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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-sixth Meeting
Montreal, 9-13 May 2016

Addendum

**UPDATE ON THE STATUS OF IMPLEMENTATION OF THE 2016-2018 CONSOLIDATED
BUSINESS PLAN OF THE MULTILATERAL FUND**

This document is being issued to update the information on the total funding submitted by bilateral and implementing agencies to the 76th meeting as at 22 April 2016 with the funding levels as recommended; to provide an updated assessment of forward commitments and cash flow analysis following the completion of recommendations by the Secretariat on projects submitted to the 76th meeting; and to report on outstanding dialogues on UNIDO's qualitative performance assessments.

- **Replace** paragraph 3 and Table 2 **with** the following:

3. Table 2 sets out the submissions by agency to the 76th meeting (as at 22 April 2016), and the balance of funds from projects in the 2016 business plans, based on the Secretariat's recommendations on investment projects submitted to the 76th meeting.

Table 2. 2016 consolidated business plan, recommended to the 76th meeting, and balance (US \$)*

Budget items	Total value in business plan for 2016	Balance left to be submitted for 2016	2016 business plan value for projects submitted to the 76 th meeting	76 th meeting recommended	Difference (above)/below business plan levels for projects submitted and recommended
Bilateral agencies	2,342,514	2,269,064	73,450	1,610,880	(1,537,430)
UNDP	45,514,953	20,054,600	25,460,353	33,233,078	(7,772,725)
UNEP	26,011,401	19,864,430	6,146,971	7,638,112	(1,491,141)
UNIDO	64,633,448	18,622,639	46,010,809	49,626,728	(3,615,919)
World Bank	36,808,496	7,620,490	29,188,006	85,079,966	(55,891,960)
HPMP verification	588,600	588,600	0	0	0
Sub-total (agencies)	175,899,412	69,019,822	106,879,590	177,188,764	(70,309,174)

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 issuance of the document.

Budget items	Total value in business plan for 2016	Balance left to be submitted for 2016	2016 business plan value for projects submitted to the 76 th meeting	76 th meeting recommended	Difference (above)/below business plan levels for projects submitted and recommended
Secretariat/Executive Committee/Monitoring and evaluation (excluding Canadian counterpart)	5,629,692	5,629,692			
Treasurer	500,000	500,000			
Sub-total (standard costs)	6,129,692	6,129,692			
Total	182,029,104	75,149,514	106,879,590	177,188,764	(70,309,174)

* Including core unit costs.

- Add paragraphs 9 (bis) and Table 4 (bis), 9 (ter), 9 (quar) and Table 4 (ter) under the section on Forward commitments and cash flow analysis as follows:

9 (bis). The total amount for existing forward commitments for MYAs for the period 2017 to 2031 is US \$85.4 million, assuming that the tranches for new agreements submitted to the 76th meeting will be approved in principle as recommended.

Table 4 (bis). Forward commitments (2017-2031) (US \$000)

Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2030	2031	Total
Tranches of approved MYAs	15,271	35,412	2,583	14,406	2,216	708	165	278	640	93	112	57	71,940
Tranches for new agreements submitted to/recommended for the 76 th meeting*	829	8,992	856	589	1,733		464						13,463
Total with 76th meeting submissions/recommended values	16,100	44,404	3,439	14,994	3,949	708	628	278	640	93	112	57	85,403

*Excluding stage II of the HPMPs for China (US \$707.5 million as submitted) and Viet Nam (US \$20.7 million as submitted), as the cost of the HPMPs are still under discussion.

9 (ter). A cash flow analysis was performed based on the three elements of the replenishment (carryover, interest, and pledged contributions) to assess the extent to which these assumptions of the replenishment have been achieved, the impact of balances returned and the fixed-exchange-rate mechanism (FERM) on actual and expected income available to the Multilateral Fund for the 2015-2017 triennium, as shown in Table 4 (ter).

Table 4 (ter). Cash flow analysis for the 2015-2017 triennium (US \$000)

	Expected	Collected	Disputed	Outstanding	Actual FERM loss and funds returned	FERM loss on outstanding contributions at current rates
Carryover						
Fund balances after 73 rd meeting	15,524,179	15,524,179				
Remaining collectable 2012-2014 contributions	48,475,821	42,544,690		5,931,131	(2,631,791)	

	Expected	Collected	Disputed	Outstanding	Actual FERM loss and funds returned	FERM loss on outstanding contributions at current rates
Interest and other income						
Interest to be collected per the replenishment	6,000,000	2,319,791		3,680,209		
Funds returned					4,149,593	
Pledged contributions						
2015	145,833,334	141,955,951	452,064	3,425,319	(15,506,344)	(774,523)
2016	145,833,334	47,880,649		97,952,685	(769,181)	(14,883,499)
2017	145,833,334			145,833,334		(18,873,385)
Total	507,500,002	250,225,260	452,064	256,822,678	(14,757,724)	(34,531,407)

9 (quar). Table 4 (ter) shows that most of the carryover has been received, funds from balances have been returned, interest obtained to-date has achieved the targeted interest for the triennium, and most of the pledged contributions for 2015 and about one third of the amount pledged for 2016 have been received. However, the net losses to the Fund has been estimated at approximately US \$15 million after taking into account losses resulted from the FERM and the return of balances from completed projects. A possible additional loss amounting to almost US \$35 million from outstanding contributions based on current exchange rates should also be noted.

- **Replace** the last sentence of paragraph 14 as follows:

UNIDO indicated that all issues have been cleared with the National Ozone Officer (NOO) of Egypt. The performance assessment in Iraq related to the delays in the implementation of the foam component of the national phase-out plan that were due to the security situation, changes in the National Ozone Unit and project management unit; a resolution is still under discussion while activities proceed on the establishment of a reclamation centre. In Sierra Leone, a new NOO was appointed and discussions have led to a reassessment of the needs for the remaining funds under the tranche.

- **Add** “and UNIDO” after “UNEP” in paragraph 15(b).