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THE MULTILATERAL FUND FOR THE
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2008 CONSOLIDATED PROJECT COMPLETION REPORT

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Executive summary

1. The purpose of this report is to provide the Executive Committee with an overview of the results reported in the project completion reports (PCRs) received during the reporting period, i.e., since the 53rd Meeting in November 2007. The total number of PCRs received for investment projects in the year 2008 decreased to 29 (compared to 71 in 2007) while the total number of PCRs still due on completed investment projects has decreased from 46 to 34. For non-investment projects, the number of PCRs received in 2008 decreased from 51 to 49, while the number of outstanding PCRs increased from 89 to 123.

2. The decrease in the number of PCRs received for 2008 is partly due to the early cut off date (20 September 2008) because of the scheduling of the 56th Meeting in early November and for investment projects due to the decline in the number of PCRs due. Moreover, UNDP and UNEP did not follow fully the agreed delivery schedule for the first three quarters of 2008.

3. The 29 PCRs submitted on investment projects were reviewed with respect to phase-out achieved, implementation delays, and completeness of information and data consistency, overall assessment and lessons learned. A number of interesting lessons were reported. Some refer to policy issues, others to umbrella projects and various aspects of project implementation modalities. The most informative ones are presented in Annex II-A. A select number of these are summarized in section VII of this report.

4. Most of the 49 PCRs on non-investment projects contain substantial information and analysis. Lessons learned referred in particular to projects for monitoring of regional trade of ODS in Asia, implementation of refrigeration management plans (RMPs), and of halon management and banking projects. A list of selected lessons learned is reproduced in Annex II-B. The full list is available on request and on the intranet of the Fund Secretariat in the evaluation section under PCRs. The implementing agencies did not report this time lessons learned from implementing multi-year agreements.

5. The formats for terminal reports and extensions requests for institutional strengthening (IS) projects approved at the 32nd Meeting of the Executive Committee continue to be used for renewal requests. While, the current submissions for renewal requests show some improvements in quality with regard to the level of detail and information provided on results achieved and planned future actions, many of the terminal reports and plans of action received continue to be of uneven quality and completeness. In order to allow timely reviewing and approval of extensions requests, the agencies are encouraged to continue improving their quality control over the IS reporting. The agencies should also take advantage of the procedure that IS renewal requests may be submitted six months in advance of the completion date of the current phase to avoid disruption in the IS project staffing and activities.

6. The recommended decisions by the Executive Committee at the end of the document relate to the scheduling of next year's submission of PCRs by the agencies, further improvements in data consistency, the provision of missing information, and the use of lessons learned reported in PCRs for future project preparation and implementation.

I. Introduction

7. The purpose of this report is to provide the Executive Committee with an overview of the results reported in the PCRs received during the reporting period, i.e., since the 53rd Meeting in November 2007. A draft of the report was sent to the implementing agencies as well as the bilateral agencies. Comments received were taken into account when finalizing the report. PCRs scheduled for submission by the implementing agencies for 2009 are shown in Table IV in Annex I.

II. Overview of PCRs received and due

8. The total number of PCRs received for investment projects in the year 2008 decreased to 29 (compared to 71 in 2007) while the total number of PCRs still due on completed investment projects has decreased from 46 to 34. For non-investment projects, the number of PCRs received in 2008 decreased from 51 to 49, while the number of outstanding PCRs increased from 89 to 123.

9. The decrease in the number of PCRs received for 2008 is partly due to the early cut off date (20 September 2008) because of the scheduling of the 56th Meeting in early November and for investment projects due to the decline in the number of PCRs due. Moreover, UNDP and UNEP did not follow fully the agreed delivery schedule for the first three quarters of 2008 (see Table I in Annex I).

10. By 20 September 2008 UNDP, which implements by far the largest number of investment projects, delivered 11 compared to 27 PCRs on investment projects scheduled for submission until end of September this year and 23 compared to 31 PCRs on non-investment projects. UNEP submitted 9 compared to 22 PCRs on non-investment projects scheduled for submission until end of July this year, and UNIDO sent 3 compared to 1 PCR on investment projects scheduled and 9 PCRs on non-investment projects, 9 more than scheduled. The World Bank provided 5 compared to 8 PCRs on investment projects scheduled for submission by the end of September this year.

11. Since the inception of the Multilateral Fund, implementing agencies and bilateral agencies have submitted, as of 20 September 2008, a total of 1,768 PCRs on investment projects and 728 PCRs on non-investment projects, representing 98.1 per cent (compared to 97.4 per cent last year) of PCRs due for all investment projects and 85.5 per cent (88.3 per cent last year) for all non-investment projects completed as of 31 December 2007.

12. Tables 1 and 2 below present more detailed data by agency including comparative figures for the previous two reporting periods.

Table 1

INVESTMENT PROJECTS OVERVIEW (Except multi-year projects)

Agency	Completed projects up to December 2007	Total PCRs received for projects completed up to December 2007	PCRs still due	PCRs received in the reporting period		
				2006	2007	2008 ¹
France	14	9	5	1	0	0
Germany	19	16	3	7	6	0
IBRD	450	435 ²	15	26	20	14
Italy	6	5	1	0	1	0
Japan	6	5	1	1	0	0
United Kingdom	1	1	0	1	N/A	N/A
UNDP	884	875 ³	9	11	32	11
UNIDO	420	420 ⁴	0	26	12	4
USA	2	2	0	1	N/A	N/A
Total	1,802	1,768	34	74	71	29

¹ After the 53rd Meeting of the Executive Committee (8 November 2007 to 20 September 2008).

² In addition, the World Bank submitted 2 PCRs on cancelled projects.

³ In addition, UNDP submitted 2 PCRs on cancelled projects and 1 PCR for ongoing projects.

⁴ In addition, UNIDO submitted 1 PCR for a cancelled project and 9 cancellation reports.

13. UNEP has the largest number of PCRs due (70 for non-investment projects), followed by UNDP which has 9 PCRs due for investment and 27 for non-investment projects completed by the end of 2007. The World Bank has 15 PCRs due for investment and four for non-investment projects. For UNIDO as well as for several bilateral agencies, the combined numbers of PCRs still due for investment and non-investment projects range between 1 and 9 (see Tables 1 and 2).

Table 2

NON-INVESTMENT PROJECTS OVERVIEW

(Except project preparations, country programmes, multi-year projects, and ongoing projects like networking and clearinghouse activities as well as institutional strengthening projects)

Agency	Completed projects up to December 2007	Total PCRs received for projects completed up to December 2007	PCRs still due	PCRs received in the reporting period		
				2006	2007	2008 ¹
Australia	8	8 ²	0	6	N/A	1
Austria	1	1	0	N/A	N/A	N/A
Canada	50	44	6	6	2	2
Denmark	1	1	0	N/A	N/A	N/A
Finland	3	2	1	0	0	0
France	17	13	4	2	2	0
Germany	39	33	6	2	3	0
IBRD	30	26	4	2	0	2
Israel	1	1	0	N/A	N/A	N/A
Japan	7	6	1	N/A	0	0
Poland	1	1	0	1	N/A	N/A
Singapore	2	0	2	0	0	0
South Africa	1	1	0	N/A	N/A	N/A
Spain	1	0	1	N/A	N/A	0
Sweden	4	4	0	0	0	3
Switzerland	3	3	0	N/A	N/A	N/A
UNDP	207	180 ³	27	8	21	23
UNEP	337	267	70	8	7	9
UNIDO	98	97	1	3	16	9
USA	40	40	0	2	N/A	N/A
Total	851	728	123	40	51	49

¹After the 53rd Meeting of the Executive Committee (8 November 2007 to 20 September 2008).

²In addition, Australia submitted 1 project cancellation report.

³In addition, UNDP submitted 2 PCRs on transferred projects.

III. Analysis of project completion reports for investment projects

(a) PCRs received and due

14. The largest number of PCRs on investment projects was received from UNDP, particularly for foam and refrigeration projects. However, foam is still the sector with the largest number of PCRs due, followed by fumigant projects. Foam (12) and refrigeration (9) projects combined account for 62 per cent of the 34 PCRs still due from all agencies for investment projects completed by the end of 2007 (see Table II in Annex I). The backlog of PCRs on early investment projects completed by the end of 2001 has been eliminated and only four remain for projects completed before 2005.

15. The 29 PCRs received in the reporting period (8 November 2007 to 20 September 2008) represent projects completed in 15 countries; more than half of them are for projects implemented in three countries (China, Pakistan and Tunisia).

(b) Ozone depleting substance (ODS) phase-out achieved

16. ODS phase-out in the projects covered by the 29 project completion reports is found to be as planned in most cases, the total phase-out reported being slightly less than the planned amount (see Table 3 below). However, information on phase-out achieved in the PCRs is in some cases incomplete when unit production and ODS consumption data before and after the conversion have not been provided (see also Table IX in Annex I). Moreover, the ODS phase-out data reported in the PCRs are different in 9 of the 29 reports from the ODS data reported in the 2007 progress report. While this is in some cases due to different rounding of figures, for 3 projects significant differences are noted, which are being clarified with the agencies concerned. The number of cases with such differences and the volume of differences is less than last year, however.

Table 3

ODS PHASED OUT BY PROJECTS WITH PCRS SUBMITTED

Agency	Number of projects	PCR		2007 progress report	
		ODP phase-out planned	ODPphased out	ODP phase-out planned	ODPphased out
UNDP	11	1,616.8	1,594.3	1,617.0	1,617.0
UNIDO	4	630.0	630.0	630.0	630.0
World Bank	14	1,499.6	1,509.2	1,769.6	1,518.2
Total	29	3,746.4	3,733.5	4,016.6	3,765.2

(c) Implementation delays

17. Out of 29 projects, 26 showed delays ranging from 9 months to 93 months; two PCRs did not report on an actual completion date and one did not report on an approved planned date of completion. In 82 per cent of 29 projects, delays of more than 12 months occurred compared to 54 per cent of projects for which PCRs were received last year. Average delays reported in PCRs in 2008 increased to 37 months (from 22 months) while the average project duration increased from 55 months to 69 months (see Table 4 below).

18. The average delays increased due to 10 projects with delays ranging between 49 and 93 months; 6 of them were implemented by the World Bank, 3 by UNDP and 1 by UNIDO. They are located in various countries and relate to several sectors, in particular refrigeration, foam and aerosols, including 4 umbrella projects, 2 each in the foam and aerosol sectors, and 2 multi-sector projects.

19. The limited number of PCRs covered in the analysis does not allow a discussion of any trend. Delays are most frequently attributed to the receiving enterprise (20), followed by the supplier (11), external factors (8), the government (6), the implementing agency (2) and the funding (1). It is also apparent from the PCRs that umbrella projects and multi-sector projects are facing sometimes particular difficulties due to the differences between the beneficiary enterprises.

Table 4

IMPLEMENTATION DELAYS
(Total figures in brackets show last year for comparison)

Agency	Number of projects	Average delays as per PCRs (months)	Average delays as per 2007 progress reports (months)	Average duration as per PCRs (months)	Average duration as per 2007 progress reports (months)
UNDP	11	34.28	32.37	66.19	64.11
UNIDO	4	23.67	29.67	57.56	63.90
World Bank	14	42.47	41.03	74.94	74.50
Total	29 (70)	37.47 (22.04)	36.18 (20.93)	69.44 (55.19)	69.10 (54.25)

(d) Completeness of information

20. Key information was more regularly provided than last year, for example the list of equipment destroyed was included in 82.8 per cent of the PCRs, compared to 48.6 per cent last year (see Table 5 below). The list of annual consumption of ODS and substitutes was less regularly provided than last year (72.4 per cent compared to 74.3 per cent last year). It still happens frequently that the information is not complete, in particular with regard to annual consumption of ODS and substitutes (17.2 per cent of the PCRs compared to 20 per cent in 2007), equipment destroyed (6.9 per cent of the PCRs compared to 30 per cent the year before), operating cost and savings (13.8 per cent compared to 14.3 per cent in 2007) and list of capital equipment (6.9 per cent compared to 11.4 per cent in 2007).

Table 5

**INFORMATION PROVIDED IN INVESTMENT PROJECT COMPLETION REPORTS
RECEIVED DURING THIS REPORTING PERIOD**
(Figures in brackets show last year for comparison)

	Provided		Incomplete		Not provided		"Not applicable"*	
	Number of projects	Percentage %	Number of projects	Percentage %	Number of projects	Percentage %	Number of projects	Percentage %
List of annual consumption of ODS and substitutes	21	72.4 (74.3)	5	17.2 (20.0)	1	3.4 (0.0)	2	6.9 (5.7)
List of capital equipment	27	93.1 (88.6)	2	6.9 (11.4)	0	0.0 (0.0)	0	0.0 (0.0)
Operating cost details	20	69.0 (64.3)	4	13.8 (14.3)	2	6.9 (5.7)	3	10.3 (15.7)
List of destroyed equipment	24	82.8 (48.6)	2	6.9 (30.0)	3	10.3 (1.4)	0	0.0 (20.0)

*According to indications of implementing agencies

(e) Overall assessment and rating

21. During the reporting period, implementing agencies rated 20.7 per cent of projects as highly satisfactory, which is down from 31.4 per cent in the previous year; 72.4 per cent were rated as satisfactory, compared to 61.4 per cent in 2007, and 6.9 per cent as less satisfactory compared to 7.2 per cent reported in the year before (see Table 6 below).

Table 6

**NEW OVERALL ASSESSMENT OF PROJECT IMPLEMENTATION BY THE AGENCIES
IN THE NEW PCR FORMAT**
(Figures in brackets show last year for comparison)

Assessment	UNDP	UNIDO	World Bank	Total	Percentage of Total %
Highly satisfactory		2	4	6	20.7 (31.4)
Satisfactory	9	2	10	21	72.4 (61.4)
Less satisfactory	2			2	6.9 (7.2)
Total	11	4	14	29	100.0

IV. Analysis of non-investment project completion reports

(a) Overview

22. Forty-nine PCRs were received for non-investment projects, most are for technical assistance projects implemented mainly by UNDP and UNEP. UNEP has submitted slightly more PCRs than in previous years; however the backlog of delayed PCRs has increased significantly. For bilateral technical assistance projects there are still 15 PCRs due, as well as 5 PCRs on training projects (see Table III in Annex I). This review does not include country programmes, project preparation, or UNEP's recurrent activities (including networking) which do not require PCRs, as per decision 29/4.

(b) Funding, delays, phase-out and assessment

23. Total actual expenditures for all completed non-investment projects with PCRs were reported to be 91.5 per cent of the planned expenditures which indicates some overall savings (see Table 7). These data need to be reconfirmed once the final financial figures become available.

Table 7

**BUDGETS, PHASE-OUT AND DELAYS REPORTED IN PCRS RECEIVED
FOR NON-INVESTMENT PROJECTS**
(Figures in brackets show last year for comparison)

Agency	Number of projects	Approved funds (US\$)	Funds disbursed (US\$)	ODP to be phased out (ODP tonnes)	ODP phased out (ODP tonnes)	Average delays (months)
Bilateral	6	1,129,966	1,061,684	394.4	394.4	32.97 (20.80)
UNDP	23	4,147,634	3,848,573	541.9	523.3	12.69 (7.38)
UNEP	9	878,930	654,681	0.0	0.0	26.16 (15.81)
UNIDO	9	865,225	820,975	265.9	265.9	20.74 (9.46)
World Bank	2	458,130	458,056	9.1	9.1	43.62 (N/A)
Total	49	7,479,885	6,843,969	1,211.3	1,192.7	20.89 (11.06)

24. The delays experienced in project implementation continue to show a great deal of variance. Out of 49 non-investment projects, 3 were completed before the scheduled date, 7 were completed on time. Delays were experienced in 36 projects ranging from six months to 59 months and three projects did not report on actual completion dates. In 33 cases, or 67.3 per cent of the projects, delays of more than 12 months occurred. Eleven projects reported delays between 37 and 59 months. Agencies concerned

were UNDP, mainly for components of RMPs such as implementation and monitoring of recovery and recycling, technical assistance or training, and halon bank management, along with Australia and Canada.

25. UNDP shows an increase in average delay (12.69 months compared to 7.38 months last year). The average delay of UNEP's projects increased from 15.81 to 26.16 months, and delays of UNIDO's projects increased from 9.46 to 20.74 months. The overall average delay for non-investment projects is 20.89 months beyond the planned completion date, showing a significant increase compared with 11.06 months in 2007.

26. The difference in ODP phase-out planned and reported as achieved is almost entirely due to two projects implemented by UNDP for which the actual ODS phase-out was reported to be less than planned.

27. Sixteen per cent of the projects were marked as "highly satisfactory", which is much less than last year (44 per cent); 35 per cent were rated as "satisfactory as planned" which is less than last year when this figure was 40 percent and 31 per cent as 'satisfactory though not as planned' which is more than last year when this figure was 12 per cent (see Table 8). The validity of such assessments can only be verified during evaluations. In several projects rated as "satisfactory though not as planned", no clear explanation for this rating has been provided. Nine of 49 non-investment projects did not report any assessment.

Table 8

OVERALL ASSESSMENT OF NON-INVESTMENT PROJECTS BY AGENCIES
(Figures in brackets show last year for comparison)

Assessment	Bilateral	UNDP	UNEP	UNIDO	World Bank	Total	Percentage of total %
Highly satisfactory	1	3	1	2	1	8	16 (44)
Satisfactory or satisfactory and as planned	2	8	4	3		17	35 (40)
Satisfactory though not as planned	3	5	4	3		15	31 (12)
Unsatisfactory						0	0 (4)
Not provided		7		1	1	9	18 (0)
Total	6	23	9	9	2	49	100

(c) Quality of information received

28. Most PCRs on non-investment projects contain substantial information and analysis. The sections on causes of delays and corrective actions taken continue to vary considerably in terms of details provided. Usually governmental and other factors are given as causes for delays.

29. Comments on draft PCRs have been provided by national ozone units (NOUs) for 28 (51 per cent) of the 49 reports received, and by the implementing agency in 31 (63 per cent) of 49 cases. This is an improvement compared to last year when 15 (30 per cent) of the 50 reports received had comments from the NOUs. However implementing agencies commented less regularly than last year when they had done so in 43 (86 per cent) of 50 cases. The reported lessons learned have in many cases been interesting and substantial, as documented in Annex II-B. The use of the guidelines for the preparation of PCRs on non-investment projects, which include a section on lessons learned, may have contributed to this positive development.

(d) Institutional strengthening

30. According to decision 29/4, IS projects are providing terminal reports on the previous phase at the same time as requests for extension (see Table 9).

Table 9

OVERVIEW OF INSTITUTIONAL STRENGTHENING REPORTING

Agency	PCRs on IS projects received before decision 29/4	Terminal reports received with extension requests for projects completed up to December 2007 ¹	Terminal reports received with extension requests in 2008 ²
France	1	0	0
Germany	0	2	1
IBRD	7	20	3
UNDP	1	99	9
UNEP	10	240	20
UNIDO	2	18	2
USA	0	1	0
Total	21	380	35

¹Completed in the sense of a phase being completed.

²Excluding start-up projects where approval is only for one year. In those cases, no terminal reports are submitted.

31. The formats for terminal reports and extensions requests for IS projects approved at the 32nd Meeting of the Executive Committee continue to be used for renewal requests. While, the current submissions for renewal requests show improvements in quality with regards to level of detail and information provided on results achieved and planned future actions, many of the terminal reports and plans of action received continue to be of uneven quality and completeness. They also vary a lot in terms of length, level of detail, and logical structure. Often the objectives and results are presented in qualitative terms only without specifying the contribution of the IS project to the operations of the NOU as a whole. There are also rarely concrete references to problems, constraints, risks or failures which would allow for a more profound assessment of real conditions and, therefore, a more realistic appraisal of the activities planned and performed. In some instances, it was obvious that information was recycled from previous submissions without having it updated.

32. In addition, some agencies have submitted requests beyond the deadlines set (8 weeks before the start of the Executive Committee Meeting). The Secretariat is concerned that poorly documented submissions may mean that requests for renewals cannot be processed in time due to lack of information and the countries might suffer a delay in approval. The agencies are therefore encouraged to continue improving their quality control over the IS reporting and ensure that the results achieved, lessons learned and remaining issues are properly highlighted in the terminal reports. The agencies should also take note of the fact that IS renewal requests may be submitted six months in advance of the completion date of the current phase to avoid disruption in the IS project staffing and activities.

V. Schedule for submission of PCRs in 2009

33. The implementing agencies submitted, as in previous years, schedules for submission of PCRs due. Table IV in Annex I shows PCRs due for projects completed as of 31 December 2007 and takes into account the number of outstanding PCRs as of 20 September 2008. The implementing agencies will, in addition to the above schedule, submit PCRs in 2009 for projects completed during 2008.

VI. Improve consistency of data reported in PCRs and in annual progress reports

34. Decision 53/6 (b)(i) requested implementing agencies, in cooperation with the Fund Secretariat, to establish full consistency of data reported in the project completion reports, in the inventory and the annual progress reports by the end of January 2008. The Fund Secretariat provided all agencies with detailed information on data completeness and inconsistencies of PCRs received in comparison to the

inventory and the progress reports. All cases of incomplete information and data inconsistencies in PCRs received in 2003 have now been resolved, while this process still continues with UNDP (for some PCRs received in 2004 and 2005) and the World Bank (for PCRs received in 2005) (see Tables V and VI in Annex I), with several agencies for PCRs received in 2006 (see Tables VII in Annex I) and the World Bank for PCRs received in 2007 (see Table VIII in Annex I).

35. During the reporting period, 27 PCRs were received with incomplete information and 73 PCRs with data inconsistencies (see Table IX in Annex I). Regarding PCRs with incomplete information, the number has decreased in line with the reduction in the number of PCRs received (27 PCRs compared to 48 PCRs last year). The total number of PCRs with data inconsistencies also decreased but their share in the total number received increased (73 PCRs compared to 100 PCRs last year).

36. In order to improve consistency of data and facilitate the preparation of PCRs, agencies can, since July 2004, download key project data from the website of the Fund Secretariat. When indicating the project number or title the first page of the PCR forms will be automatically filled in with data from the Fund Secretariat's project inventory database, including actual data and remarks from the last progress reports. However, the continued high number of reports with inconsistencies appears to indicate that this facility is still not regularly used.

VII. Lessons learned

(a) Investment and non-investment projects

37. Lessons learned have been reported in quite a number of PCRs and offer important and useful insights into the various aspects of the project implementation process. They range from reflections on the impact of policies and regulations on the success or difficulties of project implementation to the efforts on national and regional level to control the illegal trafficking of ODS across national borders. While the edited texts of such lessons reported are contained in Annex II, a select number are summarized below under several headings. The full list from the PCR database is available on request, including those reported in PCRs received after the cut off date of 20 September 2008. It is also placed on the intranet of the Fund Secretariat in the evaluation section under PCRs.

(i) The importance of ODS control policies

38. An important lesson reported from a refrigeration project in Pakistan emphasized that project implementation should have been accompanied by policy measures in order to avoid delays, in particular by introducing import restrictions or additional duties for CFCs to accelerate a cost increase in comparison to substitutes. After the Government of Pakistan adopted its quota system with reductions of authorized imports starting in 2002, CFC prices slowly began to rise and the beneficiary company became much more cooperative and pro-active in project implementation.

39. The importance of introducing an adequate policy framework was also underlined in the PCR on TECFIN II in Chile. This project was based on the assumption that a local law accelerating the CFC phase-out schedules was to enter into force in order to provide a strong framework of incentives for the auction of grants to the companies. Since that law took longer than expected, it became necessary to spend more resources to promote the advantages of the grant programme.

40. During implementation of the RMP update in El Salvador it was observed that the quantities of recycled CFC were not as high as expected. Three reasons were identified:

- (a) The supply of imported CFC was still high and the prices low, which reduced the economic incentive for recycling;

- (b) The enforcement measures to make recovery mandatory were missing; and
- (c) The ODS importers, who were chosen as the recycling operators, did not have an incentive to function as recycling centres because it was still easier and more profitable to sell virgin CFC.

(ii) The need to involve the major stakeholders

41. The project for the strengthening of import/export controls in Indonesia confirmed that a certain amount of unregistered CFCs was imported to Indonesia annually. Verification of import quotas allocated to and used by registered importers, as it is done in other countries was not possible, because all quotas were going to one company that historically did not import ODS and could therefore not be a source of accurate information on imports. Measures taken or recommended were to strengthen the cooperation between the Ministries of Environment and Trade as well as with Customs to prepare new ODS import regulations with strong penalties for illegal imports, to conduct customs training and to provide leak detectors, and to exchange information between Indonesia and the main exporting countries for CFCs in the region, in particular by sharing the names of legal importers and planned exports.

42. The project promoting regional cooperation for monitoring and control of ODS consumption and preventing illegal trade in South-East and South Asia, with funding support from Sweden, reported that regular and not too frequent workshops with participants from all countries in the region proved to be fruitful to raise awareness and exchange information. One of the main pillars of the success of the project was the insistence on having as much as possible the same officers attending all the workshops. The establishment of a project steering group with rotating participants was crucial to get the project set up accepted by all countries, one of which was initially reluctant to share information regarded as confidential. The search of solutions on specific issues led countries to take the initiative to bring certain problems to the Meeting of the Parties (MOP) which subsequently led to MOP decisions on illegal trade being taken. Some activities such as cooperation with Regional Intelligence Liaison Offices (RILO) are being replicated in different regions, for example in Latin America where currently a similar project is being implemented. The project generated awareness within Interpol and the World Customs Organisation putting environmental crime on their agenda while the ozone officers became more aware of specific tools which could be useful in tackling environmental crime, such as the Ecomessage of Interpol and the Customs Enforcement Network (CEN) of RILO.

43. With regard to conversion to cyclopentane it was emphasized that local firefighting bureaus and labor safety inspection agencies must be involved with the project design so as to shorten the time to approve and commission the equipment and to avoid lengthy implementation delays which plagued a refrigeration project in China.

44. From a solvent technical assistance project in India, it was reported that buy-in and cooperation by the industry is critical for conducting a successful CTC survey. It was suggested to use one industry focal point to undertake the survey and provide the results to the larger community under the supervision of the NOU.

(iii) The importance of appropriate technology

45. A project in Pakistan concluded that when dealing in an umbrella project with beneficiaries having different degrees of technical and management capacities, the selection of the equipment should be decided on a case-by-case basis by looking at the technical capability of the enterprise(s) to handle and maintain high-tech equipment. If the enterprise is deemed not to be capable of handling sophisticated machinery even with training, then equipment more aligned with its capacity should be selected. Also, policies need to be simplified to deal with groups of smaller recipients with basic skills and capacity.

46. Relative to liquid carbon dioxide (LCD) technology it was reported from a project in Libya that, depending on the location, it may be extremely costly to lease or purchase storage tanks for the liquid carbon dioxide, which can cause an otherwise cost-effective project to become difficult to implement. In this case, the enterprise was financially unable to cover the additional cost to purchase the LCD tank, and it was feared that the entire project could be jeopardized as a result. Any future LCD projects should be carefully planned to include supply of the LCD tank as part of the equipment supply.

47. The National Halon Management and Banking Programme in Mexico reported that the successful resolution of a serious problem resulting from equipment failure was confirming the decision taken at the outset of the international bid analysis to select only recognized, reputable and proven equipment suppliers. In this case, the supplier accepted total responsibility and upon receipt of the defect equipment item sent from Mexico immediately diagnosed the fault and moved quickly to develop a technical solution.

48. A refrigeration manufacturer in China concluded that in the original project implementation plan the civil and electrical works to be financed by the counterpart were not sufficiently considered, especially the particular safety requirements with regard to the electric grounding system when converting to cyclopentane.

(iv) Lessons from RMP implementation

49. PCRs on RMPs or their components reported several interesting lessons, such as the one from Belize where UNDP ended up in a situation where the equipment was distributed to technicians who had not received prior training, because of delays in the implementation of the training programme. In order to better synchronize the timing of related activities, it was strongly recommended that the training activities would be implemented by the implementing agency in charge of the investment component.

50. The national recovery and recycling (R&R) project under the refrigerant management plan in Bangladesh reported that financial incentives are required to encourage R&R activities, that small size electric recovery machines are better for recovery activities in developing countries, and that awareness raising and constant monitoring are essential activities.

51. The PCR on the RMP in El Salvador concluded that the refrigeration servicing sector should continue to be supported in creating associations of refrigeration technicians in the most important regions of the country, since they serve to promote a more formal practice of the trade and also serve as a channel of communication and multiplier of actions in the framework of the implementation of the Montreal Protocol in the country.

52. From Niger it was reported that the recovery bags were too fragile and that it would be necessary to incorporate the obligation of setting aside some of the income of the recycling centres to provide for the purchasing of spare parts.

(b) Multi-year agreements

53. The implementing agencies did not report this time lessons learned from implementing multi-year agreements, as requested by decision 48/12. The World Bank reported that the difficulty was that the formats used for annual implementation reports had not foreseen to incorporate lessons learnt which were rather planned to be provided in the final completion reports. This would allow for presenting them in the context of an overall review of all tranches completed under an agreement which appeared more logical to the financial agents implementing them and reporting on them.

VIII. Action expected from the Executive Committee

54. The Executive Committee might wish to consider:

- (a) Taking note of the 2009 consolidated project completion report including the schedule for submission of project completion reports (PCRs) due and the lessons learned in Annex II;
- (b) Requesting implementing agencies and bilateral agencies concerned:
 - (i) To establish by the end of January 2009, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs in the inventory and in the annual progress reports;
 - (ii) To provide, by the end of January 2009, the information still missing in a number of PCRs;
 - (iii) To clear by the end of January 2009 the backlog of PCRs on projects completed before the end of 2006.
- (c) Inviting all those involved in the preparation and implementation of projects to take into consideration the lessons learned drawn from PCRs when preparing and implementing future projects.

Annex I

STATISTICS

Table I

SCHEDULE FOR PLANNED SUBMISSION OF PCRS IN 2008 AND ACTUAL DELIVERY

	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
UNDP	January	Aerosol (2) Foam (8) Methyl Bromide (3) Refrigeration (1) Recovery/Recycling (3) RMP (9) Technical Assistance (2)	17	2 ARS 3 FOA 3 REF	11	6 RMP 3 TAS
		* In addition UNDP will submit 30 PCRs for 2007 completions in 2008	10		20	
	April-May					4 TAS
	September			2 FOA, 1FUM		8TAS, 2TRA
	Total			27	11	31
Status at September 20, 2008				-16		-8
UNEP	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
	December 2007	Refrigeration Several			4 2	1 TRA (REF) 3 TAS (SEV)
	January 2008					2 TRA
	March 2008	Refrigeration Halon			4 1	1 TAS (SEV) 1 TRA (PHA)
	July 2008	Refrigeration Solvent Several			8 1 2	1 TAS
	December 2008	Technical Assistance Several			5 3	
Total					30	9
Status at September 20, 2008						-13
UNIDO	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
	January 2008	Refrigeration	1			
	August 2008			1 FOA		5 TAS
	September 2008			1SOL, 1FUM		4TAS
Total			1	3	0	
Status at September 20, 2008				+2		+9
World Bank*	Schedule	Sector	Investment PCRs		Non-Investment PCRs	
			Schedule	Received	Schedule	Received
	March	Refrigeration (1) Foam (1)	2		-	
	July	Aerosol (2)	2		-	
	August			5 FOA		
	September	Methyl Bromide (2) Foam (2)	4		-	
	October	Solvents (1), Sterilants (1)	2		-	
	December	Foam (3)	3		-	
Total			13	5	-	
Status at September 20, 2008				-3		N/A

* Table includes expected PCRs for projects completed up through December 2006 with outstanding PCRs (30 total) and takes care of the number of outstanding PCRs as of September 2007 *minus* PCRs that will be submitted by 31 December 2007 (expected 17). The Bank will, in addition to the above schedule, be submitting PCRs in CY2008 for projects completed through 2007 and up to 30 June 2008.

Table II

**PCRS FOR INVESTMENT PROJECTS RECEIVED AND DUE BY IMPLEMENTING AGENCY, SECTOR AND YEAR
(FOR PROJECTS COMPLETED UNTIL THE END OF 2007)**

Agency	Sector	PCR(s) Received in:												PCR(s) Due in ¹ :							
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total	2002	2003	2004	2005	2006	2007	2008	Total
UNDP	Aerosol	1	-	9	4	11	-	-	4	3	6	2	40	-	-	-	-	-	-	-	-
	Foam	20	34	79	83	117	87	82	77	7	21	5	512	-	-	-	-	-	3	3	6
	Fumigant	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	2	2
	Halon	-	-	3	13	-	1	-	1	-	-	-	18	-	-	-	-	-	-	-	-
	Refrigeration	1	22	2	33	9	22	39	42	1	4	3	178	-	-	-	-	-	-	1	1
	Solvent	3	-	-	19	-	-	1	2	-	-	-	25	-	-	-	-	-	-	-	-
	Sterilant	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-
	Total	25	56	93	152	137	110	122	126	11	32	11	875	-	-	-	-	-	3	6	9
UNIDO	Aerosol	6	6	10	6	4	2	-	7	-	1	-	42	-	-	-	-	-	-	-	-
	Foam	8	22	3	22	11	15	11	14	8	2	1	117	-	-	-	-	-	-	-	-
	Fumigant	-	-	-	-	2	1	-	1	-	6	1	11	-	-	-	-	-	-	-	-
	Halon	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
	Process Agent	-	-	-	-	1	3	2	4	-	-	-	10	-	-	-	-	-	-	-	-
	Phase-Out Plan	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	-	-	-	-
	Refrigeration	12	25	11	32	14	22	24	34	7	4	-	185	-	-	-	-	-	-	-	-
	Solvent	5	13	5	3	3	5	5	4	9	-	1	53	-	-	-	-	-	-	-	-
Total	32	66	29	63	35	48	42	64	25	13	3	420	-	-	-	-	-	-	-	-	
World Bank	Aerosol	4	6	6	-	1	-	2	5	2	-	26	-	-	-	2	1	-	-	3	
	Foam	18	25	38	20	20	18	8	26	12	6	5	196	-	-	-	2	-	2	-	4
	Fumigant	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	1	1	-	-	2
	Halon	2	1	1	-	-	-	-	-	-	-	-	4	-	-	1	-	-	-	-	1
	Multiple Sectors	1	-	1	-	-	-	-	-	-	2	-	4	-	-	-	-	-	-	-	-
	Others	-	-	2	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-
	Process Agent	-	-	-	-	-	-	1	1	-	-	-	2	-	-	-	-	-	-	-	-
	Production	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
	Refrigeration	18	24	22	26	15	16	12	21	9	7	1	171	-	-	-	1	-	1	1	3
	Solvent	15	4	3	1	-	-	-	3	-	1	-	27	-	-	1	-	-	-	-	1
	Sterilant	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-	1	-	-	1
Total	59	60	73	48	36	34	23	56	24	16	6	435	-	-	2	6	3	3	1	15	
Bilateral	Aerosol	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
	Foam	-	-	3	2	2	2	-	5	6	6	-	26	-	-	-	1	-	1	2	
	Fumigant	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	
	Halon	-	-	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	
	Phase-Out Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
	Refrigeration	-	1	1	-	-	-	-	2	5	-	-	9	1	-	-	1	-	2	1	5
	Solvent	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	2
Total	-	1	5	2	3	2	-	7	11	7	-	38	1	1	-	1	1	3	3	10	
Grand Total	116	183	200	265	211	194	187	253	71	68	20	1,768	1	1	2	7	4	9	10	34	

¹ 6 months after projects completion according to the Progress Report

Table III

**PROJECT COMPLETION REPORT RECEIVED AND DUE FOR NON-INVESTMENT PROJECTS
(FOR PROJECTS COMPLETED UNTIL THE END OF 2007)**

Agency	Sector	See PCR(s) Received so far for Year Due												PCR(s) Due in ¹									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total	Before 1997	2001	2002	2003	2004	2005	2006	2007	2008	Total
UNDP	Demonstration	-	-	5	-	-	7	1	2	-	-	-	15	-	-	-	-	-	-	1	-	1	2
	Technical Assistance	-	6	39	17	7	5	1	15	8	21	20	139	-	-	-	-	1	-	2	1	19	23
	Training	-	18	6	-	-	-	-	-	-	-	2	26	-	-	-	-	-	-	-	-	2	2
	Total	-	24	50	17	7	12	2	17	8	21	22	180	-	-	-	-	1	-	3	1	22	27
UNEP	Technical Assistance	9	53	3	18	22	18	5	6	1	7	2	144	-	1	1	1	2	2	8	8	9	32
	Training	8	34	1	2	21	15	20	10	5	4	3	123	-	-	-	-	-	3	7	18	10	38
	Total	17	87	4	20	43	33	25	16	6	11	5	267	-	1	1	1	2	5	15	26	19	70
UNIDO	Demonstration	-	-	-	6	7	3	3	3	-	-	-	22	-	-	-	-	-	-	-	-	-	-
	Technical Assistance	-	6	8	-	4	1	3	4	3	15	9	53	-	-	-	-	-	-	-	1	-	1
	Training	-	1	1	-	5	6	7	1	-	1	-	22	-	-	-	-	-	-	-	-	-	-
	Total	-	7	9	6	16	10	13	8	3	16	9	97	-	-	-	-	-	-	-	1	-	1
World Bank	Demonstration	1	-	-	-	-	-	-	-	-	1	-	2	-	-	-	-	-	-	-	-	-	-
	Technical Assistance	5	4	6	-	1	-	2	1	1	1	-	21	-	-	-	-	1	-	-	1	2	4
	Training	-	3	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-
	Total	6	7	6	-	1	-	2	1	1	2	-	26	-	-	-	-	1	-	-	1	2	4
Bilateral	Demonstration	5	5	12	-	3	1	1	-	2	-	-	29	-	-	-	-	-	-	-	1	-	1
	Technical Assistance	-	-	13	1	1	9	14	15	8	5	5	71	1	-	1	-	-	2	3	2	6	15
	Training	1	3	19	1	9	6	5	6	6	2	-	58	1	-	-	1	-	1	-	2	-	5
	Total	6	8	44	2	13	16	20	21	16	7	5	158	2	-	1	1	-	3	3	5	6	21
Grand Total	29	133	113	45	80	71	62	63	34	57	41	728	2	1	2	2	4	8	21	34	49	123	

¹ 6 months after projects completion according to the Progress Report.

Table IV

**SCHEDULE FOR SUBMISSION OF OUTSTANDING PCRS IN 2009
(FOR PROJECTS COMPLETED UNTIL 31 DECEMBER 2007)**

UNDP	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	Total			
Total PCRs Due as of September 20, 2008			9	27
UNEP	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	Oct 2008	TAS		1
	Dec 2008	TAS		7
		TRA		1
	Feb 2009	TAS		5
		TRA		4
	Mar 2009	TAS		12
		TRA		9
	Apr 2009	TAS		1
		TRA		9
	Jun 2009	TAS		1
TRA			13	
Jul 2009	TAS		2	
	TRA		2	
Total			67	
Total PCRs Due as of September 20, 2008			N/A	70
UNIDO	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	Total			
Total PCRs Due as of September 20, 2008			N/A	1
World Bank	Schedule	Sector	Investment PCRs	Non-Investment PCRs
	Mar	Halon (1)	2	--
		Refrigeration (1)		
	Sep	Foam (1)	3	--
		Methyl bromide (1)		
		Refrigeration (1)		
	Oct	Halon (2)	4	--
		Sterilants (1)		
		Methyl bromide (1)		
	Dec	Aerosol (3)	3	--
Total		12	--	
Total PCRs Due as of September 20, 2008*			15	4

*Table includes expected PCRs for projects completed up through December 2007 with outstanding PCRs (19 total) and takes care of the number of outstanding PCRs as of September 2008 *minus* PCRs that will be submitted by December 31, 2008 (expected 7). The Bank will, in addition to the above schedule, be submitting PCRs in CY2009 for projects completed through 2008 and up to June 30, 2009.

Table V

**SUMMARY OF PCRs RECEIVED IN 2004 WITH DATA PROBLEMS
(As of 20 September 20 2008)**

	Canada		Germany		Japan		UNDP		UNEP		UNIDO		World Bank		Total	
	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved
Incomplete Information			2	2	1	1	46	46			28	28	9	9	86	86
Solved as % of Total				100%		100%		100%				100%		100%		100%
Data Inconsistencies																
Planned Date of Completion	1	1	1	1							1	1	3	3	6	6
Revised Planned Date of Completion	1	1	3	3	1	1	15	15	4	4	2	2	24	24	50	50
Date Completed	1	1	3	3			11	10	1	1			9	9	25	24
Funds Approved							2	2			3	3	6	6	11	11
Funds Disbursed	2	2					9	9					6	6	17	17
ODP To Be Phased Out							2	1			2	2			4	3
ODP Phased Out							1	0			4	4	3	3	8	7
Total	5	5	7	7	1	1	40	37	5	5	12	12	51	51	121	118
Solved as % of Total		100%		100%		100%		93%		100%		100%		100%		98%

Table VI

**SUMMARY OF PCRs RECEIVED IN 2005 WITH DATA PROBLEMS
(As of 20 September 2008)**

	Canada		Germany		Japan		UNDP		UNEP		UNIDO		World Bank		Total	
	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved
Incomplete Information	1	1	1	1	1	1	33	28			32	32	11	10	79	73
Solved as % of Total		100%		100%		100%		85%				100%		91%		92%
Data Inconsistencies																
Date Approved	3	3					3	3							6	6
Planned Date of Completion			1	1			15	15			2	2	2	1	20	19
Revised Planned Date of Completion	3	3			2	2	23	21	3	3			27	26	58	55
Date Completed	2	2	1	1	2	2	22	22	1	1	1	1	6	6	35	35
Funds Approved	1	1	1	1									6	6	8	8
Funds Disbursed	1	1					4	4			1	1	5	5	11	11
ODP To Be Phased Out							2	2					3	3	5	5
ODP Phased Out							4	4			1	1	3	3	8	8
Total	10	10	3	3	4	4	73	71	4	4	5	5	52	50	151	147
Solved as % of Total		100%		100%		100%		97%		100%		100%		96%		97%

Table VII

**SUMMARY OF PCRs RECEIVED IN 2006 WITH DATA PROBLEMS
(As of 20 September 2008)**

	Australia		Canada		France		Germany		Japan		Poland		UNDP		UNEP		UNIDO		World Bank		Total	
	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved
Incomplete Information	1	1	1	1	2		8	8					5		1		9	9	35	16	62	35
Solved as % of Total		100%		100%		0%		100%		N/A		N/A		0%		0%		100%		46%		56%
Data Inconsistencies																						
Date Approved	1	1			1		1	1											3	2	6	4
Planned Date of Completion	1	1	2	2	1										1				17	4	22	7
Revised Planned Date of Completion	1	1	5	5	1		4	4						3		1	1	43	8	58	19	
Date Completed	2	2			2		3	3	1	1	1						1	1	5	3	15	10
Funds Approved			2	2	1		1	1											4	0	8	3
Funds Disbursed			4	4	1									1					4	0	10	4
ODP To Be Phased Out							2	2									1	1	5	2	8	5
ODP Phased Out			1	1	1		8	8	1	1							1	1	5	2	17	13
Total	5	5	14	14	8	0	19	19	2	2	1	0		5	0	4	4	86	21	144	65	
Solved as % of Total		100%		100%		0%		100%		100%		0%		N/A		0%		100%		24%		45%

Table VIII

**SUMMARY OF PCRs RECEIVED IN 2007 WITH DATA PROBLEMS
(As of 20 September 2008)**

	Canada		France		Germany		UNDP		UNEP		UNIDO		World Bank		Total	
	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved
Incomplete Information	2	2			7	7	26	26			3	3	10		48	38
Solved as % of Total		100%				100%		100%				100%		0%		79%
Data Inconsistencies																
Date Approved									1	1			1		2	1
Planned Date of Completion									1	1			1		2	1
Revised Planned Date of Completion	1	1						1	1		5	5	15		22	7
Date Completed			1	1	6	6	9	9	1	1	1	1	5		23	18
Funds Approved											1	1	3		4	1
Funds Disbursed									1	1			4		5	1
ODP To Be Phased Out			1	1	2	2	12	12	2	2	1	1	2		20	18
ODP Phased Out			1	1	7	7	12	12			1	1	1		22	21
Total	1	1	3	3	15	15	34	34	6	6	9	9	32	0	100	68
Solved as % of Total		100%		100%		100%		100%		100%		100%		0%		68%

Table IX

**SUMMARY OF PCRs RECEIVED IN 2008 WITH DATA PROBLEMS
(As of 9 October 2008)**

	Australia		Canada		France		Sweden		UNDP		UNEP		UNIDO		World Bank		Total	
	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved	Problems with PCRs	Problems with PCRs Solved
Incomplete Information	1	1	1	1					17	9	1	1	4	1	3		27	13
Solved as % of Total		100%		100%						53%		100%		25%				48%
Data Inconsistencies																		
Date Approved									1	1			1	1	1		3	2
Planned Date of Completion	1	1	1	1			1	1	2	2			2	2	1		8	7
Revised Planned Date of Completion									6	6	3	3	1	1			10	10
Date Completed	1	1			1				14	9					1		18	10
ODP To Be Phased Out			1	1					12	10	2	2			1		16	13
ODP Phased Out			1	1					14	11	2	2			1		18	14
Total	2	2	3	3	1		1	1	49	39	7	7	4	4	5		73	56
Solved as % of Total		100%		100%				100%		80%		100%		100%				77%

Annex II

LESSONS LEARNED REPORTED IN PROJECT COMPLETION REPORTS

A. INVESTMENT PROJECTS

- (a) To avoid delays, project implementation should have been accompanied by policy measures to promote conversion, for example, import restrictions of CFCs to accelerate a cost increase in comparison to substitutes or an increase of duties for CFCs. After the Government of Pakistan adopted its quota system with reductions starting in 2002, prices slowly began to rise and COOL became much more cooperative and proactive in project implementation. (PAK/REF/23/INV/19).
- (b) TECFIN II was structured on the assumption that a local law accelerating the CFC phase-out schedules was to enter into force in order to provide a strong framework of incentives for the grants auction to take place. Since that law took longer than expected, it was necessary to spend resources to promote the advantages of the grants programme. (CHI/MUS/19/INV/14 and CHI/MUS/26/INV/37)
- (c) Comprehensive consultation with affected stakeholders and open and transparent dialogue with related public institutions builds positive working relationships that in turn inspire confidence in alternatives. (PER/FUM/31/INV/28)
- (d) In retrospect, with the recently approved accelerated HCFC phase-out schedule for Article 5 countries, the enterprises might have been better informed at the stage of technology choice about the long-term risks of converting to HCFCs – namely the possibility that this substance would also be phased out. Enterprises, including small enterprises that may have capacity and resource limitations for certain technologies, should be informed early on about the cost and benefits of technologies not only in terms of product quality, operating costs, etc.; but also in terms of long-term environmental consequences, if any, of alternative technologies (and associated costs). (TUN/FOA/32/INV/36, 32, 38, 39, 40)
- (e) The project as originally approved did not contain a flexibility clause allowing for the addition or substitution of additional enterprises within the approved project budget. Through this project the necessity of such a clause was demonstrated in order to handle the addition of otherwise eligible enterprises within the context of the approved project. Subsequent terminal umbrella projects have contained the so-called “flexibility clause” to allow for more flexible project implementation to achieve the desired project objectives. (PAR/REF/34/INV/12)
- (f) While dealing with group or umbrella projects with beneficiaries having varied degrees of capacity, the selection of the equipment should be decided on a case-by-case basis by looking at the technical capability of the enterprise(s) to handle and maintain high-tech equipment. If the enterprise is deemed to be not capable to handle sophisticated machinery even with training, then in such cases equipment that is more aligned with the overall capacity should be selected. Also, policies need to be simplified to deal with groups and smaller recipients with basic skills and capacity. (PAK/FOA/23/INV/20 and PAK/FOA/25/INV/25)
- (g) Implementation of similar umbrella projects with the requirement of industrial rationalization within a group of enterprises requires longer time for implementation. (CPR/FOA/35/INV/379)

- (h) Delayed implementation – for whatever reason – can change the scope of work in group projects considerably. Also group projects are not well suited to address individual requirements. (IDS/FOA/23/INV/78)
- (i) The reimbursement of expenses avoided losses, but extended the project a year or two unnecessarily. This required more trips by the foreign consultant and was more costly than necessary. Had we advanced each enterprise a sizeable part of their local expense budget, that could have resulted in some losses, but would have been far less expensive than the repeated visits by foreign consultants. (IND/ARS/38/INV/358)
- (j) Regarding the flammable (such as cyclopentane) conversion project, local firefighting bureaus and labor safety inspection agencies must be involved with the design so as to shorten the time to approve and commission. This project has experienced a time as long as 37 months to apply and finally obtain approval from these agencies. (CPR/REF/23/INV/226)
- (k) Taken into consideration the complicated situation, it is better to set a longer implementation period during the project preparation. In addition, it is more rational to make the equipment supplier responsible to install the equipment until it meets the requirement of this project completely. This would simplify the process and save time. (CPR/REF/25/INV/249)
- (l) Yangzhou Kelon has the following suggestions for future ODS phase-out projects:
 - (i) In the original project implementation plan, the counterpart financed works of cyclopentane system was not sufficiently considered, especially the electric grounding problem. For example at O area and I area, the equipment electric grounding system was not separated with power grounding system. Fortunately during the inspection carried out by Yangzhou Kelon the problem was discovered and the problem corrected.
 - (ii) Since 2001, many Chinese cities adjusted the urban development plan due to rapid economic development in the past few years, which usually involves the relocation of industrial factories from urban center to suburban area. Some reforms go smoothly with little negative impact on the conversion projects. But some enterprises were greatly affected and the conversion projects came to a standstill. (CPR/REF/34/INV/378)
- (m) In this project, delays in project implementation were caused mainly by implementation delays in a project in another country in the region (Malawi). It is important to closely monitor all projects in a region with related implementation issues (common equipment supplier is a major potential issue). If implementation delays in one project are causing a cascading delay effect among other projects, actions may be required to assure that other projects are not negatively impacted by one enterprise's delays. (URT/FOA/31/INV/13)
- (n) Many lessons were learned relative to liquid carbon dioxide (LCD) technology. It was most importantly discovered that, depending on location, it may be extremely costly to lease or purchase storage tanks for the liquid carbon dioxide, which can cause an otherwise cost-effective project to become difficult to implement. In this case, the enterprise was financially unable to make up the added cost to purchase the LCD tank, and it was feared that the entire project goal could be jeopardized as a result. Any future LCD projects should be carefully planned to include supply of the LCD tank as part of the equipment supply. (LIB/FOA/35/INV/15)

- (o) The lessons learned for future action in project CPR/FOA/29/INV/304 are as follows:
 - (i) Getting supervision from UNDP and technical assistance from the international experts in time is very important for project implementation;
 - (ii) Coordination and management from the government and DIA is very necessary for project implementation;
 - (iii) The situation that DIA and the procurement agent is the same organization is good for project implementation;
 - (iv) Technical strength, operation and management scale and active cooperation and understanding of the beneficiary enterprises are the foundation for successful implementation of the project.

B. NON-INVESTMENT PROJECTS

- (a) The adoption of a harmonized legislation on ODS import in Western and Central French-speaking countries makes the enforcement of national regulations easier. The adoption of local regulations has been facilitated through this project. (AFR/SEV/32/TAS/28)
- (b) Regional cooperation for monitoring and control of ODS consumption and preventing illegal trade in South-East and South Asia:
 - (i) As requested by the countries, providing more time between workshops allowed countries to better follow-up and prepare their input to the subsequent meeting. Providing more time between workshops also meant that additional bilateral and small group meetings could be organised discussing specific problems between countries and this was perceived as very useful by the countries. As implementing agency we had recommended more frequent meetings as this was believed to keep the participants more active and also minimize the risk of participants forgetting what was discussed at previous meeting or of participants being changed.
 - (ii) The planned activity on enforcement tools proved difficult to implement. This was partly due to countries being at different levels with regards to the amount of ODS being imported/exported and also their monitoring possibilities and capabilities. With regards to the initial ideas for setting-up a website or a database, another reason why that was difficult was that long-term commitment and ownership is important in order to solve issues of credibility, maintenance and security and that this is difficult to arrange when the recipient and user is a network with a three year programme.
 - (iii) One of the main pillars of the success of the project is the insistence on having the same officers attend all the workshops. This allowed for deeper understanding of the specific problems, created a big capacity building of those officers, allowed for a mutual search for solutions, with officers taking a very active role. The project did of course see a number of country participants being changed but on the whole the majority of the participants remained the same during the project period.

- (iv) Initially, the establishment of a project steering group was crucial to get the project set up accepted by some of the participating countries (for the SEAP region in 2001). Especially one country made it clear that they were unwilling to meet within the proposed network and exchange information on trade data and other information that could be regarded as confidential. Even if we stressed the fact that the network had no intentions of requesting countries to provide sensitive data and that the aim was primarily on capacity building, one country was unwilling to attend. We therefore suggested the establishment of a steering committee (SC) with participants from two countries (rotating) – one LVC and one HVC – plus UNEP and Sida/SEI as implementing agencies and donor in order to increase the countries control over the project. The role of the SC would *inter alia* be to comment on agendas, suggest suitable speakers and experts and help identify stakeholders and participants for the project meetings. With this arrangement, all countries agreed to participate. The establishment of the SC was also positive in that it increased countries active participation in the project.
 - (v) As the project worked closely on regional cooperation involving customs officers and international organizations, the assistance of a consultant with specific background in customs work, within the region has proven very effective in taking specific activities forward, such as the desk study, or the cooperation with the Regional Intelligence Liaison Office (RILO) and other enforcement agencies.
 - (vi) Outreach was not limited to national/regional implementation. The search of solutions on specific issues led countries to take the initiative to bring certain problems to the Meeting of the Parties which subsequently led to MoP decisions on illegal trade being taken.
 - (vii) Informing other regional networks worldwide about the activities of the project, led to a request by other regions to implement similar project. Some activities are being replicated such as cooperation with RILO offices in different regions through formalised agreements. Countries in the Latin America region are currently implementing a similar project.
 - (viii) Other MEA secretariats also showed interest in being involved, while the participating countries felt the need to extend the concept of cooperation between officers responsible for MEA implementation and customs to specifically the Rotterdam, Stockholm and Basel Conventions. This has now also been realised through the Sida funded extension of the project to include other MEAs.
 - (ix) The project generated awareness raising within organizations, including Interpol and WCO, to put environmental crime on their agenda. However, awareness raising works both ways. The environment side needs to have an understanding of what other organizations do, including specific tools they make available which could be useful in tackling environmental crime, such as the Ecomessage of Interpol and the Customs Enforcement Network (CEN) of RILO.
 - (x) Use of such tools for combating environmental crime will give a clear sign to those organizations about the importance that member countries attach to environmental crime. This in turn may lead those organizations to allocate more resources to environmental crime, giving it attention in their work programmes. (ASP/SEV/34/TAS/42)
- (c) Strengthening of import/export control in Indonesia:

- (i) Analysis of global trade data points to a large scale and entrenched illegal trade in Indonesia. Despite significant fluctuations in the yearly figures, the trade data analysis confirms that a certain amount of unregistered CFC are imported to Indonesia annually. It further shows a discrepancy between reported exports by producer countries and reported imports by Indonesia, further suggesting that most of the trade goes unreported in Indonesia. The current value of this data for verification of imports is limited due to apparently consistent mistakes in recording HS codes.
 - (ii) To allow for the legal and verifiable import of adequate amounts of ODS, all other systems in the region and around the world rely on historical and periodically updated information from registered importers. This is currently not possible under the Indonesia previous regulation, because all quotas are going to one company that has historically not imported ODS and cannot be a source of accurate import information. A sample of six regional import systems showed an average of over 15 registered CFC importers per country, most with a fraction of Indonesia's consumption.
 - (iii) Training of custom officers has been done in this project, and the outcome shows that it could prevent the CFC illegal imports more effectively. However, since the number of custom officers and ports is large, more training related to information on environmental issues, especially those related to Montreal Protocol, has to be done.
 - (iv) Custom need ODS portable detectors: Custom offices in at least 6 ports need portable ODS detectors, so that the officers could test the suspect tanks in efficient and effective ways. Current custom laboratory has limited gas chromatograph availability so that the test result may come weeks later delaying the process in the port.
 - (v) Close collaboration between MOE, MOT, and Custom: Close collaboration has to be strengthened between Ministry of Environment, Ministry of Trade and Custom Office, in order to share the ODS imports information.
 - (vi) Strong penalty should be applied to illegal importers. The penalty should be part of new ODS import regulations.
 - (vii) Sharing on import information should be strengthened between Indonesia and exporter countries. This could be done by sharing the information on name and address of legal importers and producers. Further, it should be agreed between the countries that the ODS can be exported and imported through legal companies only. (IDS/SEV/37/TAS/149)
- (d) Much of the materials used for the training of customs officers can also be used to train environmental inspectors and investigators, although the emphasis with the latter group needs to be more technical in nature. In the case of a country like Benin which consumes CFCs only in refrigeration and air conditioning, it is important for environmental inspectors and investigators to understand where, why and how CFCs are used, and the basic fundamentals of good practices. (BEN/REF/32/TRA/11)
- (e) National R&R project under the refrigerant management plan (RMP) in Bangladesh:
- (i) Financial incentive is required to encourage R&R;

- (ii) Awareness and constant monitoring are essential;
- (iii) Small size electric recovery machine is better for recovery activities in developing countries. (BGD/REF/29/TAS/10)
- (f) The refrigeration servicing sector in Bhutan requires further training as only 33 have been trained so far. It would be beneficial to have institutions offer such training as part of their curriculum so that sustainability is ensured and the sector benefits immensely with the availability of trained technicians in this sector for domestic as well as industrial purposes. (BHU/REF/45/TAS/06)
- (g) Implementation of RMP in Belize:
 - (i) UNDP ended up in a situation where it was not possible to provide training to the technicians, and the equipment was distributed without having received prior training, because of delays in the implementation of the training programme. It is strongly recommended that the training activities are implemented by the Implementing Agency that is in charge of the investment component.
 - (ii) Technicians prefer oil-less recycling equipment so that they can work on both liquid and gas charging of the refrigeration or air conditioning equipment being serviced. (BZE/REF/44/TAS/12)
- (h) RMP update in El Salvador:
 - (i) The quantities of recycled CFC are not as high as expected. Three reasons have been identified: a) the supply of imported CFC is still high and the prices low, which reduces the economic incentive of recycling, b) the absence of any enforcement measure to make recovery mandatory, and c) the ODS importers, who were chosen as the recycling operators, do not have an incentive to function as recycling centers because it is easier and more profitable to sell virgin CFC.
 - (ii) The use of CFC-11 for flushing purposes continues to be widespread. The maintenance workshops claim that, apart from the fact that they do not know of a better cleaning agent, CFC-11 is available in convenient small packaging, and nitrogen, for example, only comes in big cylinders that require a large cash deposit.
 - (iii) The ODS Import Quota System still needs fine tuning concerning the improvement of customs import control and recording, introduction of export controls and tightening of CFC-11 quota levels, in order to achieve its full potential.
 - (iv) The existence of much CFC-based commercial, industrial and domestic equipment is a cause of concern and needs to be addressed in order to prevent the negative impact on the end user when the scarcity of CFC starts to show.
 - (v) The number of companies that requested assistance for conversion of their CFC-based refrigeration equipment was much less than expected. After verification with potential companies that did not apply for assistance, it was confirmed that the "call for expression of interest" needed to be published for a longer period of time and that this effort needed to be coupled with direct contact with some enterprises in addition to explanatory meetings.

- (vi) The support that is being provided to the refrigeration sector in the way of recovery equipment and technical assistance should be extended to the private technical training institutions that are credited by INSAFORP, such as Universidad Don Bosco, Instituto Tecnológico Centroamericano and Instituto Técnico Ricaldone, which cover an important percentage of the industry's needs for qualified personnel.
- (vii) The refrigeration servicing sector should also continue to be supported in the creation of refrigeration technicians associations in the most important regions of the country, since these institutions serve to promote a more formal practice of the trade and also serve as a channel of communication and multiplier of actions in the framework of the implementation of the Montreal Protocol in the country.
- (viii) During the final years of the CFC phase out schedule, the government will need to focus the technical assistance for conversion of CFC-based critical refrigeration equipment on two key sectors of the economy and social services, namely the industrial fishing fleet, in particular the installed bank of cold rooms both onboard and on shore.
- (ix) The network of public hospitals with CFC-based refrigeration equipment used for the conservation of vaccines and other uses has sought government assistance. The drastic elimination of CFC import permits in 2006 and the suspected increase in illegal CFC trade call for improved assistance to the customs department both at the national level and in the efforts for regional integration. (ELS/REF/42/TAS/13)
- (i) RMP monitoring cannot be limited to a short-lived project because the RMP establishes systems (R&R, import licenses, etc.) are expected to function successfully during the whole phase-out process and must therefore be monitored on a more regular and permanent basis. (ELS/REF/42/TAS/15)
- (j) The need to adapt the environmental initiatives to the prevailing characteristics of the country was once again proven by the fact that the planned scheduled for technical training had to be changed from working days to week-ends due to the impossibility of technicians to abandon their daily obligations in order to attend optional training. (ELS/REF/42/TRA/14)
- (k) Study on development of ODS phase-out strategy for SMEs by UNEP:
 - (i) The SME issue is complex in general and studies of such a broad nature (all SMEs, global coverage, different sectors) are difficult to narrow down. In the future, such projects should be more narrowly focussed at the outset to yield clearer results.
 - (ii) The methodology of the study was largely based on participatory stakeholder consultations that drew on the knowledge and experience of those who have been most directly involved in various SME-focused efforts over the years. In the future, for such an approach sufficient time should be allotted in the schedule for this type of data collection.
 - (iii) Outside of the Montreal Protocol community, the issue of MEA compliance in relation to SMEs is not well known by those organizations working with small companies (they tend to focus on primary environmental issues). Accordingly,

additional time/energy is needed to explain the issue (build their capacity) just to understand what we are seeking. (GLO/SEV/34/TAS/230)

- (l) Implementation of the RMP in Niger: It might be useful to consider or to propose in the next RMP-type of projects how the national authorities should organize the replenishment of spare parts stocks as well as oil for the equipment. It was also reported that the recovery bags were too fragile and that it would be necessary to incorporate the obligation of setting aside some of the income of the recycling centres to provide for the purchasing of spare parts. (NER/REF/27/TAS/06 and 07)
- (m) The fact that some technicians in small workshops only spoke Hindi and Urdu was not anticipated early in the project. This information will be factored into future projects. Proper monitoring and timely field visits helped mitigate this as well as other challenges. (OMA/REF/34/TAS/05)
- (n) The key to effective training development and management has been through mobilising the right expertise, training the right person, putting key concepts into practice, transparent evaluation of training, confidence building through increasing capacity and post training monitoring. (KAM/REF/41/TAS/05)
- (o) RMP implementation in Kyrgystan:
 - (i) It is better to distribute CFC detectors to State Customs and State Ecological Inspection as it has their representatives at entry points and it will facilitate the customs clearance and improve CFC control.
 - (ii) In accordance with the local legislation the CFC detectors must be submitted for metrological check up and it is necessary to establish procedures for analysis of ODS. (KYR/REF/37/TRA/03)
- (p) In our opinion it is important to extend support for the training programme, by including senior students of refrigeration and ecology sector. (KYR/REF/37/TRA/06)
- (q) Demonstration activities take as much time and resources as phase-out projects. It would be wiser to have projects where the first phase helps to test/demonstrate the alternatives to mitigate risk, and where the second phase can rightly engage in phase-out through alternative technologies. (CHI/FUM/25/DEM/35)
- (r) The MDI Transition Strategy and the MDI Conversion Project for Cuba were the first projects in the MDI sector submitted to the Multilateral Fund for consideration for funding. The resolution of many of the issues confronted in the preparation of these projects facilitated the preparation and submission of other projects in the same sector. Many of the lessons learned in the preparation of these projects were used in the preparation of the guidelines for the preparation of MDI projects. In particular the issues related to the technology transfer to produce CFC-free MDIs were the ones that showed most difficulty and in which more progress has been achieved in the sector. Many of the technical aspects related to product development prepared for the first time in these projects are now used as reference in new MDI projects. (CUB/ARS/36/TAS/19)
- (s) With the funds allocated to the Halon Banking and Recycling Centre (HBRC), the equipment that could be procured was a Getz Model HR1L 1301/1211 Recovery/Recycle Unit complete with air driven double acting pump, heavy duty hoses and quick connects, plus input strainer/particulate filter and moisture filter/dryer as well as an air compressor,

model Contract HF2 rated at 20cfm, 100PSI, power supply 220/1/60. Nevertheless, the proper functioning of the HBRC required the following additional equipment: 10 240 lbs. capacity tanks for halon 1211 rated at 260 PSI, suitable for 1211 only, 20 100 Lbs. capacity tanks for halon 1301 rated at 400 PSI, suitable for 1301 & 1211, halon tank adapters fitting package, spares for halon recovery unit, bench scale and halon identifier equipment. Therefore, the project called for complementary resources that would ensure the procurement of the additional equipment required, and hence, the proper functioning of the HBRC. This need was addressed through a phase II project approved by the Executive Committee at its 51st Meeting. (DOM/HAL/38/TAS/32)

- (t) National Halon Management and Banking Programme in India:
- (i) India, with of course the help of the fire industry suppliers who had commercial dollars in their mind when pushing the range of new halon alternative technologies, changed much faster than anyone anticipated with dependence on halon rapidly diminishing. The India halon banking project should have followed on very quickly from the other halon equipment manufacturing conversion projects in the country.
 - (ii) It appears that once the project was completed and handed over with all funds depleted, other projects took priority over the actual operation of the facility. The actual selection process of the local organization to manage and operate the bank perhaps could be considered for other projects. The proposal to study the management and viability of halon banking projects already implemented to ascertain reasons for viability or lack thereof will be a useful adjunct to experiences gained in this particular project. (IND/HAL/32/TAS/281 and IND/HAL/32/TAS/278)
- (u) National Halon Management and Banking Programme in Mexico:
- (i) Upon failure of one of the equipment items on start-up, it was necessary for that equipment to be exported back to the USA for repair which also included the provision of an alternative type of refrigerant chemical which subsequently was ascertained was not on the local approved list.
 - (ii) Upon re-import back into Mexico it was held up in customs for several months not only because of the alternative refrigerant problem but customs had deemed the equipment to be different thereby attracting significant import taxes even though the exact same equipment item had already been previously imported satisfactorily and then exported. This particular experience is a lesson learned for anyone else in ensuring local customs regulations are explored in detail.
 - (iii) One other lesson learnt regarding the equipment failure was the decision taken at the outset of the international bid analysis stage, as with all other projects, to only specify recognized, reputable and proven equipment suppliers. In this case, the supplier accepted total responsibility and upon receipt of the equipment item back from Mexico, immediately diagnosed the fault and moved quickly to develop a technical solution. (MEX/HAL/35/TAS/104)
- (v) Buy-in and cooperation of industry is critical for successful CTC survey. It would be a good idea to use one industry nodal point to undertake the survey and provide the results under the supervision of NOU. (IND/SOL/35/TAS/343)