



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/68/5/Add.1
22 November 2012



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-eighth Meeting
Montreal, 3-7 December 2012

Addendum

**2012-2014 BUSINESS PLANS AND
TRANCHE SUBMISSION DELAYS**

This addendum is provided to update the recommended/reviewed funding values compared to the values in the business plans following the completion of project review and the associated draft agreements for the HCFC phase-out management plans (HPMPs).

- **Replace Table 3 and paragraph 11 with the following:**

Table 3

2012 BUSINESS PLANS, APPROVALS AND SUBMISSIONS AFTER REVIEW (US \$)

Meeting	2012 business plans value	Approvals/Submissions after review		Balance (above)/below business plan levels
		In 2012 business plans	Not in 2012 business plans	
66 th meeting	26,958,192	32,217,612	860,249	(6,119,669)
67 th meeting	9,846,916	10,327,430	246,927	(727,441)
Sub-total	36,805,108	42,545,042	1,107,176	(6,847,110)
68 th meeting	114,441,469	160,010,082	1,749,836	(47,318,449)
Secretariat/Executive Committee cost/Treasurer (excluding Canadian counterpart)	6,491,169	6,022,432		468,737
Balance	6,946,630			6,946,630
Total	164,684,376	208,577,556	2,857,012	(46,750,192)

11. Submissions after review to the 68th meeting include project values amounting to US \$161,759,918 (including US \$1,749,836 that were not in the business plans), which is above the amount included for them in the 2012 business plans by US \$47.3 million. The main reasons for

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exceeding the 2012 allocation are: the HCFC production phase-out management plan (HPPMP) for China (US \$48.7 million) and the HPMPs for Cuba (US \$577,842) and Turkey (US \$409,276).

- **Replace paragraph 13 and Table 4 with the following:**

13. Table 4 presents, by agency, the value of accounts included in the 2012 business plans and the balance of funds from projects in the 2012 business plans, which have not been submitted. Table 4 is updated based on the Secretariat's recommendations to the 68th meeting.

Table 4

2012 BUSINESS PLANS, APPROVALS, SUBMISSIONS AFTER REVIEW TO THE 68TH MEETING AND BALANCE ABOVE/BELOW BUSINESS PLAN LEVELS BY AGENCY (US \$)*

Budget items	Total value in 2012 business plans	Approvals at the 66th meeting	Approvals at the 67th meeting	Submissions after review to the 68th meeting	Balance (above)/below business plan levels
Bilateral agencies	8,558,904	2,683,091	1,076,800	4,588,448	210,565
UNDP	36,241,355	14,783,233	692,934	23,018,555	(2,253,367)
UNEP	20,091,332	2,559,418	1,432,311	14,523,865	1,575,738
UNIDO	48,137,449	12,068,911	6,418,444	31,064,701	(1,414,607)
World Bank	45,164,166	983,208	953,868	88,564,349	(45,337,259)
Secretariat/Executive Committee cost/ Treasurer (excluding Canadian counterpart)	6,491,169			6,022,432	468,737
Total	164,684,376	33,077,861	10,574,357	167,782,350	(46,750,192)

* Including core unit costs.

- **Replace Table 6 and paragraph 19 with the following:**

Table 6

2012-2014 BUSINESS PLANS, APPROVALS AND SUBMISSIONS AFTER REVIEW (US \$)

Meeting	Business plan value of 2012 submissions (2012 to 2014)	Approvals/ Submissions after review (2012 to 2014)	Balance (above)/below business plan levels
66 th meeting	42,395,200	50,046,111	(7,650,911)
67 th meeting	14,074,271	15,417,572	(1,343,301)
Sub-total	56,469,471	65,463,683	(8,994,212)
68 th meeting	293,375,951	421,115,924	(127,739,973)
Total	349,845,422	486,579,607	(136,734,185)

19. Submissions after review to the 68th meeting include project values amounting to US \$421,115,924 which is above the funding level included for them in the 2012-2014 business plans by US \$127.7 million. This is largely due to the production sector: the HPPMP in China was submitted with a request of US \$280 million of which US \$210 million is requested for the 2012-2014 triennium, excluding agency fees, and exceeds the business plan allocation of US \$79.5 million for the current triennium by US \$130.5 million. This means that while HPMP activities submitted to the 68th meeting

overall exceed their values in the business plans for the year 2012, they are overall below the total levels in the business plans for the period 2012-2014.

- **Add paragraphs 24 (bis) and 24 (ter) and Table 6a** under the section on Forward commitments as follows:

24 (bis). Forward commitments *inter alia* consist of funding for multi-year agreements (MYAs) and “other standard activities” such as institutional strengthening (IS), budget of the Fund Secretariat, Treasurer and Executive Committee meeting costs, UNEP’s Compliance Assistance Programme (CAP), and the core unit costs for UNDP, UNIDO and the World Bank. Funding for “other standard activities” is based on 2012-2014 business plans taking into consideration the decisions from the 66th and 67th meetings of the Executive Committee.

24 (ter). Table 6a presents the total amount of forward commitments assuming that the requests submitted to the 68th meeting are approved at the levels recommended following review by the Secretariat (e.g., this does not contain the production sector request from China since there is no recommendation). If the requests are approved at the levels as recommended after review to the 68th meeting, an additional US \$20.7 million (excluding the production sector in China) would be needed to cover forward commitments. The total amount of existing commitments for the period 2012 to 2031 is US \$426.9 million.

Table 6a

FORWARD COMMITMENTS (2012-2031) (US \$000)

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022	2023	2025	2030	2031	Total
Annual tranches of approved multi-year agreements after 2011 approvals	62,618	79,371	42,988	55,151	6,680	2,486	3,498	612	3,035	226	76	640	112	57	257,548
Annual tranches from new agreements approved at 66th and 67th meeting	25,569	11,655	5,288	3,719	3,964	365	1,696	0	638						52,895
Sub-Total (Agreements)	88,187	91,026	48,276	58,870	10,644	2,852	5,194	612	3,673	226	76	640	112	57	310,443
Funding for standard activities*	32,948	28,596	34,175												95,720
Total committed to-date	121,135	119,622	82,452	58,870	10,644	2,852	5,194	612	3,673	226	76	640	112	57	406,162
Annual tranches for new agreements submitted to the 68 th meeting (excluding China production sector)	4,590	3,179	1,610	4,873	3,585	1,900	524	199	278						20,737
Total with 68th meeting submissions	125,725	122,801	84,062	63,743	14,228	4,751	5,718	810	3,951	226	76	640	112	57	426,899

- **Replace paragraph 35, 38 and 39** as follows:

35. If projects submitted to the 68th meeting are approved as reviewed by the Executive Committee, the level of commitments would exceed the allocations in the 2012-2014 business plans for the year 2012 by US \$46,750,192 (see Table 3) and the 2012-2014 triennium by US \$127,739,973 (see Table 6).

This roughly amounts to the level at which the request for the HPPMP in China exceeds that allocated for it in the business plans (US \$130.5 million) as the requests to the 68th meeting for HPMPs are within their allocation for the triennium.

38. All but US \$6,946,630 of the budget of US \$165 million for activities in the 2012 business plans was submitted as planned. US \$5,038,331 in activities required for compliance (HPMPs and IS) was not submitted and should be addressed in the 2013-2015 business plans. It should be noted that the 2012-2014 business plans do not include a budget for CAP, core unit and IS after 2014. IS was not included in the business plan for after 2014 pending a decision of the Executive Committee.

39. If requests at the 68th meeting are approved for the years as submitted and including the HPMPs for which funding has already been committed for 2015, and US \$150 million per year is available for the 2015-2017 triennium as has been the case for the 2012-2014 triennium, the commitments for MYAs alone could be below the 2015 budget by US \$1.7 million. The MYA commitments plus taking into account budget for the CAP, core unit and IS (amounting to US \$22.4 million) would exceed a budget of US \$150 million by over US \$20 million. This should be taken into account in developing the 2013-2015 business plans and in the Committee's consideration of approvals at the current meeting.
