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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-first Meeting
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Item 8(a) of the provisional agenda¹

**UPDATE ON THE STATUS OF IMPLEMENTATION OF THE 2022-2024 CONSOLIDATED
BUSINESS PLAN OF THE MULTILATERAL FUND AND FINANCIAL PLANNING FOR THE
TRIENNIUM 2021-2023**

Introduction

1. The present document consists of the following sections:
 - I. An update on the status of the implementation of the 2022–2024 business plans
 - II. Financial planning: Resource allocation for the 2021–2023 triennium
 - III. Recommendation

I. Update on the status of the implementation of the 2022–2024 business plans

2. At its 88th meeting, the Executive Committee endorsed the 2022–2024 consolidated business plan of the Multilateral Fund. In response to decision 88/34, the Secretariat adjusted the consolidated 2022–2024 business plan, as shown in table 1.

¹ UNEP/OzL.Pro/ExCom/91/1

Table 1. Resource allocation of the adjusted 2022–2024 consolidated business plan of the Multilateral Fund (US \$)*

Description	2022	2023	2024	Total
HCFC activities				
Approved HCFC phase-out management plans (HPMPs)	63,931,709	57,389,790	36,969,548	158,291,047
HPMP project preparation (PRP) – stage II	150,350	128,330	33,900	312,580
HPMP stage II	5,933,030	5,671,633	6,094,891	17,699,555
HPMP PRP – stage III	96,300	513,600	0	609,900
HPMP stage III	8,391,663	41,759,745	58,150,643	108,302,052
HPMP verification**	588,600	588,600	588,600	1,765,800
HCFC activities subtotal	79,091,652	106,051,699	101,837,582	286,980,933
HFC activities				
HFC – enabling activities	0	214,000	0	214,000
HFC – investment	530,598	0	0	530,598
Kigali HFC implementation plans (KIPs) – PRP	7,972,750	3,716,543	0	11,689,293
KIPs	0	36,665,672	300,000	36,965,672
HFC – technical assistance	678,000	0	678,000	1,356,000
HFC activities subtotal	9,181,348	40,596,215	978,000	50,755,563
Standard activities				
Institutional strengthening (IS)	9,783,324	11,572,147	9,783,324	31,138,795
Compliance Assistance Programme (CAP)	11,427,930	11,770,768	12,123,891	35,322,589
Core unit	5,952,617	5,994,285	6,036,246	17,983,148
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	6,260,173	5,935,637	6,063,422	18,259,232
Treasurer	500,000	500,000	500,000	1,500,000
Standard activities subtotal	33,924,044	35,772,837	34,506,883	104,203,764
Grand total	122,197,044	182,420,752	137,322,465	441,940,261
Austria	0	783,667	0	783,667
France	0	671,075	0	671,075
Germany	2,392,607	1,599,725	483,512	4,475,844
Japan	0	67,800	0	67,800
United Kingdom of Great Britain and Northern Ireland (the)	192,100	0	0	192,100
UNDP	24,053,719	80,749,797	58,911,492	163,715,008
UNEP	30,378,110	30,479,401	25,103,124	85,960,635
UNIDO	24,629,936	39,106,803	18,600,937	82,337,676
World Bank	33,201,800	21,938,246	27,071,378	82,211,424
HPMP verification**	588,600	588,600	588,600	1,765,800
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	6,260,173	5,935,637	6,063,422	18,259,232
Treasurer	500,000	500,000	500,000	1,500,000

* Including agency support costs where applicable.

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

I.1 Status of implementation of the 2022 business plan

3. The total funding available for 2022 amounts to US \$122,197,044. Of this amount, US \$18,554,871 has been approved at the 90th meeting. In addition, activities amounting to US \$89,808,338 would be considered at the 91st meeting; if funding for all project proposals submitted as requested are approved, a balance of US \$13,833,835 would be available from the 2022 business plan, as shown in table 2.

Table 2. 2022 consolidated business plan, approvals at the 90th meeting, project submissions to the 91st meeting, and balance (US \$)*

Budget items	Total value in business plan	Approvals at the 90 th meeting	Activities as requested to the 91 st meeting	Balance (above)/below
Bilateral agencies	2,584,707	721,388	2,283,589	(420,270)
UNDP	24,053,719	5,058,472	13,931,040	5,064,207
UNEP	30,378,110	5,603,434	20,155,815	4,618,861
UNIDO	24,629,936	7,138,877	19,420,888	(1,929,829)
World Bank	33,201,800	0	26,688,933	6,512,867
HPMP verification	588,600	32,700	567,900	(12,000)
Subtotal (agencies)	115,436,871	18,554,871	83,048,165	13,833,835
Secretariat/Executive Committee/Monitoring and Evaluation (excluding Canadian counterpart)	6,260,173	0	6,260,173	0
Treasurer	500,000	0	500,000	0
Subtotal (standard costs)	6,760,173	0	6,760,173	0
Total	122,197,044	18,554,871	89,808,338	13,833,835

* Including core unit costs.

4. The value of project activities as requested to the 91st meeting is US \$83,048,165, of which US \$18,297,605 is associated with project proposals not included in the 2022 business plan.²

5. The value of HFC-related activities submitted to the 91st meeting is US \$4,829,989, of which US \$2,445,565 is associated with project proposals not included in the 2022 business plan. Annex I to the present document lists HFC-related projects submitted by the bilateral and implementing agencies to the 91st meeting.

6. Project proposals with a value of US \$33,042,681³ that were included in the 2022 business plan, were not submitted to the 91st meeting. These proposals have been included in the consolidated business plan of the Multilateral Fund for 2023–2025.⁴

I.2 Forward commitments

7. The total amount for existing forward commitments for multi-year agreements (MYAs) for the period 2022 to 2031 is US \$292.31 million, assuming that the funding requests of MYAs submitted to the 91st meeting will be approved in principle, as shown in table 3.

Table 3. Forward commitments (2022–2031) (US \$000)

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Approved in principle	63,663	52,145	41,385	39,783	35,452	7,869	938	1,750	6,033	57	249,075
Submitted to the 91 st meeting	15,578	0	10,669	3,301	7,343	2,321	491	2,982	543	0	43,229
Total	79,241	52,145	52,054	43,084	42,796	10,190	1,429	4,732	6,576	57	292,305

² Project preparation for stage II of the HPMP for Haiti (UNDP) and stage III of the HPMPs for Mexico (UNIDO) and Viet Nam (World Bank); tranches of the HPMPs for Barbados (UNDP), India (Germany, UNDP and UNEP), Morocco (UNIDO) and Syrian Arab Republic (UNIDO); KIP preparation for investment projects for Malaysia (World Bank); KIP project preparation activities for the Congo (UNEP and UNIDO), Morocco (UNIDO), the Philippines (UNDP), Pacific Island Countries region (UNEP), Saint Lucia (UNIDO) and Zimbabwe (UNDP); KIP for the Niger (UNEP and UNIDO); HFC investment project for Ecuador (UNIDO); energy efficiency project for Maldives (UNEP); and institutional strengthening for Belize (UNEP) and Mexico (UNIDO).

³ These activities include: 65 HCFC-related activities for 33 countries (US \$25.3 million), 38 HFC-related activities for 29 countries (US \$4.77 million) and 21 IS activities (US \$2.98 million).

⁴ UNEP/OzL.Pro/ExCom/91/22

II. Financial planning: Resource allocation for the 2021–2023 triennium

8. The Secretariat has prepared the financial planning for the triennium 2021–2023 taking into consideration decision Ex.V/1 of the Fifth Extraordinary Meeting of the Parties on the level of replenishment of the Fund, and the commitments and resource availability in the light of expected cash flow during the triennium.

9. The resources approved by the Parties to the Montreal Protocol for the 2021–2023 triennium amount to US \$540,000,000. Taking into account the approvals in 2021 and at the 90th meeting of US \$123,674,574, the submissions to the 91st meeting including Secretariat/Executive Committee and Treasurer costs of US \$89,808,338, the remaining resource allocation for 2023 is US \$326,517,088.

Table 4. Resource allocation for the 2021–2023 triennium

Description	Amount (US \$)
Total budget for the 2021-2023 triennium	540,000,000
2021 approvals (87 th and 88 th meetings) including Secretariat/Executive Committee/Monitoring and Evaluation/Treasurer	(105,119,703)
90 th meeting approvals	(18,554,871)
91 st meeting submissions	(83,048,165)
2022 Secretariat/Executive Committee/Monitoring and Evaluation/Treasurer	(6,760,173)
Resources available for 2023	326,517,088

II.1 Possible factors impacting financial planning and cash flow during the 2021–2023 triennium

10. The cash flow of the Multilateral Fund for the 2021–2023 triennium is influenced by several factors, *inter alia*: receipt of agreed 2021–2023 pledged contributions; payment of contributions in arrears included in the carry-over; interest to be accrued; the loss/gain due to the fixed-exchange rate mechanism (FERM); and the balances returned from cancelled or completed projects. The following paragraphs provide forecasted information for the 2021–2023 triennium based on actual data from 2021 and 2022.

Receipt of agreed pledged contributions

11. Based on the rate of pledges received during the 2018–2020 triennium (i.e., 99.1 per cent), of the US \$475 million of pledged contribution, US \$470.72 million is expected to be received during the 2021–2023 triennium.

Payment of outstanding contributions in arrears included in the carry-over

12. The actual carry-over for the 2021–2023 triennium is US \$65 million including US \$153,334 of outstanding contributions expected to be collected.

Potential interest accrued during the 2021–2023 triennium

13. Based on the cash balance in 2021 and 2022 and using the average interest collected for 2021 and up to 3 November 2022, it might be expected that the interest accrued during the 2021–2023 triennium would amount to US \$310,825.

Gains/losses due to the FERM

14. In 2021, the US dollar was weakened against most other currencies and the FERM gain was US \$4,820,982; however, in 2022, the US dollar has strengthened against most other currencies and the FERM loss was US \$2,958,396, hence net gain of US \$1,862,586 as at 3 November 2022. In 2023, the

situation might change and a conservative estimate of the 2021–2023 triennium will be a net loss of US \$600,000.

Potential balances returned from cancelled or completed projects

15. It is difficult to calculate the potential total funds associated with the return of balances from cancelled or completed projects during the 2021–2023 triennium. The funds and interests returned for 2021 was US \$15,796,272 and US \$3,480,090 for the 90th meeting. US \$12.67 million was expected to be returned for funds and interests at the 91st meeting. Bilateral and implementing agencies are strongly encouraged to immediately return all the balances for those projects which have been operationally completed or cancelled.

III. Recommendation

16. The Executive Committee may wish to note:

- (a) The update on the status of implementation of the 2022–2024 consolidated business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/91/20; and
- (b) That the total value of activities as requested to the 91st meeting amounts to US \$83,048,165 (including US \$4,829,989 for HFC-related activities), of which US \$18,297,605 is associated with project proposals not included in the 2022 business plan.

Annex I

HFC-RELATED ACTIVITIES SUBMITTED TO THE 91ST MEETING

Country	Agency	Type	Sector	Project title	Amount requested (US \$)	Support costs requested (US \$)
Bosnia and Herzegovina	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	130,000	9,100
Cabo Verde	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	130,000	16,900
Comoros (the)	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	100,000	13,000
Congo (the)	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	51,000	6,630
Congo (the)	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	119,000	8,330
Cote d'Ivoire	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	133,000	17,290
Cote d'Ivoire	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	57,000	3,990
Ecuador	UNIDO	INV	REF	Conversion project for the phase-down of HFC-134a in the manufacturing of domestic and commercial refrigerators at the enterprise INDUGLOB	328,935	24,670
Gabon	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	133,000	17,290
Gabon	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	57,000	3,990
Guinea-Bissau	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	91,000	11,830
Guinea-Bissau	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	39,000	2,730
Malaysia	IBRD	PRP	KIP	Preparation of HFC investment project in mobile air-conditioning sector	30,000	2,100
Malaysia	IBRD	PRP	KIP	Preparation of HFC investment projects in fire fighting sector	150,000	10,500
Malaysia	IBRD	PRP	KIP	Preparation of HFC investment projects in refrigeration sector	80,000	5,600
Mongolia	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	130,000	16,900
Morocco	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	190,000	13,300
Niger (the)	UNEP	TAS	KIP	Kigali HFC implementation plan (stage I, first tranche)	84,500	10,985
Niger (the)	UNIDO	INV	KIP	Kigali HFC implementation plan (stage I, first tranche)	113,500	7,945
Philippines (the)	UNDP	PRP	KIP	Preparation of a Kigali HFC implementation plan	220,000	15,400
Saint Lucia	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	90,000	11,700
Saint Lucia	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	40,000	2,800

Country	Agency	Type	Sector	Project title	Amount requested (US \$)	Support costs requested (US \$)
United Republic of Tanzania (the)	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	91,000	11,830
United Republic of Tanzania (the)	UNIDO	PRP	KIP	Preparation of a Kigali HFC implementation plan	39,000	2,730
Zimbabwe	UNDP	PRP	KIP	Preparation of a Kigali HFC implementation plan	51,000	3,570
Zimbabwe	UNEP	PRP	KIP	Preparation of a Kigali HFC implementation plan	119,000	15,470
Region: ASP	UNEP	PRP	KIP	Regional Kigali HFC implementation plan for 12 Pacific Island Countries: Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (Overarching)	780,000	95,800
Global	UNEP	TAS	SEV	Twinning of Ozone Officers and National Energy Efficiency Policymakers to support Kigali Amendment objectives	793,400	97,274