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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-eighth Meeting
Montreal, 3-7 April 2006

ANNUAL TRANCHE SUBMISSION DELAYS (FOLLOW-UP TO DECISION 47/50)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Overview

1. This document is submitted as a follow-up to the decision taken at the 47th Meeting requesting a separate sub-agenda item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations in future meetings (decision 47/50, para. d). The Fund Secretariat circulated a list of all outstanding annual tranches of multi-year agreements. It requested bilateral (where relevant) and multilateral implementing agencies to indicate whether they agreed to the due date (in terms of first, second or third meeting of the Executive Committee) indicated for each tranche, and when a delayed tranche was expected to be submitted as well as why it was expected to be submitted late. The Secretariat also asked for reasons why the support the permanent change in a due date.

2. This document addresses these issues and presents recommendations for consideration by the Executive Committee.

Annual Tranche Delays (tranches due for submission to the 48th Meeting)

3. Thirty-four annual tranches were due for submission to the 48th Meeting. Fourteen tranches were not submitted, broken down as follows: UNIDO (5), UNDP (3), UNEP (3), the World Bank(1), France (1), and Germany (1).

4. The annual tranches for the following agreements were not submitted to the 48th Meeting because there was insufficient time to prepare a verification report: Argentina CFC (UNIDO), Ecuador CFC (World Bank), Korea DPR CFC and ODS production (UNIDO), Macedonia CFC (UNIDO), Mexico CFC (UNIDO), and Venezuela CFC (UNIDO). In these cases, agencies indicated that the latest available verification report was for the year 2005 and it was impossible to obtain updated information in time for the first meeting of 2006.

5. The annual tranche for the ozone depleting substance (ODS) phase-out project in Bangladesh (UNDP and UNEP) was not submitted because the country has not signed the project document. It should be noted that Bangladesh has raised an issue with respect to its CFC metered dose inhaler (MDI) sector that is addressed in the context of the Country Programme Update for Bangladesh (UNEP/OzL.Pro/ExCom/48/41).

6. The submission of the annual tranches due for Cuba's ODS phase-out project for France, Germany, and UNDP were not submitted as Cuba has requested a change of implementing agencies (see the Report on Implementation of Approved Projects with Specific Reporting Requirements, UNEP/OzL.Pro/48/18).

7. The annual tranche for the CFC phase-out agreement in Ecuador was not submitted by the World Bank due to delays regarding the management audit for the National CFC phase-out plan. The Bank reported that the audit was under contract and results were expected in March 2006.

Requests for Changing due Dates for Annual Tranches of Multi-year Agreements

8. Due dates for most annual tranches are specified by the Executive Committee in the multi-year agreements. In some cases, the precise date of the meeting where the submission of a tranche would be due is not specified, and only the year for which the annual tranche is due has been included in a given agreement. This is generally the case with the methyl bromide projects. As mentioned above, in some cases the due dates for annual tranches specified in agreements are not possible to meet since the annual tranche must be accompanied by a verification report covering the previous year's consumption and the information necessary to compile the verification report is not available one to two months after the year-end.

9. The request for a sub-agenda item on the submission of annual tranches emanates from a history of late submissions of annual tranches, which results in delays in transferring funds and delays in the obligation of funding the activities required by the annual tranches. This agenda item will enable the Executive Committee to encourage countries and relevant agencies to increase their efforts to submit the tranches as soon as possible and enable the Executive Committee to take appropriate action.

10. The 48th meeting is the first meeting where this issue is being addressed. Therefore, implementing agencies and the relevant Article 5 countries were asked, by the Fund Secretariat, to consider whether they agreed to a due date for annual tranches that more accurately reflects the funding and reporting needs for the implementation and approval of annual tranches. As a result of this request, implementing agencies and the relevant countries have asked the Executive Committee to agree to set different due dates for annual tranches. Proposed changes and data on existing due dates for all outstanding annual tranches of approved multi-year agreements are specified in Annex I to the present document.

11. Table 1 presents the total number of annual tranches due for submission according to the meeting at which they are due, and the impact on these due dates of the proposed changes based on the data included in Annex I.

Table 1

IMPACT OF PROPOSED DUE DATE CHANGES ON SUBMISSION DATES OF ANNUAL TRANCHES FOR APPROVED MULTI-YEAR AGREEMENTS*

Meeting Due	Existing Number of Annual Tranches Due	Proposed Number of Annual Tranches Due
First Meeting	34	16
Second Meeting	12	16
Third Meeting	36	38
No meeting specified**	3	0
No future submission		15
Total	85	85

* Assumes one annual tranche per agency.

** Only year of submission specified in the agreement.

12. Table 1 indicates that the proposed changes in due dates will not adversely affect the work load of the Fund Secretariat since most of the proposed changes relate to moving annual tranche submissions from the first meeting of the year to the second meeting of the year, with 15 tranches that will not be submitted to future meetings. Those 15 tranches represent either the last annual tranches of multi-year agreements or multiple annual tranches for the same agreements.

13. The third meeting of the year continues to be the meeting with the largest number of multi-year agreements for consideration. Any delays in submission that extend beyond the second meeting of the year will have an adverse impact on the workload of the Fund Secretariat. The Executive Committee may wish to take the issue of the workload of the Fund Secretariat into consideration in approving due dates for the submission of annual tranches of multi-year agreements that have yet to be approved. The Executive Committee might also wish to urge countries and agencies to submit annual tranche submissions to either the first or second meetings of the year in order to distribute the workload of the implementing agencies, Executive Committee and the Fund Secretariat over the three meetings and thereby minimize the possibly over-burdening the workload of the last meeting of the year.

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 Germany, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/48/17);
- (b) Agreeing to the changes in due dates for specific annual tranches as indicated in Annex I of the present document;
- (c) Noting that 20 out of the 34 annual tranches of multi-year agreements were submitted on time to the 48th Meeting;
- (d) Noting that letters should be sent for the following annual tranches that were due for submission to the 48th Meeting, with the reasons indicated for the delay, encouraging implementing agencies and the relevant Article 5 governments to submit these annual tranches to the 49th Meeting as a matter of urgency:

Country	Agency	Sector	Annual Tranche	Reason for Delay
Cuba	UNDP	ODS Phase-Out	2006	Change of implementing agency composition
Ecuador	World Bank	CFCs Phase-Out	2006	Delays regarding the management audit
Korea, DPR	UNIDO	Production	2005	Pending verification report
Korea, DPR	UNEP	CFCs Phase-Out	2006	To be provided
Macedonia	UNIDO	CFCs Phase-Out	2006	Pending verification report.

- (e) Noting that letters should be sent with respect to the following annual tranches that were due for submission to the 48th Meeting, with the reasons indicated for the delay, encouraging implementing agencies and the relevant Article 5 governments to submit these annual tranches, as now agreed, to the 50th Meeting without any further delays:

Country	Agency	Sector	Annual Tranche	Reason for Delay
Argentina	UNIDO	CFCs Phase-Out	2006	Pending verification report
Bangladesh	UNDP	ODS Phase-Out	2005	Government delayed in signature of project document
Bangladesh	UNEP	ODS Phase-Out	2005	Government delayed in signature of project document
Bangladesh	UNDP	ODS Phase-Out	2006	Government delayed in signature of project document
Bangladesh	UNEP	ODS Phase-Out	2006	Government delayed in signature of project document
Mexico	UNIDO	CFCs Phase-Out	2006	Pending verification report
Venezuela	UNIDO	CFCs Phase-Out	2006	Pending verification report

- (f) Urging Article 5 countries and agencies to propose annual tranche submissions either to the first or second meetings of the year for new multi-year agreements.

Annex I

DUE DATES FOR ANNUAL TRANCHES OF MULTI-YEAR AGREEMENTS

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Afghanistan	Germany	ODS Phase-Out	2006	First Meeting	48th Meeting			
Albania	UNIDO	ODS Phase-Out	2005	Second Meeting	50th Meeting			To complete the annual implementation plan
Antigua and Barbuda	IBRD	CFCs Phase-Out	2006	Third Meeting	50th Meeting			
Argentina	UNIDO	CFCs Phase-Out	2006	First Meeting	50th Meeting	Third Meeting	The earliest date of completion of A7 consumption audit is April/May	Pending verification report
Argentina	UNDP	Methyl Bromide (Tobacco)	2006	First Meeting	48th Meeting			
Argentina	IBRD	Production CFCs	2006	First Meeting	48th Meeting			
Bahamas	IBRD	CFCs Phase-Out	2005	Third Meeting	50th Meeting			
Bangladesh	UNDP	ODS Phase-Out	2005	First Meeting	50th Meeting			Government delayed in signature of project document. Still unable to initiate project activities
Bangladesh	UNDP	ODS Phase-Out	2006	First Meeting	50th Meeting			Government delayed in signature of project document. Still unable to initiate project activities
Bangladesh	UNDP	ODS Phase-Out	2007 due in 2007	N/A	N/A	Second Meeting (pending letter)	To accommodate time required to complete performance verification of the previous year	
Bangladesh	UNEP	ODS Phase-Out	2005	First Meeting	50th Meeting			Government delayed in signature of project document. Still unable to initiate project activities
Bangladesh	UNEP	ODS Phase-Out	2006	First Meeting	50th Meeting			Government delayed in signature of project document. Still unable to initiate project activities. Pending signature, UNEP has initiated finalization of TORs etc. for hiring national consultants for Refrigeration and Customs Officers training

Annex I

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Bangladesh	UNEP	ODS Phase-Out	2007 due in 2007	N/A	N/A	Second Meeting (pending letter)	To accommodate time required to complete performance verification of the previous year	
Bosnia and Herzegovina	UNIDO	ODS Phase-Out	2005	Third Meeting	50th Meeting			
Brazil	Germany	CFCs Phase-Out	2005/2006	First Meeting	48th Meeting			
Brazil	UNDP	CFCs Phase-Out	2007 due in 2006	Third Meeting	50th Meeting			
China	IBRD	Foam	2007 due in 2006	Third Meeting	50th Meeting			
China	IBRD	Halon	2007 due in 2006	Third Meeting	50th Meeting			
China	IBRD	Process Agent	2006	First Meeting	48th Meeting			
China	IBRD	Process Agent II	2006	First Meeting	48 th Meeting			
China	IBRD	Production CFCs	2006	First Meeting	48 th Meeting			
China	UNIDO	Refrigeration Servicing	2006	Third Meeting	50 th Meeting			
China	UNDP	Solvent	2007 due in 2006	Third Meeting	50 th Meeting			
China	UNIDO	Tobacco	2006	First Meeting	48 th Meeting			
Costa Rica	UNDP	Methyl Bromide	2004	Second Meeting	49 th Meeting			Delay in submission of 2004 tranche as a result of late start of sector plan, disbursement schedules need to be adjusted. 2004 tranche to be requested at 49th ExCom Meeting and 2006 tranche to be requested at 55th ExCom Meeting
Costa Rica	UNDP	Methyl Bromide	2006	N/A	55 th Meeting	Second Meeting of 2008	Request for change in timeline per Decision ExMOP/1/2	
Croatia	UNIDO	CFCs Phase-Out	2006	Second Meeting	49 th Meeting			
Cuba	France	ODS Phase-Out	2006	First Meeting	To be transferred			Submission delayed pending ExCom decision on change of IA
Cuba	Germany	ODS Phase-Out	2006	First Meeting	To be transferred			Submission delayed pending ExCom decision on change of IA
Cuba	UNDP	ODS Phase-Out	2006	First Meeting	49 th Meeting			Submission delayed pending ExCom decision on change of IA
Dominican Republic	UNDP	CFCs Phase-Out	2006	First Meeting	48 th Meeting			
Ecuador	IBRD	CFCs Phase-Out	2006	First Meeting	49 th Meeting			Delays regarding the management audit

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Egypt	UNIDO	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
India	Germany	CFCs Phase-Out (Refrigeration Servicing)	2007 due in 2006	Third Meeting	50 th Meeting			
India	Switzerland	CFCs Phase-Out (Refrigeration Servicing)	2007 due in 2006	Third Meeting	50 th Meeting			
India	UNDP	CFCs Phase-Out (Refrigeration Servicing)	2007 due in 2006	Third Meeting	50 th Meeting			
India	UNEP	CFCs Phase-Out (Refrigeration Servicing)	2007 due in 2006	Third Meeting	50 th Meeting			
India	France	CTCs Phase-Out (Consumption and Production)	2006	Second Meeting	50 th Meeting			
India	Germany	CTCs Phase-Out (Consumption and Production)	2006	Second Meeting	49 th Meeting			
India	IBRD	CTCs Phase-Out (Consumption and Production)	2006	Second Meeting	49 th Meeting			
India	UNIDO	CTCs Phase-Out (Consumption and Production)	2006	Second Meeting	48 th Meeting			Completion of verification audit
India	IBRD	Production CFCs	2006	First Meeting	48 th Meeting			
Indonesia	IBRD	ODS Phase-Out (Foam)	2005	Third Meeting	48 th Meeting			Late initiation of the performance verification upon completion of a refined terms of reference and verification methodology
Indonesia	IBRD	ODS Phase-Out (Foam)	2006	Third Meeting	Not provided			
Indonesia	IBRD	ODS Phase-Out (MAC)	2005	Third Meeting	48 th Meeting			Late initiation of the performance verification upon completion of a refined terms of reference and verification methodology
Indonesia	IBRD	ODS Phase-Out (MAC)	2006	Third Meeting	50 th Meeting			
Indonesia	UNDP	ODS Phase-Out (Refrigeration Manufacturing)	2005	First Meeting	48 th Meeting			Late initiation of the performance verification upon completion of a refined terms of reference and verification methodology

Annex I

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Indonesia	UNDP	ODS Phase-Out (Refrigeration Manufacturing)	2006	Third Meeting	50 th Meeting			
Indonesia	UNDP	ODS Phase-Out (Refrigeration Servicing)	2005	First Meeting	48 th Meeting			Late initiation of the performance verification upon completion of a refined terms of reference and verification methodology
Indonesia	UNDP	ODS Phase-Out (Refrigeration Servicing)	2006	Third Meeting	50 th Meeting			
Iran	Germany	CFCs Phase-Out (Foam, MAC Training, Management)	2006	First Meeting	48 th Meeting			
Iran	UNIDO	CFCs Phase-Out (Ref.Servicing/ Assembly/Solvents)	2006/2007/2008	First Meeting	48 th Meeting			Not provided
Kenya	France	CFCs Phase-Out	2005	Third Meeting	50 th Meeting			
Kenya	UNDP	Methyl Bromide (Cut Flowers)	2006	Third Meeting	50 th Meeting			
Kenya	Germany	Methyl Bromide (Horticulture)	2006	No meeting specified	49 th Meeting	Second Meeting (agreement not reached with UNDP and country)	Not provided	
Korea, DPR	UNEP	CFCs Phase-Out	2006	First Meeting	49 th Meeting			Not provided
Korea, DPR	UNIDO	CTCs Phase-Out	2006	Second Meeting	49 th Meeting			
Korea, DPR	UNIDO	Production	2005	First Meeting	49 th Meeting	Second Meeting	To accommodate time required to complete performance verification of the previous year	Pending verification report
Lebanon	UNDP	CFCs Phase-Out	2005	First Meeting	48 th Meeting			Delay in submission of 2005 tranche due to non completion of performance verification. 2006 tranche was submitted as scheduled to the 48th ExCom Meeting
Lebanon	UNDP	CFCs Phase-Out	2006	First Meeting	48 th Meeting			
Lebanon	UNDP	CFCs Phase-Out	2007 due in 2007	First Meeting	N/A	Second Meeting (pending letter)	To accommodate time required to complete performance verification of the previous year	

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Lesotho	Germany	CFCs Phase-Out	2005	No meeting specified	50 th Meeting	Third Meeting (pending letter from country and contingent approval of 2005 and 2006 work programmes)	Slow disbursement of fund	
Libya	UNIDO	CFCs Phase-Out	2006	First Meeting	48 th Meeting			
Macedonia	UNIDO	CFCs Phase-Out	2006	First Meeting	49 th Meeting	Second Meeting	To accommodate time required to complete performance verification of the previous year	Pending verification report
Malaysia	IBRD	ODS Phase-Out	2006	Third Meeting	50 th Meeting			
Mauritius	Germany	ODS Phase-Out	2005	No meeting specified	49 th Meeting	Second Meeting (pending letter)	Slow disbursement of fund	
Mexico	UNIDO	CFCs Phase-Out	2006	First Meeting	50 th Meeting	Third Meeting	The earliest date of completion of A7 consumption audit is April/May	Pending verification report
Morocco	UNIDO	Methyl Bromide	2006	Third Meeting	50 th Meeting		Meeting correct	
Namibia	Germany	CFCs Phase-Out	2005	Third Meeting	50 th Meeting			
Nigeria	UNDP	CFCs Phase-Out	2005	Third Meeting	48 th Meeting			Delayed submission of 2005 tranche due to non-completion of performance verification
Nigeria	UNDP	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Nigeria	UNIDO	Solvent	2006	Second Meeting	49 th Meeting		Meeting correct	
Pakistan	UNIDO	CTCs Phase-Out	2005	Third Meeting	50 th Meeting		Meeting correct	
Panama	UNDP	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Panama	UNEP	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Papua New Guinea	Germany	CFCs Phase-Out	2006	First Meeting	48 th Meeting			
Philippines	IBRD	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Romania	UNIDO	CFCs Phase-Out	2006	First Meeting	48 th Meeting		Meeting correct	
Romania	UNIDO	Production ODS	2006	Third Meeting	50 th Meeting		Meeting correct	
Serbia and Montenegro	Sweden	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Serbia and Montenegro	UNIDO	CFCs Phase-Out	2006	Third Meeting	50 th Meeting		Meeting correct	
Sudan	UNIDO	ODS Phase-Out	2006	Third Meeting	50 th Meeting		Meeting correct	

Annex I

Country	Agency	Sector	Tranches	Meeting to be Submitted	Planned Submission Date	Proposed Change	Reason for Change	Reason for Delay
Thailand	IBRD	Methyl Bromide	2006	Third Meeting	50 th Meeting			
Thailand	IBRD	ODS Phase-Out	2006	First Meeting	48 th Meeting			
Trinidad and Tobago	UNDP	CFCs Phase-Out	2006	Second Meeting	49 th Meeting			
Turkey	IBRD	CFCs Phase-Out	2006	Third Meeting	50 th Meeting			
Venezuela	UNIDO	CFCs Phase-Out	2006	First Meeting	50 th Meeting	Third Meeting	The earliest date of completion of A7 consumption audit is April/May	Pending verification report
Venezuela	IBRD	Production CFCs	2006	Second Meeting	49 th Meeting			
Vietnam	IBRD	ODS Phase-Out	2006	Second Meeting	49 th Meeting			
