

 UNEP/OzL.Pro/ExCom/84/21
 19 November 2019

**PROGRESS REPORT OF THE WORLD BANK AS AT 31 DECEMBER 2018**

# This document presents the progress report of the World Bank as at 31 December 2018.[[1]](#footnote-1)

Scope of the document

# This document consists of the following parts:

## Part I: Projects approved under the regular contributions to the Multilateral Fund. It presents a summary of progress in implementation of projects for 2018 and cumulative since 1991; it contains a review on the status of implementation of each ongoing[[2]](#footnote-2) project at the country level; and it identifies projects with implementation delays and the potential impact on the phase-out of controlled substances, and projects with outstanding issues for consideration by the Executive Committee.

## Part II: Projects approved under the additional voluntary contributions for fast start support for HFC phase-down.[[3]](#footnote-3) It provides a status of implementation of HFC phase‑down projects funded under the voluntary contributions.

Recommendation.

# Annex I to the present document contains an analysis of the progress report.

Measurements used in the progress reports

# Prior to agreement on the Kigali Amendment, all controlled substances under the Montreal Protocol were ozone‑depleting substances, measured in ODP tonnes. Controlled substances under the Kigali Amendment are not ozone‑depleting substances, and their control targets are measured in mt CO2-eq. (i.e., consumption in metric tonnes (mt) multiplied by the global warming-potential (GWP) of the substance). Notwithstanding the two different measurements for reporting controlled substances, the progress report of the World Bank submitted to the 84th meeting is based on ODP tonnes for all controlled substances.[[4]](#footnote-4)

**An overview of HFC phase-down activities**

# As of 31 December 2018, the Executive Committee had approved six HFC-related projects under the additional voluntary contributions amounting to US $1,213,514 (excluding agency support costs). Regarding enabling activities, extension of the completion dates of two of these projects was approved at the 83rd meeting and requests for extension for one project has been submitted to the 84th meeting.

**Progress review process by the Secretariat**

# The Secretariat reviewed the status of implementation of each ongoing project 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 2018, the potential impact of these delays on the phase‑out of controlled substances and the rate of planned disbursements. The Secretariat had several discussions with the World Bank, where a number of issues on ongoing projects were raised and subsequently satisfactorily resolved.

Part I: Projects approved under the regular contributions to the Multilateral Fund

**Summary of progress in implementation of projects for 2018 and cumulative**

# Implementation of projects and activities by the World Bank for 2018 and cumulative since 1991 up to 31 December 2018 is summarized as follows:

## **Phase-out:**[[5]](#footnote-5) In 2018, 98.1 ODP tonnes of consumption of controlled substances were phased out and an additional 33.2 ODP tonnes of consumption of controlled substances were approved for phase-out. Since 1991, 146,006 ODP tonnes of consumption of controlled substances and 186,808 ODP tonnes of production of controlled substances had been phased out, of an expected total of 304,578 ODP tonnes from projects approved (excluding cancelled and transferred projects);

## **Disbursements/approvals:** In 2018, US $9.33 million was disbursed and US $13.74 million was planned for disbursement based on the 2017 progress report, representing a rate of disbursement of 68 per cent of that planned. Cumulatively, US $1.13 billion had been disbursed out of the total US $1.16 billion approved for disbursement (excluding agency support costs). This represents a rate of disbursement of 97 per cent. In 2018, US $26.41 million was approved for implementation;

## **Cost-effectiveness (in ODP):**[[6]](#footnote-6) Since 1991, the average cost-effectiveness of investment projects approved leading to a permanent reduction in consumption was US $5.48/kg and for the production sector was US $4.91/kg. The average cost‑effectiveness of investment projects per ODP tonne was US $3.00/kg for completed projects and US $95.55/kg for ongoing projects;[[7]](#footnote-7)

## **Number of projects completed:** In 2018, 21 projects were completed. Since 1991, 1,063 projects of the 1,087 projects approved (excluding closed or transferred projects) were completed. This represents a completion rate of 98 per cent;

## **Speed of delivery – investment projects:** Nine investment projects have been completed in 2018. 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 2018 were completed on average 42 months after their approval. Since 1991, the average time for completion of non-investment projects has been 36 months after their approval. First disbursements under these projects occurred, on average, 22 months after they had been approved;

## **Project preparation:** Of the 291 project preparation activities approved by the end of 2018, 290 have been completed, leaving one ongoing;

## **Implementation delays:** There were a total of 17 ongoing investment projects under implementation at the end of 2018. These projects, on average, are experiencing a delay of 45 months. However, there are no projects classified as “projects with implementation delays” that are subject to the procedures of project cancellation (as multi‑year agreements (MYAs) are not subject to those procedures); and

## **MYAs**: In 2018, the World Bank was implementing eight MYAs for HCFC phase-out management plans (HPMPs). Since 1991, 39 MYAs have been approved and 31 MYAs have been completed.

Project implementation progress in 2018

# Of the 20 ongoing projects,[[8]](#footnote-8) excluding institutional strengthening (IS) and project preparation, four projects have revised planned dates of completion since the 2017 progress report.

# Details of progress in implementation of projects associated with the HPMPs for China (stage II of the polyurethane foam sector plan)[[9]](#footnote-9), Jordan[[10]](#footnote-10) and Viet Nam[[11]](#footnote-11) and reports on projects with specific reporting requirements[[12]](#footnote-12) associated with China (CFC production phase-out, process agent, CFC and halon phase‑out and HPMP) and Indonesia (HPMP) have been submitted to the 84th meeting. Recommendations for outstanding issues for these projects, including approval of extension requests, if any, are addressed in the relevant sections of these documents. There were no outstanding issues for the remaining ongoing projects.

# Part II: PROJECTS APPROVED UNDER THE ADDITIONAL VOLUNTARY CONTRIBUTIONS FOR FAST START SUPPORT FOR HFC PHASE-DOWN

# As of 31 December 2018, the Executive Committee had approved six HFC-related projects as summarized in Table 1.

# **Table 1. HFC-related projects approved in 2018**

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of projects** | **Funding (US $)\*** |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Investment | 1 | 0 | 0 | 183,514 | 0 | 183,514 | 0 |
| Project preparation | 1 | 1 | 100 | 30,000 | 30,000 | 0 | 100 |
| Technical assistance - Enabling activities | 4 | 0 | 0 | 1,000,000 | 113,390 | 886,610 | 11 |
| **Total** | **6** | **1** | **17** | **1,213,514** | **143,390** | **1,070,124** | **12** |

\*Excludes agency support costs.

# Of the six projects approved by the end of 2018, one project preparation has been completed. The investment project related to the phase-out of 8.8 mt (12,555 mt CO2-eq.) of HFCs, is at an early stage of implementation, with no funding being disbursed; however, the World Bank confirmed that the project will be completed on time. Enabling activities are at various stages of implementation. Cumulatively, US $143,390 had been disbursed out of the total US $1,213,514 approved for disbursement (excluding support costs), representing a disbursement rate of 12 per cent.

# **Recommendation**

# The Executive Committee may wish to note the progress report of the World Bank as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/21.

# **Annex I**

ANALYSIS OF THE PROGRESS REPORT OF THE WORLD BANK

AS AT 31 DECEMBER 2018

# This Annex consists of the following two parts:

## Part I: Projects approved under the regular contributions to the Multilateral Fund.

## Part II: Projects approved under the additional voluntary contributions for fast start support for HFC phase-down.

Part I: Projects approved under the regular contributions to the Multilateral Fund

# As of 31 December 2018, the Executive Committee had approved US $1.28 billion consisting of US $1.16 billion for the implementation of investment and non-investment projects and US $117.02 million for agency support costs, as shown in Table 1. In 2018, seven new projects and activities were approved. This level of funding is expected to result in the phase-out of 304,578 ODP tonnes of consumption and production of controlled substances.

# **Table 1: Approved funding by sector for the World Bank as at 31 December 2018**

|  |  |
| --- | --- |
| **Sector** | **Funding (US $)** |
| Aerosol | 22,984,030 |
| Destruction | 400,000 |
| Fire fighting | 0 |
| Foam | 136,426,742 |
| Halon | 70,221,038 |
| Fumigants | 5,837,887 |
| Multiple sectors | 2,341,168 |
| Other | 5,059,360 |
| Phase-out plan | 202,548,086 |
| Process agent | 114,342,497 |
| Production | 382,729,770 |
| Refrigeration | 180,323,076 |
| Several | 28,969,731 |
| Solvents | 10,237,394 |
| Sterilant | 661,227 |
| **Sub-total** | **1,163,082,006** |
| Agency support costs | 117,016,674 |
| **Total** | **1,280,098,680** |

# 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 | 8 | 8 | 100 | 6,313,753 | 6,114,808 | 198,945 | 97 |
| Institutional strengthening (IS) | 50 | 47 | 94 | 9,569,981 | 8,823,324 | 746,657 | 92 |
| Investment | 632 | 615 | 97 | 1,102,492,200 | 1,067,432,078 | 35,060,122 | 97 |
| Project preparation | 291 | 290 | 100 | 26,689,025 | 26,682,750 | 6,275 | 100 |
| Technical assistance | 73 | 70 | 96 | 16,083,548 | 14,947,550 | 1,135,998 | 93 |
| Training | 4 | 4 | 100 | 305,766 | 305,766 | 0 | 100 |
| **Total** | **1,087** | **1,063** | **98** | **1,163,082,006** | **1,125,934,008** | **37,147,998** | **97** |

\*Excludes closed and transferred projects.

\*\*Excludes agency support costs.

# Table 3 presents an overview of the status of project implementation by year[[13]](#footnote-13). All projects and activities approved between 1991 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 | 56,173,102 | 56,173,104 | -2 | 100 |
| 1998 | 59 | 59 | 100 | 35,959,418 | 35,959,417 | 1 | 100 |
| 1999 | 73 | 73 | 100 | 64,173,138 | 64,173,138 | 0 | 100 |
| 2000 | 67 | 67 | 100 | 36,982,134 | 36,982,134 | 0 | 100 |
| 2001 | 29 | 29 | 100 | 55,212,853 | 55,212,854 | -1 | 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 | 28 | 100 | 68,592,865 | 68,592,865 | 0 | 100 |
| 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 | 22 | 100 | 25,563,461 | 25,541,662 | 21,799 | 100 |
| 2010 | 16 | 16 | 100 | 1,148,623 | 1,148,623 | 0 | 100 |
| 2011 | 10 | 7 | 70 | 44,668,997 | 44,182,659 | 486,338 | 99 |
| 2012 | 10 | 9 | 90 | 11,745,779 | 11,698,145 | 47,634 | 100 |
| 2013 | 7 | 5 | 71 | 43,650,189 | 43,581,582 | 68,607 | 100 |
| 2014 | 13 | 12 | 92 | 28,346,333 | 28,346,333 | 0 | 100 |
| 2015 | 13 | 11 | 85 | 69,350,804 | 69,344,529 | 6,275 | 100 |
| 2016 | 18 | 12 | 67 | 12,894,457 | 4,515,974 | 8,378,483 | 35 |
| 2017 | 5 | 3 | 60 | 3,673,565 | 1,651,291 | 2,022,274 | 45 |
| 2018 | 7 | 0 | 0 | 26,408,870 | 292,281 | 26,116,589 | 1 |
| **Total** | **1,087** | **1,063** | **98** | **1,163,082,006** | **1,125,934,008** | **37,147,998** | **97** |

\*Excludes closed and transferred projects.

\*\*Excludes agency support costs.

# Table 4 presents project implementation by country for 2018.

Table 4. Summary of project implementation by the World Bank for 2018

| **Country** | **Phased out in 2018\*****(ODP tonnes)** | **Percentage of planned phase-out achieved in 2018** | **Estimated funds disbursed in 2018 (US$)** | **Funds disbursed in 2018 (US$)** | **Percentage of funds disbursed over estimation in 2018** | **Percentage of planned projects completed in 2018** |
| --- | --- | --- | --- | --- | --- | --- |
| Argentina | 0.0 |   | 43,815 | 43,815 | 100 | 100 |
| China | 0.0 | 0 | 5,868,312 | 2,320,337 | 40 | 60 |
| Indonesia | 19.9 |   | 1,630,480 | 1,600,596 | 98 |   |
| Jordan | 0.0 |   | 444,815 | 134,540 | 30 | 50 |
| Saudi Arabia | 3.6 | 100 | 554,400 | 477,000 | 86 | 100 |
| Thailand | 74.6 | 100 | 5,114,580 | 4,749,432 | 93 | 92 |
| Vietnam | 0.0 |   | 85,000 | 0 | 0 |   |
| Global | 0.0 |   | 0 | 0 |   | 100 |
| **Total** | **98.1** | **4** | **13,741,402** | **9,325,719** | **68** | **83** |

\* No phase-out in 2018 for HFC-related projects.

# Part II: Projects approved under the additional voluntary contributions for **fast start support for HFC phase-down**

# As of 31 December 2018, the Executive Committee had approved six HFC-related projects under the additional voluntary contributions amounting to US $1,213,514 (excluding agency support costs). A summary of the status of these projects is presented in Table 5.

# **Table 5. HFC-related projects approved in 2018**

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of projects** | **Funding (US $)\*** |
| **Approved** | **Completed** | **% completed** | **Approved** | **Disbursed** | **Balance** | **% disbursed** |
| Investment | 1 | 0 | 0 | 183,514 | 0 | 183,514 | 0 |
| Project preparation | 1 | 1 | 100 | 30,000 | 30,000 | 0 | 100 |
| Enabling activities | 4 | 0 | 0 | 1,000,000 | 113,390 | 886,610 | 11 |
| **Total** | **6** | **1** | **17** | **1,213,514** | **143,390** | **1,070,124** | **12** |

\*Excludes agency support costs.

# Of the six projects approved by the end of 2018, one project preparation has been completed. The investment project related to the phase-out of 8.8 mt (12,555 mt CO2-eq.) of HFCs, is at an early stage of implementation, with no funding being disbursed. Enabling activities are at various stages of implementation. Cumulatively, US $143,390 had been disbursed out of the total US $1,213,514 approved for disbursement (excluding support costs), representing a disbursement rate of 12 per cent.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

1. The progress report is attached to the present document. The data has been included in the Consolidated Progress Report database that is available upon request. [↑](#footnote-ref-1)
2. Ongoing projects are all projects that were under implementation as at 31 December 2018. 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 as a percentage of the approved funding; the average length of projected delay in implementation; and information provided in the remarks column in the progress report database. [↑](#footnote-ref-2)
3. All HFC-related activities for the World Bank have been approved under the additional voluntary contributions. [↑](#footnote-ref-3)
4. The issue of the two different measurements of controlled substances is discussed in the consolidated progress report (UNEP/OzL.Pro/ExCom/84/16). [↑](#footnote-ref-4)
5. All the controlled substances under these projects were ozone-depleting substances. [↑](#footnote-ref-5)
6. All the controlled substances under these projects were ozone-depleting substances, and thus measured in ODP tonnes. [↑](#footnote-ref-6)
7. 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-7)
8. At the 83rd meeting, the HPMP for the Philippines was transferred to UNIDO (decision 83/39). [↑](#footnote-ref-8)
9. UNEP/OzL.Pro/ExCom/84/42 [↑](#footnote-ref-9)
10. UNEP/OzL.Pro/ExCom/84/53 [↑](#footnote-ref-10)
11. UNEP/OzL.Pro/ExCom/84/62 [↑](#footnote-ref-11)
12. UNEP/OzL.Pro/ExCom/84/22 [↑](#footnote-ref-12)
13. 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-13)