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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fifth Meeting
Montreal, 16-20 November 2015

BILATERAL AGENCIES' BUSINESS PLANS FOR 2016-2018

Introduction

1. The following bilateral agencies submitted business plans for the years 2016-2018 to the 75th meeting: Germany and Italy^{1,2}. Although France did not officially submit a business plan for the years 2016-2018, the present document has included a table with the allocation of resources for France based on multi-year agreement (MYA) activities associated with HCFC phase-out management plans (HPMPs) approved in principle.

2. Bilateral agencies intend to have activities (excluding regional projects) in 21 Article 5 countries, namely: Afghanistan, Brazil, China, Colombia, Ghana, India, Iran (Islamic Republic of), Kenya, Lao People's Democratic Republic (the), Lesotho, Liberia, Mauritius, Mexico, Morocco, Namibia, Papua New Guinea, Seychelles, Tunisia, Turkey, Venezuela (Bolivarian Republic of) and Zimbabwe at a value of US \$14,010,503. An additional US \$8,380,603 would be requested for the period after 2018 as shown in Table 1³.

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)). It should be noted that traditional bilateral donors, such as Australia, Canada, the Czech Republic, Finland, France, Japan, Poland, 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.

² Additionally, a project preparation for a regional centre of excellence for the demonstration of and training on low-global warming potential ozone-safe alternative technologies was approved at the 74th meeting under the implementation of UNIDO but the project is expected to be submitted as a Russian Federation bilateral activity.

³ All activities after 2020 are for approved MYAs in Mauritius, Namibia, Papua New Guinea and Seychelles and for stage II of the HPMPs for Brazil, China, India and Iran (Islamic Republic of) under Germany's implementation.

Table 1: Resource allocation in the bilateral agencies' business plans for 2016-2018 (US \$)*

Item	2016	2017	2018	Total (2016-2018)	Total (2019-2020)	Total after 2020
Approved MYAs	1,534,227	1,232,476	67,800	2,834,503	519,253	496,350
HPMP project preparation (PRP) - stage II	0	0	0	0	322,000	0
HPMP stage II	1,950,000	1,891,000	7,335,000	11,176,000	800,000	6,243,000
Grand total	3,484,227	3,123,476	7,402,800	14,010,503	1,641,253	6,739,350

* Including agency support cost.

COMMENTS

3. The Secretariat reviewed each bilateral agency's business plan, and provided comments on several of the proposed activities, and assessed the value of the activities against the annual pledged contributions.

France

4. The resource allocation in France's business plan for 2016-2018 is presented in Table 2. Assuming the same level of pledged contributions, twenty per cent of France's annual pledged contributions for 2016 amounts to US \$2,260,651.

Table 2: Allocation of resources for France (US \$)*/**

Item	2016	2017	2018	Total (2016-2018)	Total (2019-2020)
Approved MYAs	197,596	179,669		377,265	26,555
Grand total	197,596	179,669	0	377,265	26,555

* Including agency support cost.

** There are no activities after 2020.

Germany

5. The resource allocation in Germany's business plan for 2016-2018 is presented in Table 3.

Table 3: Allocation of resources for Germany (US \$)*

Item	2016	2017	2018	Total (2016-2018)	Total (2019-2020)	Total after 2020
Approved MYAs	1,263,181	1,052,807	0	2,315,988	492,698	496,350
HPMP PRP - stage II	0	0	0	0	322,000	0
HPMP stage II	1,550,000	1,641,000	7,335,000	10,526,000	800,000	6,243,000
Grand total	2,813,181	2,693,807	7,335,000	12,841,988	1,614,698	6,739,350

* Including agency support cost.

6. Germany's business plan includes US \$3.31 million for approved MYAs for HPMP stage I activities including US \$2.32 million for the period of 2016 to 2018. The Secretariat proposes adjustments to reduce MYA values to reflect the actual amounts approved under the agreements by US \$561,323 for the period of 2016-2018 and US \$637 for after 2018.

7. Germany's business plan includes US \$322,000 for project preparation of stage II of HPMPs in 2019. The Secretariat proposes adjustments to reduce the level of funding by US \$186,400 pursuant to decision 71/42.

8. Germany's business plan includes US \$7.71 million (including US \$4.53 million for the period of 2016 to 2018) for stage II of HPMPs that have been submitted to the 75th meeting (Brazil⁴ and Colombia⁵). The Secretariat proposes adjustments to increase the level of funding for these activities to match the funding originally requested by US \$636,560 for the period of 2016 to 2018 and to reduce the level of funding by US \$906,797 for the period after 2018).

9. Germany's business plan also includes US \$9.86 million for stage II of HPMPs for three additional non-low-volume-consuming (LVC) countries, including US \$6 million for the period of 2016 to 2018. The Secretariat proposes adjustments to reduce the value in Germany's business plan: by US \$840,020 for the period of 2016 to 2018 and US \$388,354 for the period after 2018 as the value exceeds the cost-effectiveness threshold of US \$4.80/kg for the refrigeration servicing sector; and by US \$610,126 for the period of 2016 to 2018 and US \$383,009 for the period after 2018 for activities with phase-out that exceeds the maximum eligibility for HCFC-141b (including those contained in imported pre-blended polyol).

10. Table 4 presents the results of the Secretariat's proposed adjustments to Germany's business plan. These adjustments have been introduced in the Consolidated business plan of the Multilateral Fund for 2016-2018⁶.

Table 4: Adjustments to Germany's business plan (US \$)*

Item	2016	2017	2018	Total (2016-2018)	Total (2019-2020)	Total after 2020
Approved MYAs	702,268	1,052,397	0	1,754,665	492,456	495,955
HPMP PRP - stage II	0	0	0	0	135,600	0
HPMP stage II	969,200	2,463,338	6,279,876	9,712,414	2,986,925	2,377,915
Grand total	1,671,468	3,515,735	6,279,876	11,467,079	3,614,981	2,873,870

* Including agency support cost.

11. Germany's adjusted business plan for 2016 contains activities valued at US \$1,671,468 which is below the 20 per cent level for 2016 (US \$2,886,342). However, with approvals at the 74th meeting (US \$463,706), plus those cleared at the 73rd meeting but assigned to the 74th meeting (US \$659,452), submissions to the 75th meeting (US \$4,909,076) and activities that are planned in the 2016 and 2017 business plan as adjusted by the Secretariat (US \$5,187,203), Germany will exceed the bilateral allocation for the 2015-2017 triennium by US \$2,560,412. Twenty per cent of Germany's pledged contributions for the triennium 2015-2017 amounts to US \$8,659,025. Activities in the business plan for 2018-2020 assume the same level of pledged contributions for 2018 which would result in twenty per cent of Germany's annual pledged contributions for 2018 amounting to US \$2,886,342. The total value for Germany for 2018-2020 amounts to US \$9,894,857 (US \$6,279,876 plus US \$3,614,981) which would also exceed 20 per cent of pledges assuming the same level of replenishment pledges as the current replenishment. The Executive Committee may wish to consider German components for stage II of HPMPs in light of the remaining funding available to Germany noting that approvals for the 2015-2017 triennium should not exceed US \$2,626,791 and that approvals in principle for the years 2018-2020 should not exceed US \$8,166,569 (US \$8,659,025 allocation for current replenishment minus US \$492,456 for approved MYAs in 2019-2020). The Government of Germany has been informed of this issue.

⁴ UNEP/OzL.Pro/ExCom/75/40.

⁵ UNEP/OzL.Pro/ExCom/75/42.

⁶ UNEP/OzL.Pro/ExCom/75/21.

Italy

12. The resource allocation in Italy's business plan for 2016-2018 is presented in Table 5. Assuming the same level of pledged contributions, twenty per cent of Italy's annual pledged contributions for 2016 amounts to US \$1,797,850.

Table 5: Allocation of resources for Italy (US \$)*/**

Item	2016	2017	2018	Total (2016-2018)
Required for compliance				
Approved MYAs	73,450	0	67,800	141,250
HPMP stage II	400,000	250,000	0	650,000
Grand total	473,450	250,000	67,800	791,250

* Including agency support cost.

** There are no activities after 2018.

13. Italy's business plan includes US \$250,000 in 2017 for stage II of an HPMP that has been submitted to the 75th meeting (Brazil)⁷. The Secretariat proposes adjustments to remove this activity as no funding was proposed in the HPMP as originally submitted. Table 6 presents the results of the Secretariat's proposed adjustments to Italy's business plan.

14. Italy's business plan also includes US \$400,000 for stage II of HPMPs for three non-LVC countries.

Table 6: Adjustments to Italy's business plan (US \$)*/**

Item	2016	2017	2018	Total (2016-2018)
Required for compliance				
Approved MYAs	73,450	0	67,800	141,250
HPMP stage II	400,000	0	0	400,000
Grand total	473,450	0	67,800	541,250

* Including agency support cost.

** There are no activities after 2018.

Adjustments to bilateral agencies' business plans for 2016-2018

15. After making the adjustments proposed above, the total value of bilateral agencies' business plans for 2016-2018 is US \$12,385,594 as shown in Table 7. These adjustments have been introduced in the Consolidated business plan of the Multilateral Fund for 2016-2018⁸.

Table 7: Resource allocation in the adjusted bilateral agencies' business plans for 2016-2018 (US \$)

Item	2016	2017	2018	Total (2016-2018)	Total (2019-2020)	Total after 2020
Approved MYAs	973,314	1,232,066	67,800	2,273,180	519,011	495,955
HPMP stage II	1,369,200	2,463,338	6,279,876	10,112,414	2,986,925	2,377,915
HPMP PRP - stage II	0	0	0	0	135,600	0
Grand total	2,342,514	3,695,404	6,347,676	12,385,594	3,641,536	2,873,870

⁷ UNEP/OzL.Pro/ExCom/75/40.

⁸ UNEP/OzL.Pro/ExCom/75/21.

RECOMMENDATIONS

16. The Executive Committee may wish:
- (a) To note the bilateral agencies' business plans for 2016-2018 submitted by Germany and Italy contained in document UNEP/OzL.Pro/ExCom/75/22; and
 - (b) To consider German components for stage II of HCFC phase-out management plans in light of the remaining funding available to Germany, noting that approvals for the 2015-2017 triennium should not exceed US \$2,626,791, and that approvals in principle for the years 2018-2020 should not exceed US \$8,166,569.
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