UNITED NATIONS

EP

United Nations Environment Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/80/13
17 October 2017

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eightieth Meeting
Montreal, 13-17 November 2017

2017 CONSOLIDATED PROJECT COMPLETION REPORT

Background

1. The issue of outstanding projects completion reports (PCRs) has been addressed by the Executive Committee at each of its meetings. At the 79th meeting, the Executive Committee *inter alia* urged bilateral and implementing agencies (IAs) to submit to the 80th meeting the backlog of PCRs for multi-year agreements (MYAs) and individual projects listed in document UNEP/OzL.Pro/ExCom/79/15, and if the PCRs due were not submitted, to provide the reasons for not doing so and the schedule for submission. The Committee also urged cooperating IAs to complete their portions of PCRs to allow the lead IA to submit them according to the schedule (decision 79/21(b) and (c)).

2. Pursuant to decision 79/21(b) and (c), the Senior Monitoring and Evaluation Officer (SMEO) prepared a list of all PCRs due which was sent to bilateral and IAs on 3 August 2017.

MYA PCRs received

3. Of the 167 MYA completed, bilateral and IAs had submitted 132 PCRs with an outstanding balance of 35 as shown in Table 1. The list of the 12 PCRs submitted after the 79th meeting is attached in Annex I to the present report.

Table 1. Overview of MYAs PCRs

Lead agency	Completed	Received prior 79th meeting	Received after the 79th meeting	Outstanding
Canada	3	0	0	3
France	5	0	0	5
Germany	9	7	0	2
Japan	1	1	0	0
UNDP	25	22	0	3
UNEP	57	44	10	3
UNIDO	46	42	2	2

Lead agency	Completed	Received prior 79th meeting	Received after the 79th meeting	Outstanding
World Bank	21	4	0	17
Total	**167**	**120**	**12**	**35**

4. An analysis of the aggregated fund disbursed, ODS phased out and delay in the completion of the 12 MYA PCRs is summarized in Table 2.

Table 2. Overview of the budget, ODS phased out and delay of MYAs submitted after the 79th meeting

Lead agency	MYA funds (US$)		ODP tonnes phase out		Average delay (months)
	Approved	Disbursed	Approved	Actual	
UNEP	4,123,750	4,123,750	412.2	415.3	28.96
UNIDO	5,038,066	5,038,066	620.9	686.2	-1.98
Grand Total	**9,161,816**	**9,161,816**	**1,033.1**	**1,101.5**	**23.80**

Reasons for delays

5. In one country, enterprise related delays were associated with low rate of participation in the end-user incentive programme. The problem was overcome by the engagement of a national expert in the programme and raising awareness on benefits of using grant/incentive mechanism.

6. Project design are crucial to a timely implementation. One case of delay has been highlighted by the overlap and continuation of the refrigerant management plan (RMP) and terminal phase-out management plan (TPMP) in the same subsector. In another country, the project design to retrofit mobile air-conditioning (MAC) units did not consider the legislation that changed driving from left to right-hand resulting in the purchase of new cars, which lowered significantly the number of CFC-based MAC in operation, and forced the withdrawal of the retrofit component. In another country, the MAC programme was scaled down and the funding was spent to create an additional centre of excellence and supported the creation of a refrigeration association.

7. A common delay stems out from changes of personnel and insufficient staff at the National Ozone Unit (NOU), and high turnover of project staff; lengthy processes (e.g., customs clearance, procurement and ODS legislation); and/or political difficulties (e.g., a change of Government and complex legal processes before agreement signing). Legislation and regulation delays inevitably affected other activities (e.g., customs officers training). Regular meetings with Government officials and a cooperation between stakeholders allowed speeding up the processes, thus enabling the country to achieve its targets.

8. Another recurrent delay is related to funding disbursement. One country encountered difficulties in opening a special bank accounts for transfers. In a similar case the country faced such a long delay that, by the time it was resolved, the Executive Committee requested the return of the funds allocated. To avoid such drawbacks, UNEP provided direct administration of funds on a temporary basis to a country. Changes in governmental procedures to allocate funding also caused the temporary closure of a project's accounts, which forced the NOU to request a project extension.

9. Supplier-related delays were due to unavailability of tools; to the limited technology support by technical experts (e.g., to advise on the compatibility of the equipment with the local systems), or the absence altogether of local equipment suppliers.

Lessons learnt

10. Lessons learnt from MYA PCRs can be found on the MYA PCR lessons learnt database[1].

11. The turnover of staff at all levels of stakeholders' organisations affects both the quality of work and the institutional memory in these organizations. A strong governmental commitment, the need for training and the adequate staffing are crucial for the functioning of the programme. Furthermore, cooperation among stakeholders strengthens partnership, fosters synergy among the participants in project implementation and ensures sustainability of project results. The greater the variety of stakeholders the more complex and time consuming it is to coordinate, which makes discussions, information exchange and planning crucial to synchronize the different agendas and successfully implement the planned activities.

12. Management of information also needs improvement. There is a need to develop, or maintain, a knowledge database for conservation and dissemination of the project information and lessons learnt. Advances in other countries of the region are useful and are to be encouraged for the adoption of similar measures in the country (e.g., best practices and leakage proof servicing may account for 70 per cent of emission reductions achieved under the servicing activities). Public awareness activities have supported the import controls and facilitated compliance with the CFCs total phase-out, and are essential to the market selection of alternative technologies.

13. It has been observed that keeping the legal and regulatory framework updated streamlines activities inherent to the replacement of refrigerants and to the recovery, recycling and reclaiming of ODS. Also, establishing incentives and disincentives to promote ODS alternatives is a measure that may be considered to promote non-ODS and low-GWP refrigerant alternatives. A close institutional relationship with the country's climate change initiatives is a key factor to the adoption of low-GWP and energy-efficient alternatives.

14. The technology selection is linked to the importers' knowledge of alternatives and should be accommodated by the actual needs of every country and its market. It is important that the importers participate in the project design and implementation. One small island country mentioned the lack of market power to influence the choice of best alternative and because none was available in the country, all equipment had to be imported. It recommended that the technology be also adapted to the national circumstances prevailing in the country. Additionally, a well-organized local distribution of servicing equipment (including recovery and recycling), procured through the IA's bidding procedure and delivered to the country, is a significant factor for successful implementation of the project.

15. Implementation should take into account the national ownership of the project. One country mentioned that the project could have considered more the local knowledge concerning servicing for refrigeration and air-conditioning (RAC) equipment, which would have strengthened the local technical capacity and enhanced national ownership of the project.

16. The sustainability of training activities for technicians and enforcement officers, due to the continuous technological changes, demands the involvement of stakeholders from both the private and public sectors. Hands-on trainings are essential for an effective training approach. One country noted the capacity building results in the significant upgraded technical abilities among technicians. In another, the collaboration with the national technician colleges and university proved fruitful for the sustainability of capacity building for the RAC sector. Training for technicians assisted the RAC industry in carrying out good refrigeration practices (i.e., storage, transportation, and handling). The refrigeration associations played a major role in capacity building activities for technicians, by conducting regional trainings and inspecting the market to ensure the refrigerants' quality.

[1] http://www.multilateralfund.org/myapcr/search.aspx

Individual PCRs received

17. Of the total 1,855 investment projects that have been completed, bilateral and IAs had submitted 1,844 PCRs, with a balance of 11 outstanding PCRs as shown in Table 3.

Table 3. PCRs submitted for investment projects

Agency	Completed	Received prior 79th meeting	Received after the 79th meeting	Outstanding
France	15	12	0	3
Germany	19	19	0	0
Italy	11	10	0	1
Japan	6	6	0	0
Spain	1	1	0	0
United Kingdom of Great Britain and Northern Ireland	1	1	0	0
United States of America	2	2	0	0
UNDP	894	893	0	1
UNIDO	449	448	0	1
World Bank	457	452	0	5
Total	**1,855**	**1,844**	**0**	**11**

18. Of the 1,140 non-investment projects[2] that have been completed, bilateral and IAs had submitted 1,087 PCRs, with a balance of 53 outstanding PCRs as shown in Table 4.

Table 4. PCRs submitted for non-investment projects

Lead agency	Completed	Received prior 79th meeting	Received after the 79th meeting	Outstanding
Canada	57	55	0	2
France	31	14	0	17
Germany	56	54	0	2
Italy	1	0	0	1
Japan	14	13	0	1
Portugal	1	0	0	1
UNDP	278	271	7	0
UNEP	447	421	6	20
UNIDO	126	116	4	6
World Bank	39	36	0	3
Others[3]	90	90	0	0
Total	**1,140**	**1,070**	**17**	**53**

19. The list of 17 non-investment PCRs received after the 79th meeting is contained in Annex II to the present document; the aggregated results relevant to disbursement, actual phase-out and delays are shown in Table 5.

[2] Excluding project preparation, country programmes, multi-year projects, networking, clearing-house activities, and institutional strengthening projects.

[3] Including PCRs completed and received from the following countries: Australia(25), Austria(1), Czech Republic(2), Denmark(1), Finland(5), Israel(2), Poland(1), South Africa(1), Spain(4), Sweden(5), Switzerland(3), and United States of America (40).

Table 5. Overview of the budget, ODS phased out and delay of individual projects submitted after the 79th meeting

Agency	Number of projects	Funds (US$)		ODP tonnes phase out		Average delay (months)	
		Approved	Disbursed	Approved	Actual	Duration	Delays
UNDP	7	2,228,464	2,225,113	2.2	16.6	70.72	48.26
UNEP	6	172,500	148,470	14.0	14.0	37.37	18.44
UNIDO	4	487,500	456,910	0.0	0.0	29.93	11.93
Total	**17**	**2,888,464**	**2,830,493**	**16.2**	**30.6**	**49.35**	**29.19**

Reasons for delays

20. Delays were due to lengthy designing and implementation modality; limited number of experienced local firms and individuals; the lack of experienced staff; the difficulty in finding the right expert with the appropriate knowledge; the training of consultants and the rotation of staff causing the loss of knowledge; and, providing supporting documentation from previous years.

21. Delayed project approvals also affected availability of funds. In one case, by the time a chiller-replacement project received the funds, the owners of the chillers to be replaced had already replaced its equipment without financial support, pressed by the obsolescence of the equipment. The available funds had to be re-directed to another chiller.

22. Bureaucratic issues such as obtaining customs clearance for equipment and transit clearance for ODS waste, affected projects. In the latter case, a waste management company facilitated consultations on issuance of waste transit permits according to the Basel Convention's requirements.

23. Delays due to technical problems also had an impact: in one instance, the fracture of refractory lining in the cement kiln required stoppage of the kiln. The company conducted repair of the kiln and the installation of the feeding system was re-scheduled.

24. In another, unilateral sanction imposed by various countries delayed a project's bidding process. The clearance of the equipment by the United Nations Security Council, as well as other administrative issues such as export clearance from the national authorities of the supplier and bank clearance for funds transfer, took longer than expected. In another case, political instability in the country, due to civil unrest, resulted in travel restrictions for the IA's staff. Joint meetings were held in neighbouring countries in order to discuss technology optimization issues. Delays were also caused by commercial availability of the refrigerants to be used for retrofitting and difficulties faced in the selection of beneficiaries for the project, hindering the utilization of funds and progress of the activity; the implementing agency requested to hold the funds until the alternate refrigerants were available in the market and the beneficiaries selected.

Lessons learnt

25. Lessons learnt from the individual PCRs can be found in the PCR lessons learnt database[4].

26. Lessons learnt from the 17 PCRs for non-investment projects relate, *inter alia*, to: the need to keep data recording systems; project design; the importance of the verification process; changes to the licensing and quota systems; cooperation among all stakeholders and lessons from ODS waste recovery, halon banking and management activities.

27. It is important to preserve information from previous experience. For example, the terms of reference used for selecting verifiers can be used for similar selections as a helpful tool to avoid delays in project implementation. Project design and planning has a direct impact on timely implementation, and should set

[4] http://www.multilateralfund.org/pcrindividual/search.aspx

more realistic period for the implementation of demonstration projects (e.g., the time required for production of prototype machines is uncertain).

28. The project verification report can help improving similar future projects by recommending actions to take. In the case of a refrigeration project, the verification report pointed out the importance of collecting data for quotas assignment and not only data related to the quantity of refrigerant in equipment.

29. Licensing systems also needs to improve so that only one type of HCFC could be authorized in each licence. Additional information could be introduced in the licences such as: the technical chemical name of the substance; ASHRAE[5]'s codification; the composition of mixtures; the producer identification; brand name; type and quantity of containers. Also, no licences should be issued if the customs code is incorrect. Measures should be in place to ensure that: customs codes (or tariff positions) on the declarations are the right ones; and that under no circumstances an HCFC import or export can take place without the corresponding licence.

30. One country mentioned that customs officers are undertaking only visual inspections with limited ODS identifiers and granting the licences by hand. The relevant ministries should have a paper-based backup system concerning controls over licence authorisation procedures and should obtain and analyse data from customs, importers and exporters regarding HCFC imports and exports on a regular basis (e.g., once or twice a year) in order to reach an accurate HCFC consumption value and to prevent illegal traffic of HCFCs.

31. Cooperation is essential for a successful project implementation, and it is fruitful to involve professional organizations in project implementation. For example, associations and other entities are useful to identify needs, evaluate baseline of knowledge and establish trainings that fit the local needs and assure greater audience reach. Additionally, partnership with training institutions is key to disseminating and mainstreaming project results.

32. A study on challenges associated with halon banking in developing countries, showed that future efforts at developing business models for banking should be undertaken early in the process (e.g., up-front investments, including establishing information-sharing platforms for the bank managers). To ensure the financial sustainability of the halon bank it is essential that the Government puts in place an awareness programme and a coordination mechanism, based on binding policies, between the NOU, related Ministries and governmental institutions, the fire department, airport authorities, industries (e.g., petrochemical, oil and gas) and the manager of the halon bank/recovery and recycling centre. Halons recovering and recycling are profitable activities. However, the absence of the awareness programme, the coordination mechanism, and the policy framework, will create an unsustainable halon bank mechanism.

Outstanding MYA PCRs and PCRs

33. The Secretariat appreciates the actions taken this year by some of the bilateral and IAs to address the backlog of outstanding PCRs.[6] The Secretariat also notes that only UNEP provided reasons for not submitting outstanding PCRs in line with decisions 79/21(b).

[5] American Society of Heating, Refrigerating and Air-conditioning Engineers.

[6] The SMEO stressed once again at the Inter-agency coordination meeting (Montreal, 5-7 September 2017) the importance to submit all outstanding PCRs, noting that many projects have been completed several years ago, and that progress and financial reports on completed projects have to be submitted until the PCRs are submitted, which increases the workload of the Executive Committee, the IAs and the Secretariat.

RECOMMENDATION

34. The Executive Committee may wish:

(a) To note the 2017 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/80/13;

(b) To urge bilateral and implementing agencies to submit to the 81st meeting PCRs for multi-year agreements (MYAs) and individual projects that were due, and if they were not going to submit, to provide the reasons for not doing so and the schedule for submission;

(c) To urge lead and cooperating agencies to closely coordinate their work in finalizing their portion of PCRs to allow the lead implementing agency to submit the completed PCRs according to the schedule;

(d) To urge bilateral and implementing agencies to enter clear, well written and thorough lessons when submitting their PCRs; and

(e) To invite all those involved in the preparation and implementation of MYAs and individual projects to take into consideration the lessons learned from PCRs, if relevant, when preparing and implementing future projects.

Annex I

MYA PCRs RECEIVED

Country	Agreement Title	Lead Agency	Cooperating Agency
Burundi	CFC phase out plan	UNEP	UNIDO
Chile	Methyl bromide	UNIDO	UNEP
Ecuador	CFC phase out plan	UNEP	UNIDO
Guatemala	CFC phase out plan	UNEP	UNDP
Honduras	CFC phase out plan	UNEP	UNIDO
Iran (Islamic Republic of)	CFC phase out plan Refrigeration Servicing/Assembly/Solvents	UNIDO	
Rwanda	CFC phase out plan	UNEP	UNDP
Samoa	CFC phase out plan	UNEP	UNDP
Sierra Leone	ODS phase out plan	UNEP	UNDP
Swaziland	CFC phase out plan	UNEP	UNDP
United Republic of Tanzania	ODS phase out plan	UNEP	UNDP
Zambia	CFC phase out plan	UNEP	UNDP

Annex II

INDIVIDUAL PCRs RECEIVED

Code	Agency	Project Title
ARM/PHA/73/TAS/13	UNDP	Verification report for stage I of HCFC phase-out management plan
ANG/PHA/73/TAS/13	UNDP	Verification report for stage I of HCFC phase-out management plan
COL/REF/47/DEM/65	UNDP	Demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers
CUB/DES/62/DEM/46	UNDP	Pilot demonstration project on ODS waste management and disposal
EGY/FOA/58/TAS/100	UNDP	Validation/Demonstration of Low Cost Options for the Use of Hydrocarbons as foaming agent in the Manufacture of PU Foams
GEO/DES/69/DEM/33	UNDP	Pilot Demonstration Project on ODS? Waste Management and Disposal in Georgia
MDV/REF/38/TAS/05	UNDP	Refrigerant Management Plan - awareness and incentive programme
ECU/FUM/65/TAS/56	UNEP	Technical assistance to eliminate the remaining consumption of methyl bromide to be in compliance with the total phase-out
GLO/HAL/52/TAS/281	UNEP	Study on challenges associated with halon banking in developing countries
KAM/PHA/73/TAS/29	UNEP	Verification report on the implementation of the HCFC phase-out management plan
LAO/PHN71/TAS/25	UNEP	Verification report on the implementation of the HCFC phase-out management plan
PAR/PHA/73/TAS32	UNEP	Verification report on the implementation of the HCFC phase-out management plan
STL/PHA/71/TAS/22	UNEP	Verification report on the implementation of the HCFC Phase-out Management Plan
GUA/PHA/73/TAS/47	UNIDO	Verification report for stage I of HCFC phase-out management plan
HON/PHA/73/TAS/39	UNIDO	Verification report for stage I of HCFC phase-out management plan
IRA/HAL/63/TAS/198	UNIDO	Halon management programme
TKM/PHA/71/TAS/10	UNIDO	Verification report for stage I of HCFC phase-out management plan