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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-sixth Meeting  
Montreal, 4-8 July 2005

**PROJECT IMPLEMENTATION DELAYS AND FOLLOW-UP TO DECISION 45/59 (e)**

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Overview

1. This document is submitted as a follow-up to decisions taken at previous meetings of the Executive Committee concerning projects with implementation delays. The reports from the implementing and bilateral agencies on projects with implementation delays are available to Executive Committee members upon request.

2. Section I addresses the projects with implementation delays for which reports were requested. Section II considers projects proposed for possible cancellation at the 46<sup>th</sup> Meeting and the impact of cancelled projects on compliance. Finally, Section III provides information on how to avoid future delays pursuant to decision 45/59(e).

**Section I: Projects with implementation delays**

3. Fifty-five ongoing projects were classified as projects with implementation delays, i.e., projects expected to be completed over 12 months late or where disbursement occurred 18 months after project approval. The World Bank had 23 delayed projects, followed by UNIDO with 9; UNDP with 6; France with 6; UNEP with 5; and Germany with 3.

4. Implementing and bilateral agencies categorized the causes for implementation delays associated with these projects according to the seven categories (A to G) of implementation delays.

5. Table 1 reflects all of the reasons for the delays provided in the agencies' reports. The total number of reasons for delays exceeds the number of delayed projects because some projects had multiple reasons for delay. Table 1 indicates that most of the reasons for delays are attributable to the beneficiary enterprise (27), external events and technical reasons (12).

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

Category		France	Germany	World Bank	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies	1		9		1		11
B	Enterprise	3		18	2		4	27
C	Technical Reasons			5	1	2	4	12
D	Government	1		1	3			5
E	External	1		11				12
F	Executive Committee Decisions						1	1
G	Not Applicable		3			1	1	5
N/A	Not Available					1		1

Progress in resolving causes of delays

6. Agencies indicated that there have been varying degrees of progress. Seventeen of the projects listed with delays at the 45<sup>th</sup> Meeting have been completed.

Projects with some progress

7. Twenty-six projects were classified as showing some progress, and would continue to be monitored. However, it should be noted that some of these projects approved over three years ago must continue to be monitored pursuant to decision 32/4, and therefore cannot be removed from the list for monitoring regardless of the extent of progress achieved prior to their final completion.

Projects with deadlines

8. Three of the five projects for which milestones and deadlines had been set at the 45<sup>th</sup> Meeting achieved the required milestone, namely foam projects in Pakistan (PAK/FOA/23/INV/20 and PAK/FOA/25/INV/25) and an aerosol project in Cuba (CUB/ARS/34/INV/18).

9. Table 2 presents a list of those projects with deadlines that are pending a report to the Executive Committee Meeting on the achievement of milestones. If these milestones have not been achieved, the Committee will note their automatic cancellation.

Table 2**PROJECTS WITH DEADLINES PENDING REPORTS AT THE 46<sup>TH</sup> MEETING**

Agency	Code	Project Title	Milestones	Action if Milestone Not Achieved
UNDP	LIB/FOA/32/INV/05	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Sebha Unit	Purchase order issued by 31 May 2005	Automatic cancellation.
UNDP	LIB/FOA/32/INV/08	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Ben Ghazi Unit	Purchase order issued by 31 May 2005	Automatic cancellation.

10. Letters of possible cancellation were sent to countries and agencies for the following projects listed in Table 3, for which there has now been no progress reported to two consecutive meetings. Therefore, milestones and deadlines have been agreed for two of these projects, and are pending for the CFC emission reduction project in Syria (SYR/REF/29/INV/56) under French implementation.

Table 3

**PROJECTS WITH NO PROGRESS REPORTED TO TWO CONSECUTIVE MEETINGS FOR WHICH MILESTONES AND DEADLINES ARE RECOMMENDED**

Agency	Code	Project Title	Milestones and Deadlines
France	SYR/REF/29/INV/56	CFC emission reduction in central air conditioning	Milestone/deadline to be set at meeting.
IBRD	PAK/FOA/29/INV/34	Conversion from CFC-11 to water-based technology in the manufacture of rigid polyurethane shoe soles at Jaguar Industries	Equipment installation by July 2005.
UNIDO	IRA/FOA/28/INV/50	Phasing out ODS in manufacturing of flexible PU slabstock foam through the use of liquid CO <sub>2</sub> blowing technology at Bahman Plastic Co.	NOU will provide a decision on how the Government will proceed by the beginning of August 2005.

Projects with no progress—letter of possible cancellation

11. The projects for which no progress is being reported for the first time are indicated in Table 4. Under the existing procedures, the Secretariat will send notices of possible cancellation for these projects.

Table 4

**PROJECTS WITH NO PROGRESS**

Agency	Code	Project Title	Net Approved Funds (US\$)	Funds Disbursed (US\$)
France	MOR/FUM/29/INV/37	Phase-out of methyl bromide use in the cut flower and banana production	1,006,652	928,212

**Section II: Projects proposed for possible cancellation at the 46<sup>th</sup> Meeting and the impact of cancelled projects on compliance**

12. Preparation of country programme update (ARG/SEV/39/CPG/134) -- Last year, UNIDO reported that it was working with Argentina on the country programme update (ARG/SEV/39/CPG/134). The Secretariat noted that no funds had been disbursed and that UNIDO had indicated in its progress report database that the project would begin in 2005. In light of the fact that Argentina had received funding for national CFC and solvent phase-out plans, halon banking, methyl bromide, and production sector projects and all sectors were covered except MDIs for which a project was under preparation by the World Bank, UNIDO informed that the Government of Argentina had agreed to cancel this project.

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

Agency	Code	Project Title	Net Approved Funds (US \$)	Fund Disbursed (US \$)	Comments
UNIDO	ARG/SEV/39/CPG/134	Country programme Update	50,000	0	Cancellation by Mutual Agreement

13. There may be some impact on compliance from the cancellation of projects, if it is reported that the country did not achieve its milestone and the project could be automatically cancelled. There are currently two foam projects in Libya that fell into this category and may have some impact on compliance in light of the fact that Libya has time-specific benchmarks to achieve in accordance with the action plan for returning into compliance that had been approved by the Fifteenth Meeting of the Parties (decision XV/36). Those projects are: Flexible polyurethane foam project at Sebha Unit in Libya (LIB/FOA/32/INV/05) to phase-out 26 ODP tonnes, and the Flexible polyurethane foam project at Ben Ghazi Unit (LIB/FOA/32/INV/08) to phase-out 31 ODP tonnes.

**Section III: How to avoid future delays**

14. Decision 45/59(e) requested the implementing agencies to provide the Fund Secretariat with information on how to avoid future delays as part of a lessons-learned document to be prepared by the Secretariat for consideration at the 46<sup>th</sup> Meeting of the Executive Committee.

15. To assist the implementing agencies in responding with the input needed for this request, the Fund Secretariat proposed that the agencies address this decision in the light of document UNEP/OzL.Pro/ExCom/35/15 that included descriptions of the causes for delays. Agencies were asked to identify any additional cause for delays since the 35<sup>th</sup> Meeting, taking into account strategic planning and the multi-year, performance-based agreement modality. Based on these causes, agencies were asked what had been done to avoid delays, how additional delays could be avoided in the future, and what role the delay might have regarding a country's non-compliance. (The last item was used in the context of the desk study on the cause of non-compliance addressed in UNEP/OzL.Pro/ExCom/46/8). The Secretariat also provided implementing agencies with a list of the projects that were classified as delayed projects, along with the information provided on these projects in project completion reports and progress reports.

16. Annex I presents the input from UNDP, UNEP, UNIDO and the World Bank on what has been done to avoid delays and what could be done in the future in terms of the six main categories of delays, i.e.: due to implementing or executing agencies; enterprise; technical reasons; Government; external; and Executive Committee decisions.

Delays due to implementing or executing agencies

17. Regarding delays due to agencies, UNDP indicated that ongoing liaison with governments could address difficulties with schedules, and maintaining a roster of experts could

address the delays caused by the lack of availability of consultants. The World Bank indicated that the signature of sub-grant agreements (SGAs) was no longer pertinent while grant agreements (GAs) were now relevant. The Bank was attempting a “quick start” by including beneficiaries and stakeholders in the project preparation stage that it was hoped would facilitate GA signature.

18. The issue of difficulties with financial intermediaries or executing institutions was addressed differently by UNDP and the World Bank. In the case of UNDP, the main issue was the country’s selection of an implementation modality at the project preparation stage since it could offer UNOPS execution or national execution. For the World Bank, the issue related to its financial intermediaries. The Bank addressed difficulties with financial intermediaries by holding ongoing training sessions. The Bank felt that its financial intermediaries would continue to have a role in the execution of multi-year performance based agreements with regard to disbursement activities and some implementation activities, but their role would be less than under the project-by-project approach. UNIDO added a reason for delays due to agencies’ miscommunication with counterparts. UNIDO believed that discussions and visits to counterparts, attendance at network meetings, and the use of its local offices could help to avoid this type of delay.

#### Delays due to beneficiary enterprises

19. Most of the reasons for delays that are due to beneficiary enterprises could have been avoided if there was more planning during the project preparation stage. This would include delays due to:

- (1) Time taken to endorse equipment specifications;
- (2) Time taken to conduct additional product quality trials;
- (3) Time taken to complete local works;
- (4) Obtaining counterpart funding; and
- (5) Changes in technology.

Delays caused due to waiting for operations to begin until competitors converted might be resolved if group projects were developed in a country or region so that all enterprises could convert at the same time.

20. Both UNDP and UNIDO felt that study tours could resolve delays due to the time taken for the endorsement by the enterprise of the equipment specification. UNIDO indicated that sending consultant to support in equipment specification, local works, and quality trials, along with pressure on governments and suppliers could serve to avoid or limit these causes for delays.

21. Additional reasons for delays due to beneficiary enterprises include the time needed to deplete the inventory of CFC stocks, which required the agency to maintain contact with the relevant enterprises until the stocks were used, but according to UNDP could have been avoided

if there had been a buy-back option as an eligible cost. Delays were also experienced because some beneficiaries could not implement the selected technology in the existing plant location. Both of these types of delays could be avoided at the project preparation stage. Also, delays occurred because the enterprise changed the specifications of equipment to be supplied. This delay could be avoided if the Executive Committee required the enterprise to use the equipment specified in the project proposals instead of allowing beneficiaries the opportunity to provide alternative designs with counterpart funding for those costs that would not be otherwise eligible.

#### Delays due to technical reasons

22. Delays due to technical reasons such as equipment order backlogs were addressed by maintaining contact with suppliers. It was felt that in the future, a database on suppliers and their ability to deliver equipment could be used as conditions of awarding contracts. The difficulty in obtaining agreements on the transfer of technology was cited as a reason for delay in older projects, in particular for the World Bank's projects in China. It was felt that this was no longer an issue for the Bank, and UNDP felt that using consultants to negotiate technology transfer agreements was helpful in addressing this type of delay.

#### Delays due to Government

23. Delays due to Government occur when there is a lack of required pre-conditions of project implementation, or slow implementation by the NOU, staggered implementation schedules imposed by Governments to avoid market distortions, and difficulty in obtaining permits for new technologies from local governments. The World Bank indicated that these delays might be prevented through careful monitoring in the future and paying attention to any needs for changes in implementation and the timing of multiple related initiatives. It also felt that these delays could be avoided by initiating policy and regulatory components in parallel with project preparation to involve the relevant government officials at early stages.

24. UNDP indicated that establishing clear duty-free import procedures prior to project implementation could have addressed the pre-condition for successful implementation of projects involving equipment purchased internationally with UN funds. It also felt that meeting permit requirements at the time of project preparation could avoid delays due to lack of appropriate local permits.

25. UNIDO indicated that it would use network meetings, communication with high-level officials, or would request Executive Committee intervention in cases of slow implementation by the NOU.

26. UNEP mentioned that it may be able to assist with follow-up with governments through the regional CAP teams.

#### Delays due to external reasons

27. In addition to market forces/economic conditions, UNDP proposed two new reasons for these types of delays including weather/natural disaster and war/civil unrest. These reasons were added because activities had to be delayed due to SARS and other epidemics and due to civil war

and the lack of an operational national government. As with market forces/economic conditions, it was felt that these reasons were unavoidable. However, UNIDO and the World Bank felt that comprehensive approaches that integrate policy/regulatory measures might be effective in avoiding these impediments but that such actions might be contrary to the objectives of the Montreal Protocol and its Multilateral Fund.

Delays due to Executive Committee decisions

28. The main reasons for delays due to Executive Committee decisions have to do with the decision that all equipment should be duty-free and that some RMP activities, e.g., recovery and recycling projects and training of customs officers should not begin until legislation was in place controlling ODS imports/exports. It was suggested that early acceptance by Article 5 countries of the duty-free provision would have avoided this delay. Although there were no specific comments on the other reason for RMP activities, the likely way to have avoided these delays would have been for the agencies to have submitted their projects only when the preconditions existed although agencies in the past felt that without the approval, the licensing system requirement, might not have been implemented as fast.

29. The World Bank added the disposal of baseline equipment as a reason for delays. This delay was caused by enterprises not knowing the requirement early in the project approval process. Such requirements are now included in the Bank’s sub-grant agreements.

**RECOMMENDATIONS**

The Executive Committee may wish to consider:

1. Noting with appreciation the reports submitted to the Secretariat on projects with implementation delays by France, Germany and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/46/18);
2. Noting 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 and implementing agencies as required;
3. Noting the completion of 17 out of the 55 projects listed with implementation delays;
4. Adopting the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestones and Deadlines
France	SYR/REF/29/INV/56	CFC emission reduction in central air conditioning in Syria	Milestone/deadline to be set at meeting.
IBRD	PAK/FOA/29/INV/34	Conversion from CFC-11 to water-based technology in the manufacture of rigid polyurethane shoe soles at Jaguar Industries in	Equipment installation by July 2005.



		Pakistan	
UNIDO	IRA/FOA/28/INV/50	Phasing out ODS in manufacturing of flexible PU slabstock foam through the use of liquid CO2 blowing technology at Bahman Plastic Co. in Iran	NOU will provide a decision on how the Government will proceed by the beginning of August 2005.

5. Noting that letters of possible cancellation should be sent for the following project:

Agency	Code	Project Title
France	MOR/FUM/29/INV/37	Phase-out of methyl bromide use in the cut flower and banana production I in Morocco

6. Cancel the country programme update in Argentina (ARG/SEV/39/CPG/134) by mutual agreement.
7. Noting the report on how to avoid project implementation delays and encouraging bilateral and multilateral implementing agencies to take these into account in future project design and implementation.



## Annex I

**INPUT FROM UNDP, UNIDO AND THE WORLD BANK ON WHAT HAS BEEN DONE  
TO AVOID DELAYS AND WHAT COULD BE DONE IN THE FUTURE**

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP	Implementing or Executing Agencies	Scheduling difficulties	Ongoing liaison with Gov't and national partners to identify cause of difficulties in reaching agreement on scheduling and arrive at consensus on appropriate timing.	Ongoing liaison with Gov't and national partners to identify cause of difficulties in reaching agreement on scheduling and arrive at consensus on appropriate timing.	
UNDP	Implementing or Executing Agencies	Availability of consultants, internal processes leading to the signature of grant/sub-grant agreements, and difficulties with financial intermediary or executing institution.	Development of roster of experts - int'l, regional and national - to broaden field from which experts may be selected, the aim being to ensure that this does not contribute to implementation delays in future.	Development of roster of experts - int'l, regional and national - to broaden field from which experts may be selected, the aim being to ensure that this does not contribute to implementation delays in future.	
World Bank	Implementing or Executing Agencies	Internal processes leading to the signature of grant/sub-grant agreements, and difficulties with financial intermediary or executing institution.	For grant agreements, the Bank has addressed the problems of delays encountered in the earlier days of the Fund by beginning work with the country on a new GA during the project preparation process. For SGAs, the Bank has worked with FIs to ensure that appraisals are comprehensive and accurately reflect both operational and financial aspects of the project. This has provided the beneficiary with a better understanding of expectations and commitments early on and thereby accelerating the time needed for SGA signing. Conversely, the screening before SGA signing has weeded out enterprises that had financial difficulties by the time projects were approved, thereby avoiding the addition of projects to the portfolio with risks of chronic delays.	With sector and national ODS phaseout plans, as well as the increase in prices of CFC in most markets, delays in SGA signing are no longer pertinent. For GA signing, the Bank will continue to commence dialogue with countries during project preparation as well as utilize a "quick start" approach whereby relevant stakeholders, including the beneficiaries, are invited to a series of meetings during preparation. Early buy-in by different agencies and stakeholders facilitates the GA negotiations prior to signing.	A delay in GA signing means that funds cannot be disbursed to the country. If funding is not available, then measures to control consumption cannot be implemented.

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
World Bank	Implementing or Executing Agencies	Difficulties with financial intermediary or executing institution.	Since the mid-1990s the Bank has provided training to its FIs on implementation, financial management, procurement and ExCom guidelines and policies. This training has taken the form of annual workshops in Washington as well as country-specific workshops and meetings. For FIs that have been particularly slow in processing or not as responsive as necessary, the Bank has taken targeted steps. One FI was subject to a "customer satisfaction" review to determine its effectiveness. In most cases, the Bank undertook high-level discussions with FI management to refocus attention to the priorities of the MP Program. Action plans/schedules were agreed upon in cases where many internal processing steps were required (for opening LCs, etc.)	Fis have a less relevant role in implementation with the transition to country-owned, performance-based projects. They are still needed in many cases for disbursement activities and a handful of implementation activities where consumption for manufacturing products still exists. Nonetheless, the WB will continue to host training workshops that include not only relevant issues to NOUs and PMUs but also to its FIs.	This is not directly related to country compliance.
UNDP			Discussions with agency and government to come to agreement on implementation modality.	Propose execution modality during project preparation. Make any necessary agreements ahead of time so that execution can proceed promptly once project approval is granted.	
UNIDO		Miscommunication with counterparts	<ul style="list-style-type: none"> <li>* in-depth discussion with counterparts</li> <li>* use local UNIDO offices</li> <li>* visit counterpart</li> <li>* use network meetings and any other forum</li> </ul>	<ul style="list-style-type: none"> <li>*in-depth discussion with counterparts in the beginning of implementation</li> <li>* use local UNIDO offices</li> <li>* visit counterpart</li> <li>* use network meetings and any other forum</li> </ul>	
UNDP	Implementing or Executing Agencies	Difference in appraised tonnage			
World Bank	Enterprise	Time taken to endorse equipment specifications	Dialogue with the enterprises; study tours; bringing in international experts to better understand the exact needs of the enterprise and provide guidance where needed.	This is now not a pertinent matter. Dialogue with the enterprises; study tours; bringing in international experts to better understand the exact needs of the enterprise and provide guidance where needed.	Not a direct link for countries with import controls in place.
UNIDO			<ul style="list-style-type: none"> <li>* organize study tour</li> <li>* visit counterpart and discuss specification</li> <li>* full involvement of counterpart in preparation of ToRs and specifications</li> </ul>	* full involvement of counterpart in preparation of ToRs and specifications	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP			Complete draft specifications and get endorsement in same visit where possible	More project planning in project design phase; draft proposed specifications for submission to enterprise before implementation visit; finalize specs and endorse in one visit	
World Bank		Time taken to conduct additional product quality trials, to complete local works, and for different management to review the project.	Fis/WB and Gov. have worked closely with enterprises to agree on schedules and timelines and, in some cases, by setting deadlines. Suppliers/consultants were encouraged to work with beneficiaries to solve product quality issues before disbursement of final payments.	Fis/WB and Gov. have worked closely with enterprises to agree on schedules and timelines and, in some cases, by setting deadlines. Suppliers/consultants were encouraged to work with beneficiaries to solve product quality issues before disbursement of final payments.	Not a direct link.
UNIDO			* send consultants to give support * put pressure on counterpart through the government * put pressure on supplier in case delays is due to them	* in-depth discussion with counterparts in the beginning of implementation	
UNDP		Time taken to complete local works, and for different management to review the project. Waiting to begin the operation of the alternative technology until their competitors have converted using the same technology (in particular LCD projects	Provided engineering/design assistance where possible. Arrange direct payments to vendors if payment was an issue. Maintain contact with enterprises (phone, e-mail, site visits) to try to expedite completion.	Develop SOPs where possible to define eligible local works requirements. Review available utilities thoroughly during project preparation, and identify any needed upgrades. Develop timetables and include in project timeline. Thoroughly assess the enterprise's ability to act as Local Works Administrators either at project preparation stage, or at the initial implementation meeting; if necessary, arrange for local consultant or other party to coordinate local works.	
UNIDO			* send consultants to give support * put pressure on counterpart through the government * put pressure on supplier in case delays is due to them	* in-depth discussion with counterparts in the beginning of implementation	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP		Time taken for different management to review the project. Waiting to begin the operation of the alternative technology until their competitors have converted using the same technology (in particular LCD projects	E-mail and in person communications with management to educate on the project and the need for timely completion	Schedule meeting with new management as quickly as possible after learning of change. Do a complete project presentation, including background on Montreal Protocol, project development and approval, current status and steps necessary for completion. Obtain new management signature committing to completion and agreed upon timeframe.	
UNIDO			<ul style="list-style-type: none"> <li>* send consultants to give support</li> <li>* put pressure on counterpart through the government</li> <li>* put pressure on supplier in case delays is due to them</li> </ul>	* in-depth discussion with counterparts in the beginning of implementation	
UNDP		Waiting to begin the operation of the alternative technology until their competitors have converted using the same technology (in particular LCD projects	Coordinate projects schedules so that all competitors convert at roughly the same time.	Prepare as group projects so that all in the same country or region are under the same timeframe.	
World Bank		Obtaining counterpart funding	This has been a major cause of delay in the past, in particular in regions that were struck by economic problems such as E. Asia and Latin America. There was little that could be done by IAs except ensure that beneficiaries were realistic about technology choices vis a vis their production needs and encouraging procurement of locally-made equipment where possible.	In newer projects which target mostly the servicing sector, some client countries of the Bank will employ market mechanisms to create demand for equipment but not finance the full costs. This is hoped to attract beneficiaries that are from the start willing to put in counterpart funding. For enterprises not willing to contribute, market forces will eventually prevail.	Not a direct link for countries with import controls in place and/or implementing national and sector ODS phaseout plans.
UNDP			Arranged for advancement of payments to overcome cash-flow problems.	Arrange formal counterpart funding agreements as part of project preparation. Use of escrow funds?	
UNIDO			<ul style="list-style-type: none"> <li>* signed working arrangement on implementation before project started</li> <li>* get commitment letters from counterparts endorsed by the governments</li> </ul>	<ul style="list-style-type: none"> <li>* signed working arrangement on implementation before project started</li> <li>* get commitment letters from counterparts endorsed by the governments</li> </ul>	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
World Bank		Changes in technology	Ensure that technology choice from the start originates from the beneficiary and is in line with its baseline operations, needs and capacity, and is accessible in the country.	Ensure that technology choice from the start originates from the beneficiary and is in line with its baseline operations, needs and capacity, and is accessible in the country.	No major role.
UNIDO			* ensure full counterpart participation in project preparation * send consultant to identify the causes and the necessity of technology change and provide technical assistance * in case justified: request ExCom for the approval of technology change	* ensure full counterpart participation in project preparation * send consultant to identify the causes and the necessity of technology change and provide technical assistance * in case justified: request ExCom for the approval of technology change	
UNDP			Arranged study tours to help with technology selection. Re-specify equipment that meets new technology requirements.	Abide by ExCom decisions requiring formal notification for technology change. Spend more time during project preparation stage to explore technology options.	
UNDP		Enterprise refrained from implementing their projects until government regulations had been enacted	More coordination between NOU and agency to be sure legislation encourages conversion.	More coordination between NOU and agency to be sure legislation encourages conversion.	
UNIDO			* follow-up with government * inform ExCom if necessary	* follow-up with government * inform ExCom if necessary	
UNDP		Enterprise refrained from implementing their projects until their competitors' projects had been approved		More coordination within sectors to be sure competitors are converted at approximately the same time -- local consultant's role?	
UNIDO			* Pressure on counterpart through the government * IOC has always been a good incentive	* get commitment letter from counterpart in advance endorsed by the government	
UNDP		Time to deplete inventory of CFC stocks	Maintained contact with enterprise to track stock levels of CFC-containing equipment and project conversion date.	Arrange some kind of "buy-back" programme if the quantity is significant, and the only impediment remaining to project completion.	
UNDP		Could not implement selected technology in existing location	Relocated and built new plant	Review suitability of location for new technology and obtain permits or pre-approvals during project preparation. If relocation is necessary, build into project timeline	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP		Enterprise change scope of equipment supply	UNOPS encouraged the enterprise to resolve technical issues with supplier swiftly	Require project completion based on only the project elements. Additional scope allowed only if it does not impact timeframe.	
UNDP		Enterprise disagreement with supplier selection	Arranged technical exchange between supplier and enterprise. In some cases, allowed alternative supplier selection with enterprise accepting responsibility in case of non-performance.	Clarify procedures allowing enterprise selection of contractor if in conflict with recommendation. Elaborate enterprise responsibilities: financial, performance, timing.	
UNDP	Technical Reasons	Equipment order backlogs	Maintained contact with suppliers to try to expedite delivery	Keep updated supplier database with history of delivery problems, resolution status and current backlog issues; use as qualifying conditions in awarding contracts.	
UNIDO			* put pressure on supplier * identify reliable suppliers	* put pressure on supplier * identify reliable suppliers	
World Bank		Time needed to repair equipment not functioning properly, and unavailability of the alternative substance, generally LCD.	Because of national execution, the WB could not step in and directly address this issue but instead tried to facilitate dialogue, meetings and training workshops between suppliers and beneficiaries. Ensuring that all requirements, including training and after-sales service, are in the bidding documents is also an approach taken by the Bank's FI to avoid problems downstream with technology and equipment.	Same. In addition, alternative substances are now more readily available in most countries.	Not a direct link
UNIDO			* put pressure on supplier * provide alternative sources of supply of materials	* put pressure on supplier * provide alternative sources of supply of materials	
UNDP			Repairs obtained through the UNOPS transportation insurance program in one instance. Where problem was communication by enterprise, UNOPS and agency maintained communications between enterprise and supplier to help resolve issues. Worked with supplier to provide repairs, beyond one year warranty.	Review transportation insurance policy and streamline procedures if possible to prevent future delays. More care should be taken during equipment specification to ensure the properly designed equipment is requested (mixhead configuration, power requirements, hose lengths). Keep updated supplier database with history of problems encountered and resolution status; use as qualifying conditions in awarding contracts.	



Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP		Unavailability of the alternative substance, generally LCD.	Work with suppliers to make technology available.	Require statement of local availability of selected technology from at least one supplier for project approval.	
			* put pressure on supplier * provide alternative sources of supply of materials	* put pressure on supplier * provide alternative sources of supply of materials	
World Bank		Bidding process resulted in higher costs	This is related to counterpart funding above (when contingency was not sufficient to cover the difference in costs).	N/a	
UNDP			Rebid, using revised specifications if necessary. Revamp scope of supply. Negotiate with low bidder to reduce price in some cases.	Use prior experience for budgeting. If specifying additional equipment beyond the basic model, request as options so that the cost impacts can be analyzed independently.	
UNIDO			* re-bidding * reduction of scope of supply and requesting co-financing	* re-bidding * reduction of scope of supply and requesting co-financing	
UNDP		Inability to reallocate funds among a project's budget components		Use of performance agreements with flexibility clauses allowing reallocation of funds, provided project objectives are met.	
World Bank		Difficulty of obtaining agreements on the transfer of technology	This was a problem in earlier days of project implementation, in particular in China. The Government, FI and the WB worked with the client to try to find alternative technology suppliers. In some cases, the enterprises had to settle on technology that was not their first choice.	Not an issue at the moment for WB projects.	N/A
UNDP			Use consultants to coordinate with suppliers in negotiating acceptable technology transfer agreements.	Use consultants to coordinate with suppliers in negotiating acceptable technology transfer agreements.	
UNIDO			* identify other suppliers and/or independent consultancy companies to assist in developing technology	* identify other suppliers and/or independent consultancy companies to assist in developing technology	
UNDP	Government	Staggered implementation schedules imposed by Governments to prevent market distortions	Continuous consultation with national stakeholders.	Use of performance agreements with flexibility clauses allowing reallocation of funds, provided project objectives are met.	
UNIDO			* follow-up with government	* follow-up with government	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
World Bank		Lack of the required pre-conditions for project implementation	As multi-year projects proceed, there are new reasons for implementation delays - implementation is now in the hands of the NOU/PMU. Delays have been due to extra lead time needed to establish the institutional framework to lead project implementation (setting up implementation arrangements with other government agencies, hiring of project management staff and other consultants, preparation of sub-project proposals within the various sectors, procurement, and financial management). Some of these delays were avoided by early dialogue with all relevant agencies and stakeholders in the country. During the preparation of the NCPPs and sector plans, various government agencies were active in contributing to development of plans and some formalized cooperation by preparing and signing memoranda of understanding. Decision-making authorities were also engaged early on to secure commitment that would last throughout implementation. The WB has facilitated the exchange of experiences and ideas by convening reg	Prevention of implementation delays in the future in sector and national ODS phaseout plans will require careful monitoring to detect any potential problems and identify any needed changes in implementation; ongoing coordination of efforts; and, attention to the timing of multiple, related initiatives (for example, in the servicing sector where policy measures and training programs are in place by the time equipment is provided to beneficiaries and public awareness has been undertaken to target appropriate stakeholders). Because there is a range of actors involved in implementation of these more complex projects, it is critical that there is clear delineation of responsibilities within the country (between Government agencies) as well as between implementing agencies to avoid delays. Delays can also be avoided by initiating policy and regulatory components in parallel with project preparation for countries that are embarking on new sector or national plans. Efforts should be made during the preparatory stage	Particularly relevant where countries are in the early stages of developing their regulatory frameworks. If there is an import control system in place, however, traditional delays in project implementation might have less impact on country compliance in the short-term. The challenge will be in the near future when ODS consumption decreases in parallel to country reduction targets because the margin of error will also decrease. At that time, it will be critical that not only regulatory measures are in place but that the demand has been successfully curtailed through the implementation of project activities under NCPPs and sector plans.
UNIDO			* follow-up with government	* follow-up with government	
World Bank		Slow implementation by the NOU.	See Lack of required pre-conditions.	See Lack of required pre-conditions.	
UNDP		Lack of the required pre-conditions for project implementation	Work with local government and agency personnel to clear equipment from customs.	Establish clear duty-free import procedures in each country before project implementations begin, and be sure all agencies/involved parties are aware of procedures.	
UNDP		Slow implementation by the NOU.	Await restructuring of NOU after departure of responsible officer.	Continual monitoring of NOU structures and effectiveness to assure functionality at all times.	
UNIDO			* use network meetings * communication with high-level officials * if no success, request ExCom intervention	* use network meetings * communication with high-level officials * if no success, request ExCom intervention	

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNDP		Difficulty obtaining permits for new technology (flammable) from local government	Obtained assistance from NOU in getting permit issued	Obtain permitting requirements a time of project preparation. If necessary, use additional consultant to facilitate permit issuance	
World Bank	External	Market and/or economic conditions in the country	Market forces were a major cause of delay in E. Asia and Latin America. Some beneficiaries in ongoing projects are still trying to recover from difficulties in the late 1990s. This is a cause that the Bank could do little to control, however, the introduction of sector and national plans where policy measures are put into place in parallel to investment activities, has had a major impact in controlling and influencing the market.	The Bank believes that comprehensive approaches that integrate policy/regulatory measures are the most effective in controlling market forces that are contrary to the objectives of the MP and MLF.	Not a direct link for countries with import controls in place and/or implementing national and sector ODS phaseout plans.
UNIDO			* inform the government for lobbying to modify regulations (eg ban of second hand goods import, tariff reduction of materials etc.)	* collaboration with non-A5 countries on supply control of ODS and second-hand appliance export	
UNDP			In some cases, no action was deemed necessary as the enterprise was clearly committed to project completion.	Unsure what actions we could take to prevent market and economic conditions from affecting project implementation.	
UNDP		Weather/natural disaster/epidemic	Rescheduled workshops as quickly as possible Enterprises worked on implementation despite limitation on consultant/agency travel during SARS epidemic	Unsure what actions we could take to prevent unpredictable weather/natural disaster or epidemics from affecting project implementation.	
UNDP		War/civil unrest	Identify new recipients to replace those who disappeared during civil war	Unsure what actions we could take to prevent war and civil unrest from affecting project implementation. If war is imminent, delay or denial of project approval is prudent, but when civil unrest strikes during implementation, it is difficult to control the impacts.	
World Bank	ExCom Decisions	Decision on disallowing the disbursement of Fund resources for duties	Most countries have accepted to grant duty waivers, however, there has been a case or two where the countries insisted on granting waivers on a case-by-case basis. In these cases, the WB has continuously raised the issue with senior government officials during missions.	Most countries have accepted to grant duty waivers, however, there has been a case or two where the countries insisted on granting waivers on a case-by-case basis. In these cases, the WB has continuously raised the issue with senior government officials during missions.	Not directly linked to compliance if kept to a handful of cases.

Agency	Causes of Delays	Sub-reasons	What has been done to avoid the delay?	What could be done to avoid this delay in future?	What role would this delay have in a country's non-compliance?
UNIDO			* request NOU to fulfill conditions * if no success, inform Secretariat and ExCom	* request NOU to fulfill conditions * if no success, inform Secretariat and ExCom	
UNDP			Work with local governments to establish duty-free import procedures.	If duty-free arrangements are not yet made, assure the procedures are in place and communicated to appropriate people before beginning project implementation.	
World Bank		Baseline equipment disposal and providing satisfactory data for PCRs.	Equipment disposal is one of three requirements for project completion. Delays in completing this step have been due to the enterprises not understanding early on that this was a requirement, the difficulty the enterprises had with relinquishing an "asset" despite their commitments, technical problems with the new equipment or poor product quality, or because the Government and/or FI could not travel to the site in a timely manner to witness/certify destruction. The WB has encouraged its FIs to include equipment disposal requirements directly in SGAs. FIs also have withheld IOC until destruction is completed. In other cases, the enterprise agrees to destroy components of its baseline operations directly utilized with ODS, but has kept other baseline components for new operations (motors, tanks, etc.).	Equipment disposal is one of three requirements for project completion. Delays in completing this step have been due to the enterprises not understanding early on that this was a requirement, the difficulty the enterprises had with relinquishing an "asset" despite their commitments, technical problems with the new equipment or poor product quality, or because the Government and/or FI could not travel to the site in a timely manner to witness/certify destruction. The WB has encouraged its FIs to include equipment disposal requirements directly in SGAs. FIs also have withheld IOC until destruction is completed. In other cases, the enterprise agrees to destroy components of its baseline operations directly utilized with ODS, but has kept other baseline components for new operations (motors, tanks, etc.).	This is less of a problem in terms of sustainable phaseout because of national and sector ODS phaseout plans which involve regulatory and monitoring components.

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