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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

2018 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 80th meeting, the Executive Committee *inter alia* urged bilateral and implementing agencies (IAs) to submit to the 81st meeting the backlog of PCRs for multi-year agreements (MYAs) and individual projects listed in document UNEP/OzL.Pro/ExCom/80/13, 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 80/32(b) and (c)).

2. Pursuant to decision 80/32(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 21 December 2017.

MYA PCRs received

3. Of the 168 MYA completed, bilateral and IAs had submitted 143 PCRs, prior to the 81st meeting, with an outstanding balance of 25 as shown in Table 1. The list of the 11 PCRs submitted after the 80th meeting is attached in Annex I to the present report.

Table 1. Overview of MYAs PCRs

Lead agency	Completed	Received prior to the 80th meeting	Received after the 80th meeting	Outstanding
Canada	3	0	2	1
France	5	0	0	5*
Germany	9	7	0	2
Japan	1	1	0	0
UNDP	25	22	1	2
UNEP	57	54	1	2
UNIDO	47	44	2	1
World Bank	21	4	5	12**
Total	**168**	**132**	**11**	**25**

*France submitted one PCR after the deadline.
**Four PCRs for China will be submitted no later than the first meeting in 2019 (decision 73/20(b)(ii)).

4. An analysis of the aggregated fund disbursed, ODS phased out and delay in the completion of the 11 MYA PCRs is summarized in Table 2.

Table 2. Overview of the budget, ODS phased out and delay of MYAs submitted after the 80th meeting

Lead agency	MYA funds (US$)		ODP tonnes phase out		Average delay (months)
	Approved	Disbursed	Approved	Actual	
Canada	640,957	640,957	34.1	34.1	23.35
UNDP	87,992	87,992	0.2	0.0	-7.10
UNEP	324,600	324,600	7.9	7.9	12.20
UNIDO	7,036,213	6,756,490	596.0	556.0	-8.07
World Bank	22,840,988	22,840,988	4,524.0	4,524.0	17.07
Grand Total	**30,930,750**	**30,651,027**	**5,162.2**	**5,122.0**	**11.00**

Reasons for delays

5. Lengthy development and approval of grant agreement and various administrative and legal issues delayed the initiation of activities in various projects. In one case, delays were due to disagreements between the National Ozone Unit (NOU) and the IA's local office over administrative responsibilities at the initiation phase of the project. In another, the NOU decided to use savings realized under various terminal phase-out management plan (TPMP) activities to undertake a second equipment procurement, a process that was not envisaged in the project proposal. Both were resolved through consultations.

6. Institutional restructuring (e.g., integration of the Project Management Unit (PMU) within the NOU), changes of personnel and insufficient staff at the NOU and PMU, especially in low-volume-consuming (LVC) countries, are frequent reasons for delays. In one country the overlap of TPMP final activities and HPMP preparation led to delays in finalization of projects due to staff overcharge. Regular meetings between IAs, government officials and stakeholders helped resolved the issue.

7. Four PCRs mentioned recurrent delays relating to funding disbursement. In one case, the transfer of funds between the bilateral and the IA is done through many small instalments, which brought additional delays. The low disbursement of funds resulted in the deferral of approval of a biennial work programme to the next Executive Committee meeting. In another country, better advertisement and promotion of incentives provided to end-users was needed due to the insufficient response from enterprises to financial incentives provided for end-user conversions. In the case of the delay in establishing the project implementation structure pending the grant agreement signing, it was resolved by expediting the establishment of the PMU and the appointment of its staff.

8. Supplier-related delays were found in equipment and service purchases, commissioning of equipment supplied, and delivery of equipment. These issues were resolved by several interventions of the IAs and close collaboration between the PMU, the NOU and the suppliers.

9. Other delays were due to, *inter alia*, the change of implementation modality for investment activities; the reluctance of mobile air-conditioning (MAC) servicing workshops to participate in a government-led scheme; the difficulty for small and medium-sized enterprises (SMEs) to acquire supporting documents to confirm their eligibility; the small scale of the incentive for the enterprises; and the political and security situation in one country and a natural disaster in another.

Lessons learned

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

11. A strong governmental commitment and adequate number of competent and skilled personnel at the NOU/PMU are crucial for the project implementation. Accordingly, the turnover in personnel needs to be minimized and if possible planned, with sufficient time to allow for knowledge transfer.

12. Due to the continuous technological changes, continuous training, technical assistance and monitoring has proven essential to the successful adoption and implementation of alternative technologies. The sustainability of training activities demands the involvement of stakeholders from both the private and public sectors, and strong collaboration with the national vocational centres and universities.

13. Institutional strengthening programmes fortify capacity building and support the development, issuance and application of regulations. For example, capacity building for Customs on how to use the refrigerant identifiers contributed to reducing illegal imports. Continuing awareness of the importance and benefits of ODS phase-out at all levels is critical to the sustainability of projects and of governmental policy commitment for adoption of future control measures.

14. The complexity of the servicing sector is in part due to the small size of the beneficiaries' enterprises and to its wide informal sector. Therefore, workshops and servicing trainings need to be planned with incentives for the inclusion of small-size enterprises and unskilled technicians.

15. Flexibility clauses in the Agreement between the governments concerned and the Executive Committee facilitate countries to comply with their obligations when delays occur. Close collaboration between the Government and the IAs helps ensure that the project meets the objectives of the programme, while staying in line with the relevant rules and guidelines. Furthermore, cooperation among stakeholders strengthens partnership, fosters synergy in project implementation and ensures sustainability of project results.

16. Due to transport cost of equipment, and its significant impact on the budget of the tranche, in the case of a lower-cost project with many tranches, purchases of all equipment for the project within a single tranche would be recommended.

17. Economic feasibility and technical viability of the alternatives needs to be determined thoroughly and over time. Deciding the sufficient level of financial incentives to convince end-users to convert, may prove difficult at project inception. For example, one IA mentioned that in a given project, price competitiveness among equipment suppliers was beneficial to beneficiaries, but setting a price too low could affect performance of after-sale services, which are important for the sustainability of the servicing sector.

18. All project design needs to identify the responsibilities and involve each stakeholder from the beginning to create leadership and trust in the adoption of alternatives, which will, in turn, persuade other users, leading to a high acceptance of the alternative.

19. A well designed project may not only improve economic performances, in terms of lower operating costs (e.g., less maintenance), but can also bring significant social impacts (e.g., a methyl bromide soil fumigation project generated and sustained employment for women). Successful results and lessons need to be circulated to encourage the adoption of similar measures in a given region.

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

Individual PCRs received

20. 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 80th meeting	Received after the 80th 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**

*One PCR (SYR/REF/29/INV/56) is due no later than June 2018 (decision 80/29(c)).

21. Of the 1,140 non-investment projects[2] that have been completed, bilateral and IAs had submitted 1,099 PCRs, with a balance of 41 outstanding PCRs as shown in Table 4.

Table 4. PCRs submitted for non-investment projects

Lead agency	Completed	Received prior 80th meeting	Received after the 80th meeting	Outstanding
Canada	57	55	1	1
France	31	14	0	17
Germany	56	54	2	0
Italy	1	0	0	1
Japan	14	13	1	0
Portugal	1	0	0	1
UNDP	278	278	0	0
UNEP	447	427	4	16
UNIDO	126	120	4	2*
World Bank	39	36	0	3
Others[3]	90	90	0	0
Total	**1,140**	**1,087**	**12**	**41**

*One PCR (YUG/SEV/74/TAS/45) was received after the deadline.

22. The list of 12 non-investment PCRs received after the 80th 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 80th meeting

Agency	Number of projects	Funds (US$)		ODP tonnes phase out		Average delay (months)	
		Approved	Disbursed	Approved	Actual	Duration	Delays
Canada	1	55,530	48,368	1.2	1.2	73.03	47.7
Germany	2	60,000	60,000	0	0	11.18	-4.58
UNEP	4	120,000	120,000	0	0	24.60	1.05
UNIDO	4	526,812	488,304	0	0	40.88	25.90
Total	**11**	**762,342**	**716,672**	**1.2**	**1.2**	**32.48**	**13.30**

Reasons for delays

23. Delays were due to the limited numbers of technical experts; the need to extend the scope of a verification report; and procurement issues.

24. In one country, the number of experts able to provide the training programme was so scarce that the lead trainer's unexpected absence affected the delivery of the project for months. In another, a delay in a tranche approval was due to the need for the verification report for the last tranche of the project to cover the entire scope of the tranche. This was achieved, leading to the approval of the tranche request. Other delays arose in relation to the unspent funds from the training budget of a project, which were eventually used elsewhere, and administrative issues delaying the procurement process.

Lessons learned

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

26. Lessons learned from the 12 PCRs for non-investment projects relate, *inter alia*, to: cooperation among all stakeholders; recycling and recovery issues; training and awareness-raising; conversion to alternative technologies; reporting obligations and data recording systems for monitoring; and verification reports.

27. Cooperation among stakeholders at all levels is of the utmost importance. Experience has shown that full involvement of local experts is needed for the successful preparation, design and implementation of activities. Additionally, by involving and strengthening local organizations, knowledge and expertise are better disseminated throughout the country, which facilitates achieving project objectives.

28. In one country, most servicing technicians admitted they did not recover the gases, but rather vented them before setting the new charge. This practice is due to the lack of recovery equipment (i.e., recovery cylinders) and the lack of knowledge of the location of recovery centres. Technicians requested for more training and awareness raising on the issue as well as for recovering equipment and final disposition alternatives.

29. A wide geographical distribution of the training centres, is recommended. Continuous and updated training should provide certification for formal and informal technicians on the appropriate use and safe handling of alternatives. In addition, an effort should be made to assist the establishment of a national refrigeration association, and further develop and implement a code of good practices. One country mentioned the need to restart the recovery and recycling facility and training centres and institutes previously used for phasing out CFCs in light of the preparation of a national strategy for the HFC phase-down.

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

30. Introducing reporting obligations at the national level will help ensure national monitoring activities. Reporting obligations could be linked to the establishment of the licensing system. One country mentioned that retail traders buying substances from wholesale traders keep no records about the initial wholesale trade amounts of refrigerants. Another country has set up a control system with both Customs and Tax Police Customs, allowing for better control of imports. The installation of software such as log-books would facilitate future data collection of ODS alternatives and its incorporation in country programme data reports. For the equipment, mandatory log-books will improve good service practices, directly strengthening leakage prevention of refrigerants. However, to facilitate both reporting and awareness-raising, IAs stressed the need to broaden the public access to information.

31. The verification reports convey important information about, *inter alia*: the quota for the year; who may request a quota; who is responsible for granting or refusing the import application; what are the criteria for such a decision; how is the decision communicated to the requesting party and other stakeholders; and how the process is legally defined.

Outstanding MYA PCRs and PCRs

32. The PCR for the chiller demonstration project in Brazil[5], to be due in June 2018, was received and will be assessed at the 82nd meeting. In line with decision 79/19(b)(ii), the other PCRs for chiller projects will submitted later this year.

33. The Secretariat appreciates the actions taken this year by some of the bilateral and IAs to address the backlog of outstanding PCRs.[6] Following discussions to address the issue of outstanding PCRs, held between the Secretariat and France's newly appointed focal point for the Montreal Protocol, France has submitted one MYA PCR and plans to submit the balance before the 82nd meeting.

34. The Secretariat stressed the issue of submission of PCRs for stage I of the HPMP to the bilateral and IAs, as these are mandatory for the approval of the second stage. Annexes III, IV and V respectively list the outstanding PCRs. The Secretariat also notes that, in line with decision 80/13(b), the World Bank did not provide reasons for not submitting PCRs according to the schedule.

RECOMMENDATION

35. The Executive Committee may wish:

(a) To note the 2018 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/81/11;

(b) To urge bilateral and implementing agencies to submit to the 82nd 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

[5] BRA/REF/47/DEM/275 approved at the 47th meeting.

[6] The SMEO stressed once again at the Inter-agency coordination meeting (Montreal, 6-8 March 2018) 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.

(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
Benin	CFC phase-out plan	UNEP	UNIDO
Chile	CFC phase-out plan	Canada	
Indonesia	ODS phase-out plan Foam	IBRD	
Indonesia	ODS phase-out plan MAC	IBRD	
Kyrgyzstan	HCFC phase-out plan (stage I)	UNDP	UNEP
Libya	Methyl bromide	UNIDO	Spain
Mexico	Methyl bromide soil fumigation	UNIDO	Italy/Spain
Santa Lucia	CFC phase-out plan	Canada	
Thailand	Methyl bromide	World Bank	
Thailand	ODS phase-out plan	World Bank	
Viet Nam	ODS phase-out plan	World Bank	

Annex II

INDIVIDUAL PCRs RECEIVED

Code	Agency	Project Title
JAM/FUM/47/TAS/22	Canada	Technical assistance to phase-out the use of methyl bromide
PNG/PHA/74/TAS/13	Germany	Verification report for stage I of HCFC phase-out management plan
SEY/PHA/75/TAS/24	Germany	Verification report for stage I of HCFC phase-out management plan
COL/FOA/60/DEM/75	Japan	Demonstration project – Rigid Foam
CHD/PHA/73/TAS/26	UNEP	Verification report on the implementation of the HCFC phase-out management plan
MLI/PHA/75/TAS/36	UNEP	Verification report on the implementation of the HCFC phase-out management plan
PRC/PHA/75/TAS/29	UNEP	Verification report on the implementation of the HCFC phase-out management plan
STP/PHA/71/TAS/22	UNEP	Verification report on the implementation of the HCFC phase-out management plan
ECU/SEV/74/TAS/61	UNIDO	Survey of ODS alternatives at the national level
GUA/SEV/74/TAS/48	UNIDO	Survey of ODS alternatives at the national level
MOG/SEV/74/TAS/10	UNIDO	Survey of ODS alternatives at the national level
AFR/FUM/54/DEM/40	UNIDO	Regional demonstration project on alternatives to the use of methyl bromide for treatment of high moisture dates (Algeria and Tunisia)

Annex III

OUTSTANDING INDIVIDUAL PCRs

Country	Code	Lead agency and cooperating agency
Argentina	ARG/ARS/56/INV/159	World Bank
Argentina	ARG/REF/18/INV/39	World Bank
Bhutan	BHU/PHA/73/TAS/22	UNEP
China	CPR/ARS/51/INV/447	World Bank
China	CPR/PRO/69/TAS/531	World Bank
Democratic People's Republic of Korea	DRK/SEV/74/TAS/61	UNEP
India	IND/ARS/56/INV/423	UNDP
India	IND/ARS/56/TAS/425	UNEP
India	IND/HAL/34/INV/315	World Bank
Indonesia	IDS/ARS/56/TAS/184	World Bank
Jordan	JOR/PHA/38/INV/77	World Bank
Kuwait	KUW/REF/37/TAS/06	UNEP
Kuwait	KUW/REF/37/TRA/03	UNEP
Kuwait	KUW/REF/37/TRA/04	UNEP
Maldives	MDV/PHA/73/TAS/26	UNEP
Mongolia	MON/PHA/71/TAS/21	UNEP
Syrian Arab Republic	SYR/REF/29/TAS/51	UNEP
Syrian Arab Republic	SYR/REF/29/TRA/47	UNEP
Syrian Arab Republic	SYR/REF/29/TRA/49	UNEP
Yemen	YEM/REF/37/TAS/16	UNEP
Yemen	YEM/REF/37/TAS/19	UNEP
Yemen	YEM/REF/37/TRA/17	UNEP
Yemen	YEM/REF/37/TRA/18	UNEP
Zambia	ZAM/FUM/56/INV/21	UNIDO
Asia and Pacific Region	ASP/REF/69/DEM/56	UNEP
Global	GLO/SEV/63/TAS/309	World Bank

Annex IV

OUTSTANDING PCRs BY DECISION

Country	**MYA Sector/Title**	**Lead agency and cooperating agency**
Guatemala	Methyl bromide	**UNIDO**
India	HCFC phase-out plan (stage I)	**UNDP**/UNEP/ Germany
India	CTC phase-out plan	**World Bank**/France/Germany/ Japan/UNIDO
India	Accelerated Production CFC	**World Bank**
Jordan	HCFC phase-out plan (stage I)	**UNIDO**/IBRD
Pakistan	HCFC phase-out plan (stage I)	**UNIDO**/UNEP
Philippines	HCFC phase-out plan (stage I)	**UNEP**/UNIDO/Japan
Tunisia	Technical assistance for the final phase-out of methyl bromide in the palm dates sector	**UNIDO**
Venezuela (Bolivarian Republic of)	HCFC phase-out plan (stage I)	**UNIDO**
Yemen	ODS phase-out plan	**UNEP**/UNIDO

Annex V

OUTSTANDING MYA PCRs

Country	**MYA Sector/Title**	**Lead agency and cooperating agency**
Argentina	CFC phase-out plan	**UNIDO**/IBRD
Argentina	Production CFC	**World Bank**
Bahamas	CFC phase-out plan	**World Bank**
Bahrain	CFC phase-out plan	**UNEP**/UNDP
China	CFCs/CTC/Halon accelerated phase-out plan	**World Bank**/USA
China	Process agent (phase I)	**World Bank**
India	Production CFC	**World Bank**
Kuwait	ODS phase-out plan	**UNEP**/UNIDO
Philippines	CFC phase-out plan	**World Bank**/Sweden/UNEP
Uruguay	HCFC phase-out plan (stage I)	**UNDP**
Venezuela (Bolivarian Republic of)	Production CFC	**World Bank**
Vietnam	Methyl bromide	**World Bank**