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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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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 issuance of the document.

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Overview

1. This document is submitted as a follow-up to decisions taken at past meetings of the Executive Committee concerning projects with implementation delays. The reports from the bilateral and multilateral implementing agencies on projects with implementation delays, along with any further status reports that have been requested, are available to members of the Executive Committee upon request.

2. The document is divided into five sections. Section I addresses projects with implementation delays for which reports are required (based on the Committee's definition of implementation delays) and which are subject to procedures for project cancellation. Section II covers delayed projects in countries where there are compliance-related issues. Section III addresses additional status reports that have been submitted in response to requests by the Executive Committee, but where projects are not subject to procedures for cancellation. Section IV discusses projects that are being proposed for cancellation at the 53rd Meeting, and the potential impacts of that cancellation on compliance. Section V considers a request for the transfer of a project.

Section I: Projects with implementation delays

3. There are 60 ongoing projects that have been classified as projects with implementation delays and are subject to the Committee's procedures for project cancellation. Projects with implementation delays are projects: i) that are expected to be completed more than 12 months late, and/or, ii) where no disbursement has been made within 18 months of the project's approval. The breakdown of projects with implementation delays by implementing and bilateral agency is as follows: UNIDO (15); UNDP (14); UNEP (8); the World Bank (6); Germany (5); France (4); Japan (4); Sweden (2); Canada (1); and Spain (1). Reports have been received from all agencies although one report was missing from Spain.

4. Table 1 indicates the causes of implementation delays based on nine categories (A to I). It relies on information provided by the implementing and bilateral agencies. The total number of causes for delay exceeds that of delayed projects, because delays in the implementation of some projects resulted from multiple causes. Table 1 indicates that delays are most commonly caused by factors associated with the government (12) and technical reasons (12).

Table 1

CAUSES OF IMPLEMENTATION DELAYS, BY AGENCY

		Canada	France	Germany	World Bank	Japan	Sweden	UNDP	UNEP	UNIDO	Total
A	Implementing or Executing Agencies	1			1	1		2		1	6
B	Beneficiary Enterprise		1	2	4					3	10
C	Technical Reasons				3			1	2	6	12
D	Government			1	1			3	1	6	12
E	External				3			1	3	1	8
F	Executive Committee Decision										0
G	Not Applicable		3	2				8		1	14
H	Supplier									1	1
I	Not Available					3	2	1	1		7

Progress in resolving causes of delays

5. In their reports, the implementing and bilateral agencies advised that there have been varying degrees of progress in overcoming delays. Seven of the projects listed with delays at the 52nd Meeting have now been completed. Six projects, where there has been either progress from one milestone to another or a resolution of the implementation delay may be removed from future reporting of projects with implementation delays.

Projects with some progress

6. Thirty-seven projects were classified as showing “some progress”, and the implementing and bilateral agencies indicated that these projects would continue to be monitored. Notwithstanding progress, it should be noted that projects approved over three years ago must continue to be monitored pursuant to decision 32/4. Therefore, these projects cannot be removed from the list for monitoring prior to their final completion, regardless of the extent to which progress may have been made. They are thus recommended for continued monitoring.

Projects with no progress - letter of possible cancellation

7. The projects for which no progress is being reported for the first time, and where this assessment has been agreed with the relevant agency, are listed in Table 2. Under existing procedures, the Fund Secretariat will send notices of possible cancellation in respect of these projects on the basis that they have achieved no progress.

Table 2

PROJECTS WITH NO PROGRESS

Agency	Code	Project Title	Net Approved Funds (US\$)	Funds Disbursed (US\$)
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
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	128,097	20,849
UNEP	GLO/SEV/39/TAS/248	Production of OzonAction Newsletter in Russian, translation of 4 refrigeration/customs training modules into Russian, and reprinting and updating existing publications	75,000	13,575
UNEP	SOM/SEV/35/TAS/01	Formulation of national phase-out strategy	60,000	35,098

Projects with no progress reported to two consecutive meetings

8. Prior to the 52nd Meeting, letters of possible cancellation were sent to the country and agency with respect to the project identified in Table 3 for which no progress had been reported for two consecutive meetings of the Executive Committee. In response to receiving a rating of no progress, milestone and deadlines will be provided at the 53rd Meeting in the context of this agenda item.

Table 3

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

Agency	Code	Project Title	Milestone and Deadlines
Germany	IRA/FOA/37/INV/152	Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded PU foam at Sanayeh Dashboard Iran	To be determined

Multi-year agreements (MYAs)

9. At its 51st Meeting, the Committee decided that monitoring of implementation difficulties in MYAs should be based on recommendations made during the review of annual implementation plans, instead of being based on planned completion dates and first disbursement dates. As a result of that decision, all MYAs that had been monitored in the context of implementation delays were deleted from the lists of projects with delays. However, pursuant to decision 51/13, MYAs may be returned to the list of projects with implementation delays, based on any recommendations at subsequent meetings.

10. At its 52nd Meeting, the Executive Committee requested UNIDO to present a status report in the context of its report on implementation delays to the 53rd Meeting on the controls import of ODS into Nigeria. UNIDO confirmed through its report that the legal instruments were sufficient to control imports of all ODS.

Section II: Projects with implementation delays in countries with compliance issues

11. This section considers the status of all projects that are monitored as projects with implementation delays in countries with compliance issues. Table 4 presents information on these projects, together with the latest information submitted to the 53rd Meeting of the Executive Committee.

Table 4

PROJECTS WITH IMPLEMENTATION DELAYS FOR COUNTRIES WITH COMPLIANCE ISSUES

Country	Meeting of the Parties decision/ImpCom Recommendation	Compliance issue	Delay issue and status
Chile	XVII/29 and Rec. 39/8.	Action Plan for TCA and submit an update on its TCA phase out project.	The delayed project is a technical assistance project to phase-out ozone depleting solvents (CHI/SOL/41/TAS/154) under UNDP implementation. UNDP reported that despite a slow start in 2004, the project has been back on track for the last two years. During 2006, UNDP assisted companies receive materials to test new formulations to be used as alternatives to ODS solvents. A new formulations process is ongoing and alternatives phase-in is ongoing. Two new companies were included in the project. An international expert visit took place in May 2007. A workshop on laboratory uses is being planned for the end of 2007.
Ecuador	XVIII/23 and Rec. 39/9	Submit the information requested by the Secretariat in its correspondence dated 27 April 2007 in order that the Committee might complete its review of the Party's methyl bromide plan of action.	The delayed project is a demonstration project for testing methyl bromide alternatives in soil treatment for the flower growing industry (ECU/FUM/26/TAS/23) under World Bank implementation. According to the World Bank, the project was originally delayed due to changes in the Government. Latest report advises that a firm that will carry out testing of alternatives was hired in June 2007 and has presented a work plan. Farms where the testing will take place have been selected. Testing is expected to start by November 2007 and is expected to take between seven and eight months. Tests are to be finished by July 2008. The Government is in the process of accelerating the registration and import of some of the alternatives not registered in the country (i.e., agrocellhane) for the tests. These products are expected to be available in the country by October or November 2007.
Kenya	XVIII/28 and Rec. 39/20	ODS regulations	The delayed project is a policy and technical assistance project (KEN/SEV/37/TAS/29) under UNEP implementation. UNEP reports that the project has been completed and ODS regulations were gazetted in May 2007.
Pakistan	XVIII/31 and Rec. 39/27	Action plan for CTC	Conversion of carbon tetrachloride as a process solvent to 1,2-dichloroethane at Himont Chemicals Ltd. in Pakistan (PAK/PAG/35/INV/42) is a delayed project that has experienced some progress. The project is under UNIDO implementation. There is no more CTC consumption at the company and project completion is expected in December 2007. The award for the contract for the conversion of the production plant has been delayed due to a delayed response from the selected contractor to confirm his capability to carry out the duties. The works are now progressing. Project completion is envisaged for April 2008.
Somalia	XVI/19, XIX/26, and Rec. 39/32 and Rec. 39/39	Submit a report on its efforts, in cooperation with relevant implementing agencies, to develop a plan of action for returning to compliance with the Protocol's halons control measures, as well as a system for licensing the import and export of ODS.	The Formulation of a national phase-out strategy in Somalia (SOM/SEV/35/TAS/01) is delayed. The project is under UNEP implementation. UNEP has reported that political instability and an uncertain institutional set-up has not allowed for implementation. The uncertain institutional situation has resulted in a high turnover of focal points. All focal points are based outside the country.

Section III: Projects for which additional status reports were requested

12. Institutional strengthening, halon banking, customs training, and recovery and recycling, demonstration projects are not subject to procedures for project cancellation. Nevertheless, the Executive Committee has decided to continue to monitor them as appropriate (decision 36/14 (b)). Implementing agencies reported on 81 projects to the 53rd Meeting where an additional status report had been requested at the 52nd Meeting. Such status reports are requested when there has been no indication of any progress since the last report and/or where additional impediments to implementation have been reported. Additional status reports are requested for submission to the 54th Meeting for the 47 projects listed in Annex I.

Section IV: Possible project cancellation and impact of cancelled project on compliance

13. Table 5 presents the projects proposed for cancellation by mutual agreement. None of these projects are expected to have a negative impact on compliance as none of the countries are subject to compliance decisions under the Protocol.

Table 5

PROJECTS PROPOSED FOR CANCELLATION BY MUTUAL AGREEMENT

Agency	Code	Project Title
Germany	ALG/SEV/43/CPG/60	Development of a country programme update
UNDP	LAO/FOA/44/INV/14	Conversion from CFC-11 in the manufacture of boxfoam (FPF) and insulated containers (RPF) in Prasert Sofa Shop Co., Ltd.
UNIDO	ETH/SOL/45/TAS/15	Training and awareness workshop in the solvents and process agents (CTC and TCA) sector

Section V: 2006 progress report submissions

14. At its 52nd Meeting, the Executive Committee requested the Governments of Finland, Portugal, Sweden, and the United States of America to provide their progress reports to the 53rd Meeting of the Executive Committee as a matter of urgency (decision 52/9(b)). The Fund Secretariat has received a progress reports from the Governments of Portugal and Sweden, but not from the Governments of Finland and the United States of America.

RECOMMENDATIONS

15. The Executive Committee may wish to consider:

(a) Noting:

(i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, France, Germany, Japan, Portugal, Sweden, and the four implementing agencies, and the 2006 progress report from the Government of Sweden addressed in UNEP/OzL.Pro/ExCom/53/12;

- (ii) That the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to, and notify, governments and implementing agencies as required;
- (iii) The completion of seven out of the 60 projects listed with implementation delays;
- (iv) That letters of possible cancellation should be sent in respect of the following projects:

Agency	Code	Project Title
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.
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
UNEP	GLO/SEV/39/TAS/248	Production of OzonAction Newsletter in Russian, translation of 4 refrigeration/customs training modules into Russian, and reprinting and updating existing publications
UNEP	SOM/SEV/35/TAS/01	Formulation of national phase-out strategy

- (b) Requesting additional status reports on the projects listed in Annex I to the present document;
- (c) Requesting milestone and deadline to be reported at the 53rd Meeting for the following project:

Agency	Code	Project Title
Germany	IRA/FOA/37/INV/152	Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded PU foam at Sanayeh Dashboard Iran

- (d) Noting the cancellation of the following projects by mutual agreement:

Agency	Code	Project Title
Germany	ALG/SEV/43/CPG/60	Development of a country programme update
UNDP	LAO/FOA/44/INV/14	Conversion from CFC-11 in the manufacture of box foam (FPF) and insulated containers (RPF) in Prasert Sofa Shop Co., Ltd.
UNIDO	ETH/SOL/45/TAS/15	Training and awareness workshop in the solvents and process agents (CTC and TCA) sector

- (e) Requesting the Governments of Finland and the United States of America to submit progress reports to the 54th Meeting.

Annex I**PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS ARE REQUESTED**

Code	Agency or Country	Project Title
ALG/HAL/35/TAS/51	Algeria	Sectoral phase-out programme: establishment of a halon bank
FSM/REF/36/TAS/01	Australia	Implementation of the PIC Strategy: assistance for enforcing ODS regulations and training programme for customs officers
VAN/REF/36/TAS/02	Australia	Implementation of the PIC Strategy: assistance for enforcing ODS regulations and training programme for customs officers
CAF/REF/34/TAS/10	France	Implementation of the RMP: development and implementation of a tax/incentive programme
CAF/REF/34/TAS/11	France	Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs
CAF/REF/34/TRA/08	France	Implementation of the RMP: training programme for customs officers
CAF/REF/34/TRA/09	France	Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector
URT/REF/36/TAS/14	Germany	Recovery and recycling of CFCs
ANT/PHA/44/INV/10	IBRD	CFC phase-out management plan
ECU/SEV/42/INS/33	IBRD	Extension of institutional strengthening project (phase III)
GLO/REF/47/DEM/268	IBRD	Global chiller replacement project (China, India, Indonesia, Malaysia and Philippines)
TUR/HAL/38/TAS/80	IBRD	Halon management programme, halon recovery, recycling and banking
AFR/REF/48/DEM/35	Japan	Strategic demonstration project for accelerated conversion of CFC chillers in five African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)
BAR/REF/43/TAS/11	UNDP	Implementation of the RMP: technical assistance project to the MAC and end-users sectors
BAR/REF/43/TAS/12	UNDP	Implementation of the RMP: monitoring the activities in the RMP
BGD/SEV/44/INS/23	UNDP	Renewal of the institutional strengthening project (phase IV)
CBI/REF/44/TAS/08	UNDP	Implementation of the RMP: technical assistance for the refrigeration servicing sector
EGY/HAL/32/TAS/81	UNDP	Halon management bank programme
HAI/REF/39/TAS/04	UNDP	Implementation of the RMP: recovery and recycling of CFC-12 refrigerant
HAI/REF/39/TAS/06	UNDP	Implementation of the RMP: monitoring the activities in the RMP
HON/REF/44/TAS/15	UNDP	Implementation of the RMP: technical assistance programme for the promotion of good practices and recovery and recycling
MEX/FUM/26/DEM/86	UNDP	Alternatives to methyl bromide for structural fumigation in Mexico
SIL/REF/41/TAS/05	UNDP	Implementation of the RMP: improved servicing and maintenance within the refrigeration sector, and recovery and recycling project
SIL/REF/41/TAS/06	UNDP	Implementation of the RMP: incentive programme for the commercial and industrial refrigeration end-user sector
SRL/FUM/27/DEM/13	UNDP	Alternatives to methyl bromide for eradication of tea nematodes in Sri Lanka
SRL/REF/32/TAS/15	UNDP	Implementation of the RMP: incentive programme for the commercial and industrial end-user refrigeration
BAR/SEV/46/INS/13	UNEP	Renewal of institutional strengthening project (phase III, year 2)
BRU/REF/44/TAS/09	UNEP	Implementation of the RMP: monitoring of the activities included in the RMP
BRU/REF/44/TRA/07	UNEP	Implementation of the RMP: training of trainers in good refrigerant management practices and national technicians training
CBI/SEV/50/INS/10	UNEP	Extension of the institutional strengthening project (phase II)
ERI/SEV/47/INS/02	UNEP	Institutional strengthening project (start-up cost)
GUA/SEV/43/INS/30	UNEP	Renewal of the institutional strengthening project (phase V)

Code	Agency or Country	Project Title
KUW/REF/37/TAS/06	UNEP	Implementation of the RMP: monitoring the activities in the RMP
MDV/SEV/50/INS/11	UNEP	Extension of the institutional strengthening project (phase IV)
MYA/REF/45/TAS/05	UNEP	Implementation of the RMP: preparation of ozone regulations for control of ODSs
MYA/SEV/29/INS/02	UNEP	Establishment of the national Ozone Cell for implementing the phase out of ODSs under the Montreal Protocol
NIC/PHA/49/PRP/19	UNEP	Project preparation for a terminal phase-out management plan
SOM/SEV/36/INS/03	UNEP	Establishment of the Ozone Unit
SOM/SEV/44/INS/05	UNEP	Establishment of the National Ozone Committee (institutional strengthening)
STP/SEV/50/INS/11	UNEP	Extension of the institutional strengthening project (phase II)
SUD/SEV/42/INS/16	UNEP	Extension of institutional strengthening: phase IV
TON/SEV/49/INS/04	UNEP	Renewal of institutional strengthening project (phase II)
TUV/SEV/50/INS/05	UNEP	Extension of the institutional strengthening project (2nd year of phase II)
UGA/SEV/13/INS/02	UNEP	Institutional strengthening (establishment of the ODS unit)
BHE/SEV/43/INS/19	UNIDO	Extension of the institutional strengthening project (phase II)
LIB/HAL/47/TAS/26	UNIDO	Plan for the phase-out of import and net consumption of halons in the fire fighting sector
LIB/SEV/32/INS/04	UNIDO	Creation of the National Ozone Unit
