



**United Nations  
Environment  
Programme**

Distr.  
LIMITED

UNEP/OzL.Pro/ExCom/36/15  
19 February 2002



ORIGINAL: ENGLISH

---

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-sixth Meeting  
Montreal, 20-22 March 2002

**IMPLEMENTATION DELAYS**

Overview

1. This document is a follow-up to decisions taken at previous meetings of the Executive Committee concerning projects with implementation delays.
2. The reports from the implementing and bilateral agencies on these projects are available to Executive Committee members upon request.
3. Section I of this document continues the Secretariat's review of the root causes for delays. Section II addresses the projects for which reports were requested. Implementing agencies have requested additional projects to be cancelled. Section III of this document addresses these requested project cancellations.

**Section I: Review of root causes of delays**

4. The Committee noted that the Secretariat would *inter alia* report on its comprehensive review of projects with implementation delays and report on this to the 36th Meeting.
5. The following table presents the number of projects with implementation delays for which reports were required to the 36<sup>th</sup> Meeting. It should be noted that the actual reports of the agencies include project cancellations and other projects for which agency fees issues are addressed.

<b>Project Type</b>	<b>Number of Projects</b>	<b>Per cent of Total</b>
Country programme preparation	7	3%
Demonstration	12	6%
Investment projects	119	57%
Institutional strengthening	21	10%
Technical assistance	19	9%
Training	29	14%
<b>Total</b>	<b>207</b>	<b>100%</b>

6. As shown in the table, most of the projects with implementation delays are investment projects (57 per cent). The root causes for these projects were addressed in detail at the 35<sup>th</sup> Meeting. This section addresses the root causes of delays in non-investment projects.
7. There are 7 country programme preparation activities that have been delayed, many of which since 1995. All but one of these projects (the country programme preparation in Liberia) are for Pacific Island countries and the funds have been used to develop a strategy for the region that is being submitted to the 36<sup>th</sup> Meeting.
8. There are 12 demonstration projects listed with implementation delays. Most of these projects are methyl bromide demonstration projects that are largely dependent upon the growing seasons for the crops involved. If the demonstration is delayed during the growing season, the demonstration could be delayed for another year or at least until the crops are replanted. It

should be noted, however, that the freeze of consumption of methyl bromide occurs this year. Therefore, there is a need for these demonstrations to be completed as soon as possible.

9. The 19 technical assistance projects with implementation delays fall into two general categories: global publications and recovery/recycling and halon banking projects. The global publications are usually the responsibility of the agency concerned and the reasons for delays are attributed to the agency or its consultant. These documents may be used as reference materials to assist Article 5 countries in their phase-out efforts and their preparation is usually only approved if there is a clearly demonstrated need for them. Recovery/recycling and halon banking projects are approved, however, on the condition that certain pre-requisites are in place. For example, Decisions 22/23 and 22/24 concerning recovery and recycling projects and Decision 18/22 concerning halon banking both require that the necessary regulations should be in place before the recovery/recycling/reclamation equipment is installed. The Executive Committee may wish to consider removing these activities from the list of projects with implementation delays.

10. There are 21 institutional strengthening projects classified as projects with implementation delays. Institutional strengthening projects are generally delayed due to the late reporting of financial data to the implementing agency concerned. Institutional strengthening projects are time-sensitive in as much as they are approved for a period of time, either three years initially or two year renewals. A delay in reporting effectively means an extension of the time for the activity. Therefore, the delay caused by non-reporting results in less funds that could have been provided if the ozone unit had presented timely reports. Therefore, further monitoring of the delay is not warranted as ozone units that wish to receive the timely payment of institutional strengthening project funding have a built-in incentive to provide timely reporting and no implementation delays.

11. There are 29 training projects listed with implementation delays. Most of these projects are either training in good servicing practices or customs training. Training projects involve training trainers to train others. Training in good servicing practices would benefit the judicious use of existing supplies of CFCs and limit emissions into the atmosphere. Since they employ the train the trainer methodology, this training can take place at any time and through the trainers trained by the programme, the information can be passed on. The Executive Committee has not required a pre-requisite before such projects can be implemented. However in the case of customs training, the Executive Committee decided that the pre-requisites, i.e., the necessary legislative or regulatory framework, should be in place before customs training projects are implemented (Decision 27/19). Therefore, since the delays may be caused by the Committee's pre-requisites, the Executive Committee might wish to consider removing these projects from the list of projects with implementation delays.

## **Section II: Projects with implementation delays**

12. Implementing and bilateral agencies updated the status of projects with implementation delays and included assessments of whether or not the projects had experienced any progress since their last report. The classification of projects according to their status is available upon request.

13. Implementing and bilateral agencies categorised the causes for implementation delays according to seven categories (A through G). An additional category of causes for delays was added for delays due to pre-conditions set by the Executive Committee. If more than one reason was provided, the cause of the delay was assigned to category A, to indicate, where possible, firstly, if the delays were caused by the agency, then the enterprise, etc. The results of this analysis are provided in the following table:

Category Number	Category	Australia	Canada	Finland	France	World Bank	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies		2			17			1	20
B	Enterprise				2	27	17		17	63
C	Technical Reasons					3	4		3	10
D	Government	1	1		2	2	5		2	13
E	External					1	8		4	13
F	ExCom Decisions		1							1
G	Not Applicable		2	1		7	17	3	5	35
N/A	Not Available			2				50		52
Total		1	6	3	4	57	51	53	32	207

#### Progress in resolving causes of delays

14. Agencies indicated that there have been varying degrees of progress. 35 of the projects listed with delays at the 35<sup>th</sup> Meeting have been completed. There was evidence that there had been progress from one milestone to another or that the implementation delay had been removed for an additional 5 projects. These projects may be considered back on track and might be removed from future reporting under projects with implementation delays.

#### Projects with some progress--Projects approved less than 3 years ago

15. 5 projects approved less than 3 years ago were classified with some progress. These projects would continue to be monitored.

#### Projects with some progress approved over three years ago

16. Decision 32/4 also requires that projects with some progress that were approved over three years ago should continue to be monitored. 129 projects fall into this category. These projects will continue to be monitored.

#### Projects where deadlines were not achieved

17. In its consideration of the possible cancellation of some projects, the Executive Committee decided in lieu of cancellation to establish a deadline for the Tanzania Domestic Appliance Manufacturer project in Tanzania (URT/REF/18/INV/06). The Committee decided that the milestone established for the following project at the 34<sup>th</sup> Meeting must be achieved by 1 March 2002 or the project would automatically be cancelled. UNIDO informed the Secretariat that it planned a visit to Tanzania to determine if the milestone was achieved in the middle of

February. As of this writing, UNIDO has not informed the Secretariat of its findings. The Secretariat will inform the Committee of the outcome of UNIDO's mission at the meeting.

#### Projects with new proposed milestones and deadlines

18. At its 35<sup>th</sup> Meeting, the Executive Committee requested the implementing agencies to establish a new deadline for the next project milestone to be achieved in moving the project forward, in full consultation with the government concerned (Decision 35/13 (d)).

19. 36 of the projects listed with delays required new milestones and deadlines to be reported at the 36<sup>th</sup> Meeting. 31 of the 36 projects have provided new milestone and deadline. However, only 13 projects milestone dates have been agreed by the Government and the implementing agencies. In addition, 2 projects did not provided any milestone and 3 projects have been completed for which no milestones are required.

#### Projects with no progress

20. The implementing agencies, classified 32 projects with no progress since the 35<sup>th</sup> Meeting: UNDP (7 projects), UNIDO (5 projects), the World Bank (18 projects), Canada (1 project) and France (1 project).

21. Under Criterion 1 of the 2<sup>nd</sup> Procedure for project cancellation, the Executive Committee may wish to request the Secretariat to write, on its behalf, to the implementing agency and countries concerned that these projects may be considered for cancellation at the 37<sup>th</sup> Meeting if no further progress is reported. This applies to the following projects for which deadlines are proposed as follows:

Code	Agency	Project Title	Proposed Milestone and Deadline	Government Agreement
ARG/FUM/29/DEM/93	IBRD	Demonstration project for testing methyl bromide alternatives in post-harvest disinfestation for cotton and citrus (phase I)	Deadline of April 2002 for Senasa to look for a new manager	Milestone agreed by Government
ARG/REF/15/INV/19	IBRD	Elimination of CFC in two manufacturing plants of domestic refrigerators at Helametal S.A., and Helametal Catamarca S.A.	Deadline of end April 2001 to complete infrastructure work (piping, etc.) and August 2002 to completed installation of safety equipment	Milestone agreed by Government
ARG/REF/18/INV/37	IBRD	Elimination of CFCs in domestic refrigerator production plant in Autosal, S.A.	Deadline of April 2002 to finish Isobutane tests	Milestone agreed by Government
ARG/REF/18/INV/39	IBRD	Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba, S.A.	Deadline of February 2002 for Neba to complete agreement for debt payment	Milestone agreed by Government
ARG/REF/19/INV/43	IBRD	Elimination of CFC in the manufacturing plant of domestic refrigerators at Adzen S.A. C.I.F.	Deadline of end April 2002 to resolve legal issues and sub-grant agreement to be signed immediately thereafter	Milestone agreed by Government
ARG/REF/23/INV/69	IBRD	Elimination of CFCs in the manufacturing plant of domestic refrigerators at Lobato San Luis S.A.	Deadline of end April 2002 for Signature of sub-grant agreement	Milestone agreed by Government

Code	Agency	Project Title	Proposed Milestone and Deadline	Government Agreement
COL/FOA/26/INV/30	IBRD	Elimination of CFC in manufacture of rigid polyurethane foam through the use of HCFC-141b technology at Indufrio	Deadline of April 2002 for Signature of the SGA	Milestone not confirmed by Government
IDS/FOA/15/INV/20	IBRD	Elimination of CFC-11 in the manufacture of polyurethane foam sheet at Multi Karya Makmur	Deadline of February 2002 for confirmation of L/C endorsement required by Beamech	Milestone not confirmed by Government
JOR/FOA/22/INV/32	IBRD	Conversion to CFC-free technology in the manufacture of flexible slabstock PUF (box foam) at Baybars	Deadline of end March 2002 to ready for site installation of the production equipment	Milestone not confirmed by Government
CPR/REF/17/INV/119	UNIDO	Conversion of domestic refrigerator and freezer factories to phase out CFC-12 and CFC-11 by hydrocarbon isobutane and cyclopentane at Hangzhou Xiling Holdings Co.	Deadline of end April to restart the project and to complete by end 2002	Milestone agreed by Government

22. The following projects were also classified with no progress, however, the Committee may wish to provide deadlines for the accomplishment of milestones to be proposed by the implementing agencies.

Code	Agency	Project Title
KEN/FUM/26/DEM/20	Canada	Methyl bromide replacement demonstration program
IVC/REF/24/TAS/10	France	Implementation of refrigerant management plan
ARG/REF/19/INV/44	IBRD	Elimination of CFCs in the manufacturing plants of domestic refrigerators of Frimetal, Rosario
ARG/SOL/28/INV/91	IBRD	Conversion from MCF used as solvent to aqua based cleaning at Argelite La Rioja, SA; CIMCAM, SA; Grimoldi, SA; Heliolino SAIC; Integral Metalurgica, SA; Orbis Mertig SAIC; Trosh, SA Unisol, SA and Buffalo, S.A.
CPR/FOA/26/INV/267	IBRD	Conversion of refrigerator manufacture from CFC-11 to pentane foam blowing agent in the production of PU insulation panels at Foshan Refrigeration Equipment General Factory
CPR/REF/22/INV/208	IBRD	Conversion of CFC-12 medium open type refrigerating compressor at Wuhan New World Refrigeration Industrial Co. Ltd.
CPR/REF/22/INV/214	IBRD	Conversion of CFC-12 medium open type refrigerating compressor at Chongqing Bingyang Refrigerating Machine Co.
JOR/ARS/20/INV/26	IBRD	Aerosol conversion at Jordan Industrial Petrochemical Co. Ltd. (JIPCO)
PAK/FOA/23/INV/16	IBRD	Conversion to CFC-free technology in the manufacture of integral skin polyurethane foam at Synthetic Products Enterprises (Pvt) Ltd. (SPEL)
PAK/REF/23/INV/19	IBRD	Conversion to CFC-free technology in the manufacture of polyurethane foam (domestic refrigeration) at Cool Industries Ltd. (Waves)
PAK/REF/25/INV/28	IBRD	Elimination of CFC-11 and CFC-12 by converting to HCFC-141b and HFC134a in the manufacture of commercial refrigeration equipment at Shadman Electronic Industries P. Ltd.
ARG/FOA/20/INV/48	UNDP	Conversion to non-CFC technology in the manufacture of flexible foam (slabstocks) at Suavestar S.A.
ARG/FOA/25/INV/76	UNDP	Conversion to low index/additive technology in the manufacture of flexible boxfoam at Rozen S.R.L.
BOL/REF/20/TAS/04	UNDP	Implementation of a national programme for recovery and recycling of refrigerant
MOR/FOA/23/INV/13	UNDP	Phase out of CFC in the manufacture of flexible foam (slabstock) at SALIDOR S.A.
MOR/FOA/23/INV/16	UNDP	Phase out of CFC in the manufacture of flexible foam (slabstock) at MOLEN Industrie S.A.

Code	Agency	Project Title
VEN/REF/22/TAS/58	UNDP	Implementation of a recovery and reclamation of refrigerants
VIE/ARS/18/INV/11	UNDP	Conversion to hydrocarbon aerosol propellant technology at Cosmetics Producing and Trading Company (CP & T)
PAK/REF/19/INV/09	UNIDO	Phasing out ODS at the Chest Freezer Factory of Riaz Electric Co. Ltd.
PAK/REF/19/INV/10	UNIDO	Phasing out ODS at the refrigerator and chest freezer plants of Pak Elektron Ltd. (PEL)
PAK/REF/23/INV/17	UNIDO	Phasing out ODS at the freezer factory of Hirra Farooq's (Pvt) Ltd.
SUD/REF/19/INV/06	UNIDO	Phasing out of ODS at 3 small domestic refrigerator factories in Sudan (Coldair Refrigerator Factory, Modern Refrigerator and Metal Furniture co., Sheet Metal Industries Co. Refrigerator Factory)

### Section III: Projects proposed for possible cancellation at the 36<sup>th</sup> Meeting

23. Implementing agencies have requested additional projects to be cancelled, in general, through mutual agreement. Agencies may have reached other agreements for project cancellations that may be reported at the 36<sup>th</sup> Meeting.

Code	Agency	Project Title	Comment
KEN/FUM/30/PRP/21	UNIDO	Preparation of a phase-out project in the methyl bromide sector	No expenses have been incurred by this project and the full amount approved (US \$30,000) will be returned.
SUD/REF/19/INV/06	UNIDO	Phasing out of ODS at 3 small domestic refrigerator factories in Sudan (Coldair Refrigerator Factory, Modern Refrigerator and Metal Furniture co., Sheet Metal Industries Co. Refrigerator Factory)	Partial cancellation is considered for the Sheet Metal component due to ownership problems. Cancellation will be discussed during forthcoming mission to Sudan. Unutilized funds as at December 2001 approx. US \$13,600. The date of the return of funds will depend on eventual cancellation by the Executive Committee.

### RECOMMENDATIONS

The Sub-Committee on Monitoring, Evaluation, and Finance may wish to consider recommending to the Executive Committee to:

- Note the reports contained in UNEP/OzL.Pro/ExCom/36/15 on projects that have experienced implementation delays from Australia, Canada, Finland, France and the four implementing agencies.
- Note that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress and report and notify governments as required as mandated in Decision 34/13.

3. Request the implementing agencies to provide milestones and deadlines for projects with no progress to the 36<sup>th</sup> Meeting in accordance with Decision 35/13 and adopt the milestones and deadlines provided to-date.
4. Cancel the project and project component indicated in the Table following paragraph 23.

-----