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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-third Meeting  
Montreal, 26-30 November 2007

**ANNUAL TRANCHE SUBMISSION DELAYS**

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## Overview

1. This document is submitted as a follow-up to the decision taken at the 47<sup>th</sup> Meeting of the Executive Committee (decision 47/50(d)), which requested that a separate item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations be placed on the agenda at future meetings of the 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 and implement the activities required by those tranches. 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 subsequent meetings 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 53<sup>rd</sup> Meeting and presents recommendations for consideration by the Executive Committee. It also identifies requests that have not been submitted by mutual agreement and tranches that have been submitted but were incomplete and therefore had to be withdrawn.

### Annual tranche delays (tranches due for submission to the 53<sup>rd</sup> Meeting)

3. Fifty-seven annual tranches were due for submission to the 53<sup>rd</sup> Meeting. Of these, 43 have been submitted (including nine that have been submitted but withdrawn by mutual agreement with the Secretariat). Therefore, 14 annual tranches that were due for submission to the 53<sup>rd</sup> Meeting have not been submitted, and these are presented in Table 1, along with the reasons provided by the relevant implementing agency.

Table 1

### ANNUAL TRANCHES NOT SUBMITTED

Country	Agency	Sector	Tranches	Reason for delay
Albania	UNIDO	ODS Phase-out	2007	The activities under prior tranches are only expected to be completed by the end of 2007 or the beginning of 2008.
Antigua and Barbuda	World Bank	CFCs Phase-out	2006	Awaiting signature of grant agreement.
Bangladesh	UNDP	ODS Phase-out	2007	Tranches for 2005 and 2006 were submitted without a verification report and the 2007 tranche is expected to be submitted with the 2008 tranche, after approval of 2005 and 2006 tranches.
Bangladesh	UNEP	ODS Phase-out	2007	Tranches for 2005 and 2006 were submitted without a verification report and the 2007 tranche is expected to be submitted with the 2008 tranche, after approval of 2005 and 2006 tranches.
Congo, DR	UNDP	CFCs Phase-out	2007	Slow progress in implementing current work plan.
Congo, DR	UNEP	CFCs Phase-out	2007	Slow progress in implementing current work plan.
Islamic Republic of Iran	UNIDO	CFCs Phase-out (Refrigeration Servicing /Assembly/ Solvents)	2008	Not provided.
Kenya	France	CFCs Phase-out	2005	Recent initiation of first tranche.
Kyrgyzstan	UNDP	CFCs Phase-out	2007	Slow progress in signing the project document and subsequently delay in implementation of 2007 annual plan.

Country	Agency	Sector	Tranches	Reason for delay
Kyrgyzstan	UNEP	CFCs Phase-out	2007	Slow progress in signing the project document and subsequently delay in implementation of 2007 annual plan.
Libyan Arab Jamahiriya	Spain	Methyl bromide	2007	Changes in the institutional arrangements at the NOU.
Libyan Arab Jamahiriya	UNIDO	CFCs Phase-out	2006	No A7 data has been reported.
Uruguay	Canada	CFCs Phase-out	2007	Late project document signature.
Uruguay	UNDP	CFCs Phase-out	2007	Late project document signature.

4. The breakdown of annual tranches that have not been submitted, by agency, is as follows: Canada (1), France (1), Spain (1), UNDP (4), UNEP (3), UNIDO (3), and the World Bank (1).

5. With respect to the project in Antigua and Barbuda under World Bank implementation, the signature of the grant agreement had not occurred and therefore the tranche that was due has been delayed until the agreement/document is signed. Under this project, the Bank indicated that it cannot begin to disburse funds until a grant agreement has been signed. However, it also indicated that after the signature the agreement might take about a month to become effective, after which time the Bank will plan a supervisory mission to assist the country in its implementation efforts and in preparing the annual plan and verification report. The Bank indicated that it is unlikely to be able to meet the submission deadline to the 54<sup>th</sup> Meeting of the Executive Committee, and therefore it would submit the final tranche request to the 55<sup>th</sup> Meeting.

6. Two overdue tranches (2005 and 2006) have been submitted by UNDP and UNEP on behalf of Bangladesh. However, the tranche due for 2007 was not submitted. The 2005 and 2006 tranches were submitted without the required verification reports and, therefore, they have not been forwarded to the Executive Committee. The delay for these submissions is due mainly to the long time required to obtain the signature of project documents, which resulted in the need to revise the overall plan and caused the subsequent delay in the submission of scheduled tranches.

7. UNEP, as the lead agency, indicated that the delay in submission of the 2007 tranche of the CFC phase-out project in the Congo DR was due to slow progress in the implementation of current annual work plan.

8. In the case of France's CFC phase-out project in Kenya, the second tranche has not been submitted to the 53<sup>rd</sup> Meeting of the Executive Committee because the implementation of the recently released first tranche had barely begun. France advised that it would assess efforts to enforce the newly approved ODS regulations and the resulting impact on the imports and consumption of ODS, before requesting the second tranche at the 54<sup>th</sup> Meeting.

9. UNEP, as the lead agency, indicated that the request for Kyrgyzstan had not been submitted due to the slow progress in signing the project document and the subsequent delay in the implementation of the 2007 annual plan. A revised schedule of activities has been coordinated between UNEP and UNDP and agreed with the National Ozone Unit (NOU).

10. UNDP, as the lead agency (and on behalf of Canada), reported on the request for the second tranche for the CFC phase-out project in Uruguay. It indicated that it had taken longer than expected to obtain a signature on the project document, which delayed the initiation of the first tranche. However, several activities have been undertaken in 2007 and it is expected that the second tranche will be submitted to the 54<sup>th</sup> Meeting.

11. UNIDO's requests for tranches for its projects in Albania and Libyan Arab Jamahiriya will be submitted to the 54<sup>th</sup> Meeting of the Executive Committee. With respect to Albania, the activities under prior tranches are not expected to be completed until the end of 2007 or the beginning of 2008. Therefore, the 2007 tranche will be submitted for approval at the first meeting of 2008. With respect to Libyan Arab Jamahiriya no Article 7 data has been reported, although this data is expected to be submitted by the end of 2007, following which the 2006 tranche will be submitted to the Executive Committee for approval.

#### Delayed tranches for countries with compliance decisions

12. Tranches have not been submitted for six countries, for which compliance decisions have been taken with respect to control measures covered by the respective agreements. These six countries are: Albania, Bangladesh, Congo DR, Islamic Republic of Iran, Kenya, and Libyan Arab Jamahiriya, for CFCs. Although the tranches have not been submitted for Bangladesh and Kenya, the reasons for the delays in the submissions have been addressed. With respect to the methyl bromide project in Libyan Arab Jamahiriya, the Government of Spain indicated that the annual tranche had not been submitted due to changes in the institutional arrangements for the NOU. The Executive Committee may wish to urge the countries mentioned in this paragraph, for which compliance decisions have been taken, to encourage the submission of the required reports to the 54<sup>th</sup> Meeting and the achievement of the other conditions required for the submission of delayed tranches, to enable the Committee to provide the assistance required to facilitate compliance.

#### **Annual tranches not submitted by mutual agreement with the Secretariat**

13. Table 2 presents those tranches that have been deferred by mutual agreement.

Table 2

#### **ANNUAL TRANCHES NOT SUBMITTED BY MUTUAL AGREEMENT**

Country	Agency	Sector	Tranches	Reasons for deferral
Dominica	UNEP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Dominica	UNDP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Egypt	UNIDO	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Grenada	UNEP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Grenada	UNDP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Panama	UNDP	CFC Phase-out	2007	Slow implementation of approved tranches
Saint Kitts and Nevis	UNDP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Saint Kitts and Nevis	UNEP	CFCs Phase-out	2007	Low rate of expenditure/implementation to-date.
Saint Vincent and the Grenadines	UNDP	ODS Phase-out	2007	Low rate of expenditure/implementation to-date.
Saint Vincent and the Grenadines	UNEP	ODS Phase-out	2007	Low rate of expenditure/implementation to-date.

14. For the most part, the submission of the annual tranches that have been delayed until the 54<sup>th</sup> Meeting is due to the low rates of disbursement under existing tranches, and because of slow implementation. An agreement has been reached between the relevant agency and the Secretariat that, where no funds are needed to conduct ongoing activities, the next tranche could be delayed until the 54<sup>th</sup> Meeting. The Executive Committee may wish to note the reasons why phase-out

projects have been submitted but withdrawn and urge the submission of these tranches to the 54<sup>th</sup> Meeting.

### **Annual tranches submitted with incomplete information**

15. Ten tranches of multi-year agreements (MYAs) were submitted to the 53<sup>rd</sup> Meeting but, following review, were determined to be incomplete because the verification report was either not submitted or was inadequate. In each case the tranche was withdrawn. This issue was first addressed at the 50<sup>th</sup> Meeting when there had been seven incomplete submissions (there were no incomplete MYA submissions however to the 51<sup>st</sup> or the 52<sup>nd</sup> Meetings).

16. Table 3 presents the annual tranches of MYAs that were incomplete when they were submitted:

Table 3

### **ANNUAL TRANCHES SUBMITTED BUT NOT FORWARDED FOR APPROVAL**

<b>Country</b>	<b>Agency</b>	<b>Sector</b>	<b>Tranches</b>	<b>Reason the Submission not Considered for Approval</b>
Bangladesh	UNDP	ODS Phase-out	2005 and 2006	Verification report was not submitted.
Bangladesh	UNEP	ODS Phase-out	2005 and 2006	Verification report was not submitted.
Indonesia	World Bank	ODS Phase-out (Foam)	2007	Verification was inadequate.
Indonesia	UNDP	ODS Phase-out (Refrigeration Manufacturing)	2007	Verification was inadequate.
India	Germany	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	Switzerland	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	UNDP	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	UNEP	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
Nigeria	UNDP	CFC Phase-out	2005	Verification was inadequate.
Pakistan	UNIDO	CTC Phase-out	2005	Verification was inadequate.

17. The Executive Committee may wish to encourage the above countries and agencies to submit these tranches to the 54<sup>th</sup> Meeting.

**RECOMMENDATIONS**

18. 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/53/13);
- (b) Noting that 14 of the 57 annual tranches of multi-year agreements that were due for submission were not submitted on time to the 53<sup>rd</sup> Meeting, and ten were withdrawn due to the low levels of disbursement of funds and/or slow implementation;
- (c) Noting that letters should be sent for the annual tranches listed below that were due for submission to the 53<sup>rd</sup> 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 54<sup>th</sup> Meeting unless otherwise indicated:

Country	Agency	Sector	Tranches	Reason for delay
Albania	UNIDO	ODS Phase-out	2007	The activities under prior tranches are only expected to be completed by the end of 2007 or the beginning of 2008.
Antigua and Barbuda	World Bank	CFCs Phase-out	2006	Awaiting signature of the grant agreement.
Bangladesh	UNDP	ODS Phase-out	2007	Tranches for 2005 and 2006 were submitted without verification reports and the 2007 tranche is expected to be submitted with the 2008 tranche after approval of 2005 and 2006 tranches.
Bangladesh	UNEP	ODS Phase-out	2007	Tranches for 2005 and 2006 were submitted without verification reports and the 2007 tranche is expected to be submitted with the 2008 tranche after approval of 2005 and 2006 tranches.
Congo, DR	UNDP	CFCs Phase-out	2007	Slow progress in implementing current work plan.
Congo, DR	UNEP	CFCs Phase-out	2007	Slow progress in implementing current work plan.
Islamic Republic of Iran	UNIDO	CFCs Phase-out (Refrigeration Servicing /Assembly/ Solvents)	2008	To be provided by UNIDO.
Kenya	France	CFCs Phase-out	2005	Recent initiation of first tranche.
Kyrgyzstan	UNDP	CFCs Phase-out	2007	Slow progress in signing the project document and subsequently delay in the implementation of the 2007 annual plan.
Kyrgyzstan	UNEP	CFCs Phase-out	2007	Slow progress in signing the project document and subsequently delay in the implementation of the 2007 annual plan.
Libyan Arab Jamahiriya	Spain	Methyl bromide	2007	Changes in the institutional arrangements at the NOU.
Libyan Arab Jamahiriya	UNIDO	CFCs Phase-out	2006	No A7 data has been reported.
Uruguay	Canada	CFCs Phase-out	2007	Late signature of the project document.
Uruguay	UNDP	CFCs Phase-out	2007	Late signature of the project document.

- (d) Urging Albania, Bangladesh, Congo DR, Islamic Republic of Iran, Kenya, and Libyan Arab Jamahiriya, for which compliance decisions have been taken and for which the related annual tranches were not submitted to the 53<sup>rd</sup> Meeting, to facilitate the submission of the required reports to the 54<sup>th</sup> Meeting.
- (e) Noting that letters should be sent for the following annual tranches that were submitted to the 53<sup>rd</sup> Meeting but were not considered for approval for the reasons indicated, and encouraging implementing agencies and the relevant Article 5 Governments to submit these annual tranches to the 54<sup>th</sup> Meeting:

Country	Agency	Sector	Tranches	Reason the Submission not Considered for Approval
Bangladesh	UNDP	ODS Phase-out	2005 and 2006	Verification report was not submitted.
Bangladesh	UNEP	ODS Phase-out	2005 and 2006	Verification report was not submitted.
Indonesia	World Bank	ODS Phase-out (Foam)	2007	Verification was inadequate.
Indonesia	UNDP	ODS Phase-out (Refrigeration Manufacturing)	2007	Verification was inadequate.
India	Germany	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	Switzerland	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	UNDP	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
India	UNEP	CFCs Phase-out (Refrigeration Servicing)	2008	Verification was inadequate.
Nigeria	UNDP	CFC Phase-out	2005	Verification was inadequate.
Pakistan	UNIDO	CTC Phase-out	2005	Verification was inadequate.

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