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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-seventh Meeting
Montreal, 28 November - 2 December 2016

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

1. At the 75th meeting, the Executive Committee endorsed the consolidated business plan of the Multilateral Fund for 2016-2018. In response to decision 75/22(b) and (c), the Secretariat adjusted the consolidated 2016-2018 business plan¹, which was further adjusted pursuant to decision 76/3(c), as shown in Table 1.

Table 1. Resource allocation of the 2016-2018 consolidated business plan of the Multilateral Fund (US \$)

Description	2016	2017	2018	Total	Approved MYAs after 2018
Required for compliance					
Approved multi-year agreements (MYAs)	22,267,577	11,922,133	16,645,965	50,835,675	13,365,125
HCFC production phase-out management plan (HPPMP) preparation – stage I	107,000	0	0	107,000	
HPPMP – stage I	0	0	532,500	532,500	
HPPMP – stage II	0	21,874,286	21,874,286	43,748,571	
HCFC phase-out management plan (HPMP) preparation – stage II	1,814,755	408,336	3,611,279	5,834,369	
HPMP preparation – stage III	0	0	22,600	22,600	
HPMPs and HPMP investment projects – stage I	564,098	2,453,989	330,800	3,348,887	
HPMPs and HPMP investment projects – stage II	114,913,217	109,823,665	158,190,630	382,927,512	
HPMP verification	588,600	588,600	588,600	1,765,800	
Low global-warming potential (GWP) alternative demonstration projects	7,674,500	0	0	7,674,500	

¹ The adjusted consolidated 2016-2018 business plan was sent to bilateral and implementing agencies on 8 December 2015.

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.

Description	2016	2017	2018	Total	Approved MYAs after 2018
Sub-total	147,929,746	147,071,009	201,796,660	496,797,415	13,365,125
Standard costs					
UNEP compliance assistance programme (CAP)	10,837,857	11,162,993	11,497,882	33,498,732	
Core unit (UNDP, UNIDO, World Bank)	5,835,000	5,875,845	5,916,976	17,627,821	
Institutional strengthening (IS)	11,303,609	9,918,458	11,210,431	32,432,498	
Secretariat/Executive Committee/Monitoring and Evaluation costs (excluding Canadian counterpart funding)	5,629,692	5,759,245	5,892,686	17,281,623	
Treasurer	500,000	500,000	500,000	1,500,000	
Sub-total	34,106,158	33,216,541	35,017,975	102,340,673	
Grand total	182,035,904	180,287,550	236,814,634	599,138,088	13,365,125
BY AGENCY					
Bilateral	2,349,314	2,501,711	6,945,256	11,796,281	
UNDP	45,514,953	29,260,832	58,554,541	133,330,325	
UNEP	26,011,401	21,415,427	27,822,360	75,249,188	
UNIDO	64,633,448	59,338,893	73,389,231	197,361,572	
World Bank	36,808,496	60,922,843	63,121,960	160,853,299	
HPMP verification reports*	588,600	588,600	588,600	1,765,800	
Secretariat/Executive Committee/Monitoring and Evaluation costs (excluding Canadian counterpart funding)	5,629,692	5,759,245	5,892,686	17,281,623	
Treasurer	500,000	500,000	500,000	1,500,000	

* Funding for the preparation of HPMP verification reports for low-volume-consuming countries is approved by the Executive Committee on an annual basis.

Status of implementation of the 2016 business plans

2. Table 2 sets out the approvals at the 76th meeting (amounting to US \$30,160,016), the submissions by agency to the 77th meeting (as at 21 October 2016), and the balance of funds from projects in the 2016 business plans.

Table 2. 2016 consolidated business plan, approvals of the 76th, and submissions to the 77th meetings, and balance by agency (US \$)*

Budget items	Total value in business plan	76 th meeting approvals	77 th meeting submissions **	Balance (above)/below business plan levels
Bilateral agencies	2,349,314	1,233,353	5,802,857	-4,686,896
UNDP	45,514,953	9,986,962	74,498,925	-38,970,934
UNEP	26,011,401	3,796,796	19,093,788	3,120,817
UNIDO	64,633,448	10,427,960	46,811,956	7,393,532
World Bank	36,808,496	4,714,945	16,089,392	16,004,159
HPMP verification reports	588,600	0	268,800	319,800
Sub-total (agencies)	175,906,212	30,160,016	162,565,718	-16,819,522

Budget items	Total value in business plan	76 th meeting approvals	77 th meeting submissions **	Balance (above)/below business plan levels
Secretariat/Executive Committee/Monitoring and Evaluation costs (excluding Canadian counterpart)	5,629,692		5,629,692 ***	0
Treasurer	500,000		500,000	0
Sub-total (standard costs)	6,129,692	0	6,129,692	0
Total	182,035,904	30,160,016	168,695,410	-16,819,522

* Including core unit costs.

** As at 21 October 2016. Funding requests associated with new stages I and II of HPMPs were still under discussion between the Secretariat and the relevant bilateral and implementing agencies.

*** Estimated. See Approved 2015, 2016 and 2017 and proposed 2018 budgets of the Fund Secretariat (UNEP/OzL.Pro/ExCom/75/82).

3. The total funding submitted by bilateral and implementing agencies to the 77th meeting (as at 21 October 2016) amounts to US \$162,565,718, which is US \$33,655,989 above the value for these activities in the consolidated 2016 business plan. This amount includes US \$11,179,108 associated with the following activities which were not in the 2016 business plan:

- (a) Tranches of stage I of HPMPs for Grenada (UNIDO), Paraguay (UNDP) Saudi Arabia (UNEP), Senegal (UNEP and UNIDO) and South Sudan (UNDP)²; and
- (b) Tranches of stage II of HPMPs for China (Germany, Japan, UNDP (overarching strategy)), Jordan (World Bank and UNIDO), Malaysia (UNDP), Mexico (Spain) and Uruguay (UNDP (foam and monitoring))³.

4. Table 3 presents the value for activities⁴ included in the consolidated 2016 business plan but not submitted to the 77th meeting. The list of these activities is contained in Annex I to the present report.

Table 3. Activities in the consolidated 2016 business plan not yet submitted

Agency	Value (US \$)
Bilateral	400,000
UNDP	2,613,384
UNEP	4,580,665
UNIDO	10,055,389
World Bank	2,268,676
Total	19,918,114

Resource allocation for 2015-2017 triennium

5. The resources approved by the Parties to the Montreal Protocol for the 2015-2017 triennium⁵ total US \$507,500,000. Of this amount, US \$191,476,898 had been allocated to activities approved in 2015, with US \$316,023,102 remaining for 2016 and 2017.

² All HPMPs had been included in the business plan for 2017 except Paraguay where additional stage I funding submitted for the foam sector for polyols, but subsequently withdrawn.

³ All stage II of HPMPs had been included in the business plan for 2017 except for China (Japan) and overarching strategy (UNDP) and Mexico (Spain), and Uruguay (foam sector) that was not included at all in the business plans.

⁴ These activities include: 86 HCFC activities for 42 countries (US \$17.54 million) and 16 IS activities (US \$2.38 million).

⁵ Decision XXVI/10.

6. The value of the activities approved at the 76th meeting, submitted to the 77th meeting, planned in the 2017 adjusted business plans, and the operation of Secretariat/Executive Committee/Monitoring and evaluation and Treasurer for 2016 and 2017, amounts to US \$366,830,932, exceeding the resources available by US \$50,807,830 as shown in Table 4. The deficit could be further increased if the value of the interest to be accrued and the contributions to be paid are less than that indicated in the replenishment (i.e. US \$491.5 million⁶).

Table 4: Resource allocation for 2016 and 2017 (US\$)

Description	2016	2017	Total
Revised resource allocation (a)*	162,223,102	153,800,000	316,023,102
Project costs			
Approvals at the 76 th meeting	30,160,016		30,160,016
Submissions to the 77 th meeting	162,565,718		162,565,718
Business plans values		161,716,261	161,716,261
Subtotal project costs (b)	192,725,734	161,716,261	354,441,995
Recurrent costs			
Secretariat/Executive Committee/Monitoring and evaluation	5,629,692	5,759,245	11,388,937
Treasurer	500,000	500,000	1,000,000
Subtotal recurrent costs (c)	6,129,692	6,259,245	12,388,937
Total costs (d) = (b) + (c)	198,855,426	167,975,506	366,830,932
Balance (e) = (a) – (d)	-36,632,324	-14,175,506	-50,807,830

(*) Resources available from the 2015-2017 replenishment approved by the Parties.

7. An addendum to the present document will be issued prior to the 77th meeting to address, *inter alia*, the resource allocation for 2016 and 2017 based on recommendations provided in documents submitted to the 77th meeting.

Forward commitments

8. The addendum will also assess more accurately forward commitments associated with new stages I and II of HPMPs submitted to the 77th meeting.

RECOMMENDATIONS

9. The Executive Committee may wish to note:
- (a) The update on the status of implementation of the 2016-2018 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/77/5; and
 - (b) That an addendum will be issued to address resource allocation for 2016 and 2017 based on recommendations provided in documents submitted to the 77th meeting and forward commitments associated with new stages I and II of HCFC phase-out management plans.

⁶ New contributions for the 2015-2017 replenishment amount to US \$437.5 million; however, the US \$64 million carryover includes US \$48 million in contributions from triennia prior to 2015. With the US \$6 million of interest, the expected income amounts to US \$491.5 million.

Annex I

REMAINING ACTIVITIES REQUIRED FOR COMPLIANCE (2016)

Country	Agency	Type	Chemical	Sector and Subsector	Value (\$000) 2016	ODP 2016
Albania	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	26	0.2
Algeria	UNEP	INS	SEV	Institutional Strengthening	329	
Algeria	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	155	1.0
Algeria	UNIDO	PRP	HCFC	FOA-Rigid PU foam - Preparation of Stage II HPMP	54	0.0
Algeria	UNIDO	PRP	HCFC	REF-Manufacturing - Preparation of Stage II HPMP	54	0.0
Algeria	UNIDO	PRP	HCFC	REF-Servicing - Preparation of Stage II HPMP	64	0.0
Antigua and Barbuda	UNEP	PHA	HCFC	Stage 2 - HCFC Phase-out Management Plan (implementation)	45	
Argentina	World Bank	PHA	HCFC	FOA - Rigid PU foam - HPMP Stage II	1,202	17.7
Bahamas (the)	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	66	0.3
Bahamas (the)	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	39	0.2
Bahrain	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	141	1.0
Bangladesh	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	20	0.2
Bangladesh	UNEP	PRP	HCFC	Stage 2 - HCFC Phase-out Management Plan (preparation)	34	
Barbados	UNDP	PHA	HCFC	Stage I HPMP	41	0.2
Barbados	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	54	0.2
Belize	UNDP	PHA	HCFC	Stage I HPMP	7	0.0
Belize	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	108	0.4
Burundi	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	40	0.3
Burundi	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	87	0.6
Cameroon	UNIDO	PHA	HCFC	REF-Assembly and charging of refrigeration equipment - HPMP Stage II	755	8.1
Cameroon	UNIDO	PHA	HCFC	REF-Servicing - HPMP Stage II	374	4.0
Central African Republic (the)	UNEP	INS	SEV	Institutional Strengthening	85	
Central African Republic (the)	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	62	0.4
Cote d'Ivoire	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	168	1.8
Cote d'Ivoire	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	495	5.6
Democratic People's Republic of Korea (the)	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	102	2.0

Country	Agency	Type	Chemical	Sector and Subsector	Value (\$000) 2016	ODP 2016
Democratic People's Republic of Korea (the)	UNIDO	PRP	PRO HCFC	PRO - Stage I	107	0.0
Democratic People's Republic of Korea (the)	UNIDO	PRP	HCFC	REF-Manufacturing - Preparation of Stage II HPMP	30	0.0
Democratic People's Republic of Korea (the)	UNIDO	PRP	HCFC	REF-Servicing - Preparation of Stage II HPMP	45	0.0
Democratic Republic of the Congo (the)	UNDP	PHA	HCFC	Stage I HPMP	26	0.3
Democratic Republic of the Congo (the)	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	27	0.3
Democratic Republic of the Congo (the)	UNEP	PHA	HCFC	Stage 2 - HCFC Phase-out Management Plan (implementation)	211	2.4
Democratic Republic of the Congo (the)	UNEP	PRP	HCFC	Stage 2 - HCFC Phase-out Management Plan (preparation)	68	
Dominica	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	74	0.0
Equatorial Guinea	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	40	0.2
Equatorial Guinea	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	82	0.5
Gabon	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	57	1.0
Gabon	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	131	2.4
Guinea	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	73	0.8
Guinea	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	172	2.0
India	UNDP	DEM	HCFC	Demonstration project for development and evaluation of spray foam polyol systems for buildings using HFOs as blowing agent	1,000	33.0
India	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	97	1.4
Kuwait	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	372	8.0
Kuwait	UNIDO	PHA	HCFC	FOA-XPS - HPMP - Stage I	1,129	25.5
Kuwait	UNEP	PRP	HCFC	Stage 2 - HCFC Phase-out Management Plan (preparation)	68	
Kuwait	UNIDO	PRP	HCFC	FOA-Rigid PU foam - Preparation of Stage II HPMP	86	0.0
Kuwait	UNIDO	PRP	HCFC	REF-Air Conditioning - Preparation of Stage II HPMP	86	0.0
Kuwait	UNIDO	PRP	HCFC	REF-Servicing - Preparation of Stage II HPMP	32	0.0
Marshall Islands (the)	UNEP	INS	SEV	Institutional Strengthening	85	
Mauritania	UNDP	PHA	HCFC	Stage I HPMP	42	0.9
Mauritania	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	86	1.7
Mexico	UNIDO	INS	SEV	Institutional Strengthening	338	0.0
Morocco	UNEP	INS	SEV	Institutional Strengthening	200	
Morocco	Italy	PHA	HCFC	REF-Servicing - HPMP Stage II	150	1.7
Morocco	UNIDO	PHA	HCFC	REF-Servicing - HPMP Stage II	467	5.0
Morocco	UNIDO	PHA	HCFC	FOA-Rigid PU foam - HPMP Stage II	538	7.9

Country	Agency	Type	Chemical	Sector and Subsector	Value (\$000) 2016	ODP 2016
Mozambique	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	34	0.2
Mozambique	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	82	0.5
Myanmar	UNEP	INS	SEV	Institutional Strengthening	85	
Myanmar	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	21	0.1
Namibia	UNEP	INS	SEV	Institutional Strengthening	85	
Nauru	UNEP	INS	SEV	Institutional Strengthening	85	
Niger (the)	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	141	1.3
Niger (the)	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	97	0.9
Nigeria	UNDP	PHA	HCFC	Stage II HPMP (foam)	545	8.0
Nigeria	UNDP	PHA	HCFC	Stage II HPMP (servicing)	523	5.6
Nigeria	UNIDO	PHA	HCFC	REF-Manufacturing - HPMP Stage II	1,634	10.0
Panama	UNDP	PHA	HCFC	HCFC-INV: Foams - HPMP Stage I	327	4.8
Panama	UNEP	PHA	HCFC	Stage 2 - HCFC Phase-out Management Plan (implementation)	22	0.2
Peru	UNEP	PHA	HCFC	Stage 2 - HCFC Phase-out Management Plan (implementation)	14	0.3
Philippines (the)	World Bank	PHA	HCFC	REF-Air conditioning - HPMP Stage II	789	5.4
Philippines (the)	World Bank	PHA	HCFC	REF-Commercial refrigeration - HPMP Stage II	277	3.0
Qatar	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	170	4.3
Qatar	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	160	4.2
Saint Lucia	UNEP	INS	SEV	Institutional Strengthening	85	
Saint Vincent and the Grenadines	UNEP	INS	SEV	Institutional Strengthening	85	
Saudi Arabia	UNEP	INS	SEV	Institutional Strengthening	256	
Serbia	UNIDO	INS	SEV	Institutional Strengthening	180	0.0
Serbia	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	16	0.0
Serbia	UNIDO	PHA	HCFC	REF-Servicing and REF-Manufacturing - HPMP - Stage I	73	0.2
Somalia	UNIDO	PHA	HCFC	FOA-Rigid PU foam - HPMP - Stage I	151	0.8
South Africa	UNIDO	PRP	HCFC	REF-Manufacturing - Preparation of Stage II HPMP	161	0.0
South Africa	UNIDO	PRP	HCFC	REF-Servicing - Preparation of Stage II HPMP	96	0.0
Suriname	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	40	0.1
Suriname	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	32	0.1
Swaziland	UNEP	INS	SEV	Institutional Strengthening	85	
The former Yugoslav Republic of Macedonia	UNIDO	PHA	HCFC	REF-Servicing, FOA & INS - HPMP - Stage I	88	0.2
Timor-Leste	UNDP	PHA	HCFC	Stage I HPMP	12	0.0
Timor-Leste	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	19	0.0
Timor-Leste	UNEP	PHA	HCFC	Stage 2 - HCFC Phase-out Management Plan (implementation)	19	0.0

Country	Agency	Type	Chemical	Sector and Subsector	Value (\$000) 2016	ODP 2016
Togo	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	70	0.7
Togo	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	161	1.7
Trinidad and Tobago	UNDP	INS	SEV	Institutional Strengthening	91	0.0
Tunisia	UNEP	PRP	HCFC	Stage 2 - HCFC Phase-out Management Plan (preparation)	23	
Turkey	Italy	PHA	HCFC	REF-Servicing - HPMP Stage II	150	1.7
Turkey	UNIDO	PHA	HCFC	REF-Servicing - HPMP - Stage I	1,711	52.6
Uganda	UNEP	INS	SEV	Institutional Strengthening	85	
Venezuela (Bolivarian Republic of)	Italy	PHA	HCFC	REF-Servicing - HPMP Stage II	100	1.4
Yemen	UNEP	INS	SEV	Institutional Strengthening	218	
Yemen	UNEP	PHA	HCFC	HCFC Phase-out Management Plan (implementation) - Stage I	186	13.2
Yemen	UNIDO	PRP	HCFC	REF-Manufacturing - Preparation of Stage II HPMP	41	0.0
Yemen	UNIDO	PRP	HCFC	REF-Servicing - Preparation of Stage II HPMP	73	0.0