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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-fifth Meeting  
Montreal, 16-20 November 2015

**TRANCHE SUBMISSION DELAYS**

**Introduction**

1. Pursuant to decision 53/3(c)<sup>1</sup>, the Secretariat has prepared this document on tranche submission delays of multi-year agreements (MYAs). The document presents actions taken by the Secretariat in response to decisions on tranche submission delays adopted at the 74<sup>th</sup> meeting; an analysis of each of the tranches that were not submitted to the 75<sup>th</sup> meeting; reasons why tranches that were submitted to the 75<sup>th</sup> meeting were subsequently withdrawn; and recommendations.

**Follow-up to decisions taken on tranche submission delays at the 74<sup>th</sup> meeting**

2. Pursuant to decision 74/4(b), the Secretariat sent letters to the Governments of 28 Article 5 countries to urge the submission of the next tranche of their HCFC phase-out management plans (HPMPs) to the 75<sup>th</sup> meeting. As a result, the Governments of Albania<sup>2</sup>, Angola<sup>3</sup>, Bahrain<sup>4</sup>, Cote d'Ivoire<sup>5</sup>, Democratic People's Republic of Korea (the)<sup>6</sup>, Guatemala<sup>7</sup>, Jordan<sup>8</sup>, Kenya<sup>9</sup>, Maldives<sup>10</sup>, Montenegro<sup>11</sup>, Peru<sup>12</sup>, Saint Vincent and the Grenadines<sup>13</sup>, Saudi Arabia<sup>14</sup>, Senegal<sup>15</sup>, Seychelles<sup>16</sup>,

<sup>1</sup> To request the Fund Secretariat to proceed with the inclusion of information on submission delays in the context of its review of the implementation of business plans at the second and third meetings of each year.

<sup>2</sup> UNEP/OzL.Pro/ExCom/75/35.

<sup>3</sup> UNEP/OzL.Pro/ExCom/75/36.

<sup>4</sup> UNEP/OzL.Pro/ExCom/75/37.

<sup>5</sup> UNEP/OzL.Pro/ExCom/75/43.

<sup>6</sup> UNEP/OzL.Pro/ExCom/75/44.

<sup>7</sup> UNEP/OzL.Pro/ExCom/75/46.

<sup>8</sup> UNEP/OzL.Pro/ExCom/75/50 where the World Bank component achieved the 20 per cent disbursement of its first tranche by cancelling a sub-project with Government agreement.

<sup>9</sup> UNEP/OzL.Pro/ExCom/75/51.

<sup>10</sup> UNEP/OzL.Pro/ExCom/75/55.

<sup>11</sup> UNEP/OzL.Pro/ExCom/75/57.

Turkey<sup>17</sup>, Venezuela (Bolivarian Republic of)<sup>18</sup> and Viet Nam<sup>19</sup> submitted respective tranches of their HPMPs. However, no tranches were submitted by the Governments of Algeria, Antigua and Barbuda, Chile, Democratic Republic of the Congo (the), Haiti, Myanmar, Saint Lucia, Timor-Leste and Yemen.

### Analysis of tranches not submitted to the 75<sup>th</sup> meeting

3. Twenty-four activities associated with tranches of HPMPs for 17 countries, at a total value of US \$5,663,281 including agency support costs, were not submitted<sup>20</sup> as shown in Table 1.

**Table 1. Tranches not submitted to the 75<sup>th</sup> meeting**

Country	Agency	Tranche	Amount (with support costs)	20% disbursement achieved	Reason for delay as provided by IA	Impact on compliance	2014 consumption below freeze?	Agreement signed	Number of meetings delayed
Algeria	UNIDO	2014	154,800	No	Enterprise issues	Unlikely	Yes	N/a	Four
Antigua and Barbuda	UNEP	2015	6,610	Yes	Quota system and submission of progress and financial reports	No	Yes	Yes	Two
Bangladesh	UNEP	2015	20,340	No	Change in NOU*	No	Yes	No	One
Cameroon	UNIDO	2015	63,571	No	Sufficient funds from previous tranche	n/a	Yes	Yes	One
Central African Republic (the)	UNEP	2013	62,150	No	Security issues	No	Yes	Yes	Five
Chile	UNEP	2014	30,535	No	Procurement	No	Yes	No	Two
Chile	UNDP	2014	120,980	No	Procurement	No	Yes	Yes	Two
Democratic Republic of the Congo (the)	UNEP	2015	26,555	Yes	Change in NOU	No	Yes-2013 N/a-2014	Yes	Two
Democratic Republic of the Congo (the)	UNDP	2015	26,160	Yes	Change in NOU	No	Yes-2013 N/a-2014	Yes	Two
Haiti	UNEP	2014	33,900	Yes	Quota system requirement/Political instability	No	Yes	Yes	Four
Haiti	UNDP	2014	105,860	N/a	Quota system requirement	No	Yes	N/a	Four
Myanmar	UNEP	2015	21,470	No	Signing of agreement	No	Yes-2013 N/a-2014	No	Two
Myanmar	UNIDO	2015	65,400	N/a	Signing of agreement for lead agency	No	Yes-2013 N/a-2014	N/a	Two
Philippines (the)	UNEP	2015	25,990	Yes	Verification reports/submission of progress and financial reports	No	Yes	Yes	One
Qatar	UNEP	2013 and 2015	231,650	Yes	Signing of agreement	No	Yes-2013 N/a-2014	No	Four
Qatar	UNIDO	2013 and 2015	731,745	Yes	Endorsement letter	No	Yes-2013 N/a-2014	Yes	Four
Saint Lucia	UNEP	2015	10,760	Yes	Verification report	No	Yes	Yes	Two
Saint Lucia	UNIDO	2015	4,144	Yes	Verification report	No	Yes	Yes	Two

<sup>12</sup> UNEP/OzL.Pro/ExCom/75/62.

<sup>13</sup> UNEP/OzL.Pro/ExCom/75/63.

<sup>14</sup> UNEP/OzL.Pro/ExCom/75/64.

<sup>15</sup> Submitted and subsequently withdrawn by UNEP and UNIDO during the project review process.

<sup>16</sup> UNEP/OzL.Pro/ExCom/75/65.

<sup>17</sup> UNEP/OzL.Pro/ExCom/75/71.

<sup>18</sup> UNEP/OzL.Pro/ExCom/75/73.

<sup>19</sup> UNEP/OzL.Pro/ExCom/75/74.

<sup>20</sup> For comparison, at the 74<sup>th</sup> meeting, 35 tranches for 24 countries that were due were not submitted.

Country	Agency	Tranche	Amount (with support costs)	20% disbursement achieved	Reason for delay as provided by IA	Impact on compliance	2014 consumption below freeze?	Agreement signed	Number of meetings delayed
South Africa	UNIDO	2015	1,393,499	No	Sufficient funds from previous tranche	No	Yes	N/a	One
Thailand	World Bank	2014	1,070,000	No	Verification report	No	Yes-2013 N/a-2014	Yes	One
Timor-Leste	UNEP	2015	18,532	Yes	Submission of progress and financial reports	No	Yes	Yes	Two
Timor-Leste	UNDP	2015	11,641	Yes	Sufficient funds from previous tranche	Unlikely	Yes	Yes	Two
Yemen	UNEP	2014	186,450	Yes	Security issues/ verification report	N/a	Yes-2013 N/a-2014	Yes	Three
<b>Total</b>			<b>4,422,742</b>						

(\*) National Ozone Unit.

### Reason for delays and status of HPMPs

4. The reasons for delays<sup>21</sup> include: verification report (5), changes in NOU (3), quota system requirement (3), security/political instability (3), submission of progress and financial report (3), signing of agreement (3), sufficient funds from previous tranche (3), procurement (2), endorsement letter (1), and enterprise issues (1). Nine tranches had reported disbursements below 20 per cent of approved funds for the previous tranche and were considered also delayed due to low disbursement.

5. Table 1 also indicates that the delays in the submission of HPMP tranches past due have not had an impact on compliance or were unlikely to have an impact. All outstanding tranches are expected to be submitted to the 76<sup>th</sup> meeting except Algeria, Central African Republic (the) and South Africa which may be submitted to the 77<sup>th</sup> meeting.

6. The following section addresses by country the reason(s) for the delay in tranche submission and the status of implementation of HPMPs.

#### *Algeria (UNIDO) – Enterprise issues/low disbursement*

7. This tranche was due four meetings ago. UNIDO indicated that the slow progress had been due to issues relating to the value of the grant and the implementation of a new technology. With respect to the Cristor project for the phase-out of HCFC-141b in the manufacture of insulation foam approved at the 62<sup>nd</sup> meeting, there had been an agreement to convert one of the three lines to reflect the budget as the original request had not been funded sufficiently, in the view of the beneficiary enterprise, to convert all three lines. With respect to the Condor project for the conversion of HCFC-22-based air-conditioners approved at the 66<sup>th</sup> meeting, the reason for the delay reported at the 73<sup>rd</sup> meeting<sup>22</sup> and the 74<sup>th</sup> meeting<sup>23</sup> was the time required by the enterprise to complete preparatory works for the introduction of the new technology R-32. As of this meeting, the enterprise is now considering introducing HC-290 technology but had to import the refrigerant for planned testing in 2015. The enterprise has not taken a decision on conversion activities and has not finalized the technical specifications for the initiation of bidding for the foam component. The tranche is not expected to be submitted until the 77<sup>th</sup> meeting.

#### *Antigua and Barbuda (UNEP) – Quota system requirement/submission of progress and financial reports*

8. UNEP reported to the 74<sup>th</sup> meeting<sup>24</sup> that the completion of the first tranche (technical assistance and training) was contingent on the NOU submitting progress and financial reports to UNEP. In its report

<sup>21</sup> There were more reasons for delays than delayed tranches since some tranches had multiple reasons for delays.

<sup>22</sup> UNEP/OzL.Pro/ExCom/73/6.

<sup>23</sup> UNEP/OzL.Pro/ExCom/74/6.

<sup>24</sup> UNEP/OzL.Pro/ExCom/74/6.

to the 75<sup>th</sup> meeting, UNEP indicated that the second tranche (reporting component) was pending the approval of a Ministerial Order for the implementation of the quota system.

*Bangladesh (UNEP) – Change in NOU/low disbursement*

9. The tranche was not submitted due to the change in the NOU that has resulted in no funds having been disbursed as at 31 December 2014. Several activities were completed in 2015 including enforcement training, a memorandum of understanding (MOU) for inter-agency collaboration on enforcement, a training manual for technicians and distribution of refrigerant identifiers. Disbursement has begun in 2015.

*Cameroon (UNIDO) – Sufficient funds from previous tranche/low disbursement*

10. The Government had decided to reallocate funds from the first and second tranches that would cover technician training by the middle of 2016 and avoid a shortage in funding over the last two years of stage I. Several activities have been completed in the first two tranches including conversion of foam enterprises, training on the use of methyl format foam technology, and training for small and medium enterprises (SMEs).

*Central African Republic (the) (UNEP) – Security issues/low disbursement*

11. The country has signed the agreement with UNEP. Training of refrigeration technicians and customs officers were provided but implementation was stopped in 2014 due to political unrest.

*Chile (UNDP and UNEP) – Procurement/low disbursement*

12. Three tranches have been approved for Chile. The delays in the completion of the procurement process, as well as low disbursement, have resulted in the delay in the request for the fourth tranche.

*The Democratic Republic of Congo (UNDP and UNEP) – Changes in NOU*

13. UNEP indicated that the delay in submitting the tranche was due to changes in the NOU. The first tranche of stage I activities implemented by UNEP has been completed; and procurement of equipment and service tools has been completed but equipment has not been delivered. The overall project has achieved the 20 per cent disbursement threshold.

*Haiti (UNDP and UNEP) – Quota system requirement/political instability*

14. This tranche was due four meetings ago. UNEP reported that recruitment for a legal expert to develop an enforceable HCFC quota system will be completed by the end of 2015 as the delay had been due to the instability in the country. UNDP did not receive any funding in the first tranche of the HPMP.

*Myanmar (UNEP and UNIDO) – Signing of agreement/low disbursement*

15. The Agreement between the Government and UNEP is under review by the Government; therefore, no funds have been disbursed. UNIDO did not receive any funding in the first tranche of the HPMP.

*Philippines (the) (UNEP) – Verification reports/submission of progress and financial reports*

16. The Government has not submitted the required verification reports for 2013 and 2014 consumption. Progress and financial reports to UNEP have not been submitted.

*Qatar (UNEP and UNIDO) – Endorsement letter/Signing of agreement*

17. The Government has not signed the agreement with UNEP to implement the first tranche of stage I. UNIDO and UNEP have prepared the second tranche submission since the 73<sup>rd</sup> meeting but have not been able to obtain the government's endorsement/agreement for the tranche. UNEP indicated that the tranche may not be submitted until the 76<sup>th</sup> meeting.

*Saint Lucia (UNEP and UNIDO) – Verification report*

18. Saint Lucia was selected as a low-volume-consuming (LVC) country for which a verification report would be prepared. The verification has not been completed.

*South Africa (UNIDO) — Sufficient funds from previous tranche/low disbursement*

19. Two tranches have been approved and equipment delivered for methyl formate use as a foam blowing agent. However, lack of acceptance in the market has not made the technology viable. Public awareness and further training are planned to address this issue. Less than five per cent of funds for the second tranche have been disbursed.

*Thailand (World Bank) — Verification report/low disbursement*

20. Implementation was initially delayed due to time needed for grant agreement, which was signed in November 2014. Several activities have been undertaken including 12 environment management plans<sup>25</sup>, six sub-grant agreements with air-conditioning manufacturers and four sub-grant agreements with foam enterprises have been signed for the conversion of these enterprises. However, funds had not been released as at July 2015 due to a pending consumption verification report.

*Timor-Leste (UNDP and UNEP) – Sufficient funds from previous tranche/submission of progress and financial reports*

21. In consultations with the country, it was agreed that there were sufficient remaining funds to support all planned activities until December 2015. In this regard, the NOU advised to postpone the request for the second tranche. UNEP indicated that several training activities had taken place and an MOU for technician training at a national training centre was drafted but that the required progress and financial reports had not been submitted. UNDP indicated that a procurement plan had been submitted to the NOU for review.

*Yemen (UNEP) – Security issues/verification report*

22. This tranche was due three meetings ago. There was difficulty in undertaking the mandatory verification due to the political situation in the country. UNEP plans coordination with the Government outside the country, and to provide follow-up technical support; but indicated in its report to the 74<sup>th</sup> meeting that the tranche may not be submitted until the 76<sup>th</sup> meeting.

**Tranches submitted but withdrawn after discussion with the Secretariat**

23. Table 2 presents the tranches that were submitted to the 75<sup>th</sup> meeting but withdrawn by relevant implementing agencies after review by the Secretariat. The reasons provided for withdrawal include: not enough progress and disbursement for the approved tranche, data discrepancies, and the need for verification reports.

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<sup>25</sup> These environment management plans are required by the World Bank to ensure that the project activities do not have negative environmental consequences.

**Table 2. Tranches that were submitted but withdrawn after discussion with the Secretariat**

Country	Agency	Tranche	Amount (with support costs)	Reason for withdrawal	Impact on comp- liance	2014 consump- tion below freeze	Agreement signed	New submission date (meeting)
Senegal	UNEP	Second (2014)	169,330	2013 and 2014 verification reports and possible data discrepancies	No	Yes	Yes	76 <sup>th</sup>
Senegal	UNIDO	Second (2014)	249,955	2013 and 2014 verification report, and possible data discrepancies	No	Yes	Yes	76 <sup>th</sup>
Tunisia	France	Second (2015)	444,354	Slow progress and disbursement below 20%	No	2013 Yes 2014 N/a	Yes	76 <sup>th</sup>
Tunisia	UNIDO	Second (2015)	512,419	Slow progress and disbursement below 20%	No	2013 Yes 2014 N/a	Yes	76 <sup>th</sup>
Tunisia	UNEP	Second (2015)	62,150	Slow progress and disbursement below 20%	No	2013 Yes 2014 N/a	Yes	76 <sup>th</sup>
<b>Total</b>			<b>1,438,208</b>					

## Recommendations

24. The Executive Committee may wish:

- (a) To note:
  - (i) The report on tranche submission delays contained in document UNEP/OzL.Pro/ExCom/75/6;
  - (ii) The information on tranche submission delays under multi-year agreements submitted by UNDP, UNEP, UNIDO and the World Bank;
  - (iii) That 56 out of 79 activities related to tranches of HCFC phase-out management plans (HPMPs) due for submission had been submitted on time to the 75<sup>th</sup> meeting and that five of those tranches were withdrawn after discussion with the Secretariat;
  - (iv) That relevant implementing agencies indicated no impact or unlikely impact on compliance resulting from the late submission of the tranches of HPMPs due for the second meeting of 2015 and that there had been no indication that any of these countries were in non-compliance with the 2013 freeze of HCFC consumption; and
- (b) To request the Secretariat to send letters on the decisions on tranche submission delays to the governments of countries listed in Annex I to the present document.

**Annex I**

**LETTERS TO BE SENT TO THE RELEVANT GOVERNMENTS  
ON TRANCHE SUBMISSION DELAYS**

<b>Country</b>	<b>Recommendation by the Secretariat to the Executive Committee</b>
Algeria	Noting that the third tranche (2014) was due for submission to the 71 <sup>st</sup> meeting in 2013, and urging the Government of Algeria to encourage the relevant enterprises to complete the conversion of their production lines to non-HCFC technologies, and to work with UNIDO so that the third tranche of the HPMP can be submitted to the 76 <sup>th</sup> or 77 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Antigua and Barbuda	Noting that an operational quota system is a requirement for the approval of the second tranche of an HPMP, and urging the Government of Antigua and Barbuda to complete the Ministerial Order for the implementation of the quota system, submit required progress and financial reports and to work with UNEP so that the second (2015) tranche can be submitted to the 76 <sup>th</sup> meeting.
Bangladesh	Noting that several activities had been completed in 2015 but that the rate of disbursement remains low, and urging the Government of Bangladesh to expedite the completion of the first (2011) and second (2013) tranches and to work with UNEP in training the NOU so that the third (2015) tranche can be submitted to the 76 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Cameroon	Noting that there were sufficient funds from the first and second tranches, and urging the Government of Cameroon to expedite the completion of activities in the first (2011) and second (2013) tranches and to work with UNIDO so that the third (2015) tranche can be submitted to the 76 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Central African Republic (the)	Noting that there had been some activities completed in 2014, and urging the Government of the Central African Republic to work with UNEP to expedite project implementation so that the second (2013) tranche can be submitted to the 76 <sup>th</sup> or 77 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2013 and subsequent tranches, accordingly.
Chile	Noting that the third (2013) tranche was approved at the 73 <sup>rd</sup> meeting in November 2014 and that there had been delays in the procurement process, and urging the Government of Chile to expedite implementation of the activities in the tranches under implementation, and to work with UNDP and UNEP so that the fourth (2014) tranche could be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Democratic Republic of the Congo (the)	Noting that there have been changes in the NOU but that procurement had been completed and disbursement increased in 2014-2015, and urging the Government of the Democratic Republic of the Congo to work with UNDP and UNEP so that the third (2015) tranche can be submitted to the 76 <sup>th</sup> meeting.
Haiti	Noting that the second (2014) tranche was due in 2013 but that Haiti has not confirmed that an HCFC quota system was in place, and urging the Government of Haiti to work with UNEP to expedite the establishment of the quota system so that the second (2014) tranche can be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly.
Myanmar	Noting that an agreement between the Government of Myanmar and UNEP is required to implement the first (2012) tranche of stage I of the HPMP and urging the Government to complete the agreement with UNEP and expedite the implementation of the tranche so that the second (2015) tranche can be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches, accordingly, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.

<b>Country</b>	<b>Recommendation by the Secretariat to the Executive Committee</b>
Philippines (the)	Noting that the required verification reports for 2013 and 2014 and the progress and financial reports have not been submitted, and urging the Government of the Philippines to work with UNEP to complete the required verification and progress and financial reports so that the second (2015) tranche can be submitted to the 76 <sup>th</sup> meeting.
Qatar	Noting that both the second (2013) and third (2015) tranche were past due, and urging the Government of Qatar to work with UNEP to expedite the signing of the agreement and with UNIDO for the endorsement letter so that the second (2013) tranche could be submitted to the 76 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly.
Saint Lucia	Noting the delay in the completion of the verification report, and urging the Government of Saint Lucia to work with UNEP and UNIDO to submit the third (2015) tranche to the 76 <sup>th</sup> meeting.
Senegal	Noting that the second (2014) tranche was withdrawn, and urging the Government of Senegal to work with UNEP and UNIDO to submit the 2013 and 2014 verification reports and resolve the potential data discrepancies, if applicable, so that the second (2014) tranche could be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly.
South Africa	Noting that several activities have been completed in the first (2012) and second (2013) tranches of stage I of the HPMP and that there are sufficient funds available from these tranches at this time, and urging the Government of South Africa to work with UNIDO to expedite the implementation of the HPMP so that the third (2015) tranche of the HPMP can be submitted to the 76 <sup>th</sup> or 77 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Thailand	Noting that several activities have been completed and that the grant agreement has been signed but that a verification report was due, and urging the Government of Thailand to work with the World Bank to complete the verification report and expedite the implementation of the HPMP so that the third (2014) tranche can be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly, and on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Timor-Leste	Noting that there were sufficient funds from the second (2013) tranche to implement activities through December 2015 but that a progress and financial report was due to UNEP, and urging the Government of Timor-Leste to submit the required progress and financial report to UNEP and work with UNDP and UNEP to expedite implementation so that the 2015 tranche could be submitted to the 76 <sup>th</sup> meeting.
Tunisia	Noting that the second (2015) tranche was withdrawn, and urging the Government of Tunisia to work with UNEP, UNIDO and the Government of France, to expedite progress so that the 2015 tranche could be submitted to the 76 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Yemen	Noting that there had been difficulty in completing the verification report of national consumption targets and the current political instability in the country, and urging the Government of Yemen to work with UNEP to complete the verification report and expedite project implementation so that the second (2014) tranche can be submitted to the 76 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches, accordingly.