



**United Nations  
Environment  
Programme**

Distr.  
LIMITED

UNEP/OzL.Pro/ExCom/38/9  
18 October 2002



ORIGINAL: ENGLISH

---

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-eighth Meeting  
Rome, 20-22 November 2002

**PROJECT IMPLEMENTATION DELAYS**

## Overview

1. This document is submitted in 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 projects with implementation delays and other requested status reports are available to Executive Committee members upon request.
3. Section I addresses the projects for which reports were requested, and Section II addresses projects proposed by implementing agencies for cancellation.
4. Decisions 37/10(b), 37/12(b), 37/13(b) and 37/14(b) and (j) requested additional status reports from Poland, UNEP, UNIDO and the World Bank. All additional status reports were provided.

### **Section I: Projects with implementation delays**

5. 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 progress reports to the 37<sup>th</sup> Meeting including projects previously categorized as having delays and those newly classified since the 37<sup>th</sup> Meeting.
6. Implementing and bilateral agencies categorised the causes for implementation delays associated with these projects according to the seven categories (A through G).
7. In past reports on projects with implementation delays, the cause of the delay was assigned to category A if more than one reason was provided, to indicate, for example, if the delays were caused by the agency, and to category B if the enterprise was responsible, etc. However, the Monitoring, Evaluation and Finance Sub-Committee has indicated its interest in being informed of all the reasons for delays. Therefore, Table 1 reflects all of the reasons for delays provided in the agencies' reports, and shows that most of the reasons for delays are attributable to the beneficiary enterprise (113). Most of the other reasons for delays are attributed to implementing/executing agencies (34), technical reasons (31) and government (30).

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

Category Number	Category	Belgium	France	Germany	IBRD	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies				22	9	3		34
B	Enterprise	1	3	1	41	44		23	113
C	Technical Reasons				8	13	7	3	31
D	Government	1	2		14	6	7		30
E	External				15			3	18
F	ExCom Decisions								
G	Not Applicable				10	5	1		16
N/A	Not Available			2	2				4
Total		2	5	3	112	77	18	29	246

Progress in resolving causes of delays

8. Agencies indicated that there have been varying degrees of progress: 37 of the projects listed with delays at the 37<sup>th</sup> Meeting have been completed, and 21 projects have either experienced progress from one milestone to another or that the implementation delay had been removed. These projects may be considered back on track and might be removed from future reporting under projects with implementation delays.

Projects with some progress

9. 92 projects were classified as showing some progress, and would continue to be monitored. It is to be noted that 61 of these projects were classified by the agencies as having had progress. However, they were reclassified as having had some progress since the projects were approved over three years ago and should continue to be monitored as required by all projects with some progress pursuant to Decision 32/4.

Projects with deadlines

10. Three of the four projects, for which milestones and deadlines were set at the 37<sup>th</sup> Meeting, achieved the required milestone. Therefore, there are no automatic cancellations to be reported to the 38<sup>th</sup> Meeting.

11. The Executive Committee set a deadline of November 2002 for a component of the solvent project in Argentina (ARG/SOL/28/INV/91) for Buffalo SA to complete its conversion by November 2002. The results of the achievement of this milestone will be reported to the 39<sup>th</sup> Meeting.

Projects with no progress

12. The projects for which no progress is being reported to the 38<sup>th</sup> Meeting are indicated in Table 2. Under the existing procedures, the Secretariat will send notices of possible cancellation for these projects.

Table 2

**PROJECTS WITH NO PROGRESS**

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)
BOL/FOA/28/INV/10	Belgium	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Quimica Andina	108,480	0
CPR/REF/22/INV/208	IBRD	Conversion of CFC-12 medium open type refrigerating compressor at Wuhan New World Refrigeration Industrial Co. Ltd.	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.	1,805,370	1,512,477
CPR/REF/20/INV/175	IBRD	Conversion of medium-sized semi-hermetic CFC-12 refrigerating compressor production to HCFC-22 production at Tianjin Tian Shan Refrigeration Equipment Co.	2,256,000	2,169,055
IND/HAL/18/INV/60	IBRD	Conversion from halon-1211 to ABC dry chemical power (ABC-DCP) and carbon dioxide (CO <sub>2</sub> ) in portable extinguishers at Real Value Appliances Ltd.	251,736	0
ARG/REF/19/INV/43	IBRD	Elimination of CFC in the manufacturing plant of domestic refrigerators at Adzen S.A. C.I.F.	356,970	0
CPR/SOL/19/INV/171	UNDP	Elimination of the use of CFC-113 and Methyl Chloroform in the color picture tube cleaning processes at the Shanghai Novel CPT Corp Factory	849,950	685,710
CPR/SOL/23/INV/224	UNDP	Elimination of ODS (CFC-113) used in the production line at FUJIAN PUTIAN VIKAY Electronics Co. Ltd.	619,780	506,820
NIR/FOA/26/INV/35	UNDP	Confidence Products and Services. Phase-out of CFC-11 by conversion to MeCl in the manufacture of flexible foam.	142,300	137,845
PAN/FOA/22/INV/09	UNDP	Elimination of CFCs in the manufacture of extruded polystyrene foam sheet at Productos Moldeados America S.R. Ltda. (Plasticos Modernos)	339,296	124,360
URT/FOA/26/INV/10	UNDP	H.K. Foam. Phase-out of CFC-11 by conversion to MeCl in the manufacture of flexible polyurethane foam.	7,957	7,957
GLO/SEV/21/TAS/130	UNEP	Develop a handbook on the practical use of policy instruments	90,000	10,000
GLO/SEV/23/TAS/153	UNEP	Translate and print three guidelines and training modules into Arabic, Chinese, French and Spanish	360,000	260,000
GLO/SEV/30/TAS/206	UNEP	Organizing a global video competition on ozone layer protection	60,000	2,000
IND/SEV/30/TAS/253	UNEP	Develop policy and customs training strategies	50,000	12,000
KUW/SEV/30/CPG/01	UNEP	Preparation of country programme	30,000	29,000
LIR/SEV/27/CPG/01	UNEP	Country programme preparation	50,000	10,000
CPR/REF/17/INV/119	UNIDO	Conversion of domestic refrigerator and freezer factories to phase out CFC-12 and CFC-11 by hydrocarbon isobutane and cyclopentane at Hangzhou Xiling Holdings Co.	2,790,320	2,479,705
CPR/REF/23/INV/222	UNIDO	Phasing out ODS at the refrigerator plant of Bole Electric Appliances Group	1,469,029	1,145,659

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)
CPR/REF/26/INV/256	UNIDO	Conversion from CFC-12 to isobutane technologies and products at the compressor factory of the Hangli Refrigeration Ltd., in Hangzhou, China	861,000	674,109

13. The Executive Committee may request the World Bank to provide a milestone with full Government consultation to be recorded in the 38<sup>th</sup> Meeting Report for IND/REF/19/INV/92 for which no progress was reported by the World Bank to two consecutive meetings of the Executive Committee.

## Section II: Projects proposed for possible cancellation at the 38<sup>th</sup> Meeting

14. Implementing agencies have prepared the six projects listed in Table 3 for cancellation through mutual agreement. It should be noted that for several of these projects, large sums of funds were disbursed against these projects proposed for cancellation.

Table 3

### PROJECTS PROPOSED FOR CANCELLATION BY MUTUAL AGREEMENT

Code	Agency	Project Title	Net Funds Approved (US\$)	Funds Disbursed (US\$)	Comments
ARG/FOA/23/INV/62	UNDP	Conversion to non CFC technology in the manufacture of integral skin and flexible moulded foam at STRAPUR	125,420	32,120	Cancellation proposed due to company stopping operations. Agency to indicate if by mutual agreement at 38 <sup>th</sup> Meeting.
ARG/FOA/23/INV/65	UNDP	Elimination of the use of CFCs in the manufacture of rigid foam blocks for insulated trailers at FRUEHAUF	136,725	134,235	Cancellation proposed due to bankruptcy.
ARG/SOL/28/INV/90	IBRD	Replacement of 1,1,1-trichloethane sheet steel cleaning system on the steel sheet-cutting table with an aqueous-mechanical system in the steel enterprise Siderar, SAIC	105,147	0	Government and agency agree.
CPR/REF/23/INV/233	UNDP	Elimination of CFCs 11 and 12 in the manufacture of domestic freezers at DEBAO Refrigeration Equipment Co. Ltd.	553,006	524,471	Government and agency agree.
IDS/FOA/23/INV/75	IBRD	Elimination of CFC-11 in the manufacture of flexible polyurethane foam (slabstock) at PT. Irc Inoac Indonesia	412,900	0	Government and agency agree.
IDS/FOA/29/INV/115	IBRD	Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (sprayfoam) at PT Sentra Sukses Selalu	539,579	0	Government and agency agree.

## RECOMMENDATIONS

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

1. Note the document on project implementation delays (UNEP/OzL.Pro/ExCom/38/9).
2. Note with appreciation the reports submitted to the Secretariat on projects with implementation delays and additional status reports provided by Belgium, France, Germany, Poland and the four implementing agencies.
3. 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.
4. Note the milestone to be provided by the World Bank at the meeting for IND/REF/19/INV/92.
5. Cancel the projects through mutual agreement as follows:
  - (a) "Conversion to non CFC technology in the manufacture of integral skin and flexible moulded foam at STRAPUR in Argentina" (ARG/FOA/23/INV/62) implemented by UNDP due to the company stopping operations noting that US \$32,120 was disbursed of the US \$125,420 approved for the project.
  - (b) "Elimination of the use of CFCs in the manufacture of rigid foam blocks for insulated trailers at FRUEHAUF in Argentina" (ARG/FOA/23/INV/65) implemented by UNDP due to bankruptcy noting that US \$134,235 was disbursed of the US \$136,725 approved for the project.
  - (c) "Replacement of 1,1,1-trichloroethane sheet steel cleaning system on the steel sheet-cutting table with an aqueous-mechanical system in the steel enterprise Siderar, SAIC in Argentina" (ARG/SOL/28/INV/90) implemented by the World Bank noting that no funds were disbursed for this project.
  - (d) "Elimination of CFCs 11 and 12 in the manufacture of domestic freezers at DEBAO Refrigeration Equipment Co. Ltd. in China" (CPR/REF/23/INV/233) implemented by UNDP noting that US \$524,471 was disbursed of the US \$553,006 approved for the project.
  - (e) "Elimination of CFC-11 in the manufacture of flexible polyurethane foam (slabstock) at PT. Irc Inoac in Indonesia" (IDS/FOA/23/INV/75) implemented by the World Bank noting that no funds were disbursed for this project.
  - (f) "Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (sprayfoam) at PT Sentra Sukses Selalu in Indonesia" (IDS/FOA/29/INV/115) implemented by the World Bank noting that no funds

were disbursed for this project.

6. Request the implementing agencies to reimburse to the Multilateral Fund all remaining balances from the above projects.

-----