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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-eighth Meeting  
Montreal, 6-10 July 2009

**CONSOLIDATED PROGRESS REPORT AS AT 31 DECEMBER 2008**

1. This consolidated progress report summarises progress and financial information provided by the implementing and bilateral agencies<sup>1</sup> in both narrative and database formats. The Secretariat combined the databases from all of the agencies to produce this report, which consists of three parts and two annexes. Part I is a summary of implementation progress at the country level, Part II is a summary of progress on implementation of activities to the end of 2008, and Part III contains comments and recommendations made by the Fund Secretariat. Annex I contains project implementation data, by country, and Annex II is an analysis of data from the progress reports.

## **PART I: SUMMARY OF IMPLEMENTATION PROGRESS AT THE COUNTRY LEVEL**

2. This section is a summary of the progress in implementation at the country level and for multi-year agreements (MYAs).

### **Summary of progress during 2008 at the country level**

3. The Secretariat reviewed the status of implementation on a country-by-country basis taking into account implementation delays that have occurred with respect to planned completion dates that had been reported in 2007, the potential impact of these delays on phase-out, the rate of planned disbursements, and the rate of completion in light of ODS consumption data reported by Article 5 countries. The reference to “net ODS emissions due to delays” is based on the application of the average monthly amount of ODS to be phased out for the project, multiplied by the number of months of delay.

4. Based on revised planned completion dates submitted by bilateral and implementing agencies as per decision 53/38 or planned completion dates reported in the 2007 progress reports, and the results reported in the 2008 progress reports, the agencies completed 69 per cent of the projects they had planned to complete in 2008 and achieved 94 per cent of the phase-out planned.

### **Multi-year agreements**

5. Within the context of achieving compliance with one or more of the Montreal Protocol’s control measures, the Executive Committee has approved 155 MYAs. An MYA addresses the fulfilment of the Montreal Protocol’s requirements by a country with respect to one or more of the groups of controlled substances.

6. Table 1 contains the 16 production sector phase-out plans approved by the Executive Committee.

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<sup>1</sup> Progress report data from Israel and Portugal were not available for inclusion in this report. Data from their progress reports for 2007 was included, along with approval information for projects approved in 2008.

Table 1

**PRODUCTION SECTOR MULTI-YEAR PHASE-OUT AGREEMENTS**

<b>Agreement (total agreements)</b>	<b>Party</b>
CFC production phase-out agreements (5)	Argentina, China, India, Mexico, Bolivarian Republic of Venezuela
Halon production phase-out plans (1)	China
ODS production (2)	Democratic People's Republic of Korea, Romania
Methyl bromide production (1)	China
TCA production (1)	China
CTC phase-out plan sector agreement (consumption or production) (3)	China (2), India
Accelerated phase-out plans (3)	Argentina, China, India

7. Table 2 sets out the 139 consumption sector phase-out plans approved by the Executive Committee.

Table 2

**CONSUMPTION SECTOR MULTI-YEAR PHASE-OUT AGREEMENTS**

<b>Sector (total agreements)</b>	<b>Party</b>
National ODS or CFC phase-out plans (113)	Afghanistan, Albania, Algeria, Antigua and Barbuda, Argentina, Bahamas, Bahrain, Bangladesh, Belize, Benin, Bolivia, Bosnia and Herzegovina, Brazil, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Colombia, Comoros, Congo, Costa Rica, Cote d'Ivoire, Croatia, Cuba, Democratic People's Republic of Korea (2), Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Honduras, India, Indonesia, Islamic Republic of Iran, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, the Former Yugoslav Republic of Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritius, Mauritania, Mexico, Republic of Moldova, Mongolia, Montenegro, Mozambique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Romania, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Serbia, Seychelles, Sudan, Suriname, Swaziland, Syrian Arab Republic, United Republic of Tanzania, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Uruguay, Bolivarian Republic of Venezuela, Vietnam, Yemen, Zambia, Zimbabwe
Foam (1)	China
Halon (1)	China (consumption portion of China's halon sector plan)
Methyl bromide (16)	Argentina, China, Costa Rica, Honduras, Kenya, Lebanon, Libyan Arab Jamahiriya, Malawi, Mexico, Morocco, Syrian Arab Republic, Thailand, Turkey, Vietnam, Yemen, Zimbabwe
Solvent (2)	China, Nigeria
RMP (2)	Algeria, Pakistan
Refrigeration servicing (1)	China
Refrigeration domestic (2)	China, Democratic People's Republic of Korea
Tobacco (1)	China

8. Progress reporting on MYAs is provided by the implementing agencies in their requests for funding of annual work programmes. The Executive Committee has cancelled one MYA, which was for

the phase-out of all remaining uses of methyl bromide in soil applications in Chile. The cancellation was at the request of the Government of Chile.

9. Table 3 presents the number of ongoing MYAs and individual projects.

Table 3

**NUMBER OF ONGOING TRANCHES OF MULTI-YEAR AGREEMENTS AND INDIVIDUAL PROJECTS**

	<b>UNDP</b>	<b>UNEP</b>	<b>UNIDO</b>	<b>World Bank</b>	<b>Bilateral</b>	<b>Total</b>
Multi-Year Projects	75	70	67	41	49	302
Individual Projects (investment/training/technical assistance/ demonstration projects)	51	57	31	14	50	203
<b>Total</b>	<b>126</b>	<b>127</b>	<b>98</b>	<b>55</b>	<b>99</b>	<b>505</b>

10. Each MYA contains more than one annual tranche of funding. The total number of ongoing tranches of MYAs is 302 (including multiple tranches for some projects) which represents 36 more tranches under implementation than at the end of 2007 when 266 were under implementation. The largest number of annual tranche of MYAs is being implemented by UNDP (75) followed UNEP (70), UNIDO (67), bilateral agencies (Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland and USA) (49), and the World Bank (41).

11. The total number of individual investment/training/technical assistance/demonstration projects has been reduced from 278 to 203. UNEP is implementing the highest number of individual projects (57) followed by UNDP (51), bilateral agencies (50) and UNIDO (31). The World Bank is only implementing 14 individual projects.

**PART II: SUMMARY OF PROGRESS UP TO AND INCLUDING 2008**

12. Annex II provides a detailed analysis of the data contained in the progress reports. What follows is a summary of progress in the implementation of projects and activities supported by the Multilateral Fund, up to 31 December 2008:

- (a) **Phase-out:** 415,083 ODP tonnes had been phased out at the end of 2008, of an expected total of 477,983 ODP tonnes from projects approved up to the end of 2008 (excluding cancelled and transferred projects). In 2008 alone, 9,687 ODP tonnes (including production) were phased out and 28,082 ODP tonnes were approved for phase-out.
- (b) **Disbursements/Approvals:** US \$1.88 billion had been disbursed out of the total US \$2.142 billion approved for disbursement up to the end of 2008 (excluding agency fees). This represents a rate of disbursement of 88 per cent. In 2008, US \$147.2 million were disbursed and a further US \$125.30 million were approved.
- (c) **Cost-effectiveness:** The average cost-effectiveness of investment projects was US \$3.96/kg for completed projects and US \$4.59/kg for ongoing projects.
- (d) **Number of projects completed:** 4,950 projects of the 5,780 projects (excluding closed or transferred projects) financed by the Fund were completed by the end of 2008. This represents a completion rate of 86 per cent.

- (e) **Speed of delivery—investment projects:** On average, investment projects have been completed 34 months after their approval by the Executive Committee. First disbursements under these projects were made, on average, 15 months after they had been approved. On an agency basis, first disbursement for completed projects has taken place 13 months after approval for UNDP, nine months for UNIDO and 25 months for the World Bank.
- (f) **Speed of delivery—non-investment projects:** On average, non-investment projects have been completed 34 months after their approval by the Executive Committee. First disbursements under these projects were made, on average, 10 months after they had been approved. On an agency basis, first disbursement for completed non-investment projects took place 12 months after approval for UNDP, nine months for UNEP, 11 months for UNIDO and 14 months for the World Bank.
- (g) **Project preparation:** Of the 1,312 project preparation activities approved by the end of 2008, 1,133 have been completed. Implementing agencies carried over balances of US \$16,928,968 from 2008 (including approximately US \$544,722 for completed project preparation), which are available for new project preparation activities.
- (h) **Implementation delays:** Ongoing investment projects are experiencing an average delay of 17 months. A list of 38 projects with implementation delays is annexed to this report, and a report on these delays will be submitted to the 59<sup>th</sup> Meeting.

### **PART III: COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT**

#### **COMMENTS**

13. In this document the Secretariat's comments address common issues that have been identified during the review of the agencies' progress reports. Most of the issues are addressed in detail in the individual business plans.

14. The Secretariat's comments on the individual progress reports highlight the slow disbursement and implementation in MYAs where the necessary project documents have not been signed and where approvals for memorandum of understanding (MOUs) or grant agreements had not been obtained. Slow progress has led to delays in planned completion as well as possible changes in MYAs. With respect to individual projects, comments in the progress reports make note of those with implementation delays, slow implementation of institutional strengthening, refrigeration management plan (RMPs), chiller, halon banking, and methyl bromide projects, as well as delays in project preparation for HCFC phase-out management plan (HPMPs). There are also issues raised with respect to financial matters including possible project overruns, use of project preparation to support national ozone unit (NOU) coordination, advances accounted for as disbursements and offsetting funds for the loss of unaccounted funds. There are also administrative issues with respect to the ability to transfer funds to a country, lack of responses to questions from the Secretariat, and data inconsistencies. The Executive Committee normally requests additional status reports for these projects on an individual agency basis.

15. The following four issues are highlighted in this document: slow implementation or disbursement for projects required for the 2010 phase-out and institutional strengthening, chiller projects, HPMP preparation and data inconsistencies.

### **Slow implementation or disbursement for projects required for 2010 phase-out and institutional strengthening**

16. The comments on the progress reports identified several cases where there had been slow implementation or disbursements for projects related to CFC, CTC or halon phase-out, with planned completion dates by 1 January 2010 and with institutional strengthening projects. Implementing agencies were asked if slow disbursement or implementation would have an impact on the relevant country's ability to comply with the phase-out. In almost all cases, the agencies indicated that these delays would not have a negative impact on compliance. The reasons most often given for this were that the country concerned had an operational licensing system that should ensure compliance and the country had already phased out consumption and had not received any imports for over a year.

17. In a few cases, a risk of compliance was noted. In those projects, reasons for delay and potential risks to compliance related to the lack of an ozone officer or the non-approval of required project documents or reports by the agency. These specific cases have been addressed in the agency's progress reports along with recommendations for decisions by the Executive Committee.

### **Chiller projects**

18. At its 47<sup>th</sup> Meeting, the Executive Committee approved several chiller projects with the provision that financial resources outside of the Multilateral Fund be obtained due to the energy savings associated with the projects, and given the fact that most countries had already received full funding agreements for CFC phase-out (decision 46/33). Although there has been substantial work on the part of the implementing agencies in developing innovative approaches, several of the chiller projects have either not begun or remain in the early stages of implementation.

19. Several of these projects are delayed pending the procurement of the necessary co-funding. The resources from the Multilateral Fund were released to the agencies at the end of 2005, following their approval in November 2005. Nevertheless, three years later, most disbursements were still awaiting initiation of the projects. The individual progress reports of UNIDO and the World Bank also pointed to revolving funds that have been established with grant funds approved in Venezuela and Turkey, respectively.

### **HPMP preparation**

20. The Secretariat noticed that almost all of the HPMP preparation activities had planned completion dates that were later than those originally planned. The Secretariat attempted to assess the overall status of HPMP development bearing in mind that the implementation of most projects takes years and the HPMP freeze begins in 2013, which underscores the importance of submitting HPMPs in 2010, at the latest. The Secretariat categorized the status of HPMP preparation for all of the activities of the implementing agencies to provide the Executive Committee with an idea of their overall status in terms of plan preparation. The following table presents the results of the Secretariat's assessment from the initial stages when activities had not been initiated to later stages of consultants hired, surveys underway and initial meetings held:

Table 4

**STATUS OF HPMP PREPARATION**

Status of HPMP Preparation	Germany	UNDP	UNEP	UNIDO	World Bank	Total Number of HPMP Preparation Approved
Activities not initiated					3	3
Preliminary discussions	1		11	1	1	14
Before recruitment		20	4	4		28
MOU awaiting signature			2			2
Recruitment of consultants in process		10		2		12
Consultant hired	2	1	13	7	2	25
Initial meeting planned	1	7	5	6		19
Survey process underway		1	20	12		33
Initial meeting held	3		1	6		10
<b>Total</b>	<b>7</b>	<b>39</b>	<b>56</b>	<b>38</b>	<b>6</b>	<b>146</b>

21. Although it should be expected that the HPMP preparation as at the end of 2008 would be at an early stage, many had planned completion dates of around one year. The agencies have all indicated delays and some have advised that the delays were mostly related to the fact that HPMP preparation will take longer than they had originally expected. Many of the delayed HPMP preparation activities are now expected to be completed by December 2010. Thus far, no HPMP preparation activities have planned completion dates later than 2010.

22. The HPMP guidelines state that “consideration should be given to providing funding for assistance to include HCFC control measures in legislation, regulations and licensing systems as part of the funding of HPMP preparation as necessary and confirmation of the implementation of the same should be required as a prerequisite for funding implementation of HPMPs” (decision 54/39(c)). The Secretariat inquired as to the extent to which the preparations were addressing regulations and legislation. In several cases, information was not provided on the extent to which legislation and regulatory actions were being undertaken. Changes to accommodate the accelerated phase-out of HCFC are viewed as a key tool for ensuring compliance.

23. HPMP guidelines also encourage countries and implementing agencies to explore potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs (decision 54/39(h)). The Secretariat also enquired about the extent to which HPMPs under development would contain co-funding proposals. In general, agencies indicated that the extent to which co-funding would be needed has not been determined by the Executive Committee and therefore it was not possible to assess what to include in HPMPs. UNDP indicated that it was planning to find opportunities for mainstreaming HPMPs with other larger projects. The World Bank advised that it planned to include co-funding with some of its sector approaches.

24. The Executive Committee may wish to note with concern that HPMP preparation activities are expected to take longer than originally planned in general and urge implementing agencies to complete HPMP development, taking into account in particular decision 54/39(c and h).

### **Data Inconsistencies**

25. It is very important that the annual progress reports that are submitted by the agencies are consistent with the financial accounts of the Multilateral Fund. When questions are not answered, or agencies do not follow the standard format that has been established by the Secretariat, there is a risk of data inconsistencies in the overall reporting. Prior to May each year, the Secretariat provides a template for progress reports and a verification programme. The verification programme contains standard questions that point to inconsistencies with the data. Although the Secretariat provides the verification programme, the implementing agencies either do not use it or do not accept the results. The Secretariat runs the verification programme upon receipt of the first draft of the progress report database and asks the agencies for corrections. In general, the agencies make the corrections, but in some cases they do not. When the corrections are not made, there are data inconsistencies. This process takes a considerable amount of time that could be spent on analysis instead of data corrections that would be avoidable if the verification programme was used. The Executive Committee might wish to urge the implementing agencies to follow the operational guidelines for progress reporting and use the Secretariat's verification programme to avoid data inconsistencies.

### **RECOMMENDATIONS**

26. The Executive Committee may wish to:

- (a) Note:
  - (i) The Consolidated Progress Report of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/58/10;
  - (ii) With concern that HPMP preparation activities are expected to take longer than originally planned in general and urge implementing agencies to complete HPMP development, taking into account in particular decision 54/39(c and h);
- (b) Urge implementing agencies to follow the operational guidelines for progress reporting and use the Secretariat's verification programme to avoid data inconsistencies.

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## Annex I

## PROJECT IMPLEMENTATION BY COUNTRY

COUNTRY	Phased Out in 2008	Percentage of Planned Phase-out Achieved in 2008	Estimated Funds to be Disbursed in 2008 (US\$)	2008 Funds Disbursed	Percentage of Funds Disbursed over Estimation in 2008	Percentage of Planned Projects Completed in 2008	Changes in A7 or CP Data (2008Vs2007)
Afghanistan	180	100%	292,441	368,773	126%	100%	-13.3
Albania	32	81%	404,203	368,127	91%	100%	-2.5
Algeria	56	100%	358,602	280,796	78%	67%	-50.3
Angola	98	100%	411,400	365,980	89%	0%	-5.9
Antigua and Barbuda	3	100%	50,524	0	0%		-0.6
Argentina	50	98%	4,121,632	5,041,821	122%	100%	281.1
Armenia	0		30,000	0	0%	0%	-11.0
Bahamas	25	101%	213,032	228,166	107%		-1.9
Bahrain	37	99%	377,603	47,989	13%		-17.7
Bangladesh	3	100%	825,249	145,807	18%	100%	-24.8
Barbados	0	100%	129,869	37,456	29%		-5.7
Belize	-1	103%	234,727	211,747	90%	100%	-2.1
Benin	24	94%	58,499	33,380	57%		-6.3
Bhutan	0	0%	134,892	132,596	98%		0.0
Bolivia	53	101%	198,275	163,953	83%		-29.8
Bosnia and Herzegovina	0	100%	177,001	76,928	43%	0%	-11.4
Botswana	6	100%	194,732	86,071	44%	0%	3.2
Brazil	681	97%	4,463,393	4,943,917	111%	100%	-159.5
Brunei Darussalam	0	100%	195,242	21,991	11%		-18.2
Burkina Faso	0	93%	125,380	184,598	147%		3.0
Burundi	0	100%	96,040	35,000	36%		0.0
Cambodia	2	100%	348,611	465,598	134%		-10.6
Cameroon	14	98%	354,264	429,645	121%		-5.2
Cape Verde	1	77%	191,022	132,262	69%		0.0
Central African Republic	6	93%	122,991	7,986	6%	100%	-0.7
Chad	0	101%	216,264	232,449	107%		-4.0
Chile	28	100%	720,530	748,310	104%	0%	33.0

COUNTRY	Phased Out in 2008	Percentage of Planned Phase-out Achieved in 2008	Estimated Funds to be Disbursed in 2008 (US\$)	2008 Funds Disbursed	Percentage of Funds Disbursed over Estimation in 2008	Percentage of Planned Projects Completed in 2008	Changes in A7 or CP Data (2008Vs2007)
China	992	92%	59,315,780	61,300,359	103%	83%	-4,822.2
Colombia	306	100%	1,045,185	842,711	81%	100%	-62.0
Comoros	0	0%	188,567	126,580	67%		-0.5
Congo	4	100%	109,318	76,658	70%	100%	-1.9
Congo, DR	14	102%	733,757	377,053	51%	100%	-143.8
Cook Islands	0		47,277	0	0%	100%	0.0
Costa Rica	0	100%	709,755	1,239,513	175%	100%	-49.5
Cote D'Ivoire	4	104%	162,353	165,247	102%	100%	-49.6
Croatia	73	100%	205,747	174,920	85%	100%	5.3
Cuba	148	100%	2,176,881	2,721,324	125%	50%	-15.8
Cyprus	0		0	0			
Djibouti	-1	103%	275,346	141,308	51%		-0.5
Dominica	0		80,891	52,860	65%		0.0
Dominican Republic	0	95%	424,728	656,753	155%	100%	-32.5
Ecuador	0	93%	712,498	346,061	49%	0%	-70.9
Egypt	42	93%	3,650,854	2,905,982	80%	0%	-424.6
El Salvador	24	100%	254,599	235,113	92%	100%	-33.5
Equatorial Guinea	0		75,000	29,878	40%		0.1
Eritrea	0		26,000	22,000	85%		-0.5
Ethiopia	0	100%	173,487	34,538	20%	0%	-8.1
Fiji	1	98%	103,124	128,873	125%		72.3
Gabon	0	99%	142,469	117,785	83%		1.1
Gambia	0	100%	135,602	206,286	152%		-0.4
Georgia	42	100%	165,997	269,731	162%	100%	-8.3
Ghana	6	101%	86,982	258,833	298%	100%	-10.6
Global	0		10,831,773	8,267,899	76%	67%	
Grenada	0	92%	133,449	83,785	63%		0.3
Guatemala	76	99%	460,114	517,458	112%	100%	-118.7
Guinea	3	97%	73,712	120,374	163%	100%	-1.0
Guinea-Bissau	4	99%	309,354	98,080	32%		-10.0

COUNTRY	Phased Out in 2008	Percentage of Planned Phase-out Achieved in 2008	Estimated Funds to be Disbursed in 2008 (US\$)	2008 Funds Disbursed	Percentage of Funds Disbursed over Estimation in 2008	Percentage of Planned Projects Completed in 2008	Changes in A7 or CP Data (2008Vs2007)
Guyana	45	100%	175,630	113,325	65%		2.8
Haiti	49	100%	186,880	141,604	76%		-5.3
Honduras	83	96%	1,090,340	1,097,630	101%	75%	-84.1
India	1,651	97%	9,590,068	13,304,283	139%	91%	-2,309.3
Indonesia	838	97%	3,617,774	3,222,140	89%	100%	-53.6
Iran	400	97%	2,294,660	1,939,936	85%	67%	-398.2
Iraq	0		0	66,182			-83.9
Jamaica	57	100%	84,603	86,492	102%		5.6
Jordan	87	100%	331,400	459,903	139%	100%	-23.7
Kenya	59	96%	382,921	569,359	149%	100%	-46.0
Kiribati	0	100%	49,227	0	0%	100%	0.1
Korea, DPR	430	99%	862,221	1,074,436	125%	80%	101.5
Kuwait	0	100%	566,762	121,043	21%	0%	34.8
Kyrgyzstan	4	99%	331,176	447,336	135%	100%	8.2
Lao, PDR	0	99%	46,363	-29,663	-64%	0%	-11.4
Lebanon	72	98%	1,167,013	1,125,211	96%	67%	-177.6
Lesotho	1	106%	95,970	30,370	32%	0%	3.9
Liberia	27	100%	306,369	278,768	91%	50%	-0.3
Libya	13	85%	682,571	114,673	17%	0%	-67.6
Macedonia, FYR	30	99%	75,635	110,529	146%	100%	0.8
Madagascar	19	94%	198,701	188,996	95%	50%	0.2
Malawi	0	100%	268,771	194,419	72%		1.6
Malaysia	103	99%	1,964,937	1,186,542	60%	75%	-300.1
Maldives	1	100%	166,730	146,603	88%		-1.0
Mali	5	100%	336,482	305,609	91%	100%	-5.1
Malta	0		0	0			
Marshall Islands	0	100%	60,822	30,000	49%	100%	0.1
Mauritania	0	100%	254,754	120,986	47%		-1.5
Mauritius	2	104%	103,887	4,013	4%	0%	-1.7
Mexico	400	99%	2,114,956	1,834,247	87%	80%	465.2

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Micronesia	0	100%	26,028	0	0%	67%	0.4
Moldova, Rep	0	90%	224,813	311,607	139%		-8.5
Mongolia	0	101%	44,345	152,104	343%	100%	0.8
Montenegro	0	100%	127,000	81,589	64%	100%	-3.8
Morocco	68	82%	1,352,680	1,207,327	89%	60%	-108.4
Mozambique	0	91%	128,631	94,736	74%	0%	0.8
Myanmar	0	81%	117,366	36,907	31%		1.1
Namibia	3	109%	159,791	135,516	85%	0%	-6.0
Nauru	0		38,877	0	0%	100%	0.0
Nepal	10	122%	87,889	99,744	113%	100%	0.0
Nicaragua	0	96%	179,554	133,258	74%	100%	-24.6
Niger	0	36%	110,231	119,867	109%	100%	-2.2
Nigeria	1,163	79%	1,608,103	2,116,212	132%	100%	-376.3
Niue	0		76,177	60,000	79%	100%	-0.1
Oman	0	100%	272,053	174,445	64%		3.6
Pakistan	17	94%	639,389	809,405	127%	100%	-379.3
Palau	0	100%	66,266	30,000	45%	100%	-0.6
Panama	79	72%	605,649	176,282	29%	100%	-0.9
Papua New Guinea	5	137%	124,115	76,955	62%	50%	2.4
Paraguay	78	100%	372,304	151,219	41%	100%	13.9
Peru	1	97%	337,868	65,583	19%	0%	-56.1
Philippines	62	98%	2,642,841	523,843	20%	100%	-482.9
Qatar	0	100%	189,502	35,690	19%		-9.9
Region: AFR	-10	101%	959,044	423,356	44%		
Region: ASP	0		115,473	-44,182	-38%	0%	
Region: EUR	0		500,000	457,135	91%		
Region: LAC	0		330,000	55,128	17%		
Romania	54	100%	1,972,901	1,514,822	77%	50%	No A7 or CP data
Rwanda	2	100%	369,422	184,257	50%	100%	-7.5
Saint Kitts and Nevis	0	140%	123,949	41,799	34%		-0.5

COUNTRY	Phased Out in 2008	Percentage of Planned Phase-out Achieved in 2008	Estimated Funds to be Disbursed in 2008 (US\$)	2008 Funds Disbursed	Percentage of Funds Disbursed over Estimation in 2008	Percentage of Planned Projects Completed in 2008	Changes in A7 or CP Data (2008Vs2007)
Saint Lucia	7	89%	164,900	176,541	107%		0.1
Saint Vincent and the Grenadines	1	48%	130,703	157,441	120%		-0.1
Samoa	0	100%	130,786	113,757	87%	100%	0.0
Sao Tome and Principe	1	50%	230,151	226,897	99%	67%	-1.3
Saudi Arabia	0	100%	1,064,501	82,533	8%		3.2
Senegal	0	115%	460,588	275,592	60%	67%	-10.1
Serbia	72	100%	616,020	199,115	32%	50%	22.1
Seychelles	0	100%	169,144	83,772	50%	0%	-1.7
Sierra Leone	18	99%	319,392	179,570	56%	83%	-7.6
Slovenia	0		0	0			
Solomon Islands	0	100%	60,599	30,000	50%	100%	-1.5
Somalia	0		76,902	26,000	34%	50%	-66.3
South Africa	0		0	0			-137.6
Sri Lanka	1	99%	311,827	244,232	78%	100%	-40.1
Sudan	0	100%	444,364	221,402	50%	0%	-12.6
Suriname	9	85%	201,709	92,796	46%	100%	-2.0
Swaziland	21	100%	133,093	76,748	58%	50%	4.4
Syria	134	91%	1,011,230	634,762	63%	100%	-82.4
Tanzania	11	96%	193,548	164,021	85%	75%	-25.5
Thailand	207	97%	5,031,278	1,792,656	36%	0%	-147.8
Timor Leste	0		0	0			No A7 or CP data
Togo	0	99%	159,679	156,973	98%	50%	-2.8
Tonga	0	100%	59,383	0	0%	67%	0.1
Trinidad and Tobago	32	100%	96,502	145,264	151%	100%	11.0
Tunisia	20	100%	309,635	272,018	88%	100%	-3.0
Turkey	0	100%	2,740,125	2,016,651	74%	100%	-193.1
Turkmenistan	0		120,693	125,694	104%	0%	1.8
Tuvalu	0	100%	17,158	0	0%	50%	No A7 or CP data
Uganda	0	101%	104,056	45,658	44%	0%	0.0
Uruguay	13	70%	252,050	564,957	224%	0%	-10.2

COUNTRY	Phased Out in 2008	Percentage of Planned Phase-out Achieved in 2008	Estimated Funds to be Disbursed in 2008 (US\$)	2008 Funds Disbursed	Percentage of Funds Disbursed over Estimation in 2008	Percentage of Planned Projects Completed in 2008	Changes in A7 or CP Data (2008Vs2007)
Vanuatu	0		24,046	0	0%	67%	14.0
Venezuela	-1	100%	1,619,601	2,328,077	144%	67%	765.6
Vietnam	1	91%	343,234	531,198	155%		-102.9
Yemen	0	57%	703,777	545,012	77%	67%	-107.8
Zambia	24	80%	228,534	181,743	80%	0%	-2.5
Zimbabwe	175	96%	1,267,147	1,674,260	132%	50%	-55.0
<b>Total</b>	<b>9,687</b>	<b>94%</b>	<b>157,963,256</b>	<b>147,184,226</b>	<b>93%</b>	<b>69%</b>	<b>39,172.5</b>

Note: The data in the "Changes in A7 or CP Data" column was most current data available to the Secretariat; therefore if the 2008 A7 or CP data was unavailable then 2006 vs. 2007 data was used.

**Annex II**

**ANALYSIS OF PROGRESS REPORT DATA**

1. In the databases submitted to the Fund Secretariat implementing and bilateral agencies provided detailed information on their respective shares of the 6,051 projects (including closed and transferred projects) approved by the Executive Committee through to 31 December 2008. In 2008, 359 new projects and activities were approved. The Executive Committee requested that detailed information on a project-by-project basis be made available to Committee members, with a printout available upon request (decision 19/23). The database for the Consolidated Progress Report is provided on the Executive Committee's intranet in the spreadsheet programme, Microsoft Excel 2002.

**OVERVIEW OF APPROVED FUNDING**

2. The Executive Committee approved around US \$2.142 billion for the implementation of investment and non-investment projects through to the end of 2008. In addition, about US \$237.95 million has been approved for agency fees and administrative support. This level of funding is expected to result in the phase-out of 477,983 ODP tonnes of ODS consumption and production. Table 1 summarises the level of approved funding, by sector and by agency, and indicates that most approvals of the Executive Committee have been in the refrigeration (US \$521.5 million) and foam (US \$361.2 million) sectors.

Table 1

**APPROVED FUNDING BY SECTOR AND AGENCY AS AT 31 DECEMBER 2008**

Item	UNDP (US\$)	UNEP (US\$)	UNIDO (US\$)	World Bank (US\$)*	Bilateral (US\$)	Grand Total (US\$)*
<b>Sector</b>						
Aerosol	26,954,547	932,000	33,980,428	22,958,919	2,111,400	86,937,294
Foam	157,045,948	0	65,001,514	132,384,842	6,722,228	361,154,532
Halon	5,154,440	780,640	1,760,408	70,773,844	6,544,861	85,014,193
Fumigants	19,493,700	2,548,571	64,343,743	5,367,950	16,220,921	107,974,885
Multiple Sectors	0	0	39,978	2,341,168	0	2,381,146
ODS Disposal	0	0	0	250,000	30,000	280,000
Other	0	0	11,317,246	5,059,360	0	16,376,606
Phaseout Plan	58,998,554	13,733,251	61,203,925	87,789,987	28,613,616	250,339,333
Process Agent	1,293,034	0	6,721,053	111,842,497	0	119,856,584
Production	0	0	46,775,666	247,822,120	10,000,000	304,597,786
Refrigeration	130,168,275	13,795,855	153,764,805	183,808,391	39,996,661	521,533,988
Several	36,649,150	113,074,554	6,895,440	25,763,038	4,246,578	186,628,760
Solvents	61,716,737	198,860	23,228,315	10,147,394	2,334,878	97,626,184
Sterilant	417,628	0	0	661,227	0	1,078,855
<b>Sub-Total</b>	497,892,013	145,063,731	475,032,521	906,970,737	116,821,143	2,141,780,146
Agency fees/administrative costs	67,056,554	13,647,046	61,131,346	86,061,523	10,056,278	237,952,747
<b>GRAND TOTAL</b>	564,948,567	158,710,777	536,163,867	993,032,260	126,877,421	2,379,732,893

**ANNUAL SUMMARIES**

3. Table 2 presents an overview of status, by year. The data is presented according to the year when a project was approved by the Executive Committee. It treats all approvals (investment and non-

investment projects) equally (i.e., an investment project or annual funding tranche of a multi-year agreement of US \$1 million is considered one project as is a country programme preparation of US \$30,000).

4. Key indicators from the annual summary in Table 2 are: the percentage of projects completed, ODP phased out, and percentage of funds disbursed. In reviewing the data on funds disbursed, it should be noted that there are four types of disbursements: during implementation, after implementation, for retroactively-financed projects, and for time-sensitive projects.

Table 2

**ANNUAL SUMMARY**

Year Approved	Number of Approvals*	Number Completed	Per Cent Completed	Consumption ODP to be Phased Out*	Consumption ODP Phased Out*	Per Cent of Consumption ODP Phased Out	Production ODP to be Phased Out*	Production ODP Phased Out*	Per Cent of Production ODP Phased Out	Approved Funding plus Adjustment (US\$)	Funds Disbursed (US\$)	Per Cent of Funds Disbursed	Balance (US\$)	Estimated Disbursement in Current Year (US\$)
1991	68	68	100%	536	600	112%	0	0	0%	7,950,771	7,950,771	100%	0	0
1992	176	176	100%	18,861	18,696	99%	0	0	0%	41,261,376	41,261,376	100%	-1	0
1993	217	217	100%	4,483	5,056	113%	0	0	0%	73,198,586	73,198,586	100%	0	0
1994	379	378	100%	18,599	19,194	103%	1,200	1,200	100%	128,665,031	128,616,203	100%	48,828	48,828
1995	355	354	100%	13,746	13,453	98%	0	0	0%	111,232,256	111,130,699	100%	101,556	57,610
1996	257	257	100%	10,508	10,180	97%	0	0	0%	83,971,654	83,775,806	100%	195,848	161,621
1997	532	530	100%	29,877	29,702	99%	11,739	11,739	100%	154,321,462	153,538,182	99%	783,280	400,000
1998	422	419	99%	15,966	15,678	98%	5,826	5,826	100%	100,075,699	99,580,498	100%	495,201	175,464
1999	548	539	98%	17,438	17,068	98%	11,468	11,468	100%	153,764,626	151,328,357	98%	2,436,269	1,311,772
2000	427	421	99%	11,837	11,995	101%	8,793	8,793	100%	110,026,009	108,837,207	99%	1,188,803	662,290
2001	423	405	96%	15,835	15,199	96%	7,864	7,868	100%	130,591,053	129,428,765	99%	1,162,289	941,846
2002	359	339	94%	16,101	16,040	100%	7,673	7,675	100%	163,000,011	158,860,442	97%	4,139,569	2,747,074
2003	247	225	91%	10,202	10,924	107%	7,421	7,421	100%	157,479,056	152,307,677	97%	5,171,379	3,383,207
2004	272	210	77%	10,940	10,297	94%	17,333	17,333	100%	163,472,016	153,435,187	94%	10,036,829	6,878,838
2005	260	189	73%	32,502	30,865	95%	58,814	58,883	100%	191,594,377	136,159,583	71%	55,434,794	24,249,304
2006	264	175	66%	7,477	6,387	85%	21,321	20,974	98%	124,105,857	91,570,742	74%	32,535,115	15,477,553
2007	215	44	20%	8,257	5,300	64%	17,285	17,285	100%	121,689,744	81,507,798	67%	40,181,946	21,336,932
2008	359	4	1%	8,405	1,985	24%	19,677	0	0%	125,380,561	22,305,007	18%	103,075,554	55,436,135
<b>Total</b>	<b>5,780</b>	<b>4,950</b>	<b>86%</b>	<b>251,570</b>	<b>238,619</b>	<b>95%</b>	<b>196,413</b>	<b>176,464</b>	<b>90%</b>	<b>2,141,780,146</b>	<b>1,884,792,887</b>	<b>88%</b>	<b>256,987,257</b>	<b>133,268,474</b>

\*Excludes Closed and Transferred Projects

5. Of the US \$2.142 billion in approved funding (including adjustments), the agencies (including bilateral agencies) have disbursed around US \$1.88 billion. Projects approved by the Executive Committee have thus far resulted in the permanent annual phase-out of 415,083 ODP tonnes of consumption and production of which 388,510 ODP tonnes is from completed projects and 26,573 ODP tonnes is from ongoing projects. Table 2 indicates that the percentage phased out in 1991, 1993, 1994, 2000 and 2003 exceeds 100 per cent. This is due to the phase-out of larger amounts of consumption than those originally indicated in some of the project proposals.

6. All projects and activities approved between 1991 and the end of 1997 have now been completed except four: an institutional strengthening project in Uganda (UNEP implementation), a refrigeration project in Argentina (World Bank implementation) and two recovery and recycling technical assistance projects in Lebanon and Morocco (France implementation).



## SUMMARY DATA BY PROJECT TYPE

7. The Executive Committee approves several different types of projects including: country programme preparation, demonstration projects, institutional strengthening, project preparation, investment projects (including annual tranches of MYAs), training projects and technical assistance. Technical assistance includes UNEP's clearing house and networking activities as well as publications, refrigerant management plans, and recovery and recycling projects. A summary of the status of projects, by category, is presented in Table 3.

Table 3

## 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\$)	Estimated Disbursement In Current Year (US \$)
Country Programme Preparation	165	164	99%	8,529,659	-1,225,483	7,218,715	99%	85,461	62,457
Demonstration Projects	85	71	84%	33,809,856	-1,004,493	18,862,013	57%	13,943,350	3,256,003
Institutional Strengthening Projects	624	479	77%	68,334,343	59,616	56,686,038	83%	11,707,921	8,103,320
Investment Projects	2,325	2,064	89%	1,812,725,485	-39,852,563	1,586,179,093	89%	186,693,829	86,352,136
Project Preparation	1,312	1,133	86%	79,208,594	-13,149,670	49,129,956	74%	16,928,968	13,423,457
Technical Assistance Projects	949	734	77%	177,478,575	-8,898,074	142,069,143	84%	26,463,158	20,940,710
Training Projects	320	305	95%	26,036,833	-224,334	24,647,930	95%	1,164,569	1,130,390
<b>TOTAL</b>	<b>5,780</b>	<b>4,950</b>	<b>86%</b>	<b>2,206,123,345</b>	<b>-64,295,000</b>	<b>1,884,792,887</b>	<b>88%</b>	<b>256,987,257</b>	<b>133,268,474</b>

\*Excludes Closed and Transferred Projects.

8. Of the 5,780 projects approved by the Executive Committee, 2,325 (about 40 per cent) are classified as investment projects. Investment projects represent around US \$1.77 billion of the US \$2.142 billion approved for activities under the Multilateral Fund (83 per cent of the total funds approved). The second largest number of projects, in terms of approved funding, is classified as technical assistance, for which the Committee has approved a total of over US \$168.58 million.

9. By the end of 2008, 99 per cent of country programme preparation projects had been completed and 99 per cent of the funds allocated for country programme preparation activities had been disbursed.

10. By the end of 2008, 89 per cent of investment projects had been completed, 84 per cent of demonstration projects had been completed, and 83 per cent of approved funds had been disbursed for institutional strengthening projects.

## COMPLETED PROJECTS

11. Completed projects/activities are defined in decisions 17/22 and 19/23 as projects that have been commissioned and where the ODS addressed has been phased out. A further decision (decision 28/2) extends the definition to cover situations where no further use of CFCs in the sectors covered is in evidence, where an alternative product is being produced (and/or production has begun), and where the

equipment using CFCs has been destroyed/dismantled/rendered unusable with respect to ODSs. Work programme activities without an ODS phase-out are considered completed when the activity is finished (e.g., for a workshop, when it has been conducted).

12. Overall, 99 per cent of the funds approved for completed investment projects have been disbursed. The reason that 100 per cent of funds have not been disbursed for completed projects is that it may take from six months to one year to finalise accounting records.

### **Completed Investment Projects**

13. Table 4 presents information on investment projects that have been completed since 1991. The table presents the data in total, followed by data according to region, sector, implementation characteristics, and disbursement method.

Table 4

**CUMULATIVE COMPLETED INVESTMENT PROJECTS**

Item	Number of Projects	Approved Funds plus Adjustment (US \$)	Per Cent of Funds Disbursed	Consumption ODP Phased Out**	Production ODP Phased Out**	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.)
<b>TOTAL</b>	2,064	1,494,975,832	99%	207,342	169,725	15	34	\$3.96
<b>Region</b>								
Africa	271	105,447,381	97%	12,968	0	13	36	\$8.13
Asia & Pacific	1,238	1,103,841,896	99%	166,657	156,770	16	35	\$3.41
Europe	87	52,535,383	98%	6,755	175	10	26	\$7.58
Latin America and Caribbean	468	233,151,172	99%	20,963	12,780	15	34	\$6.91
Global	n/a	0	0%	0	0	n/a	n/a	n/a
<b>Sector</b>								
Aerosol	112	28,353,536	99%	25,098	0	16	38	\$1.13
Foam	974	340,533,274	100%	64,516	0	15	33	\$5.28
Fumigants	55	49,254,494	97%	3,221	0	9	44	\$15.29
Halon	36	70,772,706	100%	40,394	40,458	16	28	\$0.88
Multiple Sectors*	4	2,287,376	100%	419	0	28	78	\$5.46
Other	8	16,059,360	100%	1,424	0	12	20	\$11.28
Phaseout Plan	104	136,886,728	95%	22,155	10,548	12	28	\$4.19
Process Agent	23	101,961,272	99%	6,000	38,750	10	26	\$2.28
Production	42	264,973,920	100%	0	79,969	9	12	\$3.31
Refrigeration	587	411,371,951	100%	38,004	0	16	38	\$10.82
Solvents	116	71,447,360	100%	6,050	0	20	31	\$11.81
Sterilant	3	1,073,855	100%	60	0	15	34	\$17.77
<b>Implementation Characteristics</b>								
Agency Implementation	1,365	549,035,195	99%	72,520	10,302	11	32	\$6.63
National Implementation	699	945,940,637	99%	134,822	159,423	23	40	\$3.21
<b>Time or Objective-sensitive Accounts</b>								
Time-Sensitive	0	0	0%	0	0	n/a	n/a	n/a
Objective-Sensitive	2,064	1,494,975,832	99%	207,342	169,725	15	34	\$3.96
<b>Disbursement Method</b>								
During Implementation	1,980	1,463,654,626	99%	202,733	169,225	15	35	\$3.93
After Implementation	48	17,182,619	100%	2,509	0	21	24	\$6.85
Retroactive Funding	36	14,138,587	100%	2,100	500	15	8	\$5.44
* No funds are listed for the multiple sector investment projects, but are recorded in appropriate sector.								
** Total phased out for the Fund is 415,083 includes 11,442 from completed non-investment projects and 26,574 from ongoing projects.								
Note: The sum of each section (Region, Sector, etc.) equals the Grand Total.								

14. As of 31 December 2008, investment projects representing around US \$1.49 billion have been completed, resulting in the permanent phase-out of 377,067 ODP tonnes<sup>2</sup> with an overall cost-effectiveness of US \$3.96/kg ODP phased out.

15. The average time from approval to first disbursement was 15 months and the average project duration was 34 months. Project duration is only slightly impacted by retroactive projects (i.e., projects funded after phase-out) since they represent only around two per cent of the total number of completed investment projects.

16. On a regional basis, 1,238 investment projects were completed in the Asia and Pacific region, 468 investment projects in Latin America and the Caribbean, 271 in Africa, and 87 in Europe.

### **Completed Non-Investment Projects**

17. Table 5 presents data on cumulative completed non-investment projects. Since 1991, 1,753 non-investment projects have been completed, representing funding support from the Multilateral Fund of around US \$235.8 million. Ninety-seven (97) per cent of the funds for completed non-investment projects have been disbursed.

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<sup>2</sup> Total phased out for the Fund includes 377,067 ODP tonnes from completed investment projects, 11,442 ODP tonnes from completed non-investment projects and 26,574 from ongoing projects.

Table 5

**CUMULATIVE COMPLETED NON-INVESTMENT PROJECTS**

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
<b>TOTAL</b>	1,753	235,790,374	97%	10	34
<b>Region</b>					
Africa	476	41,800,705	96%	10	37
Asia & Pacific	506	63,216,370	98%	12	35
Europe	110	10,095,379	97%	10	34
Latin America and Caribbean	412	50,357,196	98%	10	37
Global	245	70,280,724	97%	5	22
<b>Sector</b>					
Aerosol	19	1,573,635	98%	10	33
Foam	19	3,186,359	100%	18	31
Fumigants	110	17,118,687	98%	7	32
Halon	71	9,923,606	99%	14	36
Multiple Sectors	1	53,792	100%	56	58
Other	1	76,499	100%	7	38
Phaseout Plan	31	4,218,770	91%	9	35
Process Agent	0	0	0%	n/a	n/a
Production	0	0	0%	n/a	n/a
Refrigeration	523	57,490,522	97%	13	43
Several	950	139,634,922	97%	8	30
Solvents	28	2,513,581	98%	10	23
Sterilant	0	0	0%	n/a	n/a
<b>Implementation Characteristics</b>					
Agency Implementation	1,458	181,744,214	97%	9	33
National Implementation	295	54,046,160	98%	14	41
<b>Time or Objective-sensitive Accounts</b>					
Time-Sensitive	498	51,664,740	97%	9	35
Objective-Sensitive	1,255	184,125,634	97%	11	34
<b>Disbursement Method</b>					
During Implementation	1,728	233,497,259	97%	10	35
After Implementation	25	2,293,115	100%	14	21
Retroactive Funding	0	0	0%	n/a	n/a

18. The average time from approval to first disbursement for non-investment projects is much shorter than for investment projects (10 versus 15 months). Non-investment projects have been completed, on average, 34 months after they were approved by the Executive Committee. This figure is influenced by the large number of projects (950 of 1,753) classified in the sector called “several”, which had an average time from approval to completion of 30 months. Non-investment projects in the other sectors (e.g., *inter alia*, solvent and multiple sectors) were completed between 23 and 58 months after they had been approved.

19. Almost all projects (1,458 of 1,753) were implemented by the agency concerned rather than through national implementation. Agency implementation of non-investment projects normally does not require legal agreements, which may explain the shorter period of time (33 months) compared with nationally-implemented non-investment projects (41 months).

20. Non-investment projects include work programme activities, excluding project preparation.

## **ONGOING PROJECTS**

21. Ongoing projects are all projects that have been approved by the Executive Committee and were under implementation as of 31 December 2008. Key indicators in the database of progress towards implementing ongoing projects include:

- (a) Percentage of funds disbursed and percentage of projects that have begun disbursing funds;
- (b) The level of funding expected to be disbursed by the end of the year (funds disbursed plus estimated disbursements in 2009) as a percentage of the approved funding;
- (c) The average length of projected delay in implementation (project completion per proposal and currently planned date of completion); and
- (d) Information provided by the implementing agencies in the remarks column of the project-by-project listing in the database.

## **Ongoing Investment Projects**

22. Table 6 presents information on the status of investment projects under implementation by region, sector, and implementation characteristics.

Table 6

**CUMULATIVE ONGOING INVESTMENT PROJECTS**

Item	Number of Projects	Approved Funds plus Adjustment (US\$)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Estimated Disbursement plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 2004	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Planned Completion	Average Length of Delay in Project Planned Completion	Overall Cost-Effectiveness to the Fund (US\$/kg)*
<b>TOTAL</b>	261	267,230,714	35%	153	59%	169,057,346	63%	10	37	17	\$4.59
<b>Region</b>											
Africa	64	26,276,300	24%	40	63%	13,372,307	51%	7	28	7	\$7.88
Asia & Pacific	103	159,015,543	32%	61	59%	102,591,592	65%	13	40	20	\$4.01
Europe	20	7,851,708	36%	14	70%	4,388,200	56%	8	32	21	\$11.69
Latin America and Caribbean	74	74,087,163	47%	38	51%	48,705,247	66%	11	42	20	\$5.06
Global	0	0	0%	0	0%	0	0%	0	n/a	n/a	n/a
<b>Sector</b>											
Aerosol	16	54,830,896	14%	9	56%	20,077,468	37%	10	51	15	\$22.77
Foam	7	7,308,455	46%	5	71%	6,101,209	83%	16	28	14	\$8.05
Fumigants	37	34,551,214	45%	27	73%	25,536,761	74%	10	59	13	\$11.35
Halon	3	968,000	40%	2	67%	688,887	71%	24	53	41	\$0.33
Multiple Sectors	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
Other	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
Phaseout Plan	153	78,444,748	33%	81	53%	48,647,951	62%	10	30	15	\$4.25
Process Agent	6	17,200,928	41%	4	67%	14,873,717	86%	6	27	23	\$1.59
Production	9	38,550,000	60%	6	67%	35,300,444	92%	6	28	10	\$2.78
Refrigeration	19	13,923,825	50%	14	74%	9,791,767	70%	14	47	28	\$2.96
Solvents	11	21,452,648	17%	5	45%	8,039,143	37%	11	40	22	\$18.85
Sterilant	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
<b>Implementation Characteristics</b>											
Agency Implementation	130	131,272,310	40%	98	75%	85,384,699	65%	7	40	13	\$6.41
National Implementation	131	135,958,404	30%	55	42%	83,672,648	62%	15	35	22	\$3.60
<b>Time or Objective-sensitive Accounts</b>											
Time-Sensitive	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
Objective-Sensitive	261	267,230,714	35%	153	59%	169,057,346	63%	10	37	17	\$4.59
<b>Disbursement Method</b>											
During Implementation	261	267,230,714	35%	153	59%	169,057,346	63%	10	37	17	\$4.59
After Implementation	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a
Retroactive Funding	0	0	0%	0	0%	0	0%	n/a	n/a	n/a	n/a

\*Based on the ODS to be phased out according to the proposal.

23. There are currently 261 investment projects under implementation. These projects represent approved funding (plus adjustments) of over US \$267.23 million. Around 35 per cent of the funds have already been disbursed. The overall average cost-effectiveness of ongoing investment projects is US \$4.59/kg ODP to be phased out, as approved.

24. Of the ongoing investment projects 39 per cent (103 out of 261) are for countries in the Asia and Pacific region, representing almost 60 per cent (US \$159.02 million) of the funds approved for ongoing investment projects. The Latin American and the Caribbean region has 74 investment projects under implementation, valued at US \$74.09 million, Africa has 64 projects (US \$26.28 million) and Europe has 20 projects (US \$7.85 million).

25. About 29 per cent of the funds approved for ongoing investment projects, representing around US \$78.4 million, are in the phase-out plan sector. The second largest funding allocation for ongoing investment projects is for the production sector (US \$38.6 million) followed by the fumigants sector (US \$34.55 million). The remaining sectors have the following number of investment projects under implementation: aerosol (16), foam (7), halon (3), process agent (6) refrigeration (19) and solvents (11).

26. Of the 261 ongoing investment projects, 59 per cent (153) have begun disbursing funds.

27. Most ongoing investment projects are under agency implementation (130 projects) but there are 131 projects under national implementation. Of agency-implemented ongoing investment projects, 75 per cent have begun disbursement compared with 42 per cent of nationally-implemented ongoing investment projects.

28. The average number of months from approval to first disbursement is 10 months. The average duration of an ongoing investment project is 37 months. Typically, ongoing investment projects are completed 17 months later than originally planned, which could be considered the average delay.

### **Ongoing Non-Investment Projects**

29. Table 7 presents information on the status of non-investment projects under implementation by region, sector, and implementation characteristic.



Table 7

**CUMULATIVE ONGOING NON-INVESTMENT PROJECTS**

Item	Number of Projects	Approved Funds plus Adjustments (US\$)	Per Cent of Funds Disbursed	Number of Projects Disbursing	Per Cent of Projects Disbursing	Estimated Disbursements plus Funds Disbursed	Per Cent Funds Expected to be Disbursed by End of 2004	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Planned Completion	Average Length of Delay in Project Planned Completion
<b>GRAND TOTAL</b>	390	66,336,160	29%	268	69%	47,426,264	71%	14	44	18
<b>Region</b>										
Africa	118	14,588,318	44%	86	73%	11,013,338	75%	8	39	14
Asia & Pacific	117	16,057,052	37%	80	68%	12,850,414	80%	18	48	21
Europe	20	2,954,345	42%	13	65%	2,403,418	81%	10	34	15
Latin America and Caribbean	122	16,366,633	35%	86	70%	10,600,094	65%	19	48	19
Global	13	16,369,812	1%	3	23%	10,559,000	65%	6	34	9
<b>Sector</b>										
Aerosol	10	867,000	42%	5	50%	741,197	85%	12	44	8
Foam	2	693,000	0%	0	0%	277,200	40%	n/a	13	6
Fumigants	19	3,533,486	54%	15	79%	2,489,408	70%	19	61	25
Halon	13	2,480,245	42%	10	77%	1,762,730	71%	27	77	44
Multiple Sectors	0	0	0%	0	0%	0	0%	n/a	n/a	n/a
Other	0	0	0%	0	0%	0	0%	n/a	n/a	n/a
Phaseout Plan	92	10,084,837	45%	60	65%	9,521,867	94%	8	32	11
Process Agent	0	0	0%	0	0%	0	0%	n/a	n/a	n/a
Production	0	0	0%	0	0%	0	0%	n/a	n/a	n/a
Refrigeration	89	23,333,210	26%	72	81%	10,924,616	47%	24	71	33
Several	162	24,788,692	22%	104	64%	21,250,595	86%	9	33	10
Solvents	2	305,690	65%	2	100%	233,651	76%	17	54	33
Sterilant	0	0	0%	0	0%	0	0%	n/a	n/a	n/a
<b>Implementation Characteristics</b>										
Agency Implementation	302	42,423,346	37%	218	72%	38,259,482	90%	13	43	17
National Implementation	88	23,912,814	16%	50	57%	9,166,782	38%	21	50	20
<b>Time or Objective-sensitive Accounts</b>										
Time-Sensitive	144	14,482,022	32%	95	66%	11,066,295	76%	9	33	10
Objective-Sensitive	246	51,854,138	29%	173	70%	36,359,969	70%	17	51	22
<b>Disbursement Method</b>										
During Implementation	389	66,234,960	29%	268	69%	47,426,264	72%	14	44	18
After Implementation	1	101,200	0%	0	0%	0	0%	n/a	n/a	n/a
Retroactive Funding	0	0	0%	0	0%	0	0%	n/a	n/a	n/a

30. There are currently 390 non-investment projects under implementation, representing approved funding (plus adjustments) of around US \$66.34 million. Roughly 29 per cent of the funds for ongoing non-investment projects have been disbursed.

31. The largest amount of funding for non-investment projects, by region, is US \$16.37 million for Latin America and the Caribbean. Funding for ongoing non-investment projects in other regions is as

follows: US \$16.06 million for the Asia and the Pacific region; Africa, US \$14.59 million; and, Europe, US \$2.95 million. Ongoing global activities are valued at a total of US \$16.37 million.

32. On a sectoral basis, most non-investment funding is applied to the “several” sector (US \$24.79 million for 162 projects). There are 89 ongoing non-investment projects in the refrigeration sector (US \$23.33 million), 92 in the phase-out plan sector (US \$10.1 million), 19 in the fumigant sector (US \$3.53 million), 13 in the halon sector (US \$2.48 million) and 14 projects for all other sectors (US \$1.87 million).

33. Of the 390 ongoing non-investment projects, 69 per cent (268 projects) have begun disbursing funds.

34. The average number of months from approval to first disbursement is 14 months. On average, ongoing non-investment projects are completed 44 months from the date of approval, which represents a delay of 18 months.

## **PROJECT PREPARATION**

35. Project preparation requests are included in annual work programmes and amendments to work programmes. Project preparation leads to investment projects in general and, in some cases, demonstration projects (in particular for methyl bromide) and the implementation of projects included in refrigerant management plans.

36. Table 8 presents data on both completed and ongoing project preparation activities. The implementing agencies have completed 1,133 project preparation activities for which there remains a balance of US \$544,722 that has not yet been disbursed. This figure is around the same as 2007 when US \$527,980 had been carried over from 2006. On average, it has taken 17 months to complete project preparation.

Table 8

**PROJECT PREPARATION**

Item	COMPLETED PROJECT PREPARATION					ONGOING PROJECT PREPARATION							
	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	Number of Projects	Approved Funds plus Adjustment (US\$)	Funds Disbursed (US\$)	Per Cent of Funds Disbursed	Average Number of Months from Approval to First Disbursement	Average Number of Months from Approval to Planned Completion	Balance (US\$)	Estimated Disbursement in Current Year (US\$)
<b>GRAND TOTAL</b>	1,133	48,178,139	99%	5	17	179	17,698,069	1,313,823	7%	6	21	16,384,246	12,934,422
<b>Agency</b>													
UNDP	377	11,481,231	98%	3	15	44	5,501,250	32,842	1%	7	21	5,468,408	5,456,408
UNEP	86	2,032,220	89%	8	22	71	5,163,000	763,475	15%	7	18	4,399,525	4,399,525
UNIDO	330	9,526,488	99%	6	22	46	4,466,250	296,691	7%	5	23	4,169,559	1,468,604
WORLD BANK	253	21,915,815	100%	5	13	7	1,919,200	137,180	7%	5	30	1,782,020	1,171,420
Bilaterals	87	3,222,385	n/a	n/a	n/a	11	648,369	83,635	13%	n/a	n/a	564,734	438,465
<b>Region</b>													
Africa	279	6,547,857	97%	5	18	52	3,802,000	142,920	4%	6	20	3,659,080	2,782,088
Asia & Pacific	421	24,193,341	99%	4	18	68	8,630,319	976,254	11%	5	19	7,654,065	5,959,137
Europe	79	2,843,825	99%	6	19	14	1,242,000	39,088	3%	6	21	1,202,912	567,001
Latin Amer./Car.	337	13,177,744	99%	5	16	45	4,023,750	155,561	4%	8	23	3,868,189	3,626,196
Global	17	1,415,372	99%	6	16	0	0	0	0%	n/a	n/a	0	0
<b>Sector</b>													
Aerosol	44	1,258,442	90%	6	17	0	0	0	0%	n/a	n/a	0	0
Foam	173	5,068,506	100%	3	16	0	0	0	0%	n/a	n/a	0	0
Fumigants	106	2,684,634	99%	5	14	6	155,000	42,324	27%	10	66	112,676	25,603
Halon	27	844,636	99%	5	19	1	25,000	20,760	83%	21	50	4,240	2,000
Multiple Sectors	1	39,978	100%	1	12	0	0	0	0%	n/a	n/a	0	0
Other	2	240,747	100%	11	35	0	0	0	0%	n/a	n/a	0	0
Phaseout Plan	115	3,087,254	94%	7	18	170	17,448,069	1,250,739	7%	5	19	16,197,330	12,881,819
Process Agent	9	694,384	100%	8	19	0	0	0	0%	n/a	n/a	0	0
Production	9	1,073,866	100%	8	13	0	0	0	0%	n/a	n/a	0	0
Refrigeration	312	9,306,091	99%	6	19	1	40,000	0	0%	n/a	13	40,000	25,000
Severals	283	21,986,445	100%	4	15	0	0	0	0%	n/a	n/a	0	0
Solvents	51	1,888,156	97%	6	25	0	0	0	0%	n/a	n/a	0	0
Sterilant	1	5,000	100%	1	9	0	0	0	0%	n/a	n/a	0	0
<b>Implementation Type</b>													
Agency	1,077	44,499,002	99%	5	17	138	12,238,819	1,286,353	11%	6	21	10,952,466	7,514,642
National	56	3,679,137	99%	7	19	41	5,459,250	27,470	1%	3	21	5,431,780	5,419,780
<b>Time/Objective Accounts</b>													
Time	115	10,501,101	100%	2	9	0	0	0	0%	n/a	n/a	0	0
Objective	1,018	37,677,038	99%	5	18	179	17,698,069	1,313,823	7%	6	21	16,384,246	12,934,422
<b>Disbursement</b>													
During Imp.	1,127	47,278,387	99%	5	17	179	17,698,069	1,313,823	7%	6	21	16,384,246	12,934,422
After Imp.	6	899,752	100%	7	21	0	0	0	0%	n/a	n/a	0	0
Retroactive	0	0	0%	n/a	n/a	0	0	0	0%	n/a	n/a	0	0

37. Implementing agencies have a balance of US \$16,928,968 million carried over for project preparation activities in 2008. This is a significant increase over the balance for ongoing project preparation held after 2007 (US \$1.55 million) due to the approved of HPMP preparation. Ongoing

project preparation activities are expected to take 21 months to complete. This is four months longer than for completed project preparation.

38. On a regional basis, most of the ongoing project development activities (38 per cent) are in Asia & Pacific. Most of the ongoing project preparation is occurring in the phase-out plan sector (US \$17.45 million).

## **PROJECT IMPLEMENTATION DELAYS**

39. The Executive Committee has defined projects with implementation delays as projects approved over 18 months with disbursement less than one per cent, or projects that are expected to be completed 12 months later than forecast in the last progress report (decision 22/61).

40. In 2008, the Secretariat identified 38 projects with implementation delays, 22 of which had been classified with implementation delays in 2007. The total number of projects classified with implementation delays decreased in 2008 compared to 2007 (57 projects). However, it should be noted that pursuant to decision 36/14, the following types of projects are no longer so classified: institutional strengthening, halon banking, customs training, recovery and recycling, and demonstration projects. Decision 36/14 does, however, request that the Secretariat continue to monitor these types of projects, as appropriate. A list of the projects with implementation delays is attached as an appendix to this Annex. The Executive Committee maintains a “watching brief” on these projects as per decision 23/4, and the implementing agencies will be requested to report on these projects to the 56<sup>th</sup> Meeting of the Executive Committee.

41. A separate document entitled “Status on implementation of delayed projects and compliance” (UNEP/OzL.Pro/ExCom/58/6) addresses follow-up information on project implementation delays that had been identified in the 2008 Progress Report.

## **CLOSED AND TRANSFERRED PROJECTS**

42. Table 9 presents a summary of closed and transferred projects. Closed projects are cancelled projects. Of the 233 cancelled projects, 91 were project preparation activities. The World Bank has the highest number of closed projects (92). Remaining balances for closed projects are the result of possible unpaid commitments against these projects; however, projects should be classified as closed only after the balances have been returned. Implementing agencies provide a report on any balances from cancelled projects in the context of the Report on Balances and Availability of Resources (UNEP/OzL.Pro/ExCom/58/4). Four projects were cancelled and closed in 2008.

43. Transferred projects are projects that have been transferred from one agency to another. There are 38 such transferred projects.

Table 9

**CLOSED AND TRANSFERRED PROJECTS SUMMARY**

Agency	Number of Projects	Approved Funding (US\$)	Adjustments (US\$)	Approved Funding Plus Adjustment (US\$)	Funds Disbursed (US\$)	Balances (US\$)	Percent of Funds Disbursed	Consumption ODP to Be Phased Out	Consumption on ODP Phased Out
<b>Closed Projects</b>									
UNDP	71	16,000,226	-9,838,725	6,161,501	6,161,501	0	100%	600	547
UNEP	5	680,000	-659,000	21,000	21,000	0	100%	0	0
UNIDO	50	8,027,104	-5,156,449	2,870,655	2,870,655	0	100%	186	109
World Bank	92	30,714,304	-29,352,224	1,362,080	1,362,080	0	100%	657	581
Bilaterals	15	1,202,413	-862,011	340,402	340,402	0	16%	231	6
Total	233	56,624,047	-45,868,409	10,755,638	10,755,638	0	100%	1,673	1,243
<b>Transferred Projects</b>									
UNDP	15	1,871,269	-1,179,821	691,448	688,210	3,238	100%	10	10
UNEP	4	150,667	-150,667	0	0	0	0%	0	0
UNIDO	0	0	0	0	0	0	0%	0	0
World Bank	8	1,423,130	-1,423,130	0	0	0	0%	0	0
Bilaterals	11	2,717,274	-2,593,502	123,772	123,772	0	2%	0	0
Total	38	6,162,340	-5,347,120	815,220	811,982	3,238	100%	10	10

Appendix

PROJECTS WITH IMPLEMENTATION DELAYS

Code	Agency	Project Title	Category of Delays
ASP/SEV/50/TAS/52	Australia	Additional support for the regional strategy for 11 Article 5 countries in the Pacific (PIC strategy)	12 & 18 month delay
JAM/FUM/47/TAS/22	Canada	Technical assistance to phase-out the use of methyl bromide	12 & 18 month delay
LAC/SEV/51/TAS/38	Canada	Latin American Customs Enforcement Network: Preventing illegal trade of ODS	12 & 18 month delay
ARG/REF/18/INV/39	IBRD	Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba, S.A.	12 month
ECU/FUM/26/TAS/23	IBRD	Demonstration project for testing methyl bromide alternatives in soil treatment for the flower growing industry	12 month
THA/HAL/32/INV/134	IBRD	Terminal halon-1211 and halon-1301 phaseout project for fire equipment manufacturers and suppliers converting to ABC powder, CO <sub>2</sub> , HFC-227ea and inert gases	12 month
DRC/SOL/51/INV/25	Italy	Umbrella project for terminal phase-out of ODS in the solvent sector (first phase)	12 & 18 month delay
NIR/SEV/38/TAS/104	Japan	Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol	12 month
SRL/PHA/43/TAS/26	Japan	National compliance action plan: incentive programme for commercial and industrial refrigeration end-users	18 month delay
SRL/PHA/43/TAS/27	Japan	National compliance action plan: MAC recovery/recycling and retrofit	12 month
SRL/PHA/43/TAS/28	Japan	National compliance action plan: recovery and recycling programme	12 month
BRA/FUM/46/INV/272	Spain	Total phase-out of MB used in tobacco, flowers, ornamental plants, strawberries and other uses	12 & 18 Month delay
AFR/FUM/38/TAS/32	UNDP	Technical assistance for methyl bromide reductions and formulation of regional phase-out strategies for low-volume consuming countries	12 month delay
BGD/ARS/52/INV/26	UNDP	Phase-out of CFC consumption in the manufacture of aerosol MDIs (Beximco, Square Pharmaceutical and Acme Pharmaceutical)	18 month delay
BHU/PHA/52/INV/11	UNDP	Terminal phase-out management plan	18 month delay
CHI/SOL/41/TAS/154	UNDP	Technical assistance to phase-out ozone depleting solvents	12 month delay
COL/PAG/48/INV/66	UNDP	Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.	12 & 18 month delay
CUB/ARS/41/INV/23	UNDP	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs)	12 month delay
FIJ/FUM/47/TAS/17	UNDP	Technical assistance project to install alternatives, achieve compliance and phase-out methyl bromide	12 month delay
MAL/FUM/43/TAS/151	UNDP	Technical assistance programme to install alternatives and phase-out all remaining non-QPS uses of methyl bromide	12 month delay
SIL/HAL/51/TAS/15	UNDP	Technical assistance for awareness raising in the halon sector	12 & 18 month delay
URU/ARS/43/INV/42	UNDP	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs)	12 month delay
ZIM/SOL/50/TAS/35	UNDP	Technical assistance for the phase-out of ODS in the solvent/sterilant sector	12 month delay
AFR/SEV/45/TAS/33	UNEP	Sub-regional project on harmonisation of legislative and regulatory mechanisms to improve monitoring and control of ODS consumption in English-speaking Africa	12 month delay
ARG/REF/32/TRA/115	UNEP	Training programme for the refrigeration servicing sector (Phase III)	12 month delay
CPR/SEV/43/TRA/413	UNEP	Policy training for local authorities (third tranche)	12 month delay
GLO/ARS/39/TAS/246	UNEP	Development of guidelines to promote safety an aerosol conversions	12 month delay
LAC/SEV/51/TAS/39	UNEP	Latin American Customs Enforcement Network: Preventing illegal trade of ODS	12 month delay
SIL/FUM/47/TAS/12	UNEP	Methyl bromide communication programme	12 month delay
SOM/SEV/35/TAS/01	UNEP	Formulation of national phase out strategy	12 month delay
SRL/PHA/43/TAS/24	UNEP	National compliance action plan: halon bank management	12 month delay
ALG/REF/44/INV/62	UNIDO	Conversion of CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the last group of commercial refrigerator manufactures ( refrigeration sector terminal project)	12 month delay
DOM/FUM/38/INV/33	UNIDO	Phase-out of methyl bromide in melon, flowers and tobacco	12 month

## Annex II

<b>Code</b>	<b>Agency</b>	<b>Project Title</b>	<b>Category of Delays</b>
			delay
IRA/FOA/28/INV/50	UNIDO	Phasing out ODS in manufacturing of flexible PU slabstock foam through the use of liquid CO2 blowing technology at Bahman Plastic Co.	12 month delay
IRA/SOL/50/INV/180	UNIDO	Terminal solvent sector umbrella project	12 month delay
MEX/PAG/52/INV/133	UNIDO	Umbrella project for terminal phase-out of CTC	12 month delay
OMA/HAL/46/TAS/12	UNIDO	Halon consumption phase-out through a technical assistance programme and a halon recycling	12 month delay
ROM/PAG/50/INV/36	UNIDO	Terminal phase-out management plan of CTC production/consumption for process agent uses	12 month delay