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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

PROJECT IMPLEMENTATION DELAYS

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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 addresses projects for which additional status reports were requested. Section III considers 2004 progress report submissions for progress reports from the United Kingdom and the United States of America. Section IV considers projects proposed for possible cancellation at the 47th Meeting and the impact of cancelled projects on compliance.

Section I: Projects with implementation delays

3. Ninety-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. UNDP had 23 projects; followed by the World Bank with 21 delayed projects; UNIDO and UNEP with 19 projects each; France with 7 projects; Japan with 3 projects; and Germany, Italy and Sweden each with one project.

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) and government (19).

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

Category		France	Germany	World Bank	Italy	Japan	Sweden	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies			5				1			6
B	Enterprise	4		11				3		9	27
C	Technical Reasons	1		2				2	1	4	10
D	Government			3				8	7	1	19
E	External			8				2	2		12
F	Executive Committee Decisions									2	2
G	Not Applicable	2		4		3		7	5	5	26
Other	Supplier									2	2
N/A	Not Available		1		1		1		4		7

Progress in resolving causes of delays

6. Agencies indicated that there have been varying degrees of progress. Thirty of the projects listed with delays at the 46th Meeting (including one project with a milestone) have been completed, and 7 projects have either experienced progress from one milestone to another or the implementation delay has 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

7. Forty-seven 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. The refrigeration project in Syria (SYR/REF/29/INV/56) and foam project in Iran (IRA/FOA/28/INV/50) for which milestones and deadlines had been set at the 46th Meeting achieved the required milestones.

Projects with no progress—letter of possible cancellation

9. The projects for which no progress is being reported for the first time 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**

Agency	Code	Project Title	Net Approved Funds (US\$)	Funds Disbursed (US\$)
France	SYR/REF/29/INV/48	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarkisian Refrigerators	57,783	0
France	SYR/REF/29/INV/53	Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co.	33,359	0
IBRD	THA/HAL/32/INV/134	Terminal halon-1211 and halon-1301 phaseout project for fire equipment manufacturers and suppliers converting to ABC powder, CO ₂ , HFC-227ea and inert gases	568,000	143,769
UNDP	IRA/REF/35/INV/133	Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Ghotb Jonoub Industrial Group	170,125	107,256
UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance	10,000	8,000
UNEP	OMA/SEV/37/TAS/07	Policy and technical assistance	10,000	5,000

Projects with pending reports at the 47th Meeting

10. Table 3 presents a list of projects that are pending a report to the Executive Committee Meeting.

Table 3**DELAYED PROJECTS PENDING REPORTS AT THE 47TH MEETING**

Agency	Code	Project Title
Italy	YUG/REF/34/INV/13	Replacement of CFC-11 with cyclopentane foam blowing agent and CFC-12 with HFC-134a refrigerant in the manufacture of domestic refrigerators and freezers at Obod Elektroindustrija
UNDP	BGD/SEV/36/CPG/14	Country programme update

Section II: Projects for which additional status reports were requested

11. While institutional strengthening, halon banking, customs training, recovery and recycling, and demonstration projects are not subject to procedures for project cancellation, the Executive Committee nevertheless also decided to continue to monitor them as appropriate (decision 36/14(b)). Of the 24 reports requested, implementing agencies indicated progress in 16 of the projects. Additional status reports are requested at the 48th Meeting for the projects listed in Table 4.

Table 4**ADDITIONAL STATUS REPORTS REQUESTED**

Agency	Code	Project Title
Germany	AFR/HAL/35/TAS/29	Establishment of a regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe)
UNDP	AFR/HAL/37/TAS/31	Sectoral phase out programme: establishing a regional halon bank for West and Central Africa (Benin, Burkina Faso, Cameroon, Congo, Congo DR, and Guinea)
UNEP	PAR/REF/32/TAS/06	Implementation of the RMP: monitoring and control of ODS and ODS based equipment, and training of customs officers and other inspection officers
UNEP	PAR/REF/32/TAS/10	Implementation of the RMP: policy dialogue programme on complementary policy and enforcement
UNEP	PAR/REF/32/TRA/07	Implementation of the RMP: train of trainers and training of refrigeration service technicians
UNEP	PAR/SEV/39/INS/13	Extension of institutional strengthening project (phase 3)

12. Table 5 presents a list of projects that are pending a status report to the Executive Committee Meeting.

Table 5**PROJECTS PENDING STATUS REPORTS AT THE 47TH MEETING**

Agency	Code	Project Title
Australia	IND/HAL/32/TAS/281	National halon management and banking programme
Canada	IND/HAL/32/TAS/278	National halon management and banking programme

Section III: 2004 progress report submissions

13. At its 46th Meeting, the Executive Committee requested the Governments of the United Kingdom and the United States of America to provide their progress reports to the 47th Meeting of the Executive Committee (decision 46/9).

14. Subsequently, the Fund Secretariat received a letter from the Government of the United Kingdom stating that the Mexican chiller project was financially completed.

15. The Fund Secretariat has also received the progress report on the acceleration of phase-out of CFC and halons in China from the Government of the United States of America. The comments of the Fund Secretariat on the document are found in UNEP/OzL.Pro/ExCom/47/25.

Section IV: Projects proposed for possible cancellation at the 47th Meeting and the impact of cancelled projects on compliance

16. In previous reports, the World Bank indicated that a legal process to find new ownership for NEBA S.A. domestic fridges plant in Argentina had been initiated. The Bank indicated that the process has now stopped, as potential parties were no longer interested. NEBA S.A. has been declared bankrupt by the local judge. The World Bank stated that it had started the process to recover the funds disbursed to the project and the balance of funds would be returned to the Multilateral Fund. The Bank also indicated that attempts were being made to recuperate funds from the equipment purchased with the grant. Table 6 presents the details of this cancellation by mutual agreement.

Table 6**PROJECTS PROPOSED FOR CANCELLATION BY MUTUAL AGREEMENT**

Agency	Code	Project Title	Net Approved Funds (US \$)	Fund Disbursed (US \$)	Comments
IBRD	ARG/REF/18/INV/39	Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba S.A.	686,370	398,318	Bankruptcy

17. There is no impact on compliance from the cancellation of this project.

RECOMMENDATIONS

18. The Executive Committee may wish to consider:

- (a) Noting with appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan, Sweden and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/47/9);
- (b) Noting the financial completion of the Mexican chiller project implemented by the Government of United Kingdom;
- (c) Noting the 2004 progress report submitted by the Government of the United States of America on the acceleration of phase-out of CFC and halons in China;
- (d) 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;
- (e) Noting the completion of 30 out of the 95 projects listed with implementation delays;
- (f) Noting that letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title
France	SYR/REF/29/INV/48	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarkisian Refrigerators
France	SYR/REF/29/INV/53	Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co.
IBRD	THA/HAL/32/INV/134	Terminal halon-1211 and halon-1301 phaseout project for fire equipment manufacturers and suppliers converting to ABC powder, CO2, HFC-227ea and inert gases
UNDP	IRA/REF/35/INV/133	Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Ghotb Jonoub Industrial Group
UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance
UNEP	OMA/SEV/37/TAS/07	Policy and technical assistance

- (g) Cancelling the refrigeration project in Argentina (ARG/REF/18/INV/39) by mutual agreement, due to bankruptcy, for which US \$398,318 had been disbursed as at the end of 2004 out of the US \$686,370 approved for the project. The World Bank would seek to recover the costs for the equipment purchased through the project and assign a phase-out of 22.62 ODP tonnes as per Decision 39/13 (b).
