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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fifth Meeting
Bali, Indonesia, 13-17 November 2011

BUDGET FOR THE FUND SECRETARIAT

(Revised 2012 and 2013 and Proposed 2014 Budgets)

1. This document contains feedback from the Secretariat on its assessment on the appropriate rate of increase in staff costs for future years as a follow-up to decision 60/49(a) and (b).
2. It contains a revision of the 2012 budget to introduce the operational costs of the Secretariat for the year 2012 and to revise the personnel component of the 2012 budget that had been approved and maintained by decisions 59/52(b) and 60/49(a) of the Executive Committee. The document also presents a revision of the 2013 personnel component that was approved by decision 62/67(c) to take into account the revision made in the 2012 personnel component of the budget and proposes the 2014 budget to cover staff costs in 2014.

Follow-up to decisions 60/49(a) and (b) and 62/67(d) on the appropriate rate of increase for future years on staff costs

3. By decision 60/49(a) and (b), the Executive Committee decided to maintain the annual increase in salary for staff for 2011 and 2012 approved at the 59th meeting, which had been approved for 2011 on the basis of a five per cent increase against the 2010 staffing costs and for 2012 on the basis of a three per cent increase against the 2011 staffing costs, and requested the Secretariat to continue monitoring staff costs to assess the appropriate rate of increase for future years and to report back to the Executive Committee when presenting the 2010 accounts of the Fund at the 65th meeting in 2011. In addition through decision 62/67(d) the Executive Committee decided to note that the 2012 and 2013 personnel component costs as approved at the 62nd meeting, with a three per cent inflation rate for both

2012 and 2013, would be subject to any decision taken at the 65th meeting of the Executive Committee on the inflation rate to be applied in line with decision 60/49(b).

4. The 2010 staff costs are presented in schedule 1.3 of the 2010 final accounts of the Fund attached to this document as appendix 1 for ease of reference, and shows unspent balances of US \$306,019 in the professional category and US \$130,691 in the general service category. These balances are largely due to vacant or partially filled posts during the course of 2010 as a result of the departure of the Senior Monitoring Evaluation Officer in January 2009 and arrival of his replacement in October 2010, the upgrade of one P5 to D1 that occurred in May 2010 and the recruitment of one P5 post in May 2011. The 2010 accounts show overruns under some staff lines that have been offset by savings realised in other lines.

5. Table 1 shows the balances resulting from staff movement and ongoing recruitment exercises in 2010 which provides a contingency to cover unexpected expenditures such as staff entitlements under UN rules and regulations. It also provides the estimated balances on staff costs in 2011. Since most of the vacant posts were filled by 2011, the actual expenditures through September 2011 have been used to assess the most appropriate rate of increase. Based on actual staff costs up to September 2011 and the projected costs through December 2011, the overall projected staff costs for the year 2011 show an estimated contingency of US \$94,920 in the professional category and US \$149,523 in the general service category when calculated against the approved 2011 budget at five per cent increase rate. If calculated at a three per cent increase rate against the approved 2010 budget, 2011 would show a contingency of US \$49,335 in the professional category and US \$131,529 in the general service category over a total staff allocation of US \$3,274,255 in 2011.

Table 1: US\$ staff allocation and savings in 2010 and 2011

	Approved 2010 budget At 5% increase rate	Projected 2011 Based on approved 2011 budget at 5% increase rate	Projected 2011 Based on a 2011 budget calculated at 3% increase rate
Total staff allocation	3,178,888	3,337,834	3,274,255
Professional Staff balance/ Contingency	306,019	94,920	49,335
General Services Staff balance/Contingency	130,691	149,593	131,529
Total balance/Contingency	436,710	244,443	180,864

6. Based on the projected 2011 budget at a three per cent increase rate, it appears that a three per cent rate would be sufficient to maintain a three per cent increase in 2012 as approved at the 62nd meeting by decision 60/49(a). The Secretariat recommends therefore to maintain a three per cent increase rate in 2012 and to revisit the percentage of the increase rate in 2012 to further assess the most appropriate rate once all positions are filled and occupied for at least 2 years. In the meantime the Secretariat will make the necessary adjustments to staff allocation within its approved budget as necessary and advise the Executive Committee accordingly.

Revised 2012 budget

7. The 2012 budget as contained in document UNEP/OzL.Pro/ExCom/65/58 has been revised to introduce the operational costs of the Secretariat with an overall decrease offsetting savings against any increase in other budget lines. The document contains a revision to the 1100 and 1300 categories of the personnel component of the 2012 budget that had been approved and maintained by decisions 59/52(b)

and 60/49(a) of the Executive Committee at no extra cost to the overall budget of the Secretariat for 2012 as shown in column G of Annex I. It proposes the upgrade of post 1112 of the Associate IT Officer from P2 to P3 as a result of additional and more complex duties resulting from paperless Executive Committee meetings and the switch of level of budget line 1302 (G7), Meeting Service Assistant, with budget line 1306 (G8), Computer Operations Assistant.

8. It contains a US \$500,000 allocation for the Treasurer fees for the Committee's consideration after taking into account the indicative breakdown of the US \$500,000 annual fees for the provision of services by the Treasurer as a follow-up to Executive Committee decision 62/66(d), which requested the Treasurer to include in the accounts of the Multilateral Fund Secretariat an indicative breakdown of the US \$500,000 annual fees. The breakdown has been provided by the Treasurer in the 2010 accounts document UNEP/OzL.Pro/ExCom/65/56.

Revised 2013 staff costs

9. The revised 2013 budget reflects staff costs for 2013 using the three per cent inflation rate applied in line with decision 62/67(d) and has been revised to reflect the proposed upgrade of the post of the Associate IT Officer under budget line 1112.

Proposed 2014 budget

10. The proposed 2014 budget reflects only staff costs for 2014 to enable extension of staff contracts based on the revised 2013 staff costs levels, using the three per cent inflation rate against the 2013 staff cost until further assessment of the appropriateness of the inflation rate used in 2012.

Action requested from the Executive Committee

11. The Executive Committee is invited to:

- (a) Note the Secretariat's feedback on the appropriate rate of increase for staff costs contained in document UNEP/OzL.Pro/ExCom/65/58;
- (b) Maintain the three per cent rate applied to the 2012, 2013 as well as 2014 budgets and request the Secretariat to revisit the rate of three per cent in 2012 to further assess the most appropriate rate once all positions had been filled and occupied for at least two years;
- (c) Approve the amount of US \$3,034,869 in the revised 2012 budget of the Fund Secretariat, as contained in Annex I to the present document, to cover the operational costs of the Secretariat and the 2012 revised personnel component cost resulting in a total of US \$6,919,774;
- (d) Approve the additional amount of US \$42,063 in the revised 2013 personnel component costs of the budget totalling US \$4,043,516; and
- (e) Approve the proposed 2014 personnel component costs of the budget totalling US \$4,164,821.

REVISED 2012, REVISED 2013 AND PROPOSED 2014 BUDGETS OF THE FUND SECRETARIAT

		A	B	C	D	E	F	G=B-C
		Approved	Approved	Revised	Approved	Revised	Proposed	
		2011	2012	2012	2013	2013	2014	incr/decr in revised 2012
10	PERSONNEL COMPONENT	5%	3%	3%	3%	3%	3%	
1100	Project Personnel (Title & Grade)							
	01	Chief Officer (D2)	230,282	237,190	237,190	244,306	244,306	251,635
	02	Deputy Chief Officer (D1)	227,260	234,078	234,078	241,100	241,100	248,333
	03	Programme Management Officer (P3)	150,618	155,137	155,137	159,791	159,791	164,585
	04	Senior Project Management Officer (P5)	205,366	211,527	211,527	217,873	217,873	224,409
	05	Senior Project Management Officer (P5)	205,366	211,527	211,527	217,873	217,873	224,409
	06	Senior Project Management Officer (P5)	205,366	211,527	211,527	217,873	217,873	224,409
	07	Senior Project Management Officer (P5)	205,366	211,527	211,527	217,873	217,873	224,409
	08	Information Management Officer (P3)	181,588	187,036	187,036	192,647	192,647	198,426
	09	Senior Admin & Fund Management Officer (P5)*	184,257	189,785	189,785	195,478	195,478	201,342
	10	Senior Monitoring and Evaluation Officer (P5)	205,366	211,527	211,527	217,873	217,873	224,409
	11	Programme Management Officer (P3)	150,618	155,137	155,137	159,791	159,791	164,585
	12	Associate IT Officer (P2/P3)	91,127	93,860	130,000	96,676	133,900	137,917
	13	Associate HR Officer (P2)	-	0	-	0	0	-
	14	Programme Management Officer (P3)	150,618	155,137	155,137	159,791	159,791	164,585
1199	Sub-Total	2,393,200	2,464,996	2,501,136	2,538,946	2,576,170	2,653,455	36,140
1200	Consultants							
	01	Technical and project review	100,000	-	100,000	0	0	0
1299	Sub-Total	100,000	-	100,000	-	-	-	-
1300	Administrative Support Personnel							
	01	Admin Assistant (G8)	86,564	89,161	89,161	91,836	91,836	94,591
	02	Meeting Services Assistant (G8) (formerly G7 switched with 1306)	81,909	89,161	84,366	91,836	86,897	89,504
	03	Programme Assistant (G8)	86,564	89,161	89,161	91,836	91,836	94,591
	04	Senior Secretary (G6)	64,122	66,045	66,045	68,027	68,027	70,067
	05	Senior Secretary (G6)	64,122	66,045	66,045	68,027	68,027	70,067
	06	Computer Operations Assistant (G7) (formerly G8 switched with 1302)	86,564	84,366	89,161	86,897	91,836	94,591
	07	Programme Assistant (G6)	67,770	69,803	69,803	71,897	71,897	74,054
	08	Secretary/Clerk, Administration (G7)	72,700	74,881	74,881	77,128	77,128	79,441
	09	Registry Clerk (G5)	55,391	57,052	57,052	58,764	58,764	60,527
	10	Database Assistant (G8)	86,564	89,161	89,161	91,836	91,836	94,591
	11	Secretary, Monitoring & Evaluation (G6)	64,122	66,045	66,045	68,027	68,027	70,067
	12	IMIS Assistant (G6)	0	0	-	0	0	-
	13	Secretary (G6)	64,122	66,045	66,045	68,027	68,027	70,067
	14	Programme Assistant (G6)	64,122	66,045	66,045	68,027	68,027	70,067
		Sub-Total	944,634	972,973	972,973	1,002,162	1,002,162	1,032,227
1330	Conference Servicing Cost							
1333	Meeting Services: ExCom Montreal	260,000	-	260,000	-	-	-	
1334	Meeting Services: ExCom Montreal	260,000	-	260,000	-	-	-	
1336	Meeting Services: ExCom Montreal	260,000	-	260,000	-	-	-	
1335	Temporary assistance	65,000	-	43,782	-	-	-	(21,218)
		Sub-Total	845,000	-	823,782	-	-	(21,218)
1399	TOTAL ADMINISTRATIVE SUPPORT	1,789,634	972,973	1,796,755	1,002,162	1,002,162	1,032,227	(21,218)

* Difference in cost between P4 and P5 is to be charged to BL 2101

Note: Personnel costs under 1100 and 1300 will be offset by US \$324,100 based on 2009 actual cost differentials between staff cost in Montreal and staff cost in Nairobi.

			A	B	C	D	E	F	G=B-C
			Approved	Approved	Revised	Approved	Revised	Proposed	
			2011	2012	2012	2013	2013	2014	incr/decr in revised 2012
1600	Travel on official business								
	01	Mission Costs	208,000	-	208,000	-	-	-	
	02	Network Meetings (4)	20,000	-	20,000	-	-	-	
1699		Sub-Total	228,000	-	228,000	-	-	-	-
1999		COMPONENT TOTAL	4,510,834	3,437,969	4,625,891	3,541,108	3,578,332	3,685,682	14,922
20	CONTRACTUAL COMPONENT								
2100	Sub-contracts								
	01	Treasury services (Decision 59/51 (b))	500,000	-	500,000	-	-	-	
	02	Corporate contracts	800,000	-	-	-	-	-	
2999		COMPONENT TOTAL	1,300,000	-	500,000	-	-	-	-
30	MEETING PARTICIPATION COMPONENT								
3300	Travel & DSA for Art 5 delegates to ExCom Meetings								
	01	Travel of Chairperson and Vice-Chairperson	15,000	-	15,000	-	-	-	
	02	Executive Committee (3)	225,000	-	225,000	-	-	-	
3999		COMPONENT TOTAL	240,000	-	240,000	-	-	-	-
40	EQUIPMENT COMPONENT								
4100	Expendables								
	01	Office Stationery	19,500	-	17,550	-	-	-	-1,950
	02	Computer expendable (Software, accessories, hubs, switches, memory)	11,700	-	10,530	-	-	-	-1,170
4199		Sub-Total	31,200	-	28,080	-	-	-	(3,120)
4200	Non-Expendable Equipment								0
	01	Computers, printers	13,000	-	13,000	-	-	-	0
	02	Other expendable equipment (Shelves, Furnitures)	6,500	-	5,850	-	-	-	-650
4299		Sub-Total	19,500	-	18,850	-	-	-	(650)
4300	Premises								
	01	Rental of office premises**	870,282	-	870,282	-	-	-	
		Sub-Total	870,282	-	870,282	-	-	-	-
4999		COMPONENT TOTAL	920,982	-	917,212	-	-	-	(3,770)

**Based on 2010 estimated differentials, the rental costs will be offset by US \$834,366 leaving an amount of US \$35,916 to be charged to the Fund

		A	B	C	D	E	F	G=B-C
		Approved	Approved	Revised	Approved	Revised	Proposed	
		2011	2012	2012	2013	2013	2014	incr/decr in revised 2012
50	MISCELLANEOUS COMPONENT							
5100	Operation and Maintenance of Equipment							
	01 Computers and printers, etc.(toners, colour printer)	9,000	-	8,100	-	-	-	-900
	02 Maintenance of office premises	9,000	-	8,000	-	-	-	-1,000
	03 Rental of photocopiers (office)	19,500	-	15,000	-	-	-	-4,500
	04 Telecommunication equipment rental	9,000	-	8,000	-	-	-	-1,000
	05 Network maintenance	16,250	-	10,000	-	-	-	-6,250
5199	Sub-Total	62,750	-	49,100	-	-	-	(13,650)
5200	Reproduction Costs							
	01 Executive Committee meetings and reports to MOP	17,000	-	15,300	-	-	-	-1,700
5299	Sub-Total	17,000	-	15,300	-	-	-	(1,700)
5300	Sundries							
	01 Communications	65,000	-	58,500	-	-	-	-6,500
	02 Freight Charges	15,000	-	13,500	-	-	-	-1,500
	03 Bank Charges	5,000	-	4,500	-	-	-	-500
	05 Staff Training	20,137	-	20,137	-	-	-	0
5399	Sub-Total	105,137	-	96,637	-	-	-	(8,500)
5400	Hospitality & Entertainment							
	01 Hospitality costs	16,000	-	24,000	-	-	-	8,000
5499	Sub-Total	16,000	-	24,000	-	-	-	8,000
5999	COMPONENT TOTAL	200,887	-	185,037	-	-	-	(15,850)
GRAND TOTAL		7,172,703	3,437,969	6,468,140	3,541,108	3,578,332	3,685,682	(4,698)
	Programme Support Costs (13%)	433,918	446,936	451,634	460,344	465,183	479,139	4,698
COST TO MULTILATERAL FUND		7,606,622	3,884,905	6,919,774	4,001,453	4,043,516	4,164,821	(0)
	Previous budget schedule	7,606,622	-	3,884,905	-	4,001,453		
	Increase/decrease	0	3,884,905	3,034,869	4,001,453	42,063	4,164,821	(0)

SCHEDULE 1.3					
A. 2010 Expenditures for Account MFL 2336-2211-2661: (Secretariat's Main Account)					
			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
10	PROJECT PERSONNEL COMPONENT				
	1100	<i>Project Personnel</i>			
	1101	Chief Officer (D-2)	219,316	217,667	1,649
	1102	Deputy Chief Officer (Economic Cooperation) (P-5)*	216,438	131,669	84,769
	1103	Programme Management Officer (P-3)	143,446	140,556	2,890
	1104	Senior Project Management Officer (P-5)	195,587	206,702	(11,115)
	1105	Senior Project Management Officer (P-5)	195,587	179,991	15,596
	1106	Senior Project Management Officer (P-5)	195,587	185,625	9,962
	1107	Senior Project Management Officer (P-5)**	195,587	61,821	133,766
	1108	Information Management Officer (P-3)	172,941	189,345	(16,404)
	1109	Senior Administrative and Fund Management Officer (P-5)	175,483	177,692	(2,209)
	1110	Senior Monitoring and Evaluation Officer (P-5)***	195,587	80,496	115,091
	1111	Programme Management Officer (P-3)	143,446	145,955	(2,509)
	1112	Associate IT Officer (P-2)	86,787	109,207	(22,420)
	1114	Programme Management Officer (P-3)	143,446	146,493	(3,047)
	1188	Prior Year's Adjustment			
	1199	<i>Sub-total</i>	2,279,238	1,973,219	306,019
	1200	<i>Consultants</i>			
	1201	Projects and technical reviews etc	100,000	102,078	(2,078)
	1202	MC2 Consultants	50,000	9,800	40,200
	1203	MYA Table access & development	60,000	54,270	5,730
	1299	<i>Sub-total</i>	210,000	166,148	43,852
	1300	<i>Administrative Support Staff costs</i>			
	1301	Administrative Assistant (G-8)	82,442	76,848	5,594
	1302	Meetings Services Assistant (G-7)	78,008	73,990	4,018
	1303	Programme Assistant (G-8)	82,442	85,105	(2,663)
	1304	Senior Secretary (Economic Cooperation) (G-6)****	61,068	34,962	26,106
	1305	Senior Secretary (Technical Cooperation) (G-6)	61,068	63,834	(2,766)
	1306	Computer Operations Assistant (G-8)****	82,442	45,359	37,083
	1307	Secretary (G-6)	64,544	66,429	(1,885)
	1308	Secretary/Clerk, Administration (G-7)	69,238	60,473	8,765
	1309	Registry Clerk (G-5)	52,753	52,789	(36)
	1310	Database Assistant (G-8)	82,442	90,773	(8,331)
	1311	Secretary, Monitoring and Evaluation (G-6)	61,068	58,974	2,094
	1313	Secretary, (Senior programme Officer) G-6	61,068	50,711	10,357
	1314	Secretary (Senior Programme Officer) (G-6)****	61,068	8,713	52,355
	1301-14	<i>Sub-total (support staff costs)</i>	899,651	768,960	130,691
	1333	60 th Meeting of the Executive Committee	260,000	226,240	33,760
	1334	61 st Meeting of the Executive Committee	260,000	227,860	32,140
	1336	62 nd Meeting of the Executive Committee	260,000	250,160	9,840
	1333-34 & 1336	<i>Sub-total (conference servicing)</i>	780,000	704,260	75,740
	1335	Temporary Assistance	65,000	36,514	28,486
	1388	Prior Year's Adjustment	-	-	0
	1388	<i>Sub-total</i>	-	0	0
	1399	<i>Sub-total</i>	1,744,651	1,509,734	234,917

* 1102 - Filled in May 2010
** 1107 - Vacant since May 2010
*** 1110 Filled in October 2010
**** 1304, 1306 & 1314 - Temporary recruitment

			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
1600		<i>Travel on Official Missions</i>			
	1601	Mission costs	208,000	184,484	23,516
	1602	Network meetings (4)	20,000	7,166	12,834
	1699	<i>Sub-total</i>	228,000	191,650	36,350
1999	COMPONENT TOTAL		4,461,889	3,840,751	621,138
20	SUB-CONTRACTS COMPONENT				
	2100	<i>Sub-Contracts with UN Agencies:</i>			
	2101	Treasury services	500,000	500,000	0
	2199	<i>Sub-total</i>	500,000	500,000	0
	2300				0
	2199	<i>Sub-total</i>	500,000	500,000	0
	2300	<i>Sub-Contracts with Profit Making Institutions</i>			0
	2301	Corporate Consultancies	0	0	0
	2399	<i>Sub-total</i>	0	0	0
2999	COMPONENT TOTAL		500,000	500,000	0
30	MEETINGS PARTICIPATION COMPONENT				
	3300	<i>Assistance to Participants from Developing Countries</i>			
	3301	Travel of Chairman / Vice-Chairman	15,000	3,540	11,460
	3302	Executive Committee meetings*****	225,000	269,654	(44,654)
	3399	<i>Sub-total</i>	240,000	273,194	(33,194)
3999	COMPONENT TOTAL		240,000	273,194	(33,194)
40	EQUIPMENT COMPONENT				
	4100	<i>Expendables</i>			
	4101	Office stationery	19,500	9,562	9,938
	4102	Software & Computer expendables	11,700	11,700	0
	4199	<i>Sub-total</i>	31,200	21,262	9,938
	4200	<i>Non-expendable Equipment</i>			
	4201	Computer, printers etc.	13,000	13,000	0
	4202	Others	6,500	6,500	0
	4299	<i>Sub-total</i>	19,500	19,500	0
	4300	<i>Rental of premises</i>			
	4301	Rental of office premises	870,282	726,455	143,827
	4399	<i>Sub-total</i>	870,282	726,455	143,827
4999	COMPONENT TOTAL		920,982	767,217	153,765
50	MISCELLANEOUS COMPONENT				
	5100	<i>Operations and Maintenance</i>			
	5101	Computers, printers etc	9,000	1,178	7,822
	5102	Office premises	9,000	809	8,191
	5103	Rental of Photocopiers	19,500	20,090	(590)
	5104	Telecommunications equipment	9,000	9,000	0
	5105	Miscellaneous equipment rentals	16,250	16,250	0
	5199	<i>Sub-total</i>	62,750	47,327	15,423
	5200	<i>Reporting Costs</i>			

***** Additional expenses resulting from participants delayed departure at the 61st meeting.

			Approved Budget	Actual Expenditure	Savings/ (Deficit)
	5201	Executive Committee meetings			
	5202	Reporting (others)	20,000	6,999	13,001
	5299	<i>Sub-total</i>	20,000	6,999	13,001
	5300	<i>Sundry</i>			
	5301	Communications	65,000	39,794	25,206
	5302	Freight charges	15,000	5,293	9,707
	5303	Bank charges	5,000	1,187	3,813
	5305	Staff training	20,137	14,777	5,360
	5399	<i>Sub-total</i>	105,137	61,051	44,086
	5400	<i>Hospitality</i>			
	5401	Official hospitality	13,000	17,699	(4,699)
	5499	<i>Sub-total</i>	13,000	17,699	(4,699)
5999	COMPONENT TOTAL		200,887	133,076	67,811
99	PROJECT TOTAL		6,323,758	5,514,238	809,520
		<i>Programme Support Costs (budget lines 1100 and 1300)</i>	413,256	356,483	56,772
		GRAND TOTAL	6,737,014	5,870,721	866,292
B. 2010 Expenditures for Account MFL 2336-2212-2661: (Monitoring and Evaluation)					
			Approved Budget	Actual Expenditure	Savings/ (Deficit)
	1201	Projects and technical reviews/Customs Trng	0	0	0
	1202	Projects and technical reviews etc./Methyl bromide	0	(3,677)	3,677
	1203	Projects and technical reviews etc./Extending desk study	0	0	0
	1204	Country studies	27,103	310	26,793
	1205	Consultants	0	0	0
	1206	Projects and technical reviews etc/evaln of TPMPs	0	0	0
	1601	Travel on Official business	0	0	0
	4201	Non Expendable Computer Equipment	0	0	0
	5301	Communications	0	0	0
	ACCOUNT TOTAL		27,103	(3,367)	30,470
C. 2010 Expenditures for Account MFL 2336-2567-2661: (HCFC Production Sector)					
	1200	<i>Sub-Contracts with Profit Making Institutions</i>			
	1201	Consultants	18,154	19,696	(1,542)
	ACCOUNT TOTAL		18,154	19,696	(1,542)
	TOTAL FOR ALL ACCOUNTS		6,782,271	5,887,050	895,220