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EXECUTIVE COMMITTEE OF
 THE MULTILATERAL FUND FOR THE
 IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-seventh Meeting

Montreal, 28 November - 2 December 2016

**PROGRESS REPORT OF THE WORLD BANK AS AT 31 DECEMBER 2015**

# This document presents the progress report of the World Bank as of 31 December 2015[[1]](#footnote-1), and consists of:

# Executive summary

# Part I: Implementation progress as at 31 December 2015 (cumulative)

# Part II: Project implementation progress in 2015

# Part III: Recommendations by the Secretariat

# Annex I: Project implementation data in 2015 by country

# **Executive summary**

# The following is a summary of progress in the implementation of projects and activities implemented by the World Bank up to 31 December 2015 for the year 2015 and cumulative since 1991:

## **Phase-out:** In 2015 alone, 4,449.5 ODP tonnes of consumption and production of ODS were phased out and an additional 3,459.8 ODP tonnes of consumption and production of HCFCs were approved for phase-out. Since 1991, 145,326 ODP tonnes of ODS consumption and 186,808 ODP tonnes of ODS production had been phased out at the end of 2015, of an expected total of 308,326 ODP tonnes from projects approved up to the end of 2015 (excluding cancelled and transferred projects);

## **Disbursements/Approvals:** In 2015, US $43.95 million was disbursed and US $30.8 million was planned for disbursement based on the 2014 progress report representing a rate of disbursement of 143 per cent of that planned. Cumulatively, US $1.04 billion had been disbursed out of the total US $1.12 billion approved for disbursement up to the end of 2015 (excluding agency fees). This represents a rate of disbursement of 93 per cent. In 2015, US $69.35 million was approved for implementation;

## **Cost-effectiveness (in ODP):** Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US $4.95/kg. The cost-effectiveness for the production sector was US $4.39/kg. The average cost‑effectiveness of investment projects per ODP tonne was US $2.74/kg for completed projects and US $41.34/kg for ongoing projects[[2]](#footnote-2);

## **Number of projects completed:** In 2015, four projects were completed. Since 1991, 1,016 projects of the 1,057 projects approved (excluding closed or transferred projects) were completed by the end of 2015. This represents a completion rate of 96 per cent;

## **Speed of delivery – investment projects:** Projects that were completed in 2015 were completed on average 56 months after their approval. Since 1991, the average time for completion of investment projects has been 40 months after their approval. First disbursements under these projects occurred, on average, 24 months after they had been approved;

## **Speed of delivery – non-investment projects:** Projects that were completed in 2015 were completed on average 13 months after their approval. Since 1991, the average time for completion of non-investment projects has been 35 months after their approval. First disbursements under these projects occurred, on average, 19 months after they had been approved;

## **Project preparation:** Of the 286 project preparation activities approved by the end of 2015, 274 have been completed, leaving 12 ongoing;

## **Implementation delays:** There were a total of 17 ongoing investment projects under implementation at the end of 2015. These projects, on average, are experiencing a delay of 39 months. However, projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation amount to one project (as multi-year agreements (MYAs) are not subject to those procedures);

## **MYAs**: In 2015, the World Bank was implementing six MYAs for HCFC phase-out management plans (HPMPs) and one MYA for the HCFC production phase-out management plan (HPPMP) in China. Since 1991, 36 MYAs have been approved and 27 MYAs have been completed.

Part I: Implementation progress as at 31 December 2015 (cumulative)

# As of that date, the Executive Committee had approved approximately US $1.23 billion consisting of US $1.12 billion for the implementation of investment and non-investment projects and US $109.83 million for agency fees and administrative support costs, as shown in Table 1. In 2015, 13 new projects and activities were approved. This level of funding is expected to result in the phase-out of 308,326 ODP tonnes of ODS consumption and production.

# **Table 1: Approved funding by sector for the World Bank as at 31 December 2015**

| **Sector** | **Funding (US $)** |
| --- | --- |
| Aerosol | 22,984,030 |
| Destruction | 400,000 |
| Foam | 135,816,693 |
| Halon | 70,221,038 |
| Fumigants | 5,837,887 |
| Multiple sectors | 2,341,168 |
| Other | 5,059,360 |
| Phase-out plan | 185,932,969 |
| Process agent | 114,342,497 |
| Production | 359,729,770 |
| Refrigeration | 181,169,335 |
| Several | 27,650,089 |
| Solvents | 10,147,394 |
| Sterilant | 661,227 |
| **Sub-total** | **1,122,293,457** |
| Administrative cost | 109,831,157 |
| **Total** | **1,232,124,615** |

# A summary of the status of projects implemented by category is presented in Table 2.

**Table 2: Status of project implementation by category**

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of projects\*** | **Funding (US $)** |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Country programme | 29 | 29 | 100 | 1,627,732 | 1,627,732 | 0 | 100 |
| Demonstration | 6 | 4 | 67 | 6,897,462 | 4,718,932 | 2,178,531 | 68 |
| Institutional strengthening (IS) | 46 | 44 | 96 | 8,305,339 | 8,090,823 | 214,516 | 97 |
| Investment | 620 | 603 | 97 | 1,067,692,472 | 993,093,887 | 74,598,586 | 93 |
| Project preparation | 286 | 274 | 96 | 26,161,525 | 25,062,747 | 1,098,778 | 96 |
| Technical assistance | 66 | 58 | 88 | 11,303,161 | 10,807,036 | 496,124 | 96 |
| Training projects | 4 | 4 | 100 | 305,766 | 305,766 | 0 | 100 |
| **Total** | **1,057** | **1,016** | **96** | **1,122,293,457** | **1,043,706,922** | **78,586,535** | **93** |

\*Excludes closed and transferred projects.

# Table 3 presents an overview of the status of project implementation by year[[3]](#footnote-3). All projects and activities approved between 1991 and the end of 2004, as well as 2006, 2007, 2008 and 2010, have now been completed.

**Table 3: Status of project implementation by year**

| **Year** | **Number of projects\*** | **Funding (US$)** |
| --- | --- | --- |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| 1991  | 42 | 42 | 100 | 5,429,404 | 5,429,404 | 0 | 100 |
| 1992  | 76 | 76 | 100 | 28,047,705 | 28,047,705 | 0 | 100 |
| 1993  | 79 | 79 | 100 | 42,538,405 | 42,538,405 | 0 | 100 |
| 1994  | 91 | 91 | 100 | 41,081,267 | 41,081,267 | 0 | 100 |
| 1995  | 112 | 112 | 100 | 47,224,186 | 47,224,186 | 0 | 100 |
| 1996  | 55 | 55 | 100 | 29,319,479 | 29,319,479 | 0 | 100 |
| 1997  | 95 | 95 | 100 | 56,173,103 | 56,173,103 | 0 | 100 |
| 1998  | 59 | 59 | 100 | 35,959,418 | 35,959,418 | 0 | 100 |
| 1999  | 73 | 73 | 100 | 64,173,138 | 64,173,138 | 0 | 100 |
| 2000  | 67 | 67 | 100 | 36,982,135 | 36,982,135 | 0 | 100 |
| 2001  | 29 | 29 | 100 | 55,212,853 | 55,212,854 | 0 | 100 |
| 2002  | 32 | 32 | 100 | 64,357,778 | 64,357,778 | 0 | 100 |
| 2003  | 24 | 24 | 100 | 72,734,119 | 72,734,119 | 0 | 100 |
| 2004  | 29 | 29 | 100 | 77,111,770 | 77,111,770 | 0 | 100 |
| 2005  | 28 | 27 | 96 | 70,105,524 | 68,154,103 | 1,951,421 | 97 |
| 2006  | 22 | 22 | 100 | 64,473,260 | 64,473,260 | 0 | 100 |
| 2007  | 25 | 25 | 100 | 66,005,270 | 66,005,270 | 0 | 100 |
| 2008  | 28 | 28 | 100 | 40,214,774 | 40,214,774 | 0 | 100 |
| 2009  | 22 | 21 | 95 | 25,563,461 | 25,336,351 | 227,110 | 99 |
| 2010  | 16 | 16 | 100 | 1,148,623 | 1,148,623 | 0 | 100 |
| 2011  | 10 | 5 | 50 | 44,703,997 | 35,571,497 | 9,132,500 | 80 |
| 2012  | 10 | 3 | 30 | 11,745,779 | 6,834,401 | 4,911,378 | 58 |
| 2013  | 7 | 4 | 57 | 44,296,067 | 33,765,216 | 10,530,851 | 76 |
| 2014  | 13 | 2 | 15 | 28,341,138 | 25,518,981 | 2,822,157 | 90 |
| 2015  | 13 | 0 | 0 | 69,350,804 | 20,339,683 | 49,011,121 | 29 |
| **Total** | **1,057** | **1,016** | **96** | **1,122,293,457** | **1,043,706,922** | **78,586,535** | **93** |

\*Excludes closed and transferred projects.

Part II: Project implementation progress in 2015

# 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 2015, the potential impact of these delays on phase-out and the rate of planned disbursements.

*Implementation delays*

# The review of the 2015 progress report revealed that, of the 18 ongoing projects excluding IS and project preparation, five have extended planned dates of completion since the 2014 progress report. The Executive Committee may wish to note that the World Bank will report to the 78th meeting on one project with implementation delays[[4]](#footnote-4), which can be found in Appendix I of Annex III to the consolidated progress report (UNEP/OzL.Pro/ExCom/77/11).

# The World Bank completed 67 per cent of the projects it had planned to complete in 2015 and met 99.9 per cent of the phase-out target planned. The World Bank had planned disbursements in eight countries or regions, and achieved an overall rate of disbursement of 143 per cent in 2015.

# This part of the progress report summarises progress and financial information, and highlights implementation delays or impediments on the following ongoing projects[[5]](#footnote-5):

## Projects related to chillers;

## Projects related to the phase-out of HCFCs, including project preparation, ODS alternative surveys, demonstration projects, HPMPs, project management unit (PMU) activities, and HPPMP; and

## IS projects.

Chiller projects

# The World Bank is implementing a global chiller replacement project (GLO/REF/47/DEM/268), comprising of five countries, approved in November 2005, and for which only US $1,784,135 of the US $3,735,556 approved has been disbursed. Table 4 provides information on the status of the implementation of this project.

**Table 4: Status on the implementation of the chiller project**

| **Country** | **Project status** |
| --- | --- |
| Argentina | The project was incorporated into a new grant agreement between the Government and the World Bank that became effective in January 2015. Information dissemination to interested chiller owners was carried out. The first sub-grant agreements (SGAs) were prepared for signing by the Fundación Favaloro Hospital Universitario y de Investigación Médica for two chiller units. |
| India | The project was closed in December 2014 and financially completed in April 2015. |
| Indonesia | The project was canceled after failure to obtain endorsement from the Global Environment Facility (GEF) due to objections on possible use of HFC-based chillers. |
| Jordan | The project was completed in 2013. |
| Philippines (the) | Thirteen additional SGAs were signed resulting in a total of 37 SGAs signed covering 82 chiller replacements, of which 42 were completed by the end 2015. |

# A specific report is being requested in the consolidated progress report, given the excessive delay in implementation.

Projects related to the phase-out of HCFCs

*HPMP preparation*

# As of 31 December 2015, the Executive Committee has approved US $4.08 million for 30 project preparation activities in seven Article 5 countries to address HCFC control measures. Implementation of these activities resulted in the approval of stage I of HPMPs in six Article 5 countries[[6]](#footnote-6). No major issue has been identified in reviewing ongoing stage II of HPMP preparation. Nevertheless, it should be highlighted that in the case of the HPMP in the Philippines which is planned for submission to the 78th meeting, a possible over-expenditure was noted by the Secretariat. This issue would be addressed by future balances reports.

*ODS alternative surveys*

# The Executive Committee has approved three ODS alternative surveys[[7]](#footnote-7)(in the Philippines, Thailand and Viet Nam). The implementation of the three surveys has been delayed and the results are expected to be submitted to the 78th meeting.

# The need to complete and submit all surveys of ODS alternatives by January 2017 is addressed in the consolidated progress report.

*HCFC demonstration projects*

# As of 31 December 2015, of the two approved HCFC demonstration projects in the foam sector for China, one has been completed; the other (conversion demonstration from HCFC‑141b‑based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd, (CPR/FOA/59/DEM/491)) covering three enterprises and approved in November 2009, is still ongoing. Two enterprises are fully operational with hydrocarbon pre‑blended polyols since 2015. The third enterprise had increased the thickness of the foam insulator for water heaters to meet a new energy standard issued by the Government, and is expected to be fully operational by September 2016. Consequently, the planned date of completion has been revised from December 2015 to September 2016.

# The Executive Committee may wish to request the World Bank to provide a status report to the 78th meeting to monitor the completion of the conversion demonstration project in China.

*HPMPs*

# As of 31 December 2015, two HCFC individual projects (one investment and one technical assistance activity) have been approved and completed. HPMPs in six countries valued at US $109.57 million had been approved in principle, with US $100.57 million has been approved for tranche activities.

# Stage I of the HPMP for Argentina (first tranche) (monitoring and reporting of HCFC production) (ARG/PHA/66/TAS/170) was approved in April 2012 with a completion date in April 2013. The World Bank indicated that the Ministry of Industry was given until 30 June 2015 to re-establish the project coordination unit. No funds have been disbursed.

# The Executive Committee may wish to request the World Bank to provide a status report to the 78th meeting for stage I of the HPMP for Argentina (first tranche) (monitoring and reporting of HCFC production) for which no disbursement has been reported under the progress report since the approval of the activity.

# The Secretariat identified four ongoing projects with 100 per cent disbursement in three countries: China (CPR/PRO/72/INV/540); Thailand (THA/PHA/68/TAS/160); and Viet Nam (VIE/PHA/63/TAS/58 and VIE/PHA/63/INV/56).

# The Executive Committee may wish to request the World Bank to provide a status report to the 78th meeting to monitor the completion of the ongoing projects with 100 per cent disbursement in China, Thailand and Viet Nam.

*HPPMP*

# As of 31 December 2015, the Executive Committee has approved the HPPMP for one Article 5 country (China). Funds for the first two tranches have been fully disbursed; the third and fourth tranches are progressing and the disbursement rates as of 31 December 2015 were 80 per cent and zero per cent, respectively. Environmental management plans for dismantling/closing production lines were prepared by the enterprises, and reviewed and approved by the World Bank. All five production lines have been dismantled as of mid-June 2015. Investigation of 2013 feedstock applications of HCFCs was completed and revealed that all HCFCs purchased by feedstock users for feedstock applications were not transferred to ODS use or resold to other companies for ODS use.

IS projects

# The Executive Committee has approved 46 IS projects in seven countries implemented by the World Bank. As of 31 December 2015, 44 IS projects have been completed and two are still ongoing (Jordan and Thailand). An additional status report is requested for Thailand, where limited comments were provided on IS activities.

Administrative costs

# Of the net US $1.12 billion approved for project implementation, US $109.83 million has been disbursed for administrative costs resulting in an overall administrative cost ratio of 9.8 per cent since 1991. In 2015, of the US $69.35 million approved, US $5.91 million has been disbursed for administrative costs resulting in an overall administrative cost ratio of 8.5 per cent.

Part III: Recommendation by the Secretariat

# The Executive Committee may wish:

## To note:

### The progress report of the World Bank as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/16; and

### That the World Bank would report to the 78th meeting on one project with implementation delays and on seven projects recommended for additional status reports, as indicated in Appendices I and II, respectively, of Annex III to the consolidated progress report (UNEP/OzL.Pro/ExCom/77/11).

**Annex I**

WORLD BANK PROJECT IMPLEMENTATION BY COUNTRY

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Phased out in 2015** | **Percentage of planned phase-out achieved in 2015** | **Estimated funds disbursed in 2015 (US$)** | **Funds disbursed in 2015 (US$)** | **Percentage of funds disbursed over estimation in 2015** | **Percentage of planned projects completed in 2015** |
| Algeria | 0.0 |   |   | 0 |   |   |
| Antigua and Barbuda | 0.0 |   |   | 0 |   |   |
| Argentina | 0.0 |   | 614,000 | 686,101 | 112 | 50 |
| Bahamas (the) | 0.0 |   |   | 0 |   |   |
| Bangladesh | 0.0 |   |   | 0 |   |   |
| Brazil | 0.0 |   |   | 0 |   |   |
| Chile | 8.6 |   |   | 0 |   |   |
| China | 4,302.4 | 99.9 | 23,454,247 | 37,470,345 | 160 | 67 |
| Colombia | 0.0 |   |   | 0 |   |   |
| Ecuador | 0.0 |   |   | 0 |   |   |
| Egypt | 0.0 |   |   | 0 |   |   |
| Ghana | 0.0 |   |   | 0 |   |   |
| Global | 0.0 |   | 165,000 | 21,610 | 13 | 100 |
| Guatemala | 0.0 |   |   | 0 |   |   |
| India | 0.0 |   | 0 | 0 |   |   |
| Indonesia | 2.6 |   | 493,964 | 607,804 | 123 |   |
| Iran (Islamic Republic of) | 0.0 |   |   | 0 |   |   |
| Jordan | 0.0 |   | 634,621 | 98,230 | 15 |   |
| Kenya | 0.0 |   |   | 0 |   |   |
| Malaysia | 0.0 |   |   | 0 |   |   |
| Mexico | 0.1 |   |   | 0 |   |   |
| Nigeria | 0.0 |   |   | 0 |   |   |
| Oman | 0.0 |   |   | 0 |   |   |
| Pakistan | 0.0 |   |   | 0 |   |   |
| Philippines (the) | 0.0 |   | 110,000 | 4,446 | 4 |   |
| Serbia | 0.0 |   |   | 0 |   |   |
| Slovenia | 0.0 |   |   | 0 |   |   |
| Sri Lanka | 0.0 |   |   | 0 |   |   |
| Thailand | 46.2 |   | 2,110,702 | 2,682,087 | 127 |   |
| Trinidad and Tobago | 0.0 |   |   | 0 |   |   |
| Tunisia | 0.0 |   |   | 0 |   |   |
| Turkey | 0.0 |   |   | 2 |   |   |
| Uruguay | 0.0 |   |   | 0 |   |   |
| Venezuela (Bolivarian Republic of) | 0.0 |   |   | 0 |   |   |
| Viet Nam | 89.4 |   | 3,219,000 | 2,383,979 | 74 |   |
| Zimbabwe | 0.0 |   |   | 0 |   |   |
| **Grand Total** | **4,449.5** | **99.9** | **30,801,534** | **43,954,602** | **143** | **67** |

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| --- | --- | --- | --- | --- |
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1. The progress report is attached. The data has been included in the Consolidated Progress Report database that is available upon request. [↑](#footnote-ref-1)
2. The higher value of the cost-effectiveness for ongoing projects is largely due to the lower ODP values of HCFCs but also due to the means of assigning phase-out by agencies. [↑](#footnote-ref-2)
3. 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 a funding tranche of an MYA of US $1 million is considered one project, same as a country programme preparation of US $30,000). Key indicators from the annual summary are: the percentage of projects completed, ODP phased out, and percentage of funds disbursed. There are three types of disbursements: during implementation, after implementation and for retroactively-financed projects. [↑](#footnote-ref-3)
4. 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). [↑](#footnote-ref-4)
5. Ongoing projects are all projects that have been approved by the Executive Committee and were under implementation as of 31 December 2015. Key indicators of progress include: percentage of funds disbursed and percentage of projects that have begun disbursing funds; funding expected to be disbursed by the end of the year (funds disbursed plus estimated disbursements in 2015) as a percentage of the approved funding; the average length of projected delay in implementation (project completion per proposal and currently planned date of completion); and information provided in the remarks column in the progress report database. [↑](#footnote-ref-5)
6. One of the seven preparation activities was for the Philippines where the World Bank is not an implementing agency for the approved stage I of the HPMP. [↑](#footnote-ref-6)
7. ODS survey reports should be submitted by January 2017 to enable the Secretariat to provide an analysis of the results of the surveys for consideration of the Executive Committee at its 78th meeting (decision 74/53(h)). [↑](#footnote-ref-7)