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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-seventh Meeting
Montreal, 17-19 July 2002

PROJECT 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 addresses the projects for which reports were requested. Implementing agencies have requested additional projects to be cancelled. Section II of this document addresses these requested project cancellations. Section III presents a discussion of the cancellation of projects where funds were disbursed and phase-out achieved.

Section I: Projects with implementation delays

4. 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.
5. 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 Table 1.

Table 1**CATEGORIES OF IMPLEMENTATION DELAYS, BY AGENCY**

Category Number	Category	France	IBRD	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies		16	1			17
B	Enterprise	1	21	14		13	49
C	Technical Reasons		2	5		4	11
D	Government	1	2				3
E	External		1			2	3
F	ExCom Decisions						
G	Not Applicable			7	6		13
N/A	Not Available				5		5
Total		2	42	27	11	19	101

Progress in resolving causes of delays

6. Agencies indicated that there have been varying degrees of progress. 19 of the projects listed with delays at the 36th 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 additional 16 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

7. 54 projects were classified with some progress. These projects would continue to be monitored. 19 of these projects were classified as having had progress by the agencies. However, they were reclassified as having had some progress due to Decision 32/4.

Projects where deadlines were not achieved

8. None of the following projects in Table 2 achieved the deadlines set for them by the Executive Committee and are therefore subject to cancellation at this meeting. It should be noted that most of the funds approved have been disbursed for three of the six projects. The Sub-Committee may wish to consider a report from the World Bank before taking action on these projects.

Table 2

PROJECTS WHERE DEADLINES WERE NOT ACHIEVED

Code	Agency	Project Title	Assessment	Net Funds Approved (US\$)	Funds Disbursed (US\$)
CPR/REF/22/INV/208	IBRD	Conversion of CFC-12 medium open type refrigerating compressor at Wuhan New World Refrigeration Industrial Co. Ltd.	Milestone not met expected achievement of milestone in June. Request a report at the meeting.	1,459,871	1,435,000
CPR/REF/22/INV/214	IBRD	Conversion of CFC-12 medium open type refrigerating compressor at Chongqing Bingyang Refrigerating Machine Co.	Milestone not met expected achievement of milestone in June. Request a report at meeting.	1,805,370	1,512,477
COL/FOA/26/INV/30	IBRD	Elimination of CFC in manufacture of rigid polyurethane foam through the use of HCFC-141b technology at Indufrio	Milestone not met SGA to be signed in June. Request a report at Meeting.	75,548	0
ARG/REF/19/INV/44	IBRD	Elimination of CFCs in the manufacturing plants of domestic refrigerators of Frimetel, Rosario	Milestone not met due to inability of Bank to disburse from its account due to situation in country. The project is almost completed.	1,855,000	1,658,436
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	Milestone not met. The Government agreed to a new implementation plan after notification of management changes but new location may be needed leading to further delays.	743,500	1,293

Code	Agency	Project Title	Assessment	Net Funds Approved (US\$)	Funds Disbursed (US\$)
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.	Milestone not met. The Government requests that the two sub-projects, Orbis and Buffalo, should not be cancelled since sub-grant agreements have been signed with these enterprises.	272,157	23,750

Projects with no progress

9. Two other projects with no progress as indicated in Table 3:

Table 3

PROJECTS WITH NO PROGRESS

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)
CHI/MUS/26/INV/37	IBRD	Montreal Protocol implementation program (Phase II, second tranche)	2,800,000	1,437,995
GLO/SEV/23/TAS/153	UNEP	Translate and print three guidelines and training modules into Arabic, Chinese, French and Spanish	360,000	260,000

10. The Chilean auction programme is in its final tranche. The World Bank classified the project as having no progress since no additional bids were received. An additional round of bidding is scheduled for July 2002. A report may be requested from the Bank on the achievement of this round of bidding.

11. Concerning the project "Translate and print three guidelines and training modules into Arabic, Chinese, French and Spanish" (GLO/SEV/23/TAS/153), each year since 1997, UNEP has forecast a completion of the translation of manuals for RMP projects into the UN languages. UNEP is again forecasting that the project will be completed this year. Pursuant to Decision 32/4, the Secretariat re-classified this project as having no progress. US \$100,000 remains unspent of the US \$360,000 budget for this project approved in November 1997. UNEP agreed that the translation of these manuals has taken longer than anticipated and expects the remaining four translations to be completed by the 38th Meeting, the end of 2002. UNEP indicates that all of the funds have been obligated.

Phasing out of CFCs at Tanzania Domestic Appliance Manufacturers Ltd. (URT/REF/18/INV/06)

12. The Secretariat received a plan of action from the Tanzania Domestic Appliance Manufacturer as required in Decision 36/15. A deadline of 1 July for the completing of major civil construction and mechanical/electrical engineering works should be confirmed by UNIDO at the 37th Meeting.

Projects with new proposed milestones and deadlines

13. At its 35th 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)).

14. Two of the projects listed with delays required new milestones and deadlines to be reported at the 38th Meeting as shown in Table 4. It should be noted that most of the funds for the aerosol project in India have been disbursed.

Table 4**PROJECTS WITH NEW PROPOSED MILESTONES AND DEADLINES**

Code	Agency	Project Title	Milestones and Deadlines	Net Funds Approved (US\$)	Funds Disbursed (US\$)
CPR/FOA/20/INV/179	IBRD	Conversion to CFC-free technology in the manufacture of flexibe (slabstock) polyurethane foam at Chengdu Plastics No. 7	Deadline of July 2002 for Line of Credit	301,000	2,633
IND/ARS/22/INV/137	IBRD	Attarwala and Co. Pvt. Ltd. Aerosol conversion, Bombay	Deadline of July 2002 for obtaining Approval by Chief Controller of Explosives.	134,250	114,243

Section II: Projects proposed for possible cancellation at the 37th Meeting

15. Implementing agencies have requested additional projects to be cancelled through mutual agreement as presented in Table 5. It should be noted that for several projects large sums of funds were disbursed against these projects proposed for cancellation.

Table 5**PROJECTS PROPOSED FOR CANCELLATION BY MUTUAL AGREEMENT**

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)	Comment
ALG/ARS/20/INV/18	UNIDO	Phasing out CFCs at Laboratoire Bendi in Algeria	56,790	53,700	The Government agrees to cancel the project and recuperate the equipment and ensure that the equipment purchased for the Bendi project for future use in the conversion of an aerosol plant in Algeria.
ALG/FOA/22/INV/21	UNIDO	Phasing out CFC-11 at Ets Leulmi Essaid flexible polyurethane foam plant	61,880	6,498	

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)	Comment
ARG/REF/22/INV/58	UNIDO	Phasing out of CFCs in the manufacturing plant of domestic refrigerators of Radio Victoria Catamarca, S.A.	145,352	145,352	US \$599,896 approved originally but US \$454,544 was returned.
ARG/REF/23/INV/69	IBRD	Elimination of CFCs in the manufacturing plant of domestic refrigerators at Lobato San Luis S.A.	190,023	0	US \$410,683 approved originally but US \$220,660 was returned.
BHE/ARS/30/PRP/03	UNIDO	Project preparation in the aerosol sector in Bosnia and Herzegovina	15,000	0	
BRA/REF/34/INV/219	UNIDO	Umbrella project for five enterprises converting from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a at EZ Industria, Hydraumatic, Menoncin, Unifrio and from CFC-12 to HFC-134a at Croydon in Brazil	469,452	500	This is a partial cancellation of the Hydraumatic component of the project and the adjustment of the project budget from US \$469,452 to US \$429,652 plus support costs.
IRA/REF/31/INV/70	UNDP	Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid polyurethane foam at Baharanfarr Co. in Iran	208,700	16,063	Government informed UNDP that the company has changed owners and stopped its operation using ODS.
KEN/FUM/30/PRP/21	UNIDO	Preparation of a phase-out project in the methyl bromide sector in Kenya	30,000	0	
MOZ/REF/18/INV/04	UNIDO	Phasing out of CFCs at INDATEC/Industria de aplicacoes tecnico-domesticas Ltd.	581,515	334,113	
ROM/REF/19/INV/08	UNIDO	Conversion of commercial refrigeration equipment to phase out CFC-12, HCFC-502 and CFC-11 at Technofrig S.A.	297,768	42,024	
TUR/FOA/23/INV/31	UNIDO	Phasing out CFC-11 at Go-Ya Sungar Ltd. Sti.	533,400	219,771	

16. Agencies may have reached other agreements for project cancellations that may be reported at the 37th Meeting.

Section III: Project Cancellation where funds were disbursed and phase-out achieved

17. As presented above, several projects that are being considered for cancellation are near completion and most of the funds have been disbursed. In cases where no funds disbursed, the Secretariat and the implementing agencies have eliminated the phase-out associated with these projects. This was done because most cancelled projects can be resubmitted two years after they are cancelled per Decision 29/8. However, in cases where equipment was provided, ODS use ended, and most of the funds were disbursed, the phase-out for the cancelled projects should be recorded.

RECOMMENDATIONS

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

1. Note the reports contained in UNEP/OzL.Pro/ExCom/37/10 on projects that have experienced implementation delays from France and the four implementing agencies.
2. 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.
3. Request reports on projects in Table 2 of UNEP/OzL.Pro/ExCom/37/10 where deadlines were not achieved and determine if any further action is warranted.
4. Determine if any action is warranted for the projects classified with no progress in Table 3 of UNEP/OzL.Pro/ExCom/37/10.
5. Receive a report on the Tanzania Domestic Appliance Manufacturers Ltd. (URT/REF/18/INV/06) and note the action warranted.
6. Set deadlines to achieve the milestones as follows:
 - (a) Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Chengdu Plastics No. 7 in China (CPR/FOA/20/INV/179) (World Bank)--Deadline of July 2002 for Line of Credit.
 - (b) Attarwala and Co. Pvt. Ltd. Aerosol conversion, Bombay in India (IND/ARS/22/INV/137) (World Bank)--Deadline of July 2002 for obtaining Approval by Chief Controller of Explosives.
7. Cancel the projects or project components as follows:
 - (a) Phasing out CFCs at Laboratoire Bendi in Algeria (ALG/ARS/20/INV/18) (UNIDO)--noting that the Government agrees to recuperate the equipment and ensure that the equipment purchased for the Bendi project for future use in the conversion of an aerosol plant in Algeria and the phase-out of 19.2 ODP tonnes and US \$53,700 was disbursed of the US \$56,790 approved before project cancellation.
 - (b) Phasing out CFC-11 at Ets Leulmi Essaid flexible polyurethane foam plant in Algeria (ALG/FOA/22/INV/21) (UNIDO).
 - (c) Phasing out of CFCs in the manufacturing plant of domestic refrigerators of Radio Victoria Catamarca, S.A. in Argentina (ARG/REF/22/INV/58) (UNIDO)--noting that the original approval was for US \$599,896 and US \$145,352 was disbursed.
 - (d) Elimination of CFCs in the manufacturing plant of domestic refrigerators at Lobato San Luis S.A. in Argentina (ARG/REF/23/INV/69) (World Bank).

- (e) Project preparation in the aerosol sector in Bosnia and Herzegovina (BHE/ARS/30/PRP/03) (UNIDO).
 - (f) Partial cancellation of the Hydraumatic component of the Umbrella project for five enterprises converting from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a at EZ Industria, Hydraumatic, Menoncin, Unifrio and from CFC-12 to HFC-134a at Croydon in Brazil (BRA/REF/34/INV/219) (UNIDO)--noting the adjustment of the project budget from US \$469,452 to US \$429,652 plus support costs.
 - (g) Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid polyurethane foam at Baharanfarr Co. in Iran (IRA/REF/31/INV/70) (UNDP)--noting that Government informed UNDP that the company has changed owners and stopped its operation using ODS representing a phase-out of 19 ODP tonnes.
 - (h) Preparation of a phase-out project in the methyl bromide sector in Kenya (KEN/FUM/30/PRP/21) (UNIDO).
 - (i) Phasing out of CFCs at INDATEC/Industria de aplicacoes tecnico-domesticas Ltd. in Mozambique (MOZ/REF/18/INV/04) (UNIDO)--noting that US\$ 334,113 of US \$581,515 approved for the project was disbursed before cancellation.
 - (j) Conversion of commercial refrigeration equipment to phase out CFC-12, HCFC-502 and CFC-11 at Technofrig S.A. in Romania (ROM/REF/19/INV/08) (UNIDO)--noting that 6.9 ODP tonnes was phased out and that US \$42,024 of US \$297,768 was disbursed before cancellation.
 - (k) Phasing out CFC-11 at Go-Ya Sungar Ltd. Sti. in Turkey (TUR/FOA/23/INV/31) (UNIDO)--noting that US \$219,771 of US \$533,400 approved for the project was disbursed before cancellation.
8. Note that the phase-out should be recorded for cancelled projects where equipment was delivered and most of the project funds were disbursed.
