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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-third Meeting
Montreal, 12-14 November 1997

PROJECT IMPLEMENTATION DELAYS

INTRODUCTION

This document includes a summary of the work of the Sub-Committee on Monitoring, Evaluation and Finance on project implementation delays, a summary of reports on slow disbursement and delays in project implementation and the World Bank's report on project implementation delays.

Project implementation delays addressed through the Second Meeting of the Sub-Committee on Monitoring, Evaluation, and Finance

1. In the "Note from the Chairman on the Provisional Agenda of the Monitoring, Evaluation, and Finance Sub-Committee", circulated at the beginning of the Sub-Committee's First meeting in Nairobi, the Chairman of the Sub-Committee listed the following reasons for delays in project implementation that were identified by the implementing agencies in their progress reports to the Twenty-second Meeting of the Executive Committee:

- obtaining counterpart funding
- beneficiary decides to change project specification
- enterprises' desires to wait to implement their projects until their competitors' projects are approved or government regulations are enacted
- bidding process resulting in higher costs
- obtaining technology transfer agreements
- prolonged contract negotiation
- changes in technology
- completion of grant agreements

2. The Sub-Committee addressed the issue of obtaining counterpart funding and the Executive Committee took a decision on the issue (decision 22/63).

3. The Executive Committee also noted the Sub-Committee's decision to address, at its next meeting, the remaining reasons for delays in implementation (decision 22/62).

4. At its second meeting (18-19 September 1997), and as reflected on the report of the meeting (UNEP/OzL.Pro/ExCom/23/4), the Sub-Committee addressed the following issues:

- beneficiary decides to change project specification
- enterprises' desires to wait to implement their projects until their competitors' projects are approved or government regulations are enacted
- bidding process resulting in higher costs

5. The remaining issues including customs clearence are to be addressed by the Sub-Committee at its third meeting.

Reports on slow disbursement and delays in project implementation

6. At its Twenty-second Meeting, the Executive Committee requested reports to be submitted on projects where there had been no disbursement 18 months after the date of approval of a project and on projects that had not been completed 12 months after the proposed completion date in the progress report (decision 22/61). The decision also requested that a full explanation of the reasons for the delays should be included in the reports.

7. The Secretariat reminded the Implementing Agencies of this decision at the August 1997 Coordination Meeting. The World Bank submitted a report which is summarized below.

8. In its cover letter to the Secretariat, the World Bank noted that none of its projects fall into the category of projects that had not been completed 12 months after the proposed completion data in its last progress report.

9. The Bank also indicated the following:

- There are a total of 63 projects with no disbursement, this represents 17 per cent of the total number of projects in the World Bank portfolio[1]

- The total value of projects with no disbursement represents 16 per cent of the total value of projects in the World Bank portfolio.

- Of the 63 projects with no disbursement, 40 have legal agreements in place; (indicating a readiness to move forward in the next few months) Projects with no disbursements and no legal agreements represent 6 per cent of the World Bank portfolio.

- The World Bank disburses funds on a reimbursement basis. Therefore, a number of projects which have yet to receive a disbursement are, in fact, already under implementation.

- As disbursements are tracked primarily to monitor implementation progress, the Bank has removed 11 projects which have been physically completed, i.e., ODS phased out, but have yet to receive a disbursement.

[1] Total projects excluding transferred, closed, PPA, Project Prep. and Country Programmes.