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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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2014 CONSOLIDATED PROJECT COMPLETION REPORT OF MULTI-YEAR AGREEMENTS

Background

1. The Secretariat has prepared this document to provide the Executive Committee with an overview of the results reported in the multi-year agreement (MYA) project completion reports (PCRs) received up to 28 February 2014[1].

Overview of MYA PCRs received

2. Of the 101 MYA completed, bilateral and implementing agencies (IA) submitted only 21, with an outstanding balance of 80 as shown in Table 1. The list of the 21 PCRs is attached in Annex I to the present report. The Secretariat reviewed the PCRs submitted with respect to budget and expenditure, phase-out achieved, implementation delays, overall assessment and lessons learned.

Table 1. MYA projects overview

Lead agency	MYA projects completed	Total MYA PCRs received for projects completed	MYA PCRs still due
Canada	2	0	2
France	3	0	3
Germany	9	4	5
Japan	1	0	1
UNDP	16	4	12
UNEP	29	4	25
UNIDO	26	9	17
World Bank	15	0	15
Grand Total	**101**	**21**	**80**

Budget and expenditure

3. Table 2 shows that the total actual expenditures for the 21 MYA PCRs were reported to be 99.9 per cent of the planned expenditures indicating some overall savings. These data need to be reconfirmed once the final financial reports become available.

Table 2. Budget approved and actual (US$)

Lead agency	Number of MYA PCRs	MYA funding per agreement (US$)	MYA approved funds (US$)	MYA funds disbursed (US $)
Germany	4	1,729,530	1,729,530	1,729,530
UNDP	4	3,879,894	3,928,725	3,928,193
UNEP	4	2,584,000	2,547,986	2,547,986
UNIDO	9	52,980,075	52,932,010	52,884,299
Total	**21**	**61,173,499**	**61,138,251**	**61,090,008**

ODS phase-out achieved

4. ODS phase-out in the projects covered by the 21 MYA PCRs is found to be as planned for most of the cases, as shown in Table 3.

[1] A draft of the document was sent to the bilateral and implementing agencies. Comments received wee taken into account when finalizing the document.

Table 3. ODS phase-out

Lead agency	Number of MYA PCRs	ODP phase-out per agreement	ODP phase-out approved (Inventory)	ODP phase-out actual (Progress report)*
Germany	4	116.0	116.0	100.4
UNDP	4	326.6	354.5	354.5
UNEP	4	224.2	243.2	285.2
UNIDO	9	15,981.3	15,784.8	15,652.9
Grand Total	**21**	**16,648.1**	**16,498.5**	**16,393.0**

*As of 31 December 2012

Implementation delays

5. Out of the 21 MYA PCRs, 12 showed delays ranging from three months to 32 months, four were completed before the scheduled date; and five were completed on time, as shown in Table 4. In 47.6 per cent of PCRs there were delays of more than 12 months.

Table 4. Average duration and implementation delays of MYAs

Lead agency	Number of MYA PCRs	Average duration (months)	Average delays (months)
Germany	4	72.81	15.73
UNDP	4	62.41	3.31
UNEP	4	49.78	6.18
UNIDO	9	67.31	10.28
Grand Total	**21**	**64.09**	**9.21**

Causes of delays

6. Delays were most frequently attributed to the lead or cooperating IA (five PCRs), external factors (three PCRs); low disbursement of funds (three PCRs); and supplier delays (three PCRs).

7. MYA PCRs describe causes of delays in project implementation. In most of the cases, further discussions, awareness activities and the involvement of the IA played a role in solving the problems.

8. In various countries implementation was delayed because of procurement issues. For example in Kyrgyzstan the lack of equipment compatible with the previous system led to a re-start of the procurement process. During the initial tender in 2007, the national ozone unit (NOU) requested recovery and recycling (R&R) equipment compatible with previously supplied tools under the refrigerant management plan (RMP); however, newer equipment models were included for R&R, for domestic/commercial refrigeration and for mobile air-conditioners (MAC). To address this issue a regional procurement committee had to be engaged in the process. The process took more time than originally expected.

9. In the Republic of Moldova the delay was caused by the difficulties in finalizing specifications for purchasing of training equipment. The situation was resolved through intensive consultations with technical experts and consultants. Low disbursement of funds caused delays in China and the Republic of Moldova and changes in technology options led to a delay in implementation of a project in Mauritius. In Trinidad and Tobago project design related to the definition of selection criteria for the conversion programme for commercial refrigeration in supermarket and equipment retrofit caused some delays in implementation.

10. Changes in the NOU personnel were other causes of delay. For example, in Papua New Guinea where the Ozone Officer was changed five times during the implementation of the terminal phase-out management plan (TPMP).

11. Political instability led to late approval of ODS legislation which in turn hampered the implementation of projects. Elections in El Salvador delayed the recruitment of personnel in the NOU. UNDP conducted a meeting with the new Government to explain country commitments and goals and to follow-up closely on the hiring processes of national consultants.

Lessons learned

12. All PCRs conveyed lessons from project implementation experience. Below are some highlights.

13. With regard to project implementation:

(a) A reasonable and integrated feasibility study is a key factor for the smooth implementation of the project;

(b) Data collection and monitoring should be improved to dispose more regular and reliable data from customs, companies and servicing workshops;

(c) Ozone projects should not be influenced by political motivation, especially in the funding approval process, as it is obviously for human health and global environment protection;

(d) The flexibility and creativity within the project allowing adjustments when needed is a key factor for success of the project;

(e) The political commitment to the implementation of the Montreal Protocol at the country level is essential, and the strong NOU with dedicated staff to manage and coordinate the TPMP was the basis for its timely implementation;

(f) Coordination, stakeholder engagement, capacity building, and communication are important for successful implementation of ODS import/export procedures; and

(g) To achieve the technical, economic and commercial feasibility criteria, promising methyl bromide (MB) alternative technologies must be adopted and adapted to suit the local conditions. To ensure the smooth operation, it was important to identify qualified implementation partners at the beginning of the planning stage and select the most qualified trainers for the training programme. The inclusion of staff from contracting companies in the training teams was important, as 70 per cent of the national tobacco crop in Zimbabwe is grown under the contract system.

14. With regard to the availability of alternative technology:

(a) The technology selection is tied to the importers knowledge of alternatives; it is important that they participate actively in the project design and implementation;

(b) End-users were reluctant at the beginning to use the alternatives but extensive awareness programmes were helpful;

(c) In the end-user programme and due to the higher cost of modern HFC-based equipment, some companies opted for cheaper HCFC-22-based equipment. The cost factor of new technology is an important element;

(d) The training on hydrocarbon technology was premature in Papua New Guinea because even though some equipment was imported into the country since 2006, the servicing industry was not confident, despite having been trained to work with the refrigerant. The mining sector made faster and greater strides at the onset to adopt hydrocarbon technologies for refrigeration systems. Over time hydrocarbon equipment became more common and industry is now very keen to move towards hydrocarbons; and

(e) The retrofitting of mobile air-conditioners has also generated interest to most beneficiaries. Random verification by telephone shows that all those who have had their vehicles converted from CFC-12 to HCFC134a are satisfied.

15. With regard to capacity building/training:

(a) During training, practical exercises are required with a special session on troubleshooting in case of failure of equipment;

(b) Workshops held during the project's life also provided a good opportunity for key stakeholders in future activities related to a national phase-out programme, a factor that is essential for achieving appropriate participation and eventually total phase-out of CFCs;

(c) Refresher training not only provided technicians with updated knowledge of new technology but also reminded them to apply good practices with regard to recovery and recycling of CFCs; and

(d) Distinguishing in-class lessons from hands-on practices provided the opportunity to target different groups of technicians each with different sets and levels of skills. Therefore, capacity training sessions which used visual presentation proved more effective.

16. With regard to cultural issues, the fact that some technicians in small workshops in Oman only spoke Hindi and Urdu was not anticipated early in the project. This issue has to be taken into account for future projects.

17. With regard to environmental issues:

(a) Due consideration of issues should be given when selecting an alternative technology not only considering the ozone layer protection but also the global warming emission reduction. The alternative technologies, hydrocarbons with low-GWP and high energy efficiency were facilitated under this project, which benefits the climate;

(b) The incentive project for commercial end-users has, in addition to getting retrofitted to an ozone friendly refrigerant, provided the beneficiaries with the benefits of good storage with stable temperature and plant performance; and

(c) Polystyrene trays that are used in large quantities in the floating tray technology as a replacement for MB do not biodegrade. Ways need to be found to recycle these plastic trays.

18. With regard to the implementation of sub-projects, non-investment activities are only effective if supported by investment activities in the form of tools to support enforcement of control measures, servicing infrastructure, and capital replacement or the retrofit of equipment where appropriate.

19. With regard to the relation of Executive Committee policy, IA performance, and inter-agency cooperation:

(a) Efficient and timely communication between IAs, NOU, industrial associations and the beneficiary company are paramount to addressing and solving problems; and

(b) A very active, well organized and diligent NOU is the key factor to ensuring that stakeholders are supported as and when required, contributing to timeliness in the delivery of respective deliverables and results and greatly facilitates the successful achievement of the project.

20. With regard to external cooperation:

(a) Making use of the facility available by partners involved in implementing the project not only reduced costs but also had all the necessary environment and equipment needed for effective training;

(b) In China, the success of the domestic refrigeration project was the result of the good cooperation between the beneficiaries, State Environmental Protection Administration (SEPA) and UNIDO. The beneficiaries have been selected and defined eligibility was based on received information from SEPA. During the formulation phase of the project, the beneficiaries cooperated closely with UNIDO and relevant project ideas were developed into operational project plans; and

(c) While the coordination of the timely allocation and disbursement of Multilateral Fund resources, procurement and delivery of equipment by the IA was beyond the control of the NOU, its staff and national consultants provided all the necessary support to the IA in identification of beneficiaries and delivery, customs clearing, storage and distribution of equipment.

21. With regard to government commitment:

(a) Close coordination with relevant ministries for monitoring activities are an effective strategy for the timely submission of data and reports;

(b) Change in the government's official led to delays in the implementation of the project, so it is important to pay close attention to this change and accompany the process of training/debriefing the new officer;

(c) The NOU of Kyrgyzstan has managed to get the support of decision makers through providing regular and concise information to them on activities/challenges/successes; and

(d) Zimbabwe has in place an active ozone officer who has been given sufficient powers within the Environment Ministry to push forward ozone issues. This has greatly assisted the implementation of all ODS phase-out projects in the country.

22. With regard to import control:

(a) Regular border campaigns assist to quickly identify the needs and expectations of a determined border area and allow an active control and exchange of import/export information among neighboring countries;

(b) ASYCUDA++, a system used by customs, is a very effective tool to control imports when used properly. In Namibia the use of this system ensured that customs officers were always able to identify ODS imports and communicate with the NOU to ensure compliance;

(c) If the customs authority can successfully apply the customs codes correctly to their ASYCUDA++ system, one of the most commonly used customs control programmes, the officers will be able to control imports more effectively. This has been evident from two consignments being caught by the customs due to incorrect labelling.

23. With regard to policy and regulatory framework:

(a) Strict implementation of the quota system under the environmental legislation and the development of market conditions was essential for the successful achievement of ODS phase-out;

(b) The regulatory measures are very successful if all stakeholders are engaged from the early stage of development of drafts; and

(c) A licensing system to restrict imports should be in parallel to the adoption of alternatives. Incentives for adopting alternatives to MB should be created by reducing taxes and fees for importing alternatives and giving financial support for their efficacy trials while increasing taxes and fees for MB imports; and

(d) The success of policy implementation depends largely on the existence of institutional structures with specific functions. A participatory approach in which relevant stakeholders are involved including the private sector and the civil society is envisaged during the implementation of policy.

24. With regard to public awareness:

(a) The public, in general has limited knowledge about the ozone layer depletion as such the awareness and education should be on going; and

(b) Without public awareness, promulgation of regulations would be difficult. Public awareness component of national MB phase-out plan had helped to minimize resistance to the enactment of regulations for phasing out MB.

25. With regard to supervision and monitoring of sub-project:

(a) Spot check with service centres strengthened good practices by technicians and also built trust among customers;

(b) IA’s experts regularly visited the project site to provide technical advice, monitor the progress, resolve disputes between the suppliers and the counterparts, and inspect the quality of installation and safety. SEPA on behalf of the Government was involved in all critical stages. Nevertheless, there were some gaps in the information flow between the parties, especially regarding the newly eligible beneficiaries. Proper and continuous information flow should be maintained; and

(c) The ozone office has made a concerted effort to consolidate lessons learned from the RMP for the Former Yugoslav Republic of Macedonia and apply them to the TPMP. For example, the monitoring and evaluation, started when the RMP project was completed,

shows that training centers established at universities do not ensure sustainable training of service technicians. A better solution could be establishing training centers at secondary vocational schools as a part of their curriculum.

26. With regard to technical issues, procurement of demonstration refrigeration equipment for the Technical University of the Republic of Moldova specifically designed for use in vocational training guaranteed a lasting learning success.

RECOMMENDATION

27. The Executive Committee may wish to consider:

(a) Taking note of the 2014 consolidated project completion report (PCR) of multi-year agreements (MYA) contained in document UNEP/OzL.Pro/ExCom/72/7;

(b) Requesting bilateral and implementing agencies concerned to submit to the 73rd meeting the backlog of MYA PCRs as contained in Table 1 of the present report; and

(c) Inviting all those involved in the preparation and implementation of MYA projects to take into consideration the lessons learned from MYA PCRs when preparing and implementing future projects.

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Annex I

PROJECT COMPLETION REPORT RECEIVED

Country	Agreement Title	Lead Agency	Cooperating Agency	Date Approved	Actual Date	ODP Phase-Out Approved	ODP Phase-Out Actual	Total Funds Approved	Total Funds Disbursed
Algeria	Refrigerant management plan	UNIDO		Jul-02	Nov-07	245.0	310.0	1,412,104	1,412,104
Cambodia	CFC phase out plan	UNEP	UNDP	Nov-07	Dec-10	13.5	13.5	448,226	448,226
China	Domestic Refrigeration	UNIDO	Italy	Nov-02	Dec-09	1,099.0	1,099.0	7,332,989	7,332,989
Croatia	CFC phase out plan	UNIDO	Sweden	Apr-03	Dec-08	98.0	131.0	377,154	377,154
Democratic Republic of Korea (the)	CFC phase out plan	UNEP	UNIDO	Nov-05	Apr-11	212.7	254.7	1,029,919	1,029,919
Democratic Republic of Korea (the)	CTC phase out plan	UNIDO		Dec-03	Dec-10	1,634.2	1,404.3	5,680,503	5,680,504
El Salvador	CFC phase out plan	UNDP	UNEP	Nov-07	Jun-11	46.0	46.0	564,995	564,995
Ghana	CFC phase out plan	UNDP		Nov-06	Nov-09	17.5	17.5	344,894	344,894
Honduras	Methyl bromide	UNIDO		Nov-06	Dec-11	123.6	123.6	1,806,183	1,806,183
Kyrgyzstan	CFC phase out plan	UNEP	UNDP	Nov-06	Apr-11	7.0	7.0	550,000	550,000
Lebanon	Methyl bromide Vegetables/Tobacco/Cut Flowers	UNDP		Jul-01	Dec-09	214.0	214.0	2,567,300	2,566,717
Mauritius	ODS phase out plan	Germany		Dec-03	Aug-10	4.0	6.6	212,030	212,030
Mexico	Production CFC	UNIDO		Jul-03	Dec-09	12,355.0	12,355.0	31,849,298	31,849,298
Namibia	CFC phase out plan	Germany		Dec-03	Jun-10	12.0	13.5	252,500	252,500
Oman	CFC phase out plan	UNIDO		Jul-07	Dec-11	35.0	35.0	470,000	432,703
Papua New Guinea	CFC phase out plan	Germany		Apr-03	Dec-09	35.0	35.3	700,000	700,000
Republic of Moldova (the)	CFC phase out plan	UNEP	UNDP	Jul-07	Dec-10	10.0	10.0	519,841	519,841
The former Yugoslav Republic of Macedonia,	CFC phase out plan	UNIDO		Apr-05	Dec-10	25.0	25.0	278,809	268,394
Trinidad and Tobago	CFC phase out plan	UNDP		Jul-03	Dec-08	77.0	77.0	451,536	451,587
Zimbabwe	Methyl bromide	UNIDO		Nov-05	Dec-08	170.0	170.0	3,724,970	3,724,970
Zimbabwe	CFC phase out plan	Germany		Mar-07	Apr-11	65.0	45.0	565,000	565,000