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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

**CONSOLIDATED PROJECT COMPLETION REPORT: FOLLOW-UP ON
DECISIONS 26/11 AND 35/8 (b)**

I. Introduction

1. The purpose of this report is to provide the Executive Committee with an overview of the results reported in the project completion reports (PCR) received during the reporting period, i.e. since the 35th meeting in December 2001. This corresponds to decisions 23/8 (i) and 26/11 of the Executive Committee requesting the Senior Monitoring and Evaluations Officer to present a consolidated PCR, after consultation with the implementing agencies at the third meeting of each year.

2. At its 35th meeting, the Executive Committee decided:

(b) With a view to improving the quality of project completion reports:

(i) “to request the implementing agencies to report to the 38th Meeting of the Executive Committee on measures taken to improve submission of data for project completion reports from beneficiary companies, in particular on experiences with withholding part of project funds until such data had been delivered and proof of equipment destruction had been provided in accordance with Decision 32/18;

(ii) also to request the implementing agencies to specify in the project documents the list of equipment to be destroyed and the modalities for such destruction, including the certification, as well as the data required for the project completion reports;

(iii) further to request the implementing agencies to ensure consistency of data reported in the project completion reports and the annual progress reports.” (Decision 35/86).

3. Reports received from the implementing agencies to comply with this decision including experiences with the responses and contributions from beneficiary companies are summarized in this consolidated PCR, along with a description of efforts to improve the quality and timeliness of PCRs.

II. Overview of PCRs Received

4. The total number of PCRs received for investment projects in the year 2002 decreased to 207 (compared to 234 in 2001). Nevertheless, the total number of PCRs still due for completed investment projects has decreased from 235 to 222. For non-investment projects on the contrary the number of PCRs received in 2002 increased from 32 to 53, while also the number of outstanding PCRs increased (from 85 to 100). For project preparations, country programmes, recurrent activities like networking and information exchange, as well as extended institutional strengthening projects no PCRs are required (Decision 29/3). Recurrent activities are reported upon in the annual progress reports while terminal reports are provided on each phase of IS projects, jointly with the request for extension. Annual tranches of multi-year projects are not supposed to be reported upon in PCRs. They are discussed separately in Section VII below. Tables 1 and 2 present more detailed data by agency including comparative figures for the previous two reporting periods.

5. Implementing and bilateral agencies have submitted as of 5 October 2002 a total of 926 project completion reports (PCRs) for investment projects and 347 PCRs for non-investment projects, representing 80.7% (compared to 74.5% last year) of PCRs due for investment and 77.6% (77.3% last year) for non-investment projects completed as of 31 December 2001.

Table 1
Investment Projects Overview

Agency	Completed Projects up to December 2001	Total PCR(s) Received for Projects Completed up to December 2001	PCR(s) Received in the Reporting Period			PCR(s) still due
			2000	2001	2002 ⁽¹⁾	
France	8	8	3	3	2	0
Germany	2	1	0	0	0	1
IBRD	316	257	62	45	22	59
UNDP	588	437 ⁽²⁾	101	128	140	151
UNIDO	232	222 ⁽³⁾	34	58	43	10
USA	2	1	1	0	0	1
Total	1,148	926	194	234	207	222

⁽¹⁾ After the 35th Meeting of the Executive Committee (1 December 2001 to 5 October 2002).

⁽²⁾ In addition, UNDP submitted 1 PCR for cancelled project and 1 PCR for project completed in 2002.

⁽³⁾ In addition, UNIDO submitted 1 PCR for cancelled project, 6 Cancellation Report and 1 PCR for project completed in 2002.

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

Agency	Completed Projects up to December 2001	Total PCR Received for Projects Completed up to December 2001	PCR Received in the Reporting Period			PCR(s) still due
			2000	2001	2002 ⁽¹⁾	
Australia	6	0 ⁽²⁾	0	0	0	6
Austria	1	1	1	0	0	0
Canada	21	15	12	0	3	6
Denmark	1	1	0	1	0	0
Finland	2	1	N/A	N/A	1	1
France	9	8	2	1	3	1
Germany	11	0	0	0	0	11
IBRD	23	20	4	0	1	3
Japan	2	0	N/A	0	0	2
Singapore	2	0	0	0	0	2
South Africa	1	1	0	0	0	0
Sweden	1	1	N/A	0	1	0
Switzerland	2	2	2	0	0	0
UNDP	125	91	38	10	8	34
UNEP	165	138	67	20	15	27
UNIDO	35	30	10	0	21	5
USA	40	38	27	0	0	2
Total	447	347	162	32	53	100

⁽¹⁾ After the 35th Meeting of the Executive Committee (1 December 2001 to 5 October 2002).

⁽²⁾ In addition, Australia submitted one Project Cancellation Report.

6. All Implementing Agencies made important efforts to comply with the PCR delivery schedule agreed upon at the 35th Meeting, which focussed in particular on the sectors under evaluation. Until 5 October 2002, UNDP which implements by far the largest number of projects, delivered 112 of 105 PCRs scheduled for submission until the end of September this year but so far none of the 30 PCRs for non-investment projects. The World Bank provided 16 of 34 outstanding PCRs, UNEP 15 of 18 due and UNIDO sent 64 PCRs, 42 more than scheduled. In the meantime, many additional PCRs have become due for projects completed in 2001, in particular from UNDP and also from the World Bank (see Table 4).

Table 3
Schedule for Planned Submission of PCRs in 2002 and Actual Delivery*

	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
UNDP	31 Mar 02	UNDP will concentrate on PCRs for investment projects completed in 97, 98, 99 and 00. For Non-Inv. projects at least 30 by Dec 02.	35	22FOA, 7ARS, 1REF		
	30 Jun 02		35	2ARS, 34FOA, 3REF		
	30 Sept 02		35	42FOA, 1REF		
	31 Dec 02		35			
	Total		140	112	30	0
Status at October 4, 2002.				+7		-30
	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
UNEP		Technical Assistance (15) Training (3)			18	8TRA, 7TAS
	Total				18	15
Status at October 4, 2002.						-3
	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
UNIDO	End of December 2001*	Refrigeration (7) Foam (5) Demonstration (6)	12	7 FOA, 3 REF	6	6 DEM
	March 2002	Foam (1)	1	2 FOA, 1 REF, 3 ARS		
	May 2002			1 REF		
	June 2002	Aerosol (1)	1	2 SOL, 2REF		
	July 2002			2 FOA		
	August 2002			9 REF		3TAS, 4TRA, 3DEM
	October 2002			1REF, 1SOL, 7FOA, 2FUM		1TRA
		Technical Assistance (2)			2	4 DEM
	Total		14	43	8	21
Status at October 4, 2002.				+29		+13
	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
IBRD	February	Aerosol (2) Refrigeration MAC (1) Foam (4)	7	1 ARS 2 REF 2 FOA		
	April	Refrigeration MAC(1) Foam (2) Refrigeration (3)	6			
	June	Foam (3) Refrigeration (6) Several (1)	9		1	
	August	Refrigeration (6)	6	2 REF		
	October	Refrigeration (5)	5	4 FOA, 4 REF		1 TAS
	Total		33	15	1	1
	Status at October 4, 2002.				-18	

* In addition, UNIDO submitted 3 Cancellation Reports.

III. Detailed Analysis of Project Completion Reports for Investment Projects

(a) PCRs Received and Due

7. Until the end of 2001, UNDP completed 588 investment projects for which it submitted 437 PCRs (74.3 per cent of total) as at 5 October 2002, UNIDO completed 232 projects for which it submitted 222 PCRs (95.6 per cent), the World Bank completed 316 projects and submitted 257 PCRs (81 per cent), Germany and the U.S.A. each completed two projects and submitted one PCR (50 per cent), and France completed 8 projects and submitted 8 PCRs (100 per cent of PCRs due).

Table 4
PCRs for Investment Projects Received and Due by Implementing Agency,
Sector and Year
(For Projects Completed Until the End of 2001)

Agency	Sector	PCR(s) Received in:						PCR(s) Due for Projects Completed:							
		1998	1999	2000	2001	2002	Total	Before 1997	In 1997	In 1998	In 1999	In 2000	In 2001	In 2002	Total
UNDP	Aerosol	1	-	9	4	8	22	-	-	-	-	-	2	1	3
	Foam	20	33	76	87	98	314	-	1	4	4	5	33	60	107
	Halon	-	-	3	13	-	16	-	-	-	-	-	1	-	1
	Refrigeration	1	22	2	33	5	63	-	-	-	3	8	13	16	40
	Solvent	3	-	-	19	-	22	-	-	-	-	-	-	-	-
	Total	25	55	90	156	111	437	-	1	4	7	13	49	77	151
UNIDO	Aerosol	6	6	10	6	2	30	-	-	1	-	-	-	-	1
	Foam	6	23	3	19	15	66	-	-	-	1	-	1	1	3
	Fumigant	-	-	-	-	2	2	-	-	-	-	-	-	1	1
	Halon	1	-	-	-	-	1	-	-	-	-	-	-	-	-
	Refrigeration	10	27	10	30	17	94	-	-	-	2	1	1	1	5
	Solvent	4	14	5	3	3	29	-	-	-	-	-	-	-	-
	Total	27	70	28	58	39	222	-	-	1	3	1	2	3	10
World Bank	Aerosol	4	6	6	-	1	17	-	-	1	-	-	2	-	3
	Foam	12	31	38	16	10	107	-	-	1	2	4	7	12	26
	Halon	2	1	1	-	-	4	-	-	-	-	-	-	-	-
	Multiple Sectors	-	1	1	-	-	2	-	-	-	-	-	-	-	-
	Others	-	-	2	-	-	2	-	-	-	-	-	-	-	-
	Process Agent	-	-	-	-	-	-	-	-	-	-	-	-	1	1
	Production	1	-	-	-	-	1	-	-	-	-	-	-	-	-
	Refrigeration	13	29	23	24	11	100	-	-	-	10	2	10	5	27
	Solvent	13	6	3	1	-	23	1	-	-	-	-	1	-	2
	Sterilant	-	-	-	1	-	1	-	-	-	-	-	-	-	-
Total	45	74	74	42	22	257	1	-	2	12	6	21	17	59	
Bilateral	Aerosol	-	-	-	-	-	-	-	-	-	-	-	1	-	1
	Foam	-	-	3	2	2	7	-	-	-	-	-	-	-	-
	Halon	-	-	1	-	-	1	-	-	-	-	-	-	-	-
	Refrigeration	-	1	1	-	-	2	-	-	-	-	1	-	-	1
	Total	-	1	5	2	2	9	-	-	-	-	1	1	-	2
Grand Total	97	200	197	258	174	926	1	1	7	22	21	73	97	222	

8. The largest number of PCRs received were from UNDP, particularly for foam projects, but the number of PCRs outstanding is still high. The second largest number was received for the refrigeration sector. However, it is also the sector with the second largest number of outstanding reports. The backlog of PCRs for early investment projects completed until the end of 1997 has been reduced to 2 (from 4 last year).

9. The 207 PCRs received in the reporting period as of 5 October 2002 represent projects completed in 32 countries. As last year, 60% of the completion reports are for projects implemented in five countries (Brazil, People's Republic of China, India, Malaysia and Nigeria).

(b) ODS Phase-out Achieved

10. ODS phase out in the projects reported upon in the project completion reports is found to be as planned in most investment projects, the total phase out reported being slightly more than the planned amount (see Table 5 below). However, information in the PCRs is often neither complete nor coherent. Still in many cases, particularly for projects implemented by UNDP, unit production and ODS consumption data before and after the conversion are not completed. Also, the ODS phase-out data reported in the PCRs are in 16 cases out of 207 different from the ODS data reported in the 2001 Progress Report. As an improvement, the number of cases with such differences and the volume of differences is much less than last year, in particular as a result of efforts by the World Bank to clear up such inconsistencies, in cooperation with the Secretariat.

Table 5
ODS Phased Out by Projects with PCRs Submitted

Agency	Number of Projects	PCR		2001 Progress Report	
		ODP to be Phased Out	ODP Phased Out	ODP to be Phased Out	ODP Phased Out
France	2	47.5	50	48	19.5
IBRD	22	765	764	704	702
UNDP	140	3,967	3,972	3,967	3,949
UNIDO	43	2,908	2,908	2,889*	2,889*
Total	207	7,687.5	7,694	7,608	7,560

* Excluding ALG/ARS/28/INV/41 where the project is ongoing according to Progress Report.

(c) Implementation Delays

11. Delays for project implementation continue to show a great deal of variance in the project completion reports. Out of 207 projects, 82 projects were completed before the planned date, 27 projects were completed on time, 97 projects showed delays ranging from one month to 59 months. In 41 of 206 projects, (20%), delays of more than 12 months occurred compared to 85 or 36% out of 234 projects completed last year. Delays cannot be attributed to particular sectors or implementing agencies. They continue to be longer than average for large projects. Completion dates in 48 PCRs differed from the dates indicated in the 2001 Progress Reports resulting also in differences of delays. Of these cases, for 14 projects implemented by UNIDO the approved planned dates of completion differed by only 1 month between data in PCRs and Inventory which indicates probably that different definitions are used for the project starting date. Average delays for projects reported as completed in 2001 were less than in the years before (see Table 6 below), reflecting the generalized move to a standard duration of 36 months which allowed in many cases to complete projects before the anticipated completion date.

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

Agency	Number of Projects	Average Delays as per PCR (Months)	Average Delays as per 2001 Progress Report (Months)	PCR Ave. Duration	Progress Report Ave. Duration
France	2	5.07	24.13	27.93	42.90
IBRD	22	3.77	-1.65	32.99	30.92
UNDP	140	3.30	0.06	30.06	21.60
UNIDO	43	4.46	6.40	28.36	28.13
Total	207 (234)	3.61 (9.8)	1.41 (9.56)	30.00	29.95

(d) Completeness and Quality of Information in PCRs

12. Some further, although not uniform progress has been made with regard to the completeness of PCRs. Key elements are missing less frequently than during the previous reporting period and the new PCR format is generally providing more information than the previous one. Problems persist particularly with regard to information about incremental operating costs and to some extent the destruction of equipment and the annual consumption of ODS and substitutes. Consumption data are often only provided for the baseline year and do not show the transition process to the use of substitutes (particularly in UNDP's PCRs).

13. In some cases, PCRs seem to be completed in a rush to comply formally with the requirement but provide little insight in the project history, the problems encountered and solved, and the lessons learnt in the process. Similar projects often have PCRs prepared with extensive use of copy and paste functions. Only the lesser part of PCRs contain substantial analysis and a complete, detailed and consistent picture of the project (among them some recently received from the World Bank).

Table 7
Information provided in Investment Project Completion Reports Received During this Reporting Period

	Provided		Not Provided		Incomplete		"Not Applicable"*	
	Number of Projects	Percentage %	Number of Projects	Percentage %	Number of Projects	Percentage %	Number of Projects	Percentage %
List of Annual Consumption of ODS and substitutes	102	50%	1	0%	103	50%	1	0%
List of Capital Equipment	198	96%	0	0%	9	4%	0	0%
Operating Cost Details	121	58%	12	6%	46	22%	28	14%
List of Destroyed Equipment	159	77%	9	4%	17	8%	22	11%

*According to indications of Implementing Agencies

14. Actual Incremental Operating Cost (IOC) reported were higher than planned expenditures and disbursed funds (see Table 8). The World Bank and UNDP reported about 32% and 12% higher than planned cost while for UNIDO the difference is minimal. The differences of the actual to the approved and disbursed funding for IOC is to a large part related to the counterpart funding reported. Other differences may be due to technical reporting errors and need further clarification. Only 121 PCRs (58%) of the 207 PCRs received provided some information on operating costs, particularly prices of ODS and of substitutes. 12 PCRs (6%) did not provide such details, 46 (22%) gave some but incomplete data, and 28 PCRs (14%) responded to this question with "not applicable".

Table 8
Incremental Operating Costs

Agency	Number of Projects	Approved Operating Cost (US \$)	Actual Operating Costs (US \$) Reported in PCRs
France	2	-38,200	-24,200
IBRD	22	1,349,400	1,778,428
UNDP	140	3,537,970	3,955,899
UNIDO*	43	3,211,907	3,219,415
Total	207	5,843,370	7,607,491

15. In addition to the total amounts of incremental operating cost disbursed, usually information on prices of ODS and substitutes used are now provided. More detailed calculations of actual operating costs or savings are given in exceptional cases only. This corresponds to the agreement reached between the Senior Monitoring and Evaluation Officer and the implementing agencies to provide full information on actual incremental operating cost/incremental operating savings (table 5.4 of the PCR) only if required for evaluations.

16. UNDP noted that in many cases, due to the reduced amount of grant, IOC are used by the enterprises to pay for the difference in actual cost of equipment exceeding the reduced grant budget. Furthermore, at time of project completion, which is usually within a couple of months after installation and commissioning of equipment when the enterprises still have not fully adapted to the new production procedures, the data obtained on operating costs at that time are not yet reliable or representative of normal production.

17. Equipment destruction or disposal is required to be reported in the PCRs for investment projects. Out of the 207 PCRs received, 159 (77%) provided information, 17 (8%) gave incomplete data, 9 (4%) did not report and 22 (11%) reported "not applicable" (see Table 7 above). Performance and reporting with regard to equipment destruction improved to some extent in comparison to last year, but is still not fully satisfactory. Missing or incomplete informations concern mainly the precise description of the equipment, the dates of disposal and the name of the person who implemented or certified the destruction.

(e) Overall Assessment and Rating

18. During the reporting period, implementing agencies submitted PCRs using new PCR format except one PCR submitted by France, which is in the old format. The new overall assessment scheme was thus used in 206 PCRs. 63% were indicated as highly satisfactory, 33.5% as satisfactory and 2.5% as less satisfactory which appears as a more positive assessment as confirmed by evaluations on foam, compressor, solvent and aerosol projects (see Table 9).

Table 9
New Overall Assessment of Project Implementation by the Agencies in the New PCR Format

New Assessment	France	UNDP	UNIDO	World Bank	Total	% of Total
Highly satisfactory		94	28	8	130	63%
Satisfactory	1	45	12	11	69	33.5%
Less satisfactory		1	1	3	5	2.5%
N/A			2		2	1%
Total*	1	140	43	22	206	100%

*Excluding one PCR submitted from France using the old PCR format where the overall assessment was Satisfactory, as planned.

IV. Non-investment Project Completion Reports

19. The largest number of PCRs received and also those due are for technical assistance projects, implemented mainly by UNDP and UNEP. The backlog in PCRs for training projects, implemented mostly by UNEP, has been eliminated whereas for bilateral training there are still 13 PCRs due, and for TAS projects 12, some of them for projects completed several years ago.

Table 10
Project Completion Report Received and Due for Non-Investment Projects
(for Projects Completed Until the end of 2001)

Agency	Sector	See PCR(s) Received so far for Year Due						PCR(s) Still Due for Projects Completed							
		1998	1999	2000	2001	2002	Total	Before 1997	In 1997	In 1998	In 1999	In 2000	In 2001	In 2002	Total
UNDP	Demonstration	-	-	5	-	-	5	-	-	-	-	1	2	4	7
	Technical Assistance*	-	6	38	18	-	62	-	2	-	5	7	3	10	27
	Training	-	18	6	-	-	24	-	-	-	-	-	-	-	-
	Total	-	24	49	18	-	91	-	2	-	5	8	5	14	34
UNEP	Technical Assistance	1	61	3	18	7	90	-	-	-	-	-	3	12	15
	Training	8	34	1	2	3	48	-	-	-	-	3	-	9	12
	Total	9	95	4	20	10	138	-	-	-	-	3	3	21	27
UNIDO	Demonstration	-	-	-	6	5	11	-	-	-	-	-	-	2	2
	Technical Assistance	-	6	8	-	2	16	-	-	1	-	1	-	1	3
	Training	-	1	1	-	1	3	-	-	-	-	-	-	-	-
	Total	-	7	9	6	8	30	-	-	1	-	1	-	3	5
World Bank	Demonstration	1	-	-	-	-	1	-	-	-	-	-	-	-	-
	Technical Assistance	4	5	6	-	1	16	1	-	-	1	-	1	-	3
	Training	-	3	-	-	-	3	-	-	-	-	-	-	-	-
	Total	5	8	6	-	1	20	1	-	-	1	-	1	-	3
Bilateral	Demonstration	5	5	12	-	0	22	-	-	-	1	1	4	-	6
	Technical Assistance	-	-	13	1	1	15	4	-	1	-	1	2	4	12
	Training	1	3	19	1	3	31	5	0	1	1	1	4	1	13
	Total	6	8	44	2	6	66	9	1	2	2	4	11	8	37
Grand Total	20	142	112	46	27	347	10	2	3	8	15	19	43	100	

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

Table 11
Overview of Institutional Strengthening

Agency	Completed Projects up to December 2001*	PCR Received for Projects Completed up to December 2001*	Terminal Reports Received With Extension Requests
France	1	1	0
IBRD	10	7	3
UNDP	45	1	44
UNEP	52	10	42
UNIDO	4	2	2
USA	1	0	1
Total	113	21	92

*Completed in the sense of a phase being completed.

21. After being approved at the 32nd Meeting of the Executive Committee, the new formats for terminal reports and extension requests for IS projects have been applied. The terminal reports usually provide much more complete and clearer information than before on the results achieved during the previous implementation phase, and link these results to the tasks described in the action plans for the following year.

22. Total actual expenditures for all completed non-investment projects with PCRs were reported to be 95.8% of the planned expenditures which indicates slight overall savings (see Table 12).

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

Agency	Number of Projects	Approved Funds (US\$)	Actual Funds (US\$)	Average Delays (Months)
Bilateral	8	387,410	379,578	17.55
UNDP	8	2,118,900	1,946,326	36.39
UNEP	15	952,900	952,900	21.31
UNIDO	21	5,766,994	5,558,672	5.20
World Bank	1	100,000	100,000	28.40
Total	53	9,326,204	8,937,476	16.75

23. The delays realized for project implementation continue to show a great deal of variance. Out of 53 non-investment projects, 9 were completed before the scheduled date, one project was completed on time and there were delays in 42 projects ranging from one month to 74 months. In 25 projects, delays of more than 12 months occurred. No particular patterns with regard to delays by type of project are observable. The average delay for non-investment projects is 16.75 months beyond the planned completion date, showing an increase compared to 2000 and 1999 when the respective average delays were 15.21 months and 8.72 months.

24. All PCRs did report an overall assessment. 22% of the projects were marked as highly satisfactory, 27% as satisfactory as planned, 24% as satisfactory though not as planned and one as unsatisfactory although less than planned (see Table 13). The validity of such assessments can only be verified during evaluations.

Table 13
Overall Assessment of Non-Investment Projects by Agencies

Assessment	UNDP	UNEP	UNIDO ⁽¹⁾	World Bank	Bilateral	Total	% of Total
Highly satisfactory, more than planned		6	2	1	2	11	22%
Satisfactory, as planned		8	3		3	14	27%
Satisfactory, though not as planned	7	1	1		3	12	24%
Unsatisfactory, less than planned	1					1	2%
Unacceptable						0	0%
Not Applicable ⁽²⁾			13			13	25%
Total	8	15	19	1	8	51	100%

⁽¹⁾ In addition, UNIDO submitted two PCRs for RMPs using the new PCR format for R&R projects; the ratings given are highly satisfactory and satisfactory.

⁽²⁾ For Methyl Bromide Demonstration Projects.

V. Schedule for Submission of PCRs in 2003

25. The Implementing Agencies submitted, as in previous years, schedules for submission of PCRs due. Table 14 shows PCRs due for projects completed as of 31 December 2001 and takes into account the number of outstanding PCRs as of 5 October 2002. The Implementing Agencies will, in addition to the above schedule, submit PCRs in 2003 for projects completed through 2002 (up to June 30).

Table 14
Schedule for Submission of Outstanding PCR in 2003
(In brackets PCR due as of 12 October 2002)

UNDP*	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	31 Mar 03		35	
	30 Jun 03		35	
	30 Sept 03		35	
	31 Dec 03		35	
	Total		140	4
Total PCRs Due as of 5 October, 2002			151	34
UNEP**	Schedule	Sector	Investment PCRs	Non-Investment PCRs
				24
	Total			24
Total PCRs Due as of 5 October, 2002			N/A	24
UNIDO***	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	February	Refrigeration (2) Foam (1)	3	
	March	Foam (1)	1	
	June	Refrigeration (3) Foam (1)	4	
	Total		8	
Total PCRs Due as of 5 October, 2002			10	5
IBRD****	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	February	Refrigeration (2) Foam (3)	5	
	June	Aerosol (2) Foam (3) Refrigeration (3) Solvent (1)	9	
	August	Foam (4) Refrigeration (6)	10	
	October	Refrigeration (3) Foam (2)	5	
	November	Refrigeration (5) Foam (4)	9	
	Total		38	
Total PCRs Due as of 5 October, 2002			60	3

* UNDP will also provide the remaining 28 PCRs for investment and 30 for non-investment projects, foreseen for submission until the end of 2002, plus additional PCRs for non-investment projects completed in the first half of 2002.

** UNEP will try to comply with the 6 months after completion rule, which means it would submit in addition substantial numbers of PCRs for projects completed in 2002 and in the first half of 2003.

*** UNIDO will in addition submit 2 PCRs (for one aerosol and one fumigant project) in November 2002.

**** The IBRD indicated the numbers for PCRs planned to be submitted in 2003 for projects completed up through December 2001, plus PCRs that will be submitted before the end of 2002 (expected 25). The Bank will, in addition to the above schedule, submit PCRs in 2003 for projects completed through 2002 and up to June 30, 2003.

26. Canada declared its intention to submit the PCRs due until the end of November 2002; the other bilateral agencies did not respond to the request to indicate a schedule for the submission of outstanding PCR.

VI. Responses of Implementing Agencies to Decision 35/8 (b)

(a) Measures Taken to Improve Submission of Data for PCRs from Beneficiary Enterprises

27. Decision 35/8 (b) part (i) requested the implementing agencies to report to the 38th Meeting of the Executive Committee on measures taken to improve submission of data for project completion reports from beneficiary companies, in particular on experiences with withholding part of project funds until such data had been delivered and proof of equipment destruction had been provided in accordance with Decision 32/18. Responses were received from the three agencies concerned (UNDP, UNIDO and the World Bank).

28. The Bank's Financial Intermediaries (FI) routinely withhold a portion of IOC or a small portion of remaining capital cost funding (if no IOC had been approved) until they receive data available for a satisfactory PCR, baseline equipment has been disposed of and receipts have been provided indicating the purchase of materials for operation. These requirements are made clear during project preparation and appraisal and are legally binding when the subgrant agreement (SGA) has been signed between the FI and the beneficiary. However, SGAs which were prepared and signed prior to Executive Committee decisions on equipment disposal and PCRs for older projects do not have such specific clauses. Most enterprises comply with equipment disposal and data requirements even if these were not specified in the original SGAs. There are a handful of cases, however, where enterprises have refused to destroy equipment or did not provide consumption and production figures needed for the PCRs. The Bank also reported that asking for consumption and production data is a sensitive issue in specific countries, in particular, for tax reasons. Some enterprises would rather provide inaccurate (lower) production figures or none at all.

29. UNIDO reported that for any project in which incremental operating costs are included, 50% of the funds are withheld until the relevant data has been received and destruction of equipment has been validated. However, UNIDO's experience with enterprises preparing PCRs directly has been unsatisfactory. Consequently, PCRs are prepared by UNIDO staff or consultants. The same has been reported by UNDP.

30. UNDP reported to have introduced the following practices:

- (a) Required data for the PCR are obtained during project completion procedures when Hand-over Protocol (HOP) is issued.
- (b) Staff responsible for the preparation of the PCR will make sure that all required data are included in the PCR.
- (c) Staff reviewing the PCR prior to submission undertakes further review to check the completeness of the PCR.

31. In China, UNDP has already initiated that IOC payments would be effected only after receipt of PCR data and evidence of destruction of baseline equipment. Furthermore, since UNDP/UNOPS experts have been instructed to gather all required data and information on equipment destruction at time of the handover protocol, withholding of project funds may not be necessary unless in the situation when Governments take the responsibility to verify equipment destruction. However, in many projects where the bulk of funds were already used to purchase equipment or to undertake local work, there are hardly any funds left to be withheld by the time the project is at the completion stage when the required data are needed. This leaves little leverage for UNDP to require the enterprises to provide the needed information.

32. Experience from evaluation missions confirms that production data are sensitive in some companies, and that smaller companies tend to have difficulties to establish well-structured draft reports. However, recent and current production data can be estimated by a consultant during the hand over procedures, which is also the best time to collect the other information for the PCR. Although companies are sometimes slow to respond, they are usually cooperative, in particular when the information requirements were already defined during project preparation and were made part of the project document.

(b) Lists of ODS-Equipment to be Destroyed

33. Decision 22/38 taken by the Executive Committee in June 1997 requested the implementing agencies to include systematically lists of ODS-equipment to be destroyed in the project documents and in the PCRs. Later evaluations found it often difficult to establish a clear link between such lists in the project documents and those in the PCRs and proposed therefore to indicate precise serial and model numbers or other means of identification. This proposal was adopted by the Executive Committee in Decision 35/10 (c).

34. UNDP, UNIDO and the World Bank reported that they comply with these decisions. UNDP added that in cases where Governments have decided that it is their responsibility to verify equipment destruction, the provision of such information to UNDP may take several months (and sometimes years). UNDP suggested to use in those cases a remark "expecting Government's certification on equipment destruction" in the PCR.

35. While destruction of ODS equipment has become more frequent practice and the lists in the PCRs more detailed and complete in recent years, this is still not always the case, however, as for example in many aerosol projects described in the evaluation report presented to this meeting (document 38/05). The equipment destruction guidelines, the Secretariat was requested to prepare by decision 30/6, in cooperation with the implementing agencies, are still in draft form, allowing some enterprises to delay destruction of ODS equipment under the pretext of lack of clear instructions.

(c) Improve Consistency of Data Reported in PCRs and in Annual Progress Reports

36. World Bank and Secretariat staff met in Montreal in July 2002 to discuss in detail data inconsistencies in the progress reports of the Bank and the Inventory of the Secretariat. Many issues were solved and the remaining discrepancies which concern particularly a number of early projects are followed up. Data inconsistencies between the Banks' Progress Reports and PCRs still have to be sorted out, and the Bank plans to provide information within the next few weeks as to what data is accurate for the cases sent to the Bank that have data discrepancies between the progress report and the PCRs.

37. UNIDO corrected a number of PCRs after having received relevant indications and clarifications by the Secretariat.

38. UNDP is in the process of reviewing the several categories of differences between data reported in PCRs and the Annual Progress Report and promised to make special efforts to verify data consistency prior to submission of future PCRs.

(d) Final Financial Figures in PCRs

39. In spite of discussions between the Senior Monitoring and Evaluation Officer and Implementing Agencies at the end of 2001, no progress was achieved with regard to the updating of PCRs once the final financial figures are known after financial completion of the projects. While the World Bank declared to be able to send such figures in an overview table for all projects, UNIDO and UNDP indicated that such updating of PCRs would require large amounts of scarce professional staff time because the budget lines used by their financial services do not match exactly the expenditure categories in the PCRs.

VII. Conclusion

40. While some improvements can be observed with regard to the quantity and quality of PCRs received, important omissions continue, particularly with regard to ODS consumption data before and after the conversion. The Implementing Agencies confirmed the difficulties to obtain accurate data in a timely manner from the beneficiary companies, even when part of the funding was withheld. Nevertheless, it appears that at present further decisions of the Executive Committee in addition to the adjustments indicated below, are not required. It depends on the implementing agencies, the beneficiary companies and the ozone units to fully comply with the existing decisions and to continue their efforts to provide high-quality reporting within the delays foreseen.

VIII. Recommendations

41. The Executive Committee might:

- (a) Take note of the schedule for submission of Project Completion Reports (PCRs) due in 2003.
- (b) Request the implementing agencies to establish until the end of March 2003, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports.
- (c) Request the implementing agencies to provide final financial figures on actual expenditures of financially completed projects as required by the Senior Monitoring and Evaluation Officer for projects to be evaluated, instead of updating all PCRs.
