



**United Nations
Environment
Programme**

Distr.
GENERAL



UNEP/OzL.Pro/ExCom/91/59
12 November 2022

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-first Meeting
Montreal, 5-9 December 2022
Item 9(f) of the provisional agenda¹

2023 CORE UNIT COSTS FOR UNDP, UNIDO AND THE WORLD BANK

I. Introduction

1. The present document assesses the 2023 core unit costs requests from and administrative cost requirements of UNDP, UNIDO and the World Bank, and the extent to which resources available for total administrative costs in 2023 could cover expected 2023 costs. The assessment is presented separately for each of the three implementing agencies. The document also presents a recommendation.

2. This document is based on information provided by the three implementing agencies on actual core and administrative costs for 2021, estimated costs for 2022, and proposed budget for 2023.² During the review of the information submitted, the Secretariat had extensive discussions with each of the three implementing agencies, where all issues were addressed. The Secretariat notes with appreciation the collaboration provided by the three implementing agencies during the review process.

3. A summary of the different administrative cost regimes of the Multilateral Fund is provided in Annex I to the present document. To facilitate the review by the Executive Committee, the core unit budget data and other administrative costs for each implementing agency for the last three years (2019–2021) is presented in the main document, while historical data from 2013 is contained in Annex II to the present document.

II. UNDP

4. The Executive Committee approved the 2022 request for core unit funding for UNDP at US \$2,127,940 (decision 88/44(b)(i)). Table 1 presents the core unit budget and administrative costs provided by UNDP from 2019 to 2023.

¹ UNEP/OzL.Pro/ExCom/91/1

² The agencies used the revised format for reporting administrative costs contained in Annex XVIII to document UNEP/OzL.Pro/ExCom/79/51, pursuant to decision 79/41(e).

Table 1. Core unit budget data and other administrative costs for 2019 to 2023 for UNDP (US \$)

Cost item	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	2,379,866	2,316,147	2,431,357	2,457,201	2,504,297	2,579,426
Travel (staff and consultants)	182,129	17,032	-112	150,000	90,000	150,000
Space (rent and common costs)	153,176	130,925	131,294	130,925	131,294	131,294
Equipment supplies and other costs (computers, supplies)	8,351	15,777	11,132	10,000	15,000	15,000
Contractual services (firms)	24,300	1,648	0	25,000	5,000	30,000
Reimbursement of central services for core unit staff	240,968	251,221	222,590	250,000	250,000	250,000
Adjustments (+ = underuse and - = overrun)	-904,918	-601,414	-683,114	-895,186	-867,652	-1,012,885
Return of funds (- = returned funds)	0	-32,878	0		0	0
A. Sub-total core unit costs*	2,083,871	2,098,458	2,113,147	2,127,940	2,127,939	2,142,835
Reimbursement of country offices and national execution, including overheads	488,288	1,077,150	833,284	742,500	742,500	742,500
Executing agency support cost (internal), including overheads	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	240,968	251,221	222,590	250,000	250,000	250,000
Adjustments (+ = overrun and - = underuse)	904,918	601,414	683,114	895,186	867,652	1,012,885
Project costs (- = to be deducted and thus removed)	0					
B. Sub-total agency support costs/ implementation costs	1,634,174	1,929,785	1,738,988	1,887,686	1,860,152	2,005,385
Grand total (A + B)	3,718,046	4,028,243	3,852,135	4,015,626	3,988,091	4,148,220

* The cost of the core unit is higher than the allowed subtotal of US \$2,083,871 in 2019, US \$2,098,458 in 2020, US \$2,113,147 in 2021 and US \$2,127,939 in 2022. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

II.1 Core unit costs

5. UNDP's request of US \$2,142,835 for its 2023 core unit budget represents a 0.7 per cent increase in the budget approved for 2022. UNDP expects the costs of its core unit to exceed this amount by US \$1,012,885 (indicated as "Adjustment" in table 1). UNDP has normally exceeded its budget allocation for its core unit³ and recovered those costs from support costs earned through implementing Multilateral Fund projects.

6. UNDP's proposed 2023 core unit budget consists of:

- (a) Staff salaries (81.7 per cent of the budget). In 2022, the staff estimated costs were 83.6 per cent of the overall budget (ranging from 70.5 to 87 per cent since 2011);

³ On five occasions over the past nine years, the level of core unit costs exceeded more than US \$800,000: US \$837,220 in 2012, US \$849,676 in 2013, US \$929,036 in 2017, US \$1,053,880 in 2018 and US \$904,918 in 2019. In 2022, UNDP will exceed its costs by US \$867,652 (about 40.8 per cent over budget).

- (b) Reimbursement of central services (7.9 per cent of the budget). The budgeted amount (US \$250,000) is higher than the actual costs in 2021 (US \$222,590) and at the same level as the estimated costs for 2022;
- (c) Travel (4.8 per cent of the budget). The proposed budget (US \$150,000) is higher than the estimated costs for 2022 (US \$90,000), but lower than the 2019 expenditure (US \$182,129) when travel had not been affected by the COVID-19 pandemic. The negative expenditure for 2021 is due to settlement of travel claims, resulting in refund by staff members to UNDP. UNDP anticipates increased in-person technical support to Article 5 countries in view of implementation of both HCFC phase-out management plans and Kigali HFC implementation plans, as well as to those countries where project implementation may have experienced delays as a result of the COVID-19 pandemic; the proposed 2023 budget is expected to cover associated travel costs. UNDP also rationalizes that the proposed travel costs have taken into account the regional presence of their programme teams and their proximity to Article 5 countries within the region;
- (d) Space rental (4.2 per cent of the budget). Space rental costs are budgeted at the same level as 2021 actual costs and 2022 estimated costs;
- (e) Contractual service costs (1.0 per cent of the budget). These are budgeted at higher levels than the budgeted and estimated costs for 2022 in anticipation that it will be possible to plan and hold an in-person team coordination meeting during 2023; and
- (f) Equipment supplies (0.5 per cent of the budget). The proposed budget (US \$15,000) is the same as the estimated costs for 2022. The budgets are maintained at the same levels on a rolling basis for equipment (mainly computer hardware) acquisition throughout the year for existing and new team members.

II.2 Total administrative costs

7. UNDP expects administrative costs to amount to US \$4,148,220 in 2023, slightly above the estimated 2022 costs of US \$3,988,091.

8. The level of funding for reimbursement of country offices and national execution is expected to be at the same level as the estimated costs in 2022 (US \$742,500). This is lower than the actual costs of 2021 (US \$833,284) and 2020 (US \$1,077,150) but higher than the actual costs for 2019 (US \$488,288). This funding level is also lower than the range of costs between 2011 and 2018 (US \$1,472,814 to US \$2,442,896).

9. The expected resources available from the Multilateral Fund to UNDP for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to UNDP only after approved project costs are disbursed. Table 2 presents this assessment for 2019 to 2022.

Table 2. Assessment of availability of income for future administrative costs for UNDP (US \$)

Description	2019	2020	2021	2022*
Net agency support costs plus core unit costs	2,795,805	4,236,224	3,856,069	3,265,272
Total administrative cost	3,718,046	4,028,243	3,852,135	3,988,091
Balance per year	(922,240)	207,981	3,934	(722,819)
Running balance	(1,678,699)	(1,470,718)	(1,466,784)	(2,189,603)

* Including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

10. Based on the analysis presented in table 2, at the end of 2022, UNDP could have a negative accumulated balance amounting to US \$2,189,603. In 2023, UNDP would have to generate at least US \$6,337,823 in agency support costs and core unit costs to cover its expected total administrative costs of US \$4,148,220.

III. UNIDO

11. The Executive Committee approved the 2022 request for core unit funding for UNIDO at US \$2,036,154 (decision 88/44(b)(ii)). Table 3 presents the core unit budget and administrative costs provided by UNIDO from 2019 to 2023.⁴ The figures listed as “actual” are based on a model prepared by UNIDO to estimate the support cost of the Montreal Protocol unit pursuant to decision 56/41.⁵

Table 3. Core unit budget data and other administrative costs for 2019 to 2023 for UNIDO (US \$)

Cost item	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	1,351,602	1,416,184	947,075	1,395,100	1,038,500	1,528,400
Travel (staff and consultant)	137,864	16,004	0	200,000	206,500	541,700
Space (rent and common costs)	84,323	84,131	52,649	71,800	42,800	67,300
Equipment supplies and other costs (computers, supplies)	63,164	33,721	26,170	49,800	22,800	44,200
Contractual services (firms)	6,356	2,455	0	19,000	5,300	16,600
Reimbursement of central services for core unit staff	464,626	496,559	325,920	541,200	309,800	495,800
Adjustments (+ = underuse and - = overrun)	-24,066	49,404	670,186	-240,746	410,454	-643,593
Return of funds (- = returned funds)	0	-49,404	-670,186	0	0	0
A. Sub-total core unit costs*	2,083,870	2,049,054	1,351,814	2,036,154	2,036,154	2,050,407
Reimbursement of country offices and national execution, including overheads	1,339,603	814,755	858,449	906,800	757,500	889,500
Executing agency support cost (internal), including overheads	1,386,593	1,352,699	1,163,401	1,686,200	1,138,200	898,200
Financial intermediaries, including overheads	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	24,066	0	-670,186	240,746	-410,454	643,593
Project costs (- = to be deducted and thus removed)	-38,099	0	0	0	0	0
B. Sub-total agency support costs/ implementation costs	2,712,163	2,167,455	1,351,664	2,833,746	1,485,246	2,431,293
Grand total (A + B)	4,796,033	4,216,509	2,703,478	4,869,900	3,521,400	4,481,700

* The cost of the core unit is higher than the allowed subtotal of \$2,083,870 in 2019. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

⁴ UNIDO has never had an appropriate cost centre accounting system that could facilitate reporting based on actual data with an audit trail. UNIDO has indicated that an alignment was established in 2017 to reflect the total administrative costs, including those which as per current UNIDO methodology may have been termed as possible project-related administrative costs.

⁵ UNIDO was requested to provide the assumption for its administrative costs model, and in future requests for core unit funding to furnish administrative cost information distinguishing project-related activities from administrative costs. Subsequently, through decision 59/28(c), the Executive Committee took note of the methodology for identifying project-related costs in UNIDO’s annual report on administrative costs (UNEP/OzL.Pro/ExCom/60/51).

III.1 Core unit costs

12. UNIDO's request of US \$2,050,407 for its 2023 core unit budget represents a 0.7 per cent increase in the budget approved for 2022. UNIDO expects the costs of its core unit to exceed this amount by US \$643,593 (indicated in the row "Adjustment" in table 3).

13. UNIDO's proposed 2023 core unit budget consists of:

- (a) Staff salaries (56.7 per cent of the budget consisting of 7.4 staff members). In 2022, the staff estimated costs were 63.9 per cent of the overall budget (ranging from 60.7 to 70.1 per cent since 2011). The total number of core unit staff continued to decrease since 2021 due to retirements, transfers and redistribution of work. It is expected that the number of staff will increase from 5 in 2022 to 7.4 in 2023 because of replacements, noting however the time required for training new personnel;
- (b) Travel (20.1 per cent of the budget). The proposed budget (US \$541,700) is higher than that for 2022 (US \$200,000) and higher than the cost range incurred since 2011 (US \$0 to US \$284,000). UNIDO indicated that, as all core activity meetings were held virtually, this exceptionally resulted in no travel expenditures in 2021. In 2022, the COVID-19 pandemic continued to bring restrictions on travel, but the costs will largely meet estimates for that year. However, travel is expected to return to normal in 2023. UNIDO recognises that the flight ticket prices have been increasing significantly after the pandemic and as such, UNIDO will ensure to allow only essential travels;
- (c) Central services (18.4 per cent of the budget). These expenses relate to the costs of UNIDO's Secretariat's governing bodies and general management apportioned based on the number of staff in the Montreal Protocol unit. The costs of central services in 2021 decreased by US \$95,980 mainly due to the reduced number of core unit staff in 2021, combined with reduced translation and meetings costs resulting from the set up of reliable and secure electronic meeting facilities. In 2022, these costs are expected to decrease by US \$231,400 as the number of core unit staff continues to decrease, as well as due to savings after the initial minor investments in virtual meeting facilities;
- (d) Space rental (2.5 per cent of the budget). There is a decrease of US \$20,651 in 2021 and a projected decrease of US \$29,000 for 2022, resulting from the changes in the number of core unit staff;
- (e) Equipment supplies (1.6 per cent of the budget). UNIDO indicated that, having completed the equipment replacement cycle in 2019, actual costs in 2021 were lower than the already low estimates by US \$8,630, and that in 2022, a further decrease of US \$27,000 from the budget is projected; and
- (f) Contractual services (0.6 per cent of the budget). The budgeted amount for 2023 (US \$16,600) is less than that for 2022 (US \$19,000). UNIDO indicated that the estimated costs for 2022 is projected at US \$5,300 (US \$13,700 lower than the budget) due to further savings associated with printing and translation. There were no contractual services expenses estimated for 2021 and none were incurred in line with the estimate;

14. UNIDO will return US \$670,186 as savings from the core unit costs from 2021, to the 91st meeting. The Executive Committee may wish to note, with appreciation, that UNIDO would be returning unused balances.

III.2 Total administrative costs

15. Total net administrative costs are proposed at US \$4,481,700 for 2023, which is higher than the 2022 estimated costs of US \$3,521,400, but in the range of costs between 2011 and 2022 (US \$2,703,478 to US \$6,821,000).

16. The reimbursement of country offices and national execution budgeted at US \$889,500 for 2023, is higher than the estimated costs for 2022 (US \$757,500) and the actual costs for 2021 (US \$858,449). However, this amount is lower than previous years (ranging from US \$1,145,400 to US \$3,602,000 between 2011 and 2016). UNIDO explained that the actual expenditures in 2021 decreased by US \$58,451 due to reduced implementation of activities through field offices due to the COVID-19 pandemic. The UNIDO field structures are also currently being reorganized and this will result in further reduced costs in the coming years. Consequently, a significant decrease of US \$149,300 is expected in 2022 against the budget.

17. Executing agency cost for 2023 (US \$898,200) is US \$240,000 lower than the estimated costs in 2022, and US \$265,201 lower than the 2021 actual costs. Executing agency costs have ranged from US \$1,138,200 to US \$3,302,800 for the 2011–2022 period. UNIDO explained that there is a significant increase in the executing agency support costs due to change in the execution model with the Foreign Economic Cooperation Office in China, while a major decrease against the budget of US \$548,000 is projected for 2022, since the budgetary appropriations were adjusted to the actual needs.

18. The expected resources available from the Multilateral Fund to UNIDO for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to UNIDO only after approved project costs are disbursed. Table 4 presents the assessment for 2019 to 2022.

Table 4. Assessment of availability of income for future administrative costs for UNIDO (US \$)

Description	2019	2020	2021	2022*
Net agency support costs plus core unit costs	3,415,748	3,116,002	3,664,980	3,691,950
Total administrative cost excluding project costs	4,796,033	4,216,509	2,703,478	3,521,400
Balance per year	(1,380,285)	(1,100,507)	961,502	170,550
Running balance	(4,159,132)	(5,259,638)	(4,298,137)	(4,127,587)

* Including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

19. Based on the analysis presented in table 4, UNIDO could have a negative accumulated balance at the end of 2022, amounting to US \$4,127,587. UNIDO would have to generate at least US \$8,609,287 in agency support costs and core unit costs in 2023 to cover the total 2023 administrative costs of US \$4,481,700. UNIDO mentioned that as in the past, it would continue to manage its operations based on its delivery of its project operations and core unit funding received.

IV. World Bank

20. The Executive Committee approved the 2022 request for core unit funding for the World Bank at US \$1,735,000 (decision 88/44(b)(iii)). Table 5 presents the core unit budget and administrative costs provided by the World Bank from 2019 to 2023.

Table 5. Core unit budget data and other administrative costs for 2019 to 2023 for the World Bank (US \$)

Cost item	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	1,250,888	1,055,231	1,224,772	1,235,000	1,235,000	1,235,000
Travel (staff and consultant)	151,281	13,481	0	200,000	130,000	190,000
Space (rent and common costs)	0	0	0	0	0	0
Equipment supplies and other costs (computers, supplies)	0	0	1,436	0	0	0
Contractual services (firms)	38,983	10,292	1,000	85,000	10,000	53,870
Reimbursement of central services for core unit staff	249,954	212,792	247,637	215,000	256,130	256,130
Adjustments (+ = underuse and - = overrun)	43,894	443,204	260,155	0	103,870	0
Return of funds (- = returned funds)	-43,894	-443,204	-260,155	0	-103,870	0
A. Sub-total core unit costs	1,691,106	1,291,796	1,474,845	1,735,000	1,631,130	1,735,000
Reimbursement of country offices and national execution, including overheads	1,258,437	1,172,183	748,694	2,000,000	800,000	1,100,000
Executing agency support cost (internal), including overheads	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	0	0	0	0	0	0
Project costs (- = to be deducted and thus removed)						
B. Sub-total agency support costs/ implementation costs	1,258,437	1,172,183	748,694	2,000,000	800,000	1,100,000
Grand total (A + B)	2,949,544	2,463,979	2,223,809	3,735,000	2,431,130	2,835,000

IV.1 Core unit costs

21. The World Bank's request of US \$1,735,000 for its 2023 core unit budget is in the same amount as its 2022 core unit budget as approved. Unlike UNDP and UNIDO, the World Bank is not subsidized by revenue from agency support costs or its general fund.

22. The World Bank's proposed 2023 core unit budget consists of:

- (a) Staff salaries (71.2 per cent of the budget). The 2021 staff costs (US \$1,224,772) were 0.8 per cent lower than the 2021 estimated costs (US \$1,235,000), noting that a full core unit cohort is now in place;
- (b) Reimbursement of central services (14.8 per cent of the budget). The 2021 actual costs (US \$247,637) were 2.9 per cent lower than the estimated cost (US \$255,000). For 2021, audit expenses amounted to US \$45,000. While in prior years, audit expenses had been factored in contractual services, they are now factored in reimbursement of central services costs. Consequently, given actual and estimated expenses for 2021 and 2022, respectively, the initial budget of US \$215,000 for this cost component was underestimated. As such, the 2023 budget is expected to be more aligned with expense levels for 2021 and 2022;
- (c) Travel (11 per cent of the budget). The World Bank anticipates travel costs to be more aligned with pre-COVID-19 cost norms; the budget for 2023 is slightly lower than that of 2022 but 46 per cent higher than the estimated costs for 2022;

- (d) Contractual services (3.1 per cent of the budget). The World Bank anticipates 2023 contractual services costs to be more aligned with pre-COVID cost levels; the proposed budget is higher than the actual costs for 2021 and estimated for 2022; and
- (e) No costs for space and equipment supplies are budgeted as they are primarily absorbed by the World Bank's budget (rather than the Montreal Protocol core unit), except for 2021 when actual costs of US \$1,436 were incurred for space and equipment supplies.

23. The World Bank will return US \$260,155 as savings from the core unit costs from 2021, to the 91st meeting. The Executive Committee may wish to note, with appreciation, that the World Bank would be returning unused balances.

IV.2 Total administrative costs

24. The budget for reimbursement of country offices proposed for 2023 (US \$1,100,000) is higher than the estimated costs for 2022 of US \$800,000 and the actual costs for 2021 of US \$748,694, but lower than the level budgeted for 2022 for providing support for management and supervision of Montreal Protocol activities. The total administrative costs are estimated at US \$2,835,000 in 2023, above the estimated costs for 2022 of US \$2,431,130.

25. The expected resources available from the Multilateral Fund to the World Bank for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to the World Bank only after approved project costs are disbursed. Table 6 presents the assessment for 2019 and 2022.

Table 6. Assessment of availability of income for future administrative costs for the World Bank (US \$)

Description	2019	2020	2021	2022*
Net agency support costs plus core unit costs	1,472,339	1,879,691	2,413,150	3,079,650
Total administrative cost excluding project costs	2,949,544	2,463,979	2,223,809	2,431,130
Balance per year	-1,477,205	-584,288	189,341	648,520
Running balance	1,888,519	1,304,231	1,493,572	2,142,092

* Including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

26. Based on the analysis presented in table 6, the World Bank could accumulate a balance of US \$2,142,092 based on approvals at the 90th meeting and submissions to the 91st meeting. The World Bank would have to generate at least US \$692,908 in agency support costs and core unit costs in 2023 to cover its expected total 2023 administrative costs of US \$2,835,000.

V. Recommendation

27. The Executive Committee may wish:

- (a) To note:
 - (i) The report on the 2023 core unit costs for UNDP, UNIDO and the World Bank as contained in document UNEP/OzL.Pro/ExCom/91/59;
 - (ii) With appreciation, that the core unit operation of UNIDO and the World Bank were below their budgeted levels and that UNIDO and the World Bank would return unused balances of US \$670,186 and US \$260,155, respectively, to the Multilateral Fund at the 91st meeting; and

- (b) To consider whether to approve the requested 2023 core unit budgets for:
 - (i) UNDP in the amount of US \$2,142,835;
 - (ii) UNIDO in the amount of US \$2,050,407; and
 - (iii) The World Bank in the amount of US \$1,735,000.

Annex I

SUMMARY OF THE ADMINISTRATIVE COST REGIMES OF THE MULTILATERAL FUND

1. Since the establishment of the Multilateral Fund, the Executive Committee has kept under review the Fund's administrative costs, resulting in four distinct administrative cost regimes.
2. The first administrative cost regime of the Multilateral Fund was used up to 1998. The second administrative cost regime was approved at the 26th meeting in November 1998 when the allocation of administrative costs for UNDP, UNIDO, and the World Bank was changed from a flat rate of 13 per cent applied to all projects to a graduated scale (decision 26/41).
3. The costs were changed again in December 2002 to a lower scale that included a core unit grant of US \$1.5 million per agency (decision 38/68). Annual increases have occurred for most agencies since the 46th meeting. Decision 41/94(d) requested the Secretariat to conduct an annual review of the administrative costs regime. Decision 56/41 extended the operation of decision 38/68 and its administrative costs regime to apply to the 2009–2011 triennium.
4. At the 67th meeting, the Committee decided to apply a new administrative cost regime for the 2012–2014 triennium to UNDP, UNIDO and the World Bank, consisting of annual core unit funding for which an annual increase of up to 0.7 per cent could be considered subject to annual review, and to apply the following agency fees on the basis of funding per agency: an agency fee of 7 per cent for projects with a project cost above US \$250,000, as well as institutional strengthening projects and project preparation; an agency fee of 9 per cent for projects with a project cost at or below US \$250,000; an agency fee no greater than 6.5 per cent, to be determined on a case-by-case basis for projects in the production sector (decision 67/15(b)).
5. At the 73rd meeting, the Committee decided to apply the existing administrative cost regime for the bilateral and implementing agencies during the 2015–2017 triennium; to review the administrative cost regime and its core unit funding budget at the first meeting of 2017 (decision 73/62(b) and (c)).
6. At the 79th meeting, the Committee decided to apply the existing administrative cost regime for the implementing agencies during the 2018–2020 triennium; and to request UNDP, UNIDO and the World Bank to present their annual reports on core unit funding using the revised format for reporting (decision 79/41(c) and (e)).
7. At the 86th meeting, the Executive Committee decided to allow bilateral and implementing agencies to continue using the existing administrative cost regime for projects to be submitted in 2021, on an exceptional basis due to the extraordinary situation resulting from the COVID-19 pandemic, and without setting a precedent (decision 86/92(b)).
8. At the 88th meeting, the Executive Committee decided to allow bilateral and implementing agencies to continue to use the existing administrative cost regime for projects to be submitted in 2022 and 2023 (decision 88/74(b)).

Annex II

CORE UNIT BUDGET DATA AND OTHER ADMINISTRATIVE COSTS FOR 2013 TO 2023 FOR UNDP, UNIDO AND THE WORLD BANK (US\$)

UNDP

Cost item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	2,076,816	2,050,914	1,991,859	2,043,505	2,305,838	2,375,437	2,379,866	2,316,147	2,431,357	2,457,201	2,504,297	2,579,426
Travel (staff and consultant)	249,131	163,639	168,418	155,061	173,099	176,170	182,129	17,032	-112	150,000	90,000	150,000
Space (rent and common costs)	101,236	105,219	109,380	159,872	162,982	164,998	153,176	130,925	131,294	130,925	131,294	131,294
Equipment supplies and other costs (computers, supplies, etc.)	17,781	16,967	19,442	16,485	9,196	12,146	8,351	15,777	11,132	10,000	15,000	15,000
Contractual services (firms)	18,461	22,955	16,175	0	24,547	13,510	24,300	1,648	0	25,000	5,000	30,000
Reimbursement of central services for core unit staff	384,704	311,137	317,160	251,317	308,375	381,004	240,968	251,221	222,590	250,000	250,000	250,000
Adjustments (+ = underuse and - = overrun)	-849,676	-658,389	-595,905	-585,526	-929,036	-1,053,880	-904,918	-601,414	-683,114	-895,186	-867,652	-1,012,885
Return of funds (- = returned funds)	0	0	0	0	0	0	0	-32,878	0	0	0	0
A. Sub-total core unit costs*	1,998,453	2,012,442	2,026,529	2,040,715	2,055,000	2,069,385	2,083,871	2,098,458	2,113,147	2,127,940	2,127,939	2,142,835
B. Agency support costs/implementation									2,796,261	3,023,126	2,995,591	3,155,720
Reimbursement of country offices and national execution, including overheads	2,442,896	1,694,992	1,775,969	1,472,814	1,749,877	2,214,588	488,288	1,077,150	833,284	742,500	742,500	742,500
Executing agency support cost (internal), including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery	384,704	311,137	317,160	251,317	308,375	381,004	240,968	251,221	222,590	250,000	250,000	250,000
Adjustments (+ = overrun and - = underuse)	849,676	658,389	595,905	585,526	929,036	1,053,880	904,918	601,414	683,114	895,186	867,652	1,012,885
Project costs (- = to be deducted and thus removed)	0	0	0	0	0	0	0					
B. Sub-total agency support costs/ implementation costs				2,309,657	2,987,288	3,649,473	1,634,174	1,929,785	1,738,988	1,887,686	1,860,152	2,005,385
Total Administrative Support Costs	5,675,729	4,676,959	4,715,563									
Supervisory costs incurred by MPU	47,801	53,814	56,970									
Grand total (A + B)**	5,723,531	4,730,773	4,772,532	4,350,371	5,042,289	5,718,858	3,718,046	4,028,243	3,852,135	4,015,626	3,988,091	4,148,220
Net agency support costs plus core unit costs***	4,466,367	3,633,814	4,217,010	4,991,167	4,542,441	4,989,872	2,795,805	4,236,224	3,856,069		3,265,272	
Total administrative cost	5,723,531	4,730,773	4,772,532	4,350,371	5,042,289	5,718,858	3,718,046	4,028,243	3,852,135		3,988,091	
Balance per year	-1,257,164	-1,096,959	-555,522	640,796	-499,848	-728,986	-922,240	207,981	3,934		-722,819	
Running balance****	1,484,061	387,102	-168,421	472,375	-27,473	-756,459	-1,678,699	-1,470,718	-1,466,784		-2,189,603	

* The cost of the core unit is higher than the allowed subtotal of US \$1,998,453 in 2013, US \$2,012,442 in 2014, US \$2,026,529 in 2015, US \$2,040,715 in 2016, US \$2,055,000 in 2017, US \$2,069,385 in 2018, US \$2,083,871 in 2019, US \$2,098,458 in 2020, US \$2,113,148 in 2021 and US \$2,127,939 in 2022. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

** Reflects total annual amount provided by the Multilateral Fund. In the transition to the revised reporting format, the budget lines "total administrative support costs", and "supervisory costs incurred by Montreal Protocol Unit" are reflected in order to show trends in the period between 2013 and 2015. These lines will be removed over time.

*** For 2022, including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

**** Excludes any balance from years prior to 2002.

UNIDO

Cost item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	1,445,700	1,380,600	1,293,800	1,383,600	1,501,300	1,307,624	1,351,602	1,416,184	947,075	1,395,100	1,038,500	1,528,400
Travel (staff and consultant)	284,000	161,800	147,700	161,100	157,800	196,736	137,864	16,004	0	200,000	206,500	541,700
Space (rent and common costs)	99,400	71,800	75,400	76,200	76,600	80,548	84,323	84,131	52,649	71,800	42,800	67,300
Equipment supplies and other costs (computers, supplies, etc.)	51,800	41,100	52,600	30,900	48,000	33,842	63,164	33,721	26,170	49,800	22,800	44,200
Contractual services (firms)	700	2,000	17,500	1,000	4,900	580	6,356	2,455	0	19,000	5,300	16,600
Reimbursement of central services for core unit staff	498,800	454,200	447,300	432,900	471,600	442,123	464,626	496,559	325,920	541,200	309,800	495,800
Adjustments (+ = underuse and - = overrun)	-381,947	-99,058	-7,771	-44,985	-205,200	7,931	-24,066	49,404	670,186	-240,746	410,454	-643,593
Return of funds (- = returned funds)				0	0	-7,931	0	-49,404	-670,186	0	0	0
A. Sub-total core unit costs*	1,998,453	2,012,442	2,026,529	2,040,715	2,055,000	2,061,454	2,083,870	2,049,054	1,351,814	2,036,154	2,036,154	2,050,407
B. Agency support costs/implementation									1,351,814	2,276,900	1,625,700	2,694,000
Reimbursement of country offices and national execution, including overheads	3,602,000	1,814,900	1,327,500	1,145,400	584,300	729,854	1,339,603	814,755	858,449	906,800	757,500	889,500
Executing agency support cost (internal), including overheads	3,302,800	2,913,500	2,289,600	1,600,400	1,703,200	1,354,611	1,386,593	1,352,699	1,163,401	1,686,200	1,138,200	898,200
Financial intermediaries, including overheads				0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery				0	0	0	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	381,947	99,058	7,771	44,985	205,200	0	24,066	0	-670,186	240,746	-410,454	643,593
Project costs (- = to be deducted and thus removed)				-187,800	-134,800	-136,283	-38,099	0	0	0	0	0
B. Sub-total agency support costs/ implementation costs				2,602,985	2,357,900	1,948,182	2,712,163	2,167,455	1,351,664	2,833,746	1,485,246	2,431,293
Total administrative support costs	9,285,200	6,839,900	5,651,400									
Minus project-related costs	-2,464,200	-2,308,000	-977,800									
Grand total (A + B)**	6,821,000	4,531,900	4,673,600	4,643,700	4,412,900	4,009,636	4,796,033	4,216,509	2,703,478	4,869,900	3,521,400	4,481,700
Net support costs plus core unit costs***	4,216,594	3,996,230	4,692,578	4,580,355	3,394,406	4,377,506	3,415,748	3,116,002	3,664,980		3,691,950	
Total administrative cost excluding project-related costs	6,821,000	4,531,900	4,673,600	4,643,700	4,412,900	4,009,636	4,796,033	4,216,509	2,703,478		3,521,400	
Balance per year	-2,604,406	-535,670	18,978	-63,345	-1,018,494	367,870	-1,380,285	-1,100,507	961,502		170,550	
Running balance****	-1,548,186	-2,083,856	-2,064,878	-2,128,223	-3,146,717	-2,778,847	-4,159,132	-5,259,638	-4,298,137		-4,127,587	

* The cost of the core unit is higher than the allowed subtotal of US \$1,998,453 in 2013, US \$2,012,442 in 2014, US \$2,026,529 in 2015, US \$2,040,715 in 2016, US \$2,055,000 in 2017 and US \$2,083,870 in 2019. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

** Reflects total annual amount provided by the Multilateral Fund. In the transition to the revised reporting format, the budget lines "total administrative support costs", and "minus project-related costs" are reflected in order to show trends in the period between 2013 and 2015. These lines will be removed over time.

*** For 2022, including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

**** The Secretariat had estimated a running balance in 2007 since 2002 of US \$2,127,930, but UNIDO's balance of US \$1,828,243 is used instead of the Secretariat's calculation.

THE WORLD BANK

Cost item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	984,571	1,022,179	827,111	1,089,481	1,086,340	1,226,215	1,250,888	1,055,231	1,224,772	1,235,000	1,235,000	1,235,000
Travel (staff and consultant)	111,021	155,778	205,498	216,356	178,550	180,873	151,281	13,481		200,000	130,000	190,000
Space (rent and common costs)	56,906	44,130	434	1,027	0							
Equipment supplies and other costs (computers, supplies, etc.)	31,169	55,508	19,618	33,178	262	1,637	0	0	1,436	0	0	0
Contractual services (firms)	13,389	14,828	49,989	96,839	189,400	73,389	38,983	10,292	1,000	85,000	10,000	53,870
Reimbursement of central services for core unit staff	113,539	90,624	210,909	225,643	210,378	245,946	249,954	212,792	247,637	215,000	256,130	256,130
Adjustments (+ = underuse and - = overrun)	0	0	0	62,476	60,070	6,940	43,894	443,204	260,155	0	103,870	0
Return of funds (- = returned funds)	-414,405	-341,953	-411,441	-62,476	-60,070	-6940	-43,894	-443,204	-260,155	0	-103,870	0
A. Sub-total core unit costs	896,190	1,041,094	902,118	1,662,524	1,664,930	1,728,060	1,691,106	1,291,796	1,474,845	1,735,000	1,631,130	1,735,000
B. Agency support costs/implementation												
Reimbursement of country offices and national execution, including overheads	1,611,939	1,298,103	1,210,733	1,249,361	1,491,814	2,114,429	1,258,437	1,172,183	748,694	2,000,000	800,000	1,100,000
Executing agency support cost (internal), including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Financial intermediaries, including overheads	10,000	0	0	0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	0	0	0	0	0	0	0	0	0	0	0	0
Project costs (- = to be deducted and thus removed)												
B. Sub-total agency support costs/ implementation costs				1,249,361	1,491,814	2,114,429	1,258,437	1,172,183	748,964	2,000,000	800,000	1,100,000
Grand total (A + B)	2,518,129	2,339,197	2,112,851	2,911,885	3,156,744	3,842,489	2,949,544	2,463,979	2,223,809	3,735,000	2,431,130	2,835,000
Net agency support costs plus core unit costs*	4,139,161	2,975,314	5,458,181	2,549,351	1,882,431	3,251,742	1,472,339	1,879,691	2,413,150		3,079,650	
Total administrative cost	2,518,129	2,339,197	2,112,851	2,911,885	3,156,744	3,842,489	2,949,544	2,463,979	2,223,809		2,431,130	
Balance per year	1,621,032	636,117	3,345,330	-362,534	-1,274,313	-590,747	-1,477,205	-584,288	189,341		648,520	
Running balance**	1,611,870	2,247,987	5,593,317	5,230,783	3,956,470	3,365,723	1,888,519	1,304,231	1,493,572		2,142,092	

* For 2022, including agency support costs approved at the 90th meeting, and the value of agency support costs and core unit costs from submissions to the 91st meeting.

** Excludes any balance from years prior to 2002.