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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
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ANNUAL TRANCHE SUBMISSION DELAYS

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Overview

1. This document is submitted as a follow-up to the decision taken at the 47th Meeting, which requested a separate agenda item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations (decision 47/50(d)) at future meetings of the Executive Committee. This request emanates from a history of late submissions of annual tranches that result in delays in transferring funds and in fulfilling obligations to fund the activities required by them. The agenda item is intended to enable the Executive Committee to encourage relevant countries and agencies to increase their efforts to submit annual tranches to the next meeting of the Executive Committee and to address difficulties in meeting deadlines with respect to the submission of annual tranches.

2. This document addresses delays in the submission of tranches that were due at the 52nd Meeting and presents recommendations for consideration by the Executive Committee. At its 50th Meeting, the document addressed for the first time the submission of an annual tranche that was incomplete and therefore had to be withdrawn. However, there were no such submissions to the 51st or the 52nd Meetings.

Annual Tranche Delays (tranches due for submission to the 52nd Meeting)

3. Thirty-nine annual tranches were due for submission to the 52nd Meeting. Of these, 14 have been submitted, 14 have not been submitted, and 11 have not been submitted by mutual agreement with the Secretariat. Table 1 presents the tranches not submitted to the 52nd Meeting, along with the reasons provided by the relevant implementing agency.

Table 1

ANNUAL TRANCHES NOT SUBMITTED

Country	Agency	Sector	Tranches	Reason for delay
Antigua and Barbuda	World Bank	CFCs Phase-Out	2006	Awaiting Grant agreement signature.
Argentina	World Bank	Production CFCs	2007	Verification report not ready.
Bangladesh	UNDP	ODS Phase-Out	2005, 2006, 2007	Late project document signature, the need for revision to the plan, and sufficient funds from the first tranche for 2007.
Bangladesh	UNEP	ODS Phase-Out	2005, 2006, 2007	Late project document signature, the need for revision to the plan, and sufficient funds from the first tranche for 2007.
Congo, DR	UNEP	CFCs Phase-Out	2007	Political situation in the country.
Congo, DR	UNDP	CFCs Phase-Out	2007	Awaiting project document signature.
Kenya	France	CFCs Phase-Out	2005	Late gazettelement of regulations.
Libyan Arab Jamahiriya	UNIDO	CFCs Phase-Out	2006	Verification report not completed.
Pakistan	UNIDO	CTCs Phase-Out	2005	Verification report not completed.
Thailand	World Bank	ODS Phase-Out	2007	The country has requested to submit the annual tranches at the final meeting of the year since the original agreement did not specify a meeting due date.

4. The breakdown, by agency, is as follows: France (1 tranche), UNDP (4), UNEP (4), UNIDO (2) and the World Bank (3).

5. In two cases, signature of the grant agreement/project document for the overall agreement (Antigua and Barbuda under World Bank implementation and the Democratic Republic of the

Congo under UNDP implementation) had not occurred and therefore the tranche due would have to be delayed until the agreement/document had been signed. Six past tranches are due for submission by UNDP and UNEP on behalf of Bangladesh. The latest tranches were not submitted because there were sufficient funds available from the previous tranches for 2007 activities, the long time required to obtain the signature of project documents resulted in the need to revise the overall plan. However, since the project documents have been signed there has been progress toward submission of the tranches to the 53rd Meeting and a revised plan is under preparation.

6. UNEP indicated that the delay in submission of its component of the Democratic Republic of the Congo CFC phase-out project was due to the political situation in the country.

7. With respect to those tranches in the Libyan Arab Jamahiriya and Pakistan under UNIDO implementation, and the production sector tranche in Argentina under World Bank implementation, all were delayed because the verification report had not been completed in time for submission.

8. In the case of France's CFC phase-out project in Kenya, the delay was due to resolving a condition of approval for the project which related to the gazettment of regulations that has subsequently occurred. It is expected that the tranche could be submitted to the 53rd Meeting.

9. The World Bank correctly indicated that the agreement with Thailand did not specify a meeting. It also indicated that Thailand wants the due date for the submission of annual tranches to be changed to the final meeting of the year. The Executive Committee may wish to consider changing the due date for Thailand's ODS phase-out project until the third meeting of the year to avoid any further confusion over the due date, based on the request from the Government.

Delayed tranches for countries with compliance decisions

10. Tranches were not submitted for four countries for which compliance decisions have been taken with respect to control measures covered by the respective agreements including: Bangladesh, Kenya, and the Libyan Arab Jamahiriya for CFCs and Pakistan for CTC. Although the tranches were not submitted for Bangladesh and Kenya, the reasons for the delayed submission have been addressed and the tranches are likely to be submitted to the 53rd Meeting. With respect to the missing verification reports for the Libyan Arab Jamahiriya and Pakistan, UNIDO has indicated that it had not received feedback from the Libyan Arab Jamahiriya or timely submission of information from Pakistan in order to complete the required verification reports and avoid the submission delay. The Executive Committee may wish to urge the countries mentioned in this paragraph for which compliance decisions have been taken to facilitate the submission of the required reports to the 53rd Meeting and achievement of the other conditions for submission of delayed tranches to enable the Committee to provide the assistance required to facilitate compliance.

Annual tranches not submitted by agreement with the Secretariat

11. Table 2 presents those tranches that were deferred by mutual agreement.

Table 2

ANNUAL TRANCHES NOT SUBMITTED BY MUTUAL AGREEMENT

Country	Agency	Sector	Tranches	Reasons for deferral
Cuba	UNDP	ODS Phase-Out	2006	Low rate of expenditure to-date.
Cuba	UNDP	ODS Phase-Out	2007	Low rate of expenditure to-date.
Dominica	UNEP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Dominica	UNDP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Grenada	UNDP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Grenada	UNEP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Iran	UNIDO	CFCs Phase-Out (Refrigeration Servicing/ Assembly/Solvents)	2008	Return to original schedule.
Saint Kitts and Nevis	UNDP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Saint Kitts and Nevis	UNEP	CFCs Phase-Out	2007	Low rate of expenditure to-date.
Saint Vincent and the Grenadines	UNDP	ODS Phase-Out	2007	Low rate of expenditure to-date.
Saint Vincent and the Grenadines	UNEP	ODS Phase-Out	2007	Low rate of expenditure to-date.

12. Most of the reasons for submission being delayed until the 53rd Meeting are due to the rate of disbursement of the existing tranches. Agreement was reached between the agency and the Secretariat that since no funds were needed to conduct ongoing activities, the next tranche could be delayed until the 53rd Meeting. The Executive Committee may wish to note the low disbursement and urge the submission of these tranches to the 53rd Meeting.

13. With respect to the UNIDO component of the CFC phase-out tranche in Iran, the lead agency (Germany) and the Fund Secretariat suggested, after review of the submission to the 51st Meeting that the original schedule should be maintained and the 2008 tranche should be submitted in 2008 despite the fact decision 50/11(c) allowed the 2008 tranche to be submitted in 2007. Therefore the Secretariat will take into account the agreement to defer the submission until 2008 in its evaluation of UNIDO's 2007 business plan.

RECOMMENDATIONS

14. The Executive Committee may wish to consider:

- (a) Noting the information on annual tranches of multi-year agreements submitted to the Secretariat by France, UNDP, UNEP, UNIDO and the World Bank contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/52/18);

- (b) Noting that 14 of the 39 annual tranches of multi-year agreements that were due for submission were not submitted on time to the 52nd Meeting, 10 were withdrawn due to low disbursement of funds, and one due to a mutually agreed change in schedule;
- (c) Noting that letters should be sent for the annual tranches listed below that were due for submission to the 52nd Meeting with the reasons indicated for the delay, and encouraging implementing agencies and the relevant Article 5 Governments to submit these annual tranches to the 53rd Meeting:

Country	Agency	Sector	Tranches	Reason for delay
Antigua and Barbuda	World Bank	CFCs Phase-Out	2006	Grant agreement has not been signed.
Argentina	World Bank	Production CFCs	2007	Verification report was not ready.
Bangladesh	UNDP	ODS Phase-Out	2005, 2006, 2007	Late project document signature, the need for revision to the plan, and sufficient funds from the first tranche for 2007.
Bangladesh	UNEP	ODS Phase-Out	2005, 2006, 2007	Late project document signature, the need for revision to the plan, and sufficient funds from the first tranche for 2007.
Congo, DR	UNEP	CFCs Phase-Out	2007	Political situation in the country.
Congo, DR	UNDP	CFCs Phase-Out	2007	Project document has not been signed.
Kenya	France	CFCs Phase-Out	2005	Late gazettelement of regulations.
Libyan Arab Jamahiriya	UNIDO	CFCs Phase-Out	2006	Verification report has not been completed.
Pakistan	UNIDO	CTC Phase-Out	2005	Verification report has not been completed.

- (d) Changing the due date for tranches of the ODS phase-out project in Thailand to the last meeting of the year; and
- (e) Urging Bangladesh, Kenya, Libyan Arab Jamahiriya, and Pakistan, for which compliance decisions have been taken and the related annual tranches were not submitted to the 52nd Meeting, to facilitate the submission of the required reports to the 53rd Meeting, as well as the achievement of the other requirements indicated in paragraph (c) in time for that meeting to enable the Executive Committee to approve the annual tranches that can assist in future compliance.
