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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-ninth Meeting  
Montreal, 15-19 April 2013

**TRANCHE SUBMISSION DELAYS**

1. This report emanates from a history of late submissions of annual tranches that resulted in delays in transferring funds and in fulfilling obligations to fund the activities required by those annual tranches. It is intended to enable the Executive Committee to encourage countries and relevant agencies to enhance their efforts to submit annual tranches as soon as possible and to address difficulties in meeting deadlines with respect to their submissions. There were twenty-eight tranches of multi-year agreements (MYAs) from eighteen countries due to the 69<sup>th</sup> meeting including HCFC phase-out management plans (HPMPs) in sixteen of those countries, methyl bromide MYAs in two countries (Chile and Mexico) and a CFC production sector project (India).

2. All of the HPMP tranches that were not submitted were for either second or subsequent tranches. Fourteen tranches of HPMPs were for the following ten countries: Chile, Croatia, Cuba, Indonesia, Iran (Islamic Republic of), Montenegro, Namibia, Panama, Seychelles and Viet Nam.

3. Germany indicated that the delay in the submission for Namibia and Seychelles was due to low disbursement of funds with respect to the second tranches of the HPMPs. It also noted that part of the delay on the project in Seychelles was due to the attempt to obtain co-financing from local sources for a related demonstration project. The stage I HPMP has nevertheless proceeded although the co-funding for the demonstration project has not been obtained.

4. With respect to the requests for the tranches of the HPMPs under UNDP implementation (Chile, Cuba, Indonesia, Iran (Islamic Republic of), and Panama), all are delayed due to the fact that the 20 per cent disbursement target of the previous tranche had not yet been met. UNDP also indicated that another reason for the delay in the HPMPs in Chile and Indonesia was the delay in signing the project document.

5. UNEP informed that the second tranches of the HPMPs under its implementation (Chile and Panama) were also delayed due to the fact that the 20 per cent disbursement target of the previous tranches would not be met.

6. For the fourth tranche for Croatia, UNIDO reported that the biddings for the demonstration units were not successful and the agreement was signed in February. For the third tranche of Iran (Islamic Republic of), there had not been sufficient time to disburse 20 per cent of the funds. In the case of Montenegro, the delivery of the servicing equipment was delayed and the contract for the institutional strengthening (IS) was only completed in March 2013.

7. The World Bank indicated that it did not view the second tranches of the HPMPs for Indonesia and Viet Nam as having been delayed as the agreements do not specify a date for submission. The agreements specify “no earlier than the first meeting”, this is interpreted as due to be submitted to the first, or any, meeting of the year. The Bank indicated that it would submit the tranches to the last meeting of the year. The Bank did not advise why a tranche that could have been submitted to the 69<sup>th</sup> meeting has not been, but instead would be submitted to the last meeting of the year 2013. The Secretariat plans to continue to monitor these submissions as under the agreements the second tranches can be submitted to any meeting in the year.

## **OBSERVATIONS**

8. Fourteen of the 28 tranche requests due were submitted on time to the 69<sup>th</sup> meeting. The 14 tranches that were not submitted were for either second or subsequent tranches of HPMPs. The reason provided for 10 tranches was that the 20 per cent disbursement of funding threshold to receive the subsequent tranche had not been met. In two cases, the delay was specified as being due to the late signing of the agreement or contract, or unsuccessful bidding or the delay in the delivery of servicing equipment. The Bank did not provide a reason why a tranche that could have been submitted to the 69<sup>th</sup> meeting was not submitted to it. The delay in HPMP tranche requests is an indicator of the progress

of implementation to final beneficiary enterprises and may be a critical factor in enabling countries to comply with control measures in the future.

## RECOMMENDATIONS

9. The Executive Committee may wish to consider:

(a) Noting:

- (i) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by Germany, UNDP, UNEP, UNIDO and the World Bank as contained in document UNEP/OzL.Pro/ExCom/69/14;
- (ii) That 14 out of 28 tranches of MYAs due for submission had been submitted on time to the 69<sup>th</sup> meeting, that all delayed tranches were either second or subsequent tranches of HCFC phase-out management plans (HPMPs), and that the main reason for late submission was the failure to meet the requirement for the 20 per cent disbursement threshold of funding for the first tranche of the HPMPs; and

(b) Requesting the Secretariat to send letters to the Governments of Chile, Croatia, Cuba, Indonesia, Iran (Islamic Republic of), Montenegro, Namibia, Panama, Seychelles and Viet Nam to urge them to address issues that prevented the scheduled submission of HPMP tranches, as early as possible.

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