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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March-3 April 2009

ANNUAL TRANCHE SUBMISSION DELAYS

Overview

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

2. The document addresses delays in the submission of tranches that were due at the 57th Meeting and presents recommendations for consideration by the Executive Committee. It also considers six annual tranches that have been withdrawn from consideration at the 57th Meeting due to delays in implementation.

Annual tranche delays (tranches due for submission to the 57th Meeting)

3. Ninety annual tranches were due for submission to the 57th Meeting of which fifty-eight annual tranches have been submitted. Thirty-two tranches have not been submitted on time. These are broken down as follows: UNDP (5), UNEP (11), UNIDO (11), World Bank (4), and France (1).

Annual tranche delays for two consecutive meetings

4. Table 1 presents tranches that have not been submitted to either two or three consecutive meetings with the reasons as provided by the relevant implementing agency.

Table 1**ANNUAL TRANCHES NOT SUBMITTED TO TWO OR MORE CONSECUTIVE MEETINGS**

Country	Agency	Sector	Tranches	Reason for delays	Number of meetings late
Antigua and Barbuda	World Bank	CFC Phase-out plan	2006	The grant agreement has been signed. However, due to the time elapsed since the approval of the agreement, the Bank indicated that it was necessary to change the work plan, begin implementation using the funds approved in the first tranche, and conduct a verification audit. The same reason for delay was given to previous meetings.	4
Bahrain	UNDP	CFC Phase-out plan	2008	The agreement has been signed and implementation is underway with Phase I due to be completed in the first week of March 2009. The submission date for the second tranche will be coordinated among the agencies involved based on progress in the first tranche. It will be submitted to either the 58 th or 59 th Meeting. Reasons for delays given to previous meetings were that activities in the first tranche had not been completed due to the delay in hiring a consultant and the associated delay finalizing the specifications for the equipment order.	3
Bahrain	UNEP	CFC Phase-out plan	2008	Implementation has been slow. Reasons for this given at previous meetings include the continued delay in signing the MOU and transferring funds for a training institute.	3
Cuba	UNDP	ODS Phase-out plan	2008	Under the commercial retrofit programme, the winner of the procurement process for the purchase of materials and equipment was not able to fulfill the contract and the contracting process had to be renewed. A new contract has been signed and the goods will arrive shortly. Both the 2008 and 2009 tranches will be submitted in 2009. The reason for delay given at the last meeting was that there had not been sufficient disbursement of funds.	2
Kuwait	UNEP	ODS Phase-out plan	2008	Implementation has been slow. The reason for this given at the previous meeting was the death of the ozone officer.	2
Kuwait	UNIDO	ODS Phase-out plan	2008	UNEP is the lead implementing agency. The delay is due to the lack of a designated ozone officer following the death of the previous ozone officer. However, UNIDO completed the procurement of equipment and the preparation of training material for training on MAC retrofits.	2

Country	Agency	Sector	Tranches	Reason for delays	Number of meetings late
Paraguay	UNDP	CFC Phase-out plan	2008	There has been some progress in the planned activities, however, the level of disbursement remains low as a large portion of the first tranche corresponds to the purchase of equipment. The procurement process is advanced and it is expected that the purchase order will be issued in March 2009, generating the corresponding expenditure. In view of this, the second tranche will be requested at the 58 th Meeting. UNEP is the lead agency and is aware of the status. In previous meetings, the reason given for the delay had also been slow disbursement.	4
Paraguay	UNEP	CFC Phase-out plan	2008	There had not been sufficient disbursement of funds for the investment components. The same reason for the delay was given at the previous meeting. The planned date of submission is now the 58 th Meeting.	2
Sudan	UNIDO	ODS Phase-out plan	2008	Despite numerous attempts by UNIDO to follow-up, the verification report has not been completed on time for submission to the 57 th Meeting. This was also the reason provided to the previous meeting to explain the delay.	2
Tunisia	World Bank	ODS Phase-out plan	2008	The verification audit has not been completed, although further implementation of ongoing activities is expected. The reasons for the delay that were given at previous meetings include lack of time to engage a firm/consultant and complete a third party audit by the submission deadline and that more implementation of the first tranche was required before a request could be made for the second tranche.	3
Turkey	World Bank	CFC Phase-out plan	2008	The need to establish alternative working arrangements (now that the Turkey ODS Umbrella Project is closed) to ensure that the verification and reporting exercises can be carried out with the full support of all the parties. This is the same as the reason given to the last meeting. The tranche is expected to be submitted to the 58 th Meeting.	2
Vietnam	World Bank	Methyl bromide	2008	Instead of a new grant agreement, the existing agreement (for the NOPP) is expected to be amended within a month in order to include MB activities. The next tranche will not be required until end of 2009 (the 59 th Meeting). This is the same reason for delay given to the last meeting.	2

5. As it did at its 55th and 56th Meetings, the Executive Committee may wish to request that letters are sent to note these delays and to encourage implementing agencies and the relevant Article 5 Governments to take action to expedite the implementation of the approved tranches, so that tranches due for submission can be presented to the 58th Meeting, provided sufficient progress has been made.

Other annual tranches due for submission to the 57th Meeting

6. Table 2 presents those tranches that were not submitted with the reasons as provided by the relevant implementing agency.

Table 2

ANNUAL TRANCHES NOT SUBMITTED THAT WERE DUE FOR THE FIRST TIME THIS YEAR FOR SUBMISSION TO THE 57TH MEETING

Country	Agency	Sector	Tranches	Reason for delays
Albania	UNIDO	ODS Phase-out plan	2008	Sufficient funds are available under the existing tranches. The last two tranches will be submitted to the 59 th Meeting due to the high amount of unreleased funding.
Algeria	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing tranche. The next tranche is expected to be submitted to the 59 th Meeting.
Cameroon	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing tranches. The next tranche will be submitted to the 58 th Meeting.
Cape Verde	UNEP	CFC Phase-out plan	2009	Late delivery of training equipment.
Congo	UNEP	ODS Phase-out plan	2009	The investment component has not yet started.
Congo	UNIDO	ODS Phase-out plan	2009	UNEP is the lead implementing agency.
Djibouti	UNEP	CFC Phase-out plan	2009	The investment component has not yet started.
Egypt	UNIDO	CFC Phase-out plan	2008	UNIDO and EEAA have experienced delays in executing the retrofit demonstration projects as part of the second and third tranches of the NPP, which has delayed the submission of the final tranche.
Eritrea	UNEP	ODS Phase-out plan	2009	Implementation has not yet started due to lack of ODS legislation.

Country	Agency	Sector	Tranches	Reason for delays
Eritrea	UNIDO	ODS Phase-out plan	2009	UNEP is the lead implementing agency. Despite UNIDO's regular follow-up, the licensing system has not yet been implemented in the country. The first tranche of the plan was approved on the understanding that funding would not be released until confirmation of the licensing system to the Ozone Secretariat had been received by the Fund Secretariat.
Guyana	UNDP	CFC Phase-out plan	2009	Project implementation has been delayed and funds remain available from the first tranche. It is expected that the request for the second tranche will be submitted to the 58 th Meeting.
Guyana	UNEP	CFC Phase-out plan	2009	There is a large operating balance and a new ozone officer has not yet been appointed (following the death of the previous officer in October, 2008). UNDP components remain to be implemented. The tranche will be submitted to the 58 th Meeting.
Lao, DPR	France	CFC Phase-out plan	2009	The first tranche was approved in April 2008. There has been a delay in the preparation of the financial agreement.
Montenegro	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing tranches. The next tranche will be submitted to the 58 th Meeting.
Niger	UNEP	CFC Phase-out plan	2009	Late delivery of training equipment.
Niger	UNIDO	CFC Phase-out plan	2009	UNEP is the lead implementing agency.
Qatar	UNEP	CFC Phase-out plan	2009	Slow implementation.
Qatar	UNIDO	CFC Phase-out plan	2009	The country was actively involved in the preparations for the Meeting of the Parties, which slowed down project implementation.
Tanzania	UNDP	ODS Phase-out plan	2009	UNEP has the lead.
Tanzania	UNEP	ODS Phase-out plan	2009	Slow implementation.

Annual tranches submitted but subsequently withdrawn

7. Table 3 presents those tranches that were submitted but subsequently withdrawn or requested to be withdrawn.

Table 3

ANNUAL TRANCHES THAT WERE SUBMITTED AND REQUESTED TO BE WITHDRAWN

Country	Agency	Sector	Tranches	Reasons for deferral
China	World Bank	CFC production sector and accelerated phase-out plan	2009	Late submission with unresolved issues.
Costa Rica	UNDP	Methyl bromide Phase-Out	2008	Lack of progress due to difficult climatic conditions.
Cote d'Ivoire	UNEP and UNIDO	TPMP	2009	Lack of progress.
Dominican Republic	UNDP	TPMP	2009	Insufficient verification report.
India	World Bank	CFC production sector and accelerated phase-out plan	2009	Late submission with unresolved issues.
Maldives	UNEP	TPMP	2009	Low rate of expenditure to-date.

8. The Executive Committee may wish to encourage the Governments of China and India to submit their production sector requests to the 58th Meeting; Costa Rica to expedite the implementation of its methyl bromide phase-out plan in order to submit the 2008 tranche to the 58th Meeting; Cote d'Ivoire and Maldives to expedite the implementation of their TPMPs in order to submit the 2009 annual tranches for review as soon as possible; and the Dominican Republic to submit a complete verification report to the 58th Meeting.

RECOMMENDATIONS

9. The Executive Committee may wish to consider:
- (a) Noting the information on annual tranches of multi-year agreements submitted to the Secretariat by Canada, France, Germany, Italy, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/57/14);
 - (b) Noting that 58 of the 90 annual tranches of multi-year agreements that were due for submission were submitted on time to the 57th Meeting.
 - (c) Noting that letters should be sent to the relevant implementing agencies and applicable Article 5 countries regarding the annual tranches, which have not been submitted to two or more consecutive Meetings, with the reasons stated for the delay (as indicated in Table 1 of this document) and to encourage implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches, so that tranches due for submission can be presented to the 58th Meeting, provided that sufficient progress has been made;
 - (d) Noting that letters should be sent to the relevant implementing agencies and applicable Article 5 countries regarding the annual tranches, which had been due for submission to the 57th Meeting, with the reasons stated for the delay (as indicated in Table 2 of this document) and to encourage implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches, so that tranches due for submission can be presented to the 58th Meeting, provided that sufficient progress has been made;
 - (e) Encouraging the Governments of:
 - (i) China and India to submit their production sector requests to the 58th Meeting;
 - (ii) Costa Rica to expedite the implementation of the existing tranches of its methyl bromide phase-out plan, in order to submit the next tranche for approval as soon as possible;
 - (iii) Cote d'Ivoire and Maldives to expedite the implementation of their TPMPs in order to submit the 2009 annual tranches for review as soon as possible; and
 - (iv) The Dominican Republic to submit a complete verification report to the 58th Meeting.
