Bank submitted 2 PCRs for cancelled projects.

⁽³⁾ In addition, UNDP submitted 2 PCRs for cancelled projects.

⁽⁴⁾ In addition, UNIDO submitted 1 PCR for cancelled project, 9 Cancellation Reports and 2 PCRs for projects completed in 2004.

⁽⁵⁾ Only 194 PCRs were included in the analysis of the 2003 Consolidated Project Completion Report Document (UNEP/OzL.Pro/ExCom/41/8).

Table 2
Non-Investment Projects Overview
(Except Project Preparations, Country Programmes, Ongoing Projects like Networking and Clearing House Activities as well as Institutional Strengthening Projects)

| Agency | Completed Projects up to December 2003 | Total PCR Received for Projects Completed up to December 2003 | PCR(s) still due | PCR Received in the Reporting Period | | |
|--------------|--|---|------------------|--------------------------------------|-----------|---------------------|
| | | | | 2002 | 2003 | 2004 ⁽¹⁾ |
| Australia | 7 | 1 ⁽²⁾ | 6 | 0 | 0 | 0 ⁽²⁾ |
| Austria | 1 | 1 | 0 | N/A | N/A | N/A |
| Canada | 35 | 27 | 8 | 3 | 4 | 8 |
| Denmark | 1 | 1 | 0 | N/A | N/A | N/A |
| Finland | 2 | 2 | 0 | 1 | 1 | N/A |
| France | 12 | 8 | 4 | 3 | 0 | 0 |
| Germany | 20 | 20 ⁽³⁾ | 0 | 4 | 10 | 7 |
| IBRD | 25 | 20 | 5 | 1 | 0 | 0 |
| Israel | 1 | 1 | 0 | N/A | 0 | 1 |
| Japan | 4 | 1 | 3 | 0 | 1 | 0 |
| Poland | 1 | 0 | 1 | N/A | N/A | 0 |
| Singapore | 2 | 0 | 2 | 0 | 0 | 0 |
| South Africa | 1 | 1 | 0 | N/A | N/A | N/A |
| Sweden | 1 | 1 | 0 | 1 | N/A | N/A |
| Switzerland | 2 | 2 ⁽⁴⁾ | 0 | N/A | N/A | 1 |
| UNDP | 148 | 111 | 37 | 8 | 19 | 1 |
| UNEP | 228 | 218 ⁽⁵⁾ | 10 | 40 | 35 | 16 |
| UNIDO | 61 | 61 | 0 | 21 | 9 | 14 |
| USA | 40 | 38 | 2 | 0 | 0 | 0 |
| Total | 592 | 514 | 78 | 82 | 79 | 48 |

(1) After the 41st Meeting of the Executive Committee (20 December 2003 to 13 October 2004).

(2) The PCR is a joint project for R&R in Vietnam submitted by UNDP. In addition, Australia submitted 1 Project Cancellation Report.

(3) In addition, Germany submitted 1 PCR for a project completed in 2004.

(4) In addition, Switzerland submitted 1 PCR for a project completed in 2004.

(5) In addition, UNEP submitted 1 PCR for a project completed in 2004.

6. Until 13 October 2004, UNDP which implements by far the largest number of investment projects, delivered 63 compared to 90 investment projects PCRs scheduled for submission until the end of September this year and 1 compared to 10 non-investment project PCRs. UNEP submitted 16 compared to 5 PCRs for non-investment projects scheduled, and UNIDO sent 50 PCRs. However, the World Bank provided only 8 of 28 outstanding PCRs scheduled for submission until the end of September this year.

7. In spite of the large number of PCRs received from UNDP, it has delivered significantly less PCRs than last year and has the largest number of PCRs due (130 for investment projects and 37 for non-investment projects), followed by the World Bank with 70 PCRs due for investment projects completed until the end of 2003. For UNIDO and UNEP as well as for several bilateral agencies, the numbers of PCRs still due range between 1 and 11.

8. There are still 49 PCRs due for 27 investment and 22 non-investment projects completed until the end of 2000. 19 of them were implemented by IBRD, 17 by UNDP, 1 by UNIDO, 6 by Australia, 3 by USA, 2 by Singapore and 1 by Germany.

Table 3
Schedule for Planned Submission of PCRs in 2004 and Actual Delivery*

| | Schedule | Sector | Investment PCRs | | Non-Investment PCRs | |
|--|--|---|-----------------|---------------------------|---------------------|---------------------|
| | | | Schedule | Received | Schedule | Received |
| UNDP | 31 March 2004 | | 30 | 21FOA, 1REF | | |
| | 30 June 2004 | | 30 | 13FOA, 2REF | | 1DEM |
| | 30 Sept. 2004 | | 30 | 20FOA, 6REF | | |
| | 31 Dec. 2004 | | 30 | | | |
| | Total | | 120 | 63 | 10 | 1 |
| Status against schedule at October 13, 2004 | | | | -27 | | -9 |
| Total PCRs Due as of November 2003 | | | 119 | | 20 | |
| | Schedule | Sector | Investment PCRs | | Non-Investment PCRs | |
| | | | Schedule | Received | Schedule | Received |
| UNEP | December 2003 | TAS (3), TRA (1) | 0 | | 4 | 1TAS |
| | January 2004 | | | | | 1TRA |
| | June 2004 | TAS (1) | 0 | | 1 | |
| | August 2004 | | | | | 6TRA, 2TAS |
| | September 2004 | | | | | 2TRA, 2TAS |
| | October 2004 | | | | | 2TRA |
| | Total | | 0 | | 5 | 16 |
| Status against schedule at October 13, 2004 | | | | | | +11 |
| Total PCRs Due as of November 2003 | | | N/A | | 5 | |
| | Schedule | Sector | Investment PCRs | | Non-Investment PCRs | |
| | | | Schedule | Received*** | Schedule | Received |
| UNIDO | December 2003 | Foam (1), Training (1) | 1 | 1REF | 1 TRA | 1TRA |
| | March 2004 | Refrigeration | 2 | | | 1DEM |
| | April 2004 | | | 1PAG | | |
| | June 2004 | | | 1PAG, 4SOL, 3REF, 1FOA | | 1TAS |
| | July-September 2004 | | | 1SOL, 4FOA, 8REF | | 2TRA, 1TAS |
| | October 2004 | | | 6FOA, 6REF | | 2DEM, 1TAS, 5TRA |
| | Total | | 3 | 36 | 1 | 14 |
| Status at against schedule October 13, 2004 | | | | +33 | | +13 |
| Total PCRs Due as of November 2003 | | | 4 | | 1 | |
| | Schedule | Sector | Investment PCRs | | Non-Investment PCRs | |
| | | | Schedule | Received | Schedule | Received |
| IBRD* | March 2004 | Refrigeration (4), Aerosol(3), Foam (4), Process Agent (1) | 12 | | -- | |
| | July 2004 | Foam (3), Refrigeration (3), Solvent (2), TAS – SEV, REF (2) | 8 | 1ARS, 1PAG, 4REF | 2 | |
| | September 2004 | Foam (4) Refrigeration (4) | 8 | 2REF | -- | |
| | October 2004 | Refrigeration (3) Foam (2), TAS – REF (1) | 5 | | 1 | |
| | November 2004 | Aerosol (1) Refrigeration (1), Foam (1) | 3 | | -- | |
| | December 2004 | Refrigeration (4), Foam (2) | 6 | | -- | |
| | Total | | 42* | 8** | 3 | |
| | Status against schedule at October 13, 2004 | | | | -20 | |
| Total PCRs Due as of November 2003 | | | 75 | | 5 | |

*The Bank promised to submit 35 PCRs by December 31, 2003, and furthermore, during 2004, PCRs for projects completed through 2003 and up to June 30, 2004.

** In addition, the Bank submitted 29 PCRs in December 2003 but these had been scheduled for submission during the previous reporting period and are, therefore, not counted here.

***UNIDO submitted in addition one cancellation report for a foam project.

III. Analysis of Project Completion Reports for Investment Projects

(a) PCRs Received and Due

9. Until the end of 2003, UNDP completed 800 investment projects for which it submitted 670 PCRs (83.8 per cent of total) as at 13 October 2004. UNIDO completed 317 projects for which it submitted 306 PCRs (96.5 per cent). The World Bank completed 388 projects and submitted 318 PCRs (81.9 per cent). Japan completed 2 projects and submitted 2 PCRs (100%). Germany completed 3 projects and submitted 2 PCRs (66.7 per cent). France completed 11 projects and submitted 8 PCRs (72.7 per cent). The U.S.A. completed two projects and submitted one PCR (50 per cent).

Table 4
PCRs for Investment Projects Received and Due by Implementing Agency,
Sector and Year
(For Projects Completed Until the End of 2003)

| Agency | Sector | PCR(s) Received in: | | | | | | | | PCR(s) Due in ¹ : | | | | | | | | |
|--------------------|------------------|---------------------|------------|------------|------------|------------|------------|--------------|------------|------------------------------|-----------|----------|-----------|-----------|-----------|-----------|------------|------------|
| | | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total | Before 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
| UNDP | Aerosol | 1 | - | 9 | 4 | 11 | - | - | 25 | - | - | - | - | 1 | 1 | 1 | 1 | 4 |
| | Foam | 20 | 33 | 76 | 81 | 123 | 87 | 69 | 489 | - | - | 2 | 2 | 3 | 12 | 19 | 43 | 81 |
| | Halon | - | - | 3 | 13 | - | 1 | - | 17 | - | - | - | - | 1 | - | - | - | 1 |
| | Refrigeration | 1 | 22 | 2 | 29 | 13 | 22 | 27 | 116 | - | - | 1 | 1 | 1 | 5 | 5 | 29 | 42 |
| | Solvent | 3 | - | - | 19 | - | - | 1 | 23 | - | - | - | - | - | - | 2 | - | 2 |
| | Total | 25 | 55 | 90 | 146 | 147 | 110 | 97 | 670 | - | - | 3 | 3 | 6 | 18 | 27 | 73 | 130 |
| UNIDO | Aerosol | 6 | 6 | 10 | 6 | 4 | 2 | - | 34 | - | - | - | - | - | - | - | - | - |
| | Foam | 6 | 23 | 3 | 16 | 18 | 15 | 9 | 90 | - | - | 1 | - | - | - | 1 | - | 2 |
| | Fumigant | - | - | - | - | 2 | 1 | - | 3 | - | - | - | - | - | - | - | - | - |
| | Halon | 1 | - | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - |
| | Process Agent | - | - | - | - | - | 4 | 2 | 6 | - | - | - | - | - | - | - | - | - |
| | Refrigeration | 10 | 27 | 10 | 28 | 19 | 22 | 17 | 133 | - | - | - | - | - | - | 2 | 7 | 9 |
| | Solvent | 4 | 14 | 5 | 3 | 3 | 5 | 5 | 39 | - | - | - | - | - | - | - | - | - |
| | Total | 27 | 70 | 28 | 53 | 46 | 49 | 33 | 306 | - | - | 1 | - | - | - | 3 | 7 | 11 |
| World Bank | Aerosol | 4 | 6 | 6 | - | 1 | - | 1 | 18 | - | 1 | - | - | 1 | - | 2 | 1 | 5 |
| | Foam | 12 | 31 | 38 | 17 | 21 | 20 | - | 139 | - | 1 | 2 | 2 | 3 | 1 | 14 | 6 | 29 |
| | Fumigant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| | Halon | 2 | 1 | 1 | - | - | - | - | 4 | - | - | - | - | - | - | - | 1 | 1 |
| | Multiple Sectors | - | 1 | 1 | - | - | - | - | 2 | - | - | - | - | - | - | - | - | - |
| | Others | - | - | 2 | - | - | - | - | 2 | - | - | - | - | - | - | - | - | - |
| | Process Agent | - | - | - | - | - | - | 1 | 1 | - | - | - | - | - | - | - | 1 | 1 |
| | Production | 1 | - | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - |
| | Refrigeration | 13 | 29 | 22 | 24 | 16 | 17 | 6 | 127 | - | - | 5 | - | 2 | 2 | 15 | 7 | 31 |
| | Solvent | 13 | 6 | 3 | 1 | - | - | - | 23 | 1 | - | - | - | 1 | - | - | - | 2 |
| | Sterilant | - | - | - | 1 | - | - | - | 1 | - | - | - | - | - | - | - | - | - |
| Total | 45 | 74 | 73 | 43 | 38 | 37 | 8 | 318 | 1 | 2 | 7 | 2 | 7 | 3 | 31 | 17 | 70 | |
| Bilateral | Aerosol | - | - | - | - | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - |
| | Foam | - | - | 3 | 2 | 2 | 2 | - | 9 | - | - | - | - | - | - | - | - | - |
| | Halon | - | - | 1 | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - |
| | Refrigeration | - | 1 | 1 | - | - | - | - | 2 | - | - | - | 2 | - | 1 | 1 | - | 4 |
| | Solvent | - | - | - | - | - | - | - | 0 | - | - | - | - | - | - | 1 | - | 1 |
| | Total | - | 1 | 5 | 2 | 3 | 2 | - | 13 | - | - | - | 2 | - | 1 | 2 | - | 5 |
| Grand Total | 97 | 200 | 196 | 244 | 234 | 198 | 138 | 1,307 | 1 | 2 | 11 | 7 | 13 | 22 | 63 | 97 | 216 | |

¹ 6 months after projects completion according to the 2003 Progress Report.

10. As last year, the largest number of PCRs was received from UNDP, particularly for foam projects. This is also the area with the largest number of PCRs still due. The second largest number was received for the refrigeration sector, mostly from UNDP and the World Bank. This remains also the sector with the second largest number of PCRs still due, most of them by UNDP, followed by the World Bank. Foam (112) and refrigeration (86) projects combined account for 198 of the 216 PCRs still due for investment projects completed until the end of 2003 (see table 4). The backlog of PCRs for early investment projects completed until the end of 1999 has been reduced from 32 to 21.

11. The 169 PCRs received in the reporting period (20 December 2003 to 13 October 2004) represent projects completed in 21 countries. 83% of the completion reports are for projects implemented in nine countries (Argentina, Brazil, People's Republic of China, India, Indonesia, Iran, Malaysia, Mexico and Nigeria).

(b) ODS Phase-out Achieved

12. ODS phase-out in the projects reported upon in the project completion reports is found to be as planned in most investment projects, the total phase-out reported being slightly less than the planned amount (see Table 5 below). However, information on phase-out achieved in the PCRs is often neither complete nor coherent. In many cases, particularly for projects implemented by UNDP, unit production and ODS consumption data before and after the conversion are not completed. Also, the ODS phase-out data reported in the PCRs are in 7 cases out of 169 different from the ODS data reported in the 2003 Progress Report. As an improvement, the number of cases with such differences and the volume of differences is less than last year.

Table 5
ODS Phased out by Projects with PCRs Submitted⁽¹⁾

| Agency | Number of Projects | PCR | | 2003 Progress Report | |
|--------------|--------------------|----------------------|------------------------|----------------------|------------------------|
| | | ODP to be Phased Out | ODP Phased Out | ODP to be Phased Out | ODP Phased Out |
| IBRD | 37 | 1,988.5 | 1,950.4 ⁽²⁾ | 1,988.5 | 1,988.5 |
| UNDP | 96 | 4,743.9 | 4,744.5 | 4,740.0 | 4,740.0 |
| UNIDO | 36 | 2,227.8 | 2,218.6 ⁽³⁾ | 2,227.8 | 2,040.0 ⁽⁴⁾ |
| Total | 169 | 8,960.2 | 8,913.5 | 8,956.3 | 8,768.5 |

⁽¹⁾ Excluding 1 PCR for cancelled project.

⁽²⁾ Differences of 38.1 ODP tonnes are from IDS/REF/21/INV/52 (6.1 ODP Tonnes), MEX/REF/05/INV/65 (10.2 ODP Tonnes) and MEX/REF/05/INV/62 (21.8 ODP Tonnes).

⁽³⁾ 9.2 ODP tonnes deducted due to cancellation of one enterprise in an umbrella project VEN/FOA/34/INV/91.

⁽⁴⁾ 9.2 ODP tonnes deducted due to cancellation of one enterprise in an umbrella project VEN/FOA/34/INV/91 and further 178.6 ODP tonnes for two projects completed in 2004 (BRA/FOA/34/INV/222 with 146.6 ODP tonnes and VEN/FOA/36/INV/94 with 32 ODP tonnes).

(c) Implementation Delays

13. Out of 169 projects, 79 projects were completed before the planned date, 13 projects were completed on time, 77 projects showed delays ranging from two months to 90 months. In 53 or 31% of 169 projects, delays of more than 12 months occurred compared to 44 or 23% out of 194 projects completed last year. Delays cannot be attributed to particular sectors or implementing agencies. Completion dates in 20 PCRs differed from the dates indicated in the 2003 Progress

Reports resulting also in differences of delays reported. Average delays for projects reported as completed in 2003 were significantly more than in the year before (see Table 6 below). Fewer projects were completed before the anticipated completion date (47% of projects compared to 54% last year); early completion is frequent for standardized foam projects implemented by UNDP for which still 36 months duration is planned.

Table 6
Implementation Delays
(Total Figures in Brackets Show Last Year for Comparison)

| Agency | Number of Projects | Average Delays as per PCRs (Months) | Average Delays as per 2003 Progress Reports (Months) | Ave. Duration as per PCRs | Ave. Duration as per Progress Reports |
|--------------|--------------------|-------------------------------------|--|---------------------------|---------------------------------------|
| IBRD | 37 | 22.65 | 20.67 | 49.33 | 46.70 |
| UNDP | 96 | 0.78 | 0.63 | 33.73 | 33.58 |
| UNIDO | 36 | 9.01 | 9.45 | 35.88 | 36.25 |
| Total | 169 (194) | 7.3 (1.2) | 6.8 (-0.1) | 37.6 (31.8) | 37.0 (31.7) |

- Excluding 1 PCR for cancelled project

(d) Completeness of Information

14. Key information was more regularly provided than last year, for example the list of annual consumption of ODS and substitutes in 85.2% of the PCRs, compared to 76% last year, and 50% the year before. The list of equipment destroyed is continued to be given in most cases (82.2% compared to 85% last year). Information entirely missing in parts of the PCR is now rarely the case. However, it still happens too frequently that the information is not complete, in particular on operating cost and savings (26.6% of the PCRs compared to 30% the year before) and ODS and substitute consumption (14.2% compared to 22% in 2003). Discussions with implementing agencies solved the problems for 18 of 23 PCRs from UNIDO but so far for none of 63 PCRs from UNDP.

Table 7
Information provided in Investment Project Completion Reports Received During this Reporting Period
(Figures in Brackets Show Last Year for Comparison)

| | Provided | | Incomplete | | "Not Applicable"* | |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| | Number of Projects | Percentage % | Number of Projects | Percentage % | Number of Projects | Percentage % |
| List of Annual Consumption of ODS and Substitutes | 144 | 85.2% (76%) | 24 | 14.2% (22%) | 1 | 0.6% (2%) |
| List of Capital Equipment | 168 | 99.4% (99%) | 0 | 0% (1%) | 1 | 0.6% (0%) |
| Operating Cost Details | 111 | 65.7% (60%) | 45 | 26.6% (30%) | 13 | 7.7% (9%) |
| List of Destroyed Equipment | 139 | 82.2% (85%) | 13 | 7.7% (7%) | 17 | 10.1% (8%) |

*According to indications of Implementing Agencies

(e) Overall Assessment and Rating

15. During the reporting period, implementing agencies rated 63.9% of projects as highly satisfactory, 31.4% as satisfactory, and 4.1% as less satisfactory which is a slight increase from the 1.5% reported in the year before while the number of projects rated as satisfactory decreased from 34% to 31.4%.

Table 9
New Overall Assessment of Project Implementation by the Agencies in the New PCR Format
(Figures in Brackets Show Last Year for Comparison)

| New Assessment | UNDP | UNIDO | World Bank | Total | % of Total |
|-----------------------|-------------|--------------|-------------------|--------------|--------------------|
| Highly Satisfactory | 68 | 28 | 12 | 108 | 63.9% (64%) |
| Satisfactory | 28 | 8 | 17 | 53 | 31.4% (34%) |
| Less Satisfactory | | | 7 | 7 | 4.1% (1.5%) |
| Not Applicable | | | 1 | 1 | 0.6% (0.5%) |
| Total | 96 | 36 | 37 | 169 | 100% (100%) |

(f) Descriptive Assessments in PCRs for Investment Projects

16. In response to the Executive Committee's decision 41/6(d), urging "implementing agencies to continue to improve their descriptive assessments of completed projects in project completion reports", a consultant reviewed the 169 PCRs for investment projects received for the reporting period. For this review, a list of criteria, attached as Annex I to this document, was used. The results are being shared and discussed in detail with the Implementing Agencies concerned (IBRD, UNDP, UNIDO) with a view to give guidance for further improvements. The main features observed are:

- (a) The PCRs submitted during the reporting period have shown some improvements in the presentation of the descriptive assessments of performance. Nevertheless, in many cases, the assessments could be more meaningful and the PCRs more useful as a consequence. While for the majority of PCRs received a lot of effort has gone into the preparation of the descriptive assessments, a significant number of PCRs appear to have been mechanical exercises, with sometimes inaccurate or unsubstantiated information. PCRs on Iranian liquid carbon dioxide (LCD) flexible slabstock foam projects provide an example.
- (b) Important details of genesis and evolution of projects, especially for those that have experienced long delays, are often left out with the result that lessons which could be learned from the experience get missing. For example, the descriptive assessments, generally do not discuss the consequences of the original choice of technology on later funding difficulties, adjustments needed and resulting delays.

- (c) In many PCRs, the relationship between the descriptive assessment on one side and the budget and expenditure figures as well as the project milestones on the other is not clear. However, the main purpose of the descriptive assessment is to clarify and elaborate on the data provided in quantitative sections of the PCR.
- (d) In some instances, there is a lack of uniformity in the presentation of the descriptive assessment within the same agency, giving the impression that the quality and level of detail of the information depended on the person responsible for preparing the PCR for the agency concerned, rather than a homogeneous quality level being maintained.

17. In order to improve the quality of information, the above-mentioned list of criteria used for the present review of the descriptive assessments should in future serve as a guideline for the implementing agencies, supplementing the respective explanations in the earlier guide for the preparation of PCRs for investment projects. With such a tool it will be easier to prepare the descriptive assessments more critically and more objectively without necessarily adding to the time required to prepare the PCRs. (See the list in Annex I).

(g) Lessons Learned

18. The review of the PCRs revealed that most of the reports offer useful lessons. However, although these lessons could be discerned from the information in various sections of the report, they are often not evident from the presentations under sub-section 3.10 of the PCRs (Lessons Learned for Future Action). The information on lessons learned provided below has been compiled from those described explicitly in sub-section 3.10 of the PCRs and to a large extent from conclusions that could be drawn from the information provided in the various sections.

19. The PCRs show successful conversions from ODS to substitutes. They also provide reasons as to why the converted enterprises are not likely to revert to ODS use. However, they do not seem to be in a position to give information on the long-term sustainability of completed projects which depends on a number of factors. These include the effectiveness of Governments to reduce or curtail the availability of ODS through the enforcement of import quotas or other control measures which were reported to be already in effect in some Article 5 countries and the effectiveness of enterprises to maintain their market shares with different products in a changing market. The time (6 months between project completion and submission of PCR) is not long enough to establish trends in production or market performance. Hence post-completion assessments of sustainability can only be tentative.

20. The intervention of the Multilateral Fund has renewed the life span of all industries that benefited from its support. Especially in the rigid foam, refrigeration and solvent sectors, industries have undergone significant modernization with the scrapping of old production lines for lines of international standards. The conversions to ODS substitutes have also resulted, in most cases, in significantly improved occupational safety and health conditions, reduction in waste, increased productivity and quality of products.

21. In spite of the application of the principle of incremental costs to all projects, the flexibility of its application, such as advanced payment of incremental operating costs and

provision of contingency funds, provided incentives for enterprises to make investments on their own to modernize their industries. A large number of industries invested in new equipment and sometimes expansion or relocation resulting in improved production conditions and output.

22. While the leading role and close participation of recipient enterprises in project design and implementation are required to facilitate ownership and sustainability, differences between agency experts and enterprises in the choice of equipment appear to have delayed project implementation in some cases. It is important for national authorities to be aware that equipment selection, which is guided by experts of the implementing agencies instead of equipment vendors, is intended to help recipient enterprises to avoid potential technical and financial problems.

23. Close cooperation between implementing agencies and recipient enterprises, active and robust support of National Ozone Units as well as local availability of equipment and materials are important ingredients for accelerating implementation of projects.

24. Comments provided in the PCRs by recipient enterprises have shown that the modality of using international agencies, with proven track record as field operators for the Fund, has lent considerable credibility to the process and earned the confidence of the recipient countries and enterprises. Beside this, the participation of these agencies has ensured better accountability, as evidenced by most of the PCRs.

25. Some projects were delayed considerably due to external economic factors beyond the control of recipient enterprises. The situation appeared to be worse when project implementation had started and equipment delivered could not be installed. Disruption in project implementation in such cases often had serious financial consequences. Since there is no recourse to additional support from the Multilateral Fund such situations led to interminable disputes between the enterprise and the equipment vendor to determine financial responsibility thus resulting in long delays.

26. In the foam sector, there is evidence that water-blown technology for some integral-skin foam applications which was considered doubtful and for which interim HCHC-141b technology was approved is now emerging as mature technology in Article 5 countries such as Brazil.

27. In the refrigeration sector, it was learned that in order to ensure successful conversion of refrigeration manufacturing activities, particularly of small scale manufacturing enterprises it is necessary to have concurrent conversion of service workshops.

28. Conversion projects for small-scale enterprises showed that in cases of retrofitting or replacement of equipment through local contracts significant delays could occur because:

- (a) Such approach could trigger sales taxes not covered under the Multilateral Fund;
- (b) The recipient might not have the capacity and know-how to manage contracts, invoicing, reporting procedures, etc.;
- (c) Many small companies do not have the financial ability to pre-finance purchases.

29. A solution in these cases is to use group purchases which help to reduce the administrative burden on the enterprises and assure lowest possible cost.

30. Unforeseen severe downturns in hitherto vibrant economies of countries like Argentina, Indonesia and other countries in South East Asia severely affected the speed of delivery of the projects in these countries. However, no measures had been foreseen, either at the level of the Fund or the agencies, to address such contingencies. Thus projects that were viable at time of approval suddenly lost their viability and approved funds became idle in the midst of the economic crises and eventually sometimes becoming inadequate as procurement of some items had to restart.

31. High turnover of personnel and lack of a dedicated project team at the enterprise level can slow down project implementation. Factors reported as most important for successful project implementation are:

- (a) The enterprise's management pays attention and gives priority to project implementation;
- (b) Special team created solely for the implementation of the project;
- (c) Good training from technology and equipment suppliers;
- (d) For projects which are implemented through Financial Agents, good training of enterprise staff by Financial Agents in issues such as procurement and disbursement procedures (World Bank);
- (e) Supervision from implementing agencies;
- (f) Timely technical assistance from the international experts of implementing agencies for projects implemented through international technical experts (UNDP, UNIDO).

32. The scale, duration and cost of site preparation required for implementing projects were sometimes underestimated (e.g. new machinery was larger than expected).

33. Implementing agencies were sometimes overly optimistic with their forecast of project duration for complex projects using new technologies which had only just become mature in industrialized countries, such as conversion of foam and refrigeration manufacturing plants to hydrocarbon technology, or conversion of foam plants to LCD technology.

34. Some comments from financial intermediaries engaged to implement projects pointed to the need:

- (a) To provide time in the project implementation milestones for the financial institutions to appraise the project;
- (b) To provide the approved cost table of projects at the start of project appraisal;

- (c) For technical experts who prepare projects to clearly inform beneficiary enterprises about required counterpart funding.

35. Since financial intermediaries were not responsible for project preparation, but implemented projects prepared by experts of the implementing agency and passed on to them for implementation, it would appear that the above-mentioned omissions on the part of the implementing agency or its experts negatively impacted the speed of implementation of some of the projects.

36. Counterpart funding seems to have been addressed through the use of contingencies and or incremental operating costs, where available. Where such cushions were unavailable or insufficient then, as pointed by a Financial Agent, unless the beneficiary enterprise had been made fully aware of its responsibility to provide additional funds and made clear commitments to this effect, project implementation could suffer delays or the integrity of the project could be compromised through the search for shortcuts to avoid the counterpart funding.

IV. Analysis of Non-investment Project Completion Reports

(a) Overview

37. The largest number of PCRs received for non-investment projects, and also those due are for technical assistance projects, implemented mainly by UNDP and UNEP. UNEP has continued to reduce the number of PCRs due and has almost eliminated the back log. For bilateral technical assistance there are still 16 PCRs due, as well as 8 PCRs for training projects, some of them for projects completed several years ago.

Table 10
Project Completion Report Received and Due for Non-Investment Projects
(for Projects Completed Until the end of 2003)

| Agency | Sector | See PCR(s) Received so far for Year Due | | | | | | | | PCR Due in ¹ : | | | | | | | | | |
|------------|-----------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------|----------|------|----------|----------|----------|----------|----------|-----------|-----------|
| | | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total | Before 1997 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
| UNDP | Demonstration | - | - | 5 | - | - | 7 | 1 | 13 | - | - | - | - | 1 | - | - | - | 1 | 2 |
| | Technical Assistance* | - | 6 | 38 | 18 | 7 | 5 | - | 74 | - | 2 | - | 2 | 4 | - | 6 | 6 | 15 | 35 |
| | Training | - | 18 | 6 | - | - | - | - | 24 | - | - | - | - | - | - | - | - | - | - |
| | Total | - | 24 | 49 | 18 | 7 | 12 | 1 | 111 | - | 2 | - | 2 | 5 | - | 6 | 6 | 16 | 37 |
| UNEP | Technical Assistance | 1 | 61 | 3 | 18 | 22 | 13 | 9 | 127 | - | - | - | - | - | 1 | - | 1 | 2 | 4 |
| | Training | 8 | 34 | 1 | 2 | 20 | 16 | 10 | 91 | - | - | - | - | - | - | 1 | 1 | 4 | 6 |
| | Total | 9 | 95 | 4 | 20 | 42 | 29 | 19 | 218 | - | - | - | - | - | 1 | 1 | 2 | 6 | 10 |
| UNIDO | Demonstration | - | - | - | 3 | 10 | 3 | 3 | 19 | - | - | - | - | - | - | - | - | - | - |
| | Technical Assistance- | - | 6 | 8 | - | 4 | 1 | 3 | 22 | - | - | - | - | - | - | - | - | - | - |
| | Training | - | 1 | 1 | - | 5 | 6 | 7 | 20 | - | - | - | - | - | - | - | - | - | - |
| | Total | - | 7 | 9 | 3 | 19 | 10 | 13 | 61 | - | - | - | - | - | - | - | - | - | - |
| World Bank | Demonstration | 1 | - | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - |
| | Technical Assistance | 4 | 5 | 6 | - | 1 | - | - | 16 | 1 | - | - | 1 | - | 1 | 1 | - | 1 | 5 |
| | Training | - | 3 | - | - | - | - | - | 3 | - | - | - | - | - | - | - | - | - | - |

| Agency | Sector | See PCR(s) Received so far for Year Due | | | | | | | | PCR Due in ¹ : | | | | | | | | | |
|--------------------|----------------------|---|------------|------------|-----------|-----------|-----------|-----------|------------|---------------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| | | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total | Before 1997 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
| | Total | 5 | 8 | 6 | - | 1 | - | - | 20 | 1 | - | - | 1 | - | 1 | 1 | - | 1 | 5 |
| Bilateral | Demonstration | 5 | 5 | 12 | - | 3 | 1 | 1 | 27 | - | - | - | 1 | 1 | - | - | - | - | 2 |
| | Technical Assistance | - | - | 13 | 1 | 1 | 9 | 11 | 35 | 4 | - | - | - | - | 1 | 3 | 1 | 7 | 16 |
| | Training | 1 | 3 | 19 | 1 | 9 | 6 | 3 | 42 | 4 | - | - | - | - | 1 | 1 | 1 | 1 | 8 |
| | Total | 6 | 8 | 44 | 2 | 13 | 16 | 15 | 104 | 8 | - | - | 1 | 1 | 2 | 4 | 2 | 8 | 26 |
| Grand Total | | 20 | 142 | 112 | 43 | 82 | 67 | 48 | 514 | 9 | 2 | - | 4 | 6 | 4 | 12 | 10 | 31 | 78 |

¹ 6 months after projects completion according to the 2003 Progress Reports.

38. According to Decision 29/4, country programmes, project preparation, as well as UNEP's recurrent activities including networking, do not require PCRs. According to the same decision, institutional strengthening projects are now jointly reported upon with the extension requests, and such reports are counted as PCRs. (See table 11).

Table 11
Overview of Institutional Strengthening

| Agency | Completed Projects up to December 2003* | PCR Received for Projects Completed up to December 2003* | Terminal Reports Received With Extension Requests |
|--------------|---|--|---|
| France | 1 | 1 | 0 |
| IBRD | 14 | 7 | 7 |
| UNDP | 61 | 1 | 60 |
| UNEP | 107 | 10 | 97 |
| UNIDO | 9 | 2 | 6 |
| USA | 1 | 0 | 1 |
| Total | 193 | 21 | 171 |

*Completed in the sense of a phase being completed.

39. The formats for terminal reports and extension requests for IS projects approved at the 32nd Meeting of the Executive Committee continue to be applied. The terminal reports albeit of variable completeness and quality, usually provide sufficient information on the results achieved during the previous implementation phase, and link these results to the tasks described in the action plans for the following year, as requested.

40. Total actual expenditures for all completed non-investment projects with PCRs were reported to be 95.3% of the planned expenditures which, as last year, indicates slight overall savings (see Table 12).

Table 12
Budgets, Phase-out and Delays Reported in PCRs for Non-Investment Projects

| Agency | Number of Projects | Approved Funds (US\$) | Actual Funds (US\$) | ODP To Be Phased Out (ODP Tonnes) | ODP Phased Out (ODP Tonnes) | Average Delays (Months) (last year) |
|--------------|--------------------|-----------------------|---------------------|-----------------------------------|-----------------------------|-------------------------------------|
| Bilateral | 17 | 928,090 | 858,066 | 12.5 | 11.5 | 21.24 (7.89) |
| UNDP | 1 | 418,382 | 365,983 | 28.2 | 28.9 | 51.73 (17.01) |
| UNEP | 16 | 875,735 | 852,248 | - | - | 27.07 (24.36) |
| UNIDO | 14 | 1,763,580 | 1,723,666 | 14.2 | 14.2 | 20.28 (10.00) |
| Total | 48 | 3,985,787 | 3,799,963 | 54.9 | 54.6 | 23.53 (17.54) |

41. The delays realized for project implementation continue to show a great deal of variance, and increased overall and for all agencies. Out of 48 non-investment projects, 2 were completed before the scheduled date, one project was completed on time and there were delays in 45 projects ranging from one month to 90 months. In 31 or 65% of the projects, delays of more than 12 months occurred. No particular patterns with regard to delays by type of project are observable. UNDP shows the largest and increasing average delay (52 months compared to 17 months last year). The average delay for non-investment projects is 23.53 months beyond the planned completion date, showing an increase compared to 2003 and 2002 when the respective average delays were 17.54 months and 16.75 months.

42. All non-investment PCRs did report an overall assessment. 16.7% of the projects were marked as highly satisfactory, 68.8% as satisfactory as planned and 8.3% as satisfactory though not as planned, more than last year when this figure was 1.5% (see Table 13). The validity of such assessments can only be verified during evaluations.

Table 13
Overall Assessment of Non-Investment Projects by Agencies

| Assessment | Bilateral | UNDP | UNEP | UNIDO | Total | % of Total ² |
|---|-----------|----------|-----------|-----------|-----------|-------------------------|
| Highly Satisfactory or Highly Satisfactory, more than planned | 4 | | | 4 | 8 | 16.7 (18.8) |
| Satisfactory or Satisfactory and as planned | 12 | 1 | 13 | 7 | 33 | 68.8 (56.5) |
| Satisfactory, though not as planned | 1 | | 3 | | 4 | 8.3 (1.5) |
| Not Applicable ⁽¹⁾ | | | | 3 | 3 | 6.2 (14.5) |
| Total | 17 | 1 | 16 | 14 | 48 | 100 (100) |

⁽¹⁾ For Methyl Bromide Demonstration Projects.

⁽²⁾ Figures in brackets from last year

(b) Quality of Information Received and Improvements Suggested

43. PCRs on non-investment projects were submitted by implementing agencies (mainly UNEP and UNIDO) and some bilateral agencies (Environment Canada, GTZ and the Ministry of Environment of Israel). The PCRs from the bilateral agencies, except the one from the Government of Israel, generally followed the older format while those of the implementing agencies followed the new format (PCR form NON 1.01). PCRs of the bilateral agencies provided often additional insights into the projects and their outcomes through detailed comments and/or summaries of the projects as annexes to the PCRs. The quality of 41 PCRs for

non-investment projects was analyzed in the context of the Desk Study on the Evaluation of Customs Officers Training and Licensing System Projects. This analysis is presented in Section IV and Annex Ia and b of Document 44/12 and is not repeated here.

44. The following suggestions are made to improve the quality and homogeneity of PCRs for non-investment projects:

- (a) All agencies should use the new format version NON 1.01 to ensure uniformity of presentation;
- (b) Planned and Additional Activities in Table 2.1 should show items which were originally planned and those which were introduced in the course of implementation of the project to demonstrate the flexibility in implementation which is essential for non-investment projects.
- (c) Information provided under “Planned and Additional Impacts” in Table 2.2 mostly consists of an additional set of activities, while it should rather address the expected impact of the activities.
- (d) The “Comment” column in Table 2.1 and 2.2 should be reserved for clarifications/elaboration of the assessment to enable appreciation of why a given activity is assessed for example as “highly satisfactory” or “satisfactory as planned”. Other comments would be better placed in Section 5.2 “Highlights, Lessons Learnt and Problems”;

(c) Lessons Learned

45. Active collaboration between the National Ozone Unit and the implementing agency as well as the local participating institutions is a necessary ingredient for success.

46. Scheduled completion dates were often missed. This was attributed in part to underestimation of project duration, especially in situations where activities were held in languages other than English and documents had to be translated. Such factors should be carefully considered when designing non-investment projects, especially those involving surveys.

47. As demonstrated by the bilateral methyl bromide project of the Ministry of Environment of Israel, workshops, involving multinational participation, require long lead time for preparation and contacts in order to ensure wider participation. As in this case, about two months of preparation did not prove adequate to secure participation of representatives of three of the nine countries invited to attend. Since appropriate timing can be critical to the success of some workshops and training activities, this aspect of planning should be given due cognisance when designing such activities.

48. In countries where training of seminars for refrigeration technicians and customs officers have been successfully completed, data provided show, in some cases, substantial reduction in CFC consumption fully attributed to these activities. While this may be so for low volume ODS

consuming countries without any investment projects, this may not be the case in countries with investment projects.

49. Implementing non-investment activities on a regional basis can have serious drawbacks, such as costly, time consuming and difficult coordination among several countries with different levels of motivation and expectations. Implementation of related national activities tied to regional inputs could be delayed for the faster moving countries. Thus, the planning of regional non-investment projects should include careful consideration of potential risks for such delays.

50. In several recipient countries, where there were hitherto no trade or professional associations of refrigeration technicians or workshop owners, the training and other activities connected to the RMP have led to the formation of such associations, sometimes with active encouragement of government authorities. The already existing and newly established associations have become the vehicles for implementation of recovery and recycling and associated RMP activities.

V. Schedule for Submission of PCRs in 2005{ XE "Schedule for Submission of PCRs in 2002" }

51. The Implementing Agencies submitted, as in previous years, schedules for submission of PCRs due. Table 14 shows PCRs due for projects completed as of 31 December 2003 and takes into account the number of outstanding PCRs as of 13 October 2004. The Implementing Agencies will, in addition to the above schedule, submit PCRs in 2005 for projects completed through 2004 (up to June 30).

Table 14
Schedule for Submission of Outstanding PCRs in 2005
(For Projects Completed until 31 December 2003)

| UNDP | Schedule | Sector | Investment PCRs | Non-Investment PCRs |
|---|---|--|-----------------|---------------------|
| | 31 March 2005 | | 30 | 5 |
| | 30 June 2005 | | 30 | 5 |
| | 30 Sept. 2005 | | 30 | 5 |
| | 31 Dec. 2005 | | 30 | 5 |
| | Total | | 120 | 20 |
| Total PCRs Due as of 13 October 2004 | | | 130 | 37 |
| UNEP | Schedule | Sector | Investment PCRs | Non-Investment PCRs |
| | October 2001 | Training | | 1-2 |
| | March 2005 | Training (6), Technical Assistance (2) | | 6 TRA, 2 TAS |
| | Total | | N/A | 10 |
| Total PCRs Due as of 13 October 2004 | | | N/A | 10 |
| UNIDO | Schedule | Sector | Investment PCRs | Non-Investment PCRs |
| | December 2004 | Refrigeration (7) | 7 | |
| | January 2005 | Foam (1) | 1 | |
| | July 2005 | Refrigeration (2), Foam (1) | 3 | |
| | Total | | 11 | N/A |
| Total PCRs Due as of 13 October 2004 | | | 11 | 0 |
| IBRD* | Schedule | Sector | Investment PCRs | Non-Investment PCRs |
| | March | Refrigeration (3) | 3 | -- |
| | July | Foam (3) Refrigeration (2) | 5 | -- |
| | September | Foam (4) Refrigeration (4) | 8 | -- |
| | October | Refrigeration (3) Foam (3) | 6 | -- |
| | November | Aerosol (2) Refrigeration (6) Foam (1) | 9 | -- |
| | December | Refrigeration (3) Foam (2) Solvent (2) Fumigation (1) Halon (1) Process Agent (1) | 10 | -- |
| | Total | | 41 | -- |
| | Total PCRs Due as of 13 October 2004 | | | 70 |

*Table shows expected PCRs for projects completed up through December 2003 with outstanding PCRs (75 total) and takes care of the number of outstanding PCRs as of October 2004 *minus* PCRs that will be submitted by December 31, 2004 (expected 34). The Bank will, in addition to the above schedule, be submitting PCRs in CY2005 for projects completed through 2004 and up to June 30, 2005.

VI. Improve Consistency of Data Reported in PCRs and in Annual Progress Reports

52. Decision 41/6 (b) requested the World Bank, in cooperation with the Secretariat, to establish full consistency of data reported in the project completion reports, in the inventory and the annual progress reports by the end of January 2004. Decision 41/6 (c) requested UNDP and the World Bank to provide the information still missing in a number of PCRs by the end of January 2004. The Secretariat provided detailed information on data completeness and inconsistencies of PCRs received with the Inventory and the Progress Reports of all implementing agencies. In subsequent communications, all data inconsistencies with Germany, UNEP and the World Bank could be solved while some data inconsistencies with UNDP and UNIDO still have to be sorted out. (See Table 15 below).

Table 15
SUMMARY OF PCRs RECEIVED IN 2003 WITH DATA PROBLEMS
(As of October 8, 2004)

| | Germany | | UNDP | | UNEP | | UNIDO | | World Bank | | Total | |
|-------------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|
| | Problems with PCRs | Problems with PCRs Solved | Problems with PCRs | Problems with PCRs Solved | Problems with PCRs | Problems with PCRs Solved | Problems with PCRs | Problems with PCRs Solved | Problems with PCRs | Problems with PCRs Solved | Problems with PCRs | Problems with PCRs Solved |
| Incomplete Information | | | 63 | 0 | | | 23 | 18 | | | 86 | 18 |
| Solved as % of Total | | | | 0% | | | | 78% | | | | 21% |
| Data Inconsistencies | | | | | | | | | | | | |
| Date Approved | | | 4 | 0 | | | 1 | 1 | | | 5 | 1 |
| Planned Date of Completion | 4 | 4 | 2 | 0 | 1 | 1 | 6 | 5 | 3 | 3 | 16 | 13 |
| Date Completed | 5 | 5 | 11 | 0 | 11 | 11 | 2 | 1 | 7 | 7 | 36 | 24 |
| Funds Approved | | | 5 | 0 | | | 1 | 1 | 4 | 4 | 10 | 5 |
| Funds Disbursed | 5 | 5 | 8 | 0 | | | 1 | 1 | 4 | 4 | 18 | 10 |
| ODP To Be Phased Out | | | 8 | 0 | 1 | 1 | | | 2 | 2 | 11 | 3 |
| ODP Phased Out | | | 17 | 0 | 1 | 1 | 3 | 3 | 2 | 2 | 23 | 6 |
| Total | 14 | 14 | 55 | 0 | 14 | 14 | 14 | 12 | 22 | 22 | 119 | 62 |
| Solved as % of Total | | 100% | | 0% | | 100% | | 86% | | 100% | | 52% |

53. During the reporting period, the Fund Secretariat has identified another 86 PCRs received with incomplete information and 121 PCRs with data inconsistencies (See Table 16). Regarding PCRs with incomplete information, the same number of PCRs has been identified as last year. However, the number of PCRs with data inconsistencies increased (121 PCRs compared to 119 PCRs last year), mainly due to errors for "Revised Planned Date of Completion" which was often missing or different from the Progress Report.

Table 16
SUMMARY OF PCRs RECEIVED IN 2004 WITH DATA PROBLEMS

| | Canada | Germany | Japan | UNDP | UNEP | UNIDO | World Bank | Total |
|------------------------------------|----------|----------|----------|-----------|----------|-----------|------------|------------|
| Incomplete Information | | 2 | 1 | 46 | | 28 | 9 | 86 |
| Data Inconsistencies | | | | | | | | |
| Planned Date of Completion | 1 | 1 | | | | 1 | 3 | 6 |
| Revised Planned Date of Completion | 1 | 3 | 1 | 15 | 4 | 2 | 24 | 50 |
| Date Completed | 1 | 3 | | 11 | 1 | | 9 | 25 |
| Funds Approved | | | | 2 | | 3 | 6 | 11 |
| Funds Disbursed | 2 | | | 9 | | | 6 | 17 |
| ODP To Be Phased Out | | | | 2 | | 2 | | 4 |
| ODP Phased Out | | | | 1 | | 4 | 3 | 8 |
| Total | 5 | 7 | 1 | 40 | 5 | 12 | 51 | 121 |

54. In order to improve consistency of data and facilitate the preparation of PCRs, they can since July 2004 be filled in starting from the Intranet of the Secretariat. When indicating the project number or title the first page of the PCR forms will be automatically filled in with data from the Secretariat's project inventory database, including actual data and remarks from the last progress reports. It can be used as a starting point for the PCRs for Investment, Non-Investment, Recovery and Recycling and Methyl Bromide Demonstration projects.

VII. Recommendations{ XE "Recommendations" }

55. The Executive Committee might consider to:

- (a) Take note of the 2004 Consolidated Project Completion Report including the schedule for submission of Project Completion Reports (PCRs) due;
- (b) Request Implementing and Bilateral Agencies concerned:
 - (i) to establish by the end of January 2005, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports;
 - (ii) to provide, by the end of January 2005, the information still missing in a number of PCRs;
 - (iii) clear the backlog of PCRs for projects completed before the end of 2000 until the end of January 2005.
- (c) Urge UNDP and the World Bank to make all necessary efforts to deliver the PCRs still scheduled to be provided in 2004.

Criteria Used for the Review of Descriptive Assessments and Lessons Learnt provided in Section 3 of Project Completion Reports for Investment Projects

a) General Observations

1. The descriptive assessment of project performance should provide insight into the implementation of the project, “ensuring that each assessment contained useful information specific to the project that was the subject of the report”. (Decision 41/6 (d).
2. The information provided must be consistent with and offer explanation or clarifications for the data presented in the quantitative sections, particularly the “Budget and Expenditures” tables (Section 5) and Implementation Efficiency table (Section 6).
3. The descriptive assessment of project performance should be realistic as evidenced by:
 - (a) The extent to which significant changes in the expenditures and/or project milestones have been explained (e.g. counterpart funding that did not materialize during project implementation, delays shown by milestones).
 - (b) The extent to which technical issues that have been clarified by Executive Committee decisions for the sector or sub-sector (e.g. foam density) have been addressed.
4. The descriptive assessment of project performance should provide information generally consistent with past progress reports.
5. Each completed project potentially has a lesson that could benefit other projects. The descriptive assessment of project performance should provide possible lessons to be learned based on and consistent with the information provided in the various sections and sub-sections of the PCR.

b) Specific Criteria

3.1 Comment on ODS phase out approved and achieved; explain differences, report on remaining consumption of ODS, assess the risk of the beneficiary returning to the use of ODS and describe the provisions made to prevent such reversion:

1. ODS phase-out approved and actual phase-out achieved are indicated in quantitative terms and differences, if any, are explained.
2. The amount of remaining consumption is stated together with an estimated time frame for complete phase-out. It is also stated whether there is any additional cost involved in the final phase-out and why.
3. Potential causes for reversion to ODS technology are described.

4. Measures instituted against reversion to ODS use are described with indications of who is responsible for such actions.
5. Information provided confirms that commitments for taking the measures described in 3.1.4 above have been made by responsible actors during the project's implementation.
6. Sustainability of the conversion is confirmed or is explicit from statements made.

3.2 Comment on quality of project design, suitability of conversion technology and type of equipment chosen; explain reasons if conversion technology was changed after approval (in cases other than approved by the Executive Committee):

1. Brief background information on project concept, reason for technology selection and brief implementation history.
2. Description indicates achievement of objectives of the project as originally designed as an indicator of quality of project design:
 - (a) Adequacy of funding proposed
 - (b) ODS Phase-out achieved
 - (c) Equipment and process objectives, e.g. no changes made to prescribed equipment (type, capacity, etc.) and substitute chemicals
 - (d) Project milestones which caused delays as indicated in Section 6. If project could not be implemented due to inadequate funds, necessary background information should be provided.
3. Implementation delays are acknowledged, indicating factors (foreseen and unforeseen).
4. Same for cost overruns and unforeseen counterpart costs.

3.3 Assess the capacity of the beneficiary company to fully use and maintain the equipment received and the quality of products after conversion in comparison to the baseline production:

1. The nature, extent and/or level and quality of training and competency received are described for each group of personnel concerned.
2. The nature and quality of after-sales service provided for equipment installed and material supplied is explained.
3. The quality of products before and after conversion is described also in quantitative terms, where feasible (e.g. foam density, thickness, etc.).

4. Sources, availability and level of reliability of material supply are indicated.
5. Increase or decrease in productivity where this is likely to occur is described.

3.4 Describe main post-conversion safety, health and environmental risks (in comparison to baseline conditions) and measures taken to cope with such risks; attach copies of appropriate certificates:

1. Safety, Health and Environmental (SHE) risks of the project have been described based on verifiable information.
2. Mitigating measures are described and have verifiably sound technical basis.
3. Reality or credibility of the description of required future actions (e.g. phase-out of transitional substances) is evidenced by provision of specific time frame.
4. Institutions involved in assisting/facilitating mitigating actions are identified.

3.5 Report on implementation of Executive Committee approval conditions (in cases of approval with specified conditions):

(Information is relevant only in specific instances. Not included in the analysis.)

3.6 Comments on differences between approved and actual figures for capital, operational and contingency costs and actions taken to cope with cost overruns:

1. Approved and actual costs of the project are accurately presented both on the cover page and in relevant tables of the PCR. For instance, incremental operating savings, amounts for eligible items beyond the cost-effectiveness threshold, costs reductions arising out of technology upgrade, etc. have been reflected in the project costs and associated counterpart funding from the enterprise is clearly displayed in the cost structure.
2. Description/explanation of project expenditures is transparent and consistent with date provided in Section 5.
3. Incremental operating costs and savings are clearly identified. Where IOC is used to meet costs of eligible capital items, it is stated for which item.
4. The use of contingency funding and its purpose is described.
5. The impact of incremental operating savings and cost effectiveness threshold on the volume of project funding is clearly shown in the project budget. Description of counterpart funds provided by the enterprise as a result is transparent from the budget.

3.7 Report on reasons for changes in counterpart funding for eligible incremental costs:

1. Use of counterpart funding is indicated or described consistent with the approved project costs. The amount of counterpart funds contributed by the enterprise as a result of project cost reductions (due to cost-effectiveness threshold, incremental operating savings, age of equipment, etc.) is stated.
2. The levels and purpose of unforeseen but required counterpart funds are described in a transparent manner, same with unforeseen savings.
3. The impact of changing requirements for counterpart funds on the implementation of the project is described in a transparent manner, with explanation on why the counterpart funds required could not be correctly identified during project preparation.

3.8 Describe and categorize any major (technical, financial, process or other) problems encountered in project implementation, causes of delay and actions taken to overcome them:

1. Where delays have been encountered in any of the milestones in Section 6, such delays are entered/described in the table in section 3.8.
2. In addition to information on delays in the table in section 3.8, problems of technical, financial, process or other nature that could be surmised from information provided in section 6 (Implementation Efficiency) and/or section 5 (Budget and Expenditures) are described in a transparent manner together with actions taken to overcome them, e.g. extended commissioning and trial periods, extended period of equipment delivery, etc.

3.9 Provide an overall assessment of the fate of the baseline equipment (refer to Section 7):

1. Equipment destruction is described in a manner that leaves no doubts about the actual fate of the replaced equipment.
2. The purpose for which any replaced equipment has been retained is explained giving (credible) technical reasons for retention, especially in the case where such retention was determined only during project implementation.
3. The need for retaining replaced baseline equipment is clearly described so as to enable determination of whether such need was identified in the project document or not.

3.10 Lessons learned for future action.

1. Lessons learned are described in an unambiguous manner and in a manner that lends itself to (future) action, if necessary.

2. Lessons learned are derived from experiences, significant events or problems that occurred or were encountered during project preparation and implementation, focusing on main reasons delaying or enhancing project implementation, or affecting the project implementation in a way that could either be emulated or avoided in the implementation of other projects.
3. Projects with the following features should receive particular attention with regard to identifying potential lessons learnt:
 - (a) Projects which experienced a long overall delay (over 12 months).
 - (b) Projects where one or several implementation milestones (implementation efficiency) could not be met.
 - (c) Projects completed in an expeditious manner, e.g. one year before the approved completion date. Factors that facilitated speedy completion should be indicated, unless this was due to over-estimating the project duration required.
 - (d) Projects rated by the agency with a “highly satisfactory” overall rating. It is necessary to draw attention to key areas of project implementation that made the implementation of the project “highly satisfactory” to provide lessons for similar projects.
 - (e) Projects rated by the agency with a “less satisfactory” overall rating. It is also necessary to draw attention to key areas of project implementation that made the implementation of the project “less satisfactory” to provide lessons for similar projects.
 - (f) Projects for which the dates of completion were revised, whether reported to the Executive Committee and agreed or not.
 - (g) Projects with significant cost over-runs of one or more cost components, e.g. for trials, site preparation, etc.
 - (h) Projects where during implementation the approved substitutes, equipment or some aspects of baseline product or process characteristics were changed, especially if they resulted in project cost changes which were met within the approved budget or through additional counterpart funding.
 - (i) Projects with high calculated counterpart funding, e.g. arising from incremental operational savings, cost effectiveness threshold limitations, etc., especially in situations where the counterpart contribution was minimized or the enterprise did not have to make any counterpart contribution after all during project implementation.
 - (j) Projects which reported unforeseen counterpart funding during their implementation.