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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

BILATERAL AGENCIES BUSINESS PLANS FOR THE YEARS 2013-2015

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

Introduction/Background

1. Bilateral cooperation may be considered as a contribution to the Multilateral Fund up to a value of 20 per cent of a country's annual pledge to the Fund, consistent with any criteria specified by decisions of the Parties. The Executive Committee decided to allow flexibility in the year for which bilateral projects would be credited, provided that bilateral agencies submitted their work plans at the beginning of the year in time for the Secretariat to transmit them to the Executive Committee for consideration during discussions of the business plans at the Committee's first meeting of the year (decision 25/13(a)).

2. The following non-Article 5 countries submitted business plan tables to the 69th meeting: Germany and Japan.

RESOURCE ALLOCATION

3. Based on the business plan, bilateral agencies intend to conduct activities during 2013 (excluding regional projects) in seven Article 5 countries, namely: Bolivia (Plurinational State of), China, India, Namibia, Papua New Guinea, Seychelles and Zimbabwe.

4. Table 1 presents, by year, the value of activities included in the bilateral agencies' business plans according to categories "required for compliance" and "not required for compliance".

Table 1

RESOURCE ALLOCATION IN BUSINESS PLANS SUBMITTED BY BILATERAL AGENCIES TO THE EXECUTIVE COMMITTEE (2013-2015) (US \$)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Approved MYAs (including HPMPs) and Standard Costs	2,743,124	712,650	1,863,578	5,319,352
HPMP Preparation - Stage II		154,878	215,122	370,000
Not required for compliance				
Disposal	1,000,000			1,000,000
Grand Total	3,743,124	867,528	2,078,700	6,689,352

5. The bilateral agencies have included activities valued at US \$3.7 million in 2013 and a total value of US \$6.7 million over the period 2013 to 2015. It should be noted that traditional bilateral donors, such as Australia, Canada, the Czech Republic, Finland, France, Italy, Portugal, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America did not submit bilateral business plans and the total value of bilateral activities could increase in the event of such submissions.

Multi-year agreements (MYAs) and standard costs

6. Table 2 presents information on the bilateral agencies' MYAs activities that are considered to be required for compliance under the business plan.

Table 2

REQUIRED FOR COMPLIANCE WITH MYAs AND STANDARD COSTS (2013 to 2015) (US \$)

Required by model	2013	2014	2015	Total
Approved MYAs	2,743,124	712,650	1,863,578	5,319,352
Total (required for compliance for MYAs and standard costs)	2,743,124	712,650	1,863,578	5,319,352

7. Annual tranche activities are included in the bilateral agencies' business plans for France, Germany, Italy and Japan despite the fact that France, Italy and Japan did not submit a business plan for these projects.

COMMENTS ON BILATERAL AGENCIES BUSINESS PLANS

8. The Fund Secretariat reviewed each bilateral donor's business plan and provided comments on several of the proposed activities. This section summarizes some of the information contained in the bilateral business plans, by donor country.

France

9. France does not have any activity planned in the 2013 business plan. Table 3 presents a summary of the resource allocation in France's 2013-2015 business plan.

Table 3

ALLOCATION OF RESOURCES FOR FRANCE (US \$)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Required for compliance (MYAs and standard costs)	0	224,222	231,920	456,142
Grand Total	0	224,222	231,920	456,142

10. The only country that does not have a stage I HCFC phase-out management plan (HPMP) either approved or included in the business plans for 2013-2015 is Botswana. Germany received project preparation for the HPMP, but informed the Fund Secretariat that France intended to submit the plan prepared by Germany as soon as Botswana ratifies the relevant amendments. France has not confirmed that it will include Botswana in its business plan; therefore, the Executive Committee may wish to request bilateral or implementing agencies to include funding for stage I of HPMP in Botswana in their business plans.

Germany

11. Germany's 2013 business plan includes only MYA activities. Twenty per cent of Germany's annual pledged contribution for 2013 amounts to US \$2,727,612. Table 4 presents a summary of the resource allocation in Germany's 2013-2015 business plan.

Table 4

ALLOCATION OF RESOURCES FOR GERMANY (US \$)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Required for compliance (MYAs and standard costs)	2,652,724	318,928	1,541,258	4,512,910
HPMP Preparation - Stage II		154,878	215,122	370,000
Grand Total	2,652,724	473,806	1,756,380	4,882,910

12. Germany has covered activities valued at US \$2.7 million in 2013 and a total value of US \$4.9 million over the period 2013 to 2015.

Comments

13. The value associated with MYAs for the period 2013 to 2015 in Germany's business plan consists of US \$4.5 million for HCFC activities. At its 63rd meeting, the Executive Committee decided that project preparation could be funded for stage II activities and might be included prior to the completion of stage I in business plans for the years 2012-2014 (decision 63/5(f)(i)). The total level of funding for project preparation for stage II HPMPs is US \$370,000 for the period of 2013 to 2015.

14. Germany has proposed amounts in its business plan that exceed by US \$19,361 the maximum level allowed for project preparation for HPMPs and HCFC investment projects pursuant to decisions 55/13 and 56/16, all for the period of 2013 to 2015. The Secretariat's proposed adjustments would reduce the level of funding proposed by Germany. The guidelines for stage I HPMP project preparation that were applied to stage II preparation requests were based on 2007 HCFC consumption and those guidelines have not been updated to replace 2007 HCFC consumption data with the established HCFC baselines.

Italy

15. Italy does not have activity planned in the 2013 business plan. Table 5 presents a summary of the resource allocation in Italy's 2013-2015 business plan.

Table 5

ALLOCATION OF RESOURCES FOR ITALY (US \$)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Required for compliance (MYAs and standard costs)		79,100		79,100
Grand Total	0	79,100	0	79,100

Japan

16. Japan has planned activities in the 2013 business plan amounting to US \$1.1 million. Twenty per cent of Japan's annual pledged contribution for 2013 amounts to US \$4,262,532. Table 6 presents a summary of the resource allocation in Japan's 2013-2015 business plan.

Table 6

ALLOCATION OF RESOURCES FOR JAPAN (US \$)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Approved MYAs (including HPMPs) and Standard Costs	90,400	90,400	90,400	271,200
Not required for compliance				
Disposal	1,000,000			1,000,000
Grand Total	1,090,400	90,400	90,400	1,271,200

17. Japan has included activities valued at US \$1.1 million in 2013 and a total value of US \$1.3 million over the period 2013 to 2015.

Comments

18. Japan's business plan did not include an approved component of the HPMP in China. However, the Secretariat has added this activity to Japan's business plan. The total level of funding for the approved HPMP component is valued at US \$271,200 for the period 2013 to 2015.

19. Japan's business plan includes US \$1 million for ODS disposal demonstration projects in the Asia and the Pacific region. No tonnage was provided in Japan's business plan for these activities.

IMPACT OF ADJUSTMENTS BASED ON EXISTING EXECUTIVE COMMITTEE DECISIONS ON BUSINESS PLANS AS SUBMITTED

20. After making the adjustments proposed above, the total value of bilateral agencies' 2013-2015 business plans is US \$6.7 million as shown in Table 7.

Table 7

RESOURCE ALLOCATION IN BILATERAL AGENCIES' BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE, AS ADJUSTED BY EXISTING EXECUTIVE COMMITTEE DECISIONS (2013-2015) (US \$)

Required by Model	2013	2014	2015	Total (2013-2015)	Total (2016-2020)	Total After 2020
Required for compliance						
Approved MYAs (including HPMPs) and Standard Costs	2,743,124	712,650	1,863,578	5,319,352	3,010,295	495,850
HPMP Preparation - Stage II		144,970	205,669	350,639		
Not required for compliance						
Disposal	1,000,000			1,000,000		
Grand Total	3,743,124	857,620	2,069,247	6,669,991	3,010,295	495,850

21. Table 8 shows the impact of the adjustments by agency.

Table 8

RESOURCE ALLOCATION IN BILATERAL AGENCIES' BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE, AS ADJUSTED BY EXISTING EXECUTIVE COMMITTEE DECISIONS (2013-2015) BY AGENCY (US \$)

Agency	2013	2014	2015	Total (2013-2015)	Total (2016-2020)	Total After 2020
France		224,222	231,920	456,142	302,310	
Germany	2,652,724	463,898	1,746,927	4,863,549	2,566,735	495,850
Italy		79,100		79,100	141,250	
Japan	1,090,400	90,400	90,400	1,271,200	0	
Grand Total	3,743,124	857,620	2,069,247	6,669,991	3,010,295	495,850

RECOMMENDATIONS

22. The Executive Committee may wish to consider:

- (a) Noting the 2013-2015 business plans of bilateral cooperation submitted by Germany and Japan as addressed in document UNEP/OzL.Pro/ExCom/69/7; and
- (b) Requesting the bilateral and implementing agencies to include funding for stage I of HCFC phase-out management plan for Botswana in their business plans.

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