



**United Nations
Environment
Programme**

Distr.
GENERAL



UNEP/OzL.Pro/ExCom/93/7
16 November 2023

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-third Meeting
Montreal, 15-19 December 2023
Item 4(d) of the of the provisional agenda¹

**REVISED 2023, 2024, 2025, AND PROPOSED 2026 BUDGETS
OF THE FUND SECRETARIAT**

Introduction

1. The document consists of the following sections:

- I. Actual 2022 budget
- II. Non-staff budget cost analysis
- III. Revised 2023 budget
- IV. Revised 2024 and 2025 budgets
- V. Proposed 2026 budget
- VI. Recommendation

2. The tables of the revised 2024, 2025, and proposed 2026 budgets of the Fund Secretariat are presented in Annex I of the present document. Annex II presents the organigram of the Secretariat with the additional staff positions approved by the Executive Committee at the 91st meeting (decision 91/6(b)(i)).

I. Actual 2022 budget

3. The Treasurer has submitted the final 2022 accounts² to the 93rd meeting. Schedule 1.3 (actual expenses of the Secretariat budget in 2022) of the document, indicates an unspent balance of US \$51,558 (from the monitoring and evaluation work programme budget) after rephasing US \$43,000 to the approved 2023 budget. The unspent balance will be returned to the Multilateral Fund at the 93rd meeting.

¹ UNEP/OzL.Pro/ExCom/93/1

² UNEP/OzL.Pro/ExCom/93/5

II. Non-staff budget cost analysis

4. At the 91st meeting, as outlined in paragraph 7 of the budget document,³ the Secretariat informed the Executive Committee of its intention to present a revised budget for the non-staff related components for the year 2023 and beyond. This adjustment is in response to the significant increase in prices driven by global inflation rates, necessitating the need to recalibrate certain budgetary allocations to safeguard the organization's purchasing power and, within its terms of reference, the ability to support and deliver the mandate of the Executive Committee.

5. The analysis is mainly based on a comparison of actual costs incurred in support of the 81st meeting in 2018 and the 92nd meeting in 2023. Costs associated with meetings held between 2019 and 2022 have been excluded due to their online and hybrid formats caused by the COVID 19 pandemic. The assessment also takes into account market research findings and existing binding contractual agreements.

6. Table 1 presents an overview of the budget lines subject to adjustments, followed by a detailed breakdown analysis. While the variance against specific budget lines, indicates an overall increase of 53 per cent, the additional proposed resources of US \$671,064 represent an 8 per cent increase in the context of the approved 2024 budget of US \$8,610,023. The revised budget for 2024 is proposed to be at US \$9,281,086. The budget lines of all other components will be maintained at their current levels, with the Secretariat absorbing the impact of inflation rates from existing resources.

Table 1: Additional resource requirements by budget line item for the year 2024 (US \$)

Component	Budget Line	Approved 2024	Revised 2024	Variance	Percentage
(i) Other personnel	Temporary assistance	18,800	51,600	32,800	174%
	Consultants and individual contractors	75,000	105,000	30,000	40%
	Subtotal	93,800	156,600	62,800	67%
(ii) Meetings and travel costs	Conference services -ExCom 1	355,800	598,750	242,950	68%
	Conference services -ExCom 2	355,800	598,750	242,950	68%
	Hospitality	16,800	35,200	18,400	110%
	Travel of Article 5 delegates	157,700	210,000	52,300	33%
	Staff travel on official business	258,000	283,800	25,800	10%
	Subtotal	1,144,100	1,726,501	582,401	51%
(iii) Operational, equipment and supplies	Non-expendable computer and ICT equipment	13,000	20,000	7,000	54%
	Expendable stationery and other supplies	7,000	12,000	5,000	71%
	Staff training and development	20,137	34,000	13,863	69%
	Subtotal	40,137	66,000	25,863	64%
Total cost		1,278,037	1,949,101	671,064	53%

(i) Other personnel component

7. The other personnel component encompasses provisions for temporary assistance and consultancy services. Table 2 offers a breakdown of the required services for temporary assistance along with their estimated costs derived from the corresponding 2023 salary scales. The allocation for consultancy services will undergo annual review and be prioritized based on the requirements of technical and independent experts.

³ UNEP/OzL.Pro/ExCom/91/7

Table 2: Estimated budget for other personnel for the year 2024 (US \$)

Description	Approved 2024	Revised 2024	Variance	Percentage
Temporary assistance	18,800	51,600	32,800	174%
Proof reading and translation coordination - 1 st and 2 nd meeting		32,000		
Editorial services - 1 st and 2 nd meeting		19,600		
Consultants	75,000	105,000	30,000	40%
Total cost	93,800	156,600	62,800	67%

8. The proofreading and support of the coordination of translation services are estimated for a total of 42 days, at a rate of US \$380.24 per day for both pre-session and in-session documentation. Editorial services are estimated for 93,400 words, charged at a rate of US \$0.104 per word. It is worth noting that this service is exclusively applied to technical documents with complex language.

(ii) Meetings and travel costs component

9. The analysis of this component is broken down into three sub-components: (a) conference services, (b) hospitality, and (c) travel.

(a) Conference services

10. Table 3 provides an overview of the proposed revised resources for each Executive Committee meeting. Further, justifications and explanation are provided for each line item.

Table 3: Estimated budget for conference services for the year 2024 (US \$)

Description	Approved 2024	Revised 2024	Variance	Percentage
Venue rental	45,000	72,100	27,100	60%
Rental of equipment	15,000	4,735	-10,265	-68%
Operational costs	5,000	1,200	-3,800	-76%
Translation	185,800	354,104	168,304	91%
Interpretation	75,000	122,703	47,703	64%
Report writers	30,000	43,909	13,909	46%
Total cost	355,800	598,750	242,950	68%

Venue rental

11. The increase of US \$27,100 in the venue rental cost, from US \$45,000 to US \$72,100, is attributed to the inflation rates and actual International Civil Aviation Organization (ICAO) invoices. Table 4 provides a comparison of the actual cost of the same rooms and facilities rented during the 81st meeting held in 2018 and 92nd meeting held in 2023. The proposed revised budget reflects the 92nd meeting actual venue rental cost of US \$67,050, plus US \$3,000 to cover a conference room rental cost for the Interagency Coordination Meeting (IACM), if needed, that takes place prior to each Executive Committee meeting. A 3 per cent inflation rate is applied to the total amount.

Table 4: Venue rental cost comparison (81st meeting versus 92nd meeting) (US \$)

Description	81 st meeting	92 nd meeting	Variance	Percentage
ICAO conference rooms rental	39,724	67,050	27,326	69%

Rental of equipment and operational costs

12. The proposed revised budget provides for a reduced rental of equipment requirement of US \$4,735 as compared to the approved amount of US \$15,000 and operational costs requirements of US \$1,200 as compared to the approved amount of US \$5,000. Table 5 below provides a comparison of the actual costs incurred during the 81st meeting held in 2018 and the 92nd meeting held in 2023. The resources provide for the rental of printers, photocopiers, monitors, etc. as well as for operational miscellaneous items such as lanyards, signages, reproduction, etc. Future inflation rates will be absorbed through cost effective measures, including the usage of old equipment, such as monitors, maintained by the Secretariat.

Table 5: Rental of equipment and operational costs comparison (81st meeting versus 92nd meeting)(US \$)

Description	81 st meeting	92 nd meeting	Variance	Percentage
Rental of equipment	1,877	4,735	2,858	152%
Operational costs	900	1,200	300	33%

Translation

13. The proposed revised budget for translation services is US \$354,104 per meeting. The estimate is based on 59 documents to be translated into four languages at an average cost of US \$1,457 per document and language, with a 3 per cent inflation rate applied to the total provision.

14. Table 6 provides a comparison of the actual cost of translation services incurred for the 81st meeting held in 2018 and the 92nd meeting held in 2023. Since the number of languages and documents varies between one meeting and another, the actual average cost per document and language provides a fair representation of the increase which is primarily attributed to word count per document.

15. For future meetings, if the average number of documents exceeds 59, and if the Secretariat is unable to absorb the increased cost within existing resources, additional resources will be proposed to the Executive Committee.

Table 6: Translation services cost comparison (81st meeting versus 92nd meeting)

Description	81 st meeting	92 nd meeting	Variance	Percentage
# of documents	59	56	-3	-5%
# of languages	3	4	1	33%
Actual translation cost (US \$)	184,203	326,309	142,106	77%
Average document cost per language (US \$)	1,041	1,457	416	40%

Interpretation

16. The proposed revised budget for interpretation services is US \$122,703 and provides for five languages delivered by 17 interpreters (both domestic and international). The estimate is calculated at the average rate of US \$7,008 per interpreter with a 3 per cent inflation rate applied to the total provision.

17. Table 7 provides a comparison of the actual cost of interpretation services incurred for the 81st meeting held in 2018 and the 92nd meeting held in 2023. Since the number of languages varies between one meeting and another, the actual average cost per interpreter provides a fair representation of the proposed budget. The additional resources are primarily attributed to the increase in the daily cost of interpreters from US \$700 to US \$735 per day, as well as the impact of inflation rates on airline ticket costs and the increase of Daily Subsistence Allowance (DSA) rates from US \$322 in 2018 to US \$361 in 2023.

Table 7: Interpretation services costs comparison (81st meeting versus 92nd meeting)

Description	81 st meeting	92 nd meeting	Variance	Percentage
# of interpreters	13	17	4	31%
# of languages	4	5	1	25%
Travel costs	24,436	56,654	32,218	132%
Actual interpretation cost (US \$)	45,500	62,475	16,975	37%
Average cost per interpreter (incl. travel) (US \$)	5,380	7,008	1,628	30%

Report writers

18. The proposed revised budget for report writers is US \$43,909 and is based on the actual average cost of the 92nd meeting with a 3 per cent inflation rate. Table 8 provides a comparison of the costs incurred for the 81st meeting held in 2018 and the 92nd meeting held in 2023. The additional resources are primarily attributed to the increase in salary scales, as well as the impact of inflation rates on airline ticket costs and the increase of DSA rates.

Table 8: Report writers costs comparison (81st meeting versus 92nd meeting)

Description	81 st meeting	92 nd meeting	Variance	Percentage
# of report writers	5	5	0	0%
Travel costs	12,218	22,662	10,444	85%
Actual report writers' cost (US \$)	14,352	19,968	5,616	39%
Average cost per report writer (incl. travel) (US \$)	5,314	8,526	3,212	60%

(b) Hospitality

19. The proposed revised budget for hospitality services is US \$35,200. Table 9 provides the breakdown. The provision for Executive Committee meetings accommodates 150 people and includes one reception, as well as coffee/tea, water, and pastries for 5 days. The IACM hospitality provides for one reception catering to 35 people. These estimates are based on the actual average cost of the 92nd meeting and the existing Long-Term Agreement (LTA) with ICAO, which the Secretariat is leveraging, with a 3 per cent inflation rate.

Table 9: Estimated budget for hospitality for the year 2024 (US \$)

Description	Approved 2024	Revised 2024	Variance	Percentage
Hospitality 1 st and 2 nd ExCom meetings	16,800	29,200	12,400	74%
Hospitality 1 st and 2 nd IACM meetings	-	6,000	6,000	
Total cost	16,800	35,200	18,400	110%

(c) Travel

20. The additional proposed resources of US \$78,100 are mainly attributed to the increase in global air ticket prices as well as the DSA and Terminal Expense (TE) rates. Table 10 provides the breakdown. When analyzing air ticket prices between 2018 and 2023, the smallest additional variance was 28 per cent, and the highest was 246 per cent. The DSA rate increased by 30 per cent from US \$276 in 2018 to US \$361 in 2023, and the TE cost increased by 35 per cent from US \$188 in 2018 to US \$254 in 2023. The proposed travel budget for Article 5 delegates reflects a 33 per cent increase to match the actual cost incurred for the 92nd meeting. On the other hand, the proposed staff travel budget reflects a lower flat increase of 10 per cent; noting that the Secretariat will manage its travel requirements within the revised existing resources and prioritize online participation whenever possible.

Table 10: Estimated budget for travel for the year 2024 (US \$)

Description	Approved 2024	Revised 2024	Variance	Percentage
Travel of Chairperson and Vice-Chairperson	15,000	15,000	-	0%
Travel of Article 5 delegates	157,700	210,000	52,300	33%
Staff travel on official business	258,000	283,800	25,800	10%
Total cost	430,700	508,800	78,100	18%

(iii) Operational, equipment and supplies

21. The operational, equipment and supplies component comprises various budget lines that were analyzed to assess their financial viability vis-à-vis the inflation rates and market prices. Table 11 provides the budget lines that require additional resources of US \$25,863 and that constitutes a 2 per cent increase of the overall component. All remaining budget lines will be maintained at the same level and the Secretariat will absorb the impact from inflation within existing resources. The non-expendable computer and ICT equipment estimation is based on actual market prices and provides mainly for the replacements of fully depreciated equipment as well as wear and tear factors. The provision for stationary and other supplies is based on the existing prices of the LTA of ICAO that the Secretariat is piggybacking on. The resources for staff training and development provides for one all-staff retreat per year as well as a limited number of mandatory specialised training and/or development online courses.

Table 11: Estimated budget for operational, equipment and supplies for the year 2024 (US \$)

Description	Approved 2024	Revised 2024	Variance	Percentage
Non-expendable computer and ICT equipment	13,000	20,000	7,000	54%
Expendable stationery and other supplies	7,000	12,000	5,000	71%
Staff training and development	20,137	34,000	13,863	69%
Total cost	40,137	66,000	25,863	64%

III. Revised 2023 budget

22. In 2023, the Secretariat will attempt to absorb the additional recurrent non-staff costs analyzed above, as well as the surge in the translated documents from an average of 59 to 103 at the 93rd meeting, by transferring funds from savings brought by the two vacant staff positions approved by the Executive Committee at the 91st meeting (decision 91/6(b)(i)), as well as the deferment of discretionary expenses. In case the transfer between budget lines would exceed the 20 per cent limit authorized by the Executive Committee to the Chief Officer, the Secretariat would report it to the Executive Committee at its 94th meeting.

IV. Revised 2024 and 2025 budgets

23. The Secretariat adjusted the approved 2024 budget to reflect the additional resources proposed in table 1. The same adjustments are also applied to the approved 2025 budget. All remaining budget lines remain unchanged.

V. Proposed 2026 budget

24. The proposed 2026 budget is based on the revised 2025 budget. It makes provision for two meetings of the Executive Committee and continues to apply 3 per cent inflation rate to staff costs only.

VII. Recommendation

25. The Executive Committee may wish:

- (a) To note:
 - (i) The document on the revised 2023, 2024, 2025, and proposed 2026 budgets of the Fund Secretariat contained in UNEP/OzL.Pro/ExCom/93/7;
 - (ii) The return, to the Multilateral Fund at the 93rd meeting, of US \$51,558 from the approved 2022 budget of the Fund Secretariat;
 - (iii) The reallocation of funds between budget lines in the 2023 approved budget to absorb the recurrent additional non-staff costs, on the understanding that if funding transfers exceeded the 20 per cent limit within the Chief Officer's authority, the Secretariat would report back to the Executive Committee at its 94th meeting;
 - (b) To consider the following additional resources of US \$671,064 for the Secretariat in 2024 and thereafter:
 - (i) Other personnel additional resources of US \$62,800;
 - (ii) Meetings and travel additional resources of US \$582,401;
 - (iii) Operational, equipment, and supplies additional resources of US \$25,863;
 - (c) To approve:
 - (i) The revised 2024 budget of [US \$9,281,086] as contained in Annex I to the present report related to the additional resources referred to in sub-paragraph (c) above;
 - (ii) The revised 2025 budget of [US \$8,895,687] as contained in Annex I to the present report related to the additional resources referred to in sub-paragraph (c) above, noting that phase 3 of the knowledge management system has not been included therein; and
 - (iii) The proposed 2026 budget of US \$9,056,985 as contained in Annex I to the present report based on the 2025 revised budget [that includes [US \$671,064] additional resources referred to in sub-paragraph (c) above]; and a 3 per cent increase in staff costs.
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Annex I

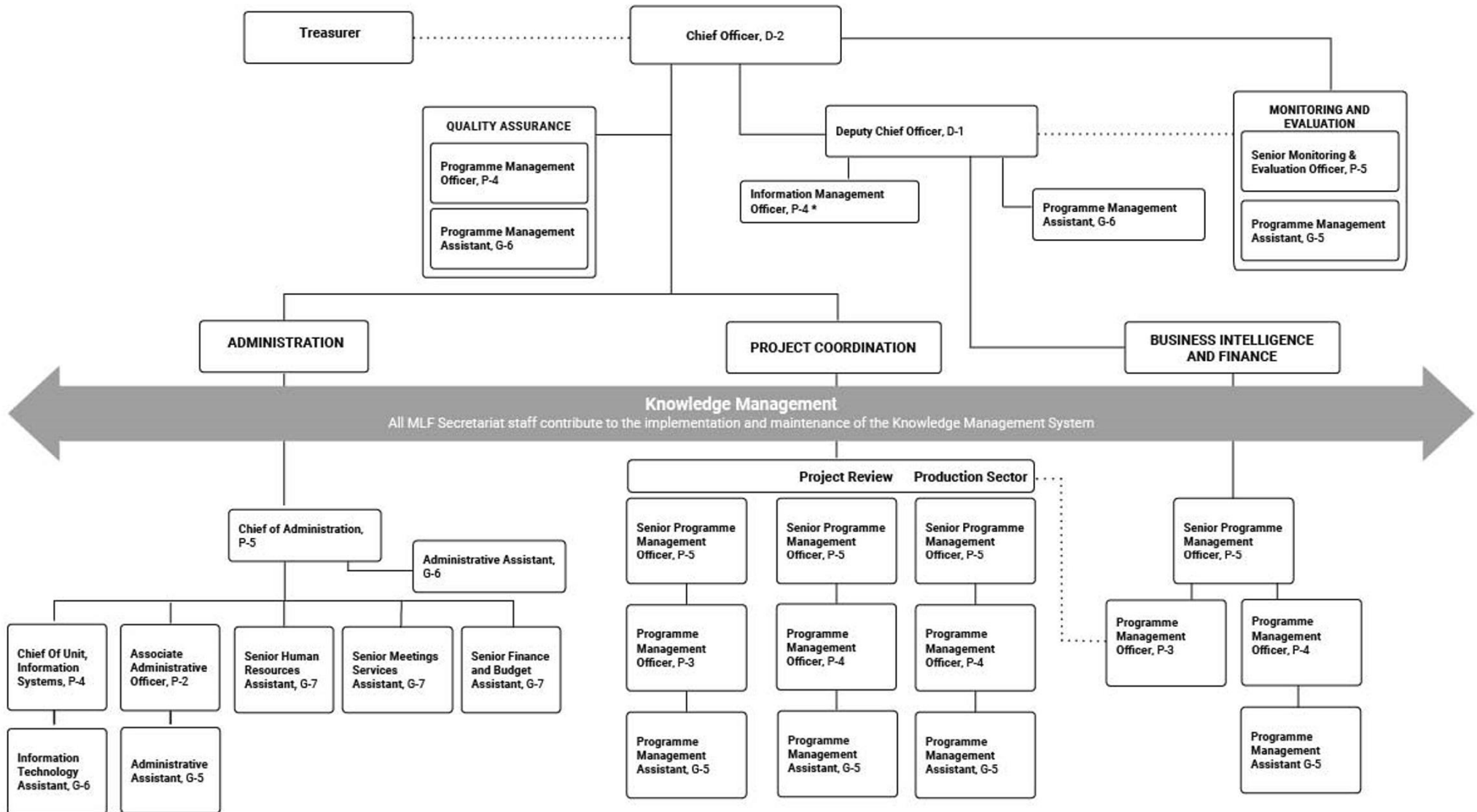
REVISED 2023, 2024, 2025, AND PROPOSED 2026 BUDGETS OF THE FUND SECRETARIAT

Budget Lines	Cost Category	Approved 2024	Revised 2024	Approved 2025	Revised 2025	Proposed 2026
1000	Employee Salaries and Entitlements^a					
1100	Professional Staff	4,016,631	4,016,631	4,137,130	4,137,130	4,261,244
1200	General Services Staff	772,373	772,373	795,544	795,544	819,411
Total Employee Salaries and Entitlements		4,789,004	4,789,004	4,932,674	4,932,674	5,080,654
2000	Other Personnel					
2101	Temporary Assistance	18,800	51,600	18,800	51,600	51,600
2201	Consultants and Individual Contractors	75,000	105,000	75,000	105,000	105,000
2303	United Nations Volunteers (UNVs)					
Total Other Personnel		93,800	156,600	93,800	156,600	156,600
3000	Meetings and Travel Costs					
3100	Meeting Costs					
3101	Conference Services - ExCom 1	355,800	598,750	355,800	598,750	598,750
3102	Conference Services - ExCom 2	355,800	598,750	355,800	598,750	598,750
3103	Conference Services - ExCom 3					
3104	Hospitality	16,800	35,200	16,800	35,200	35,200
Subtotal Meeting Costs		728,400	1,232,700	728,400	1,232,700	1,232,700
3200	Travel					
3201	Travel of Chairperson and Vice-Chairperson	15,000	15,000	15,000	15,000	15,000
3202	Travel of Article 5 delegates	157,700	210,000	157,700	210,000	210,000
3203	Staff Travel for Conference Meetings					
3204	Staff Travel on Official Business	258,000	283,800	258,000	283,800	283,800
Subtotal Travel Total		430,700	508,800	430,700	508,800	508,800
Total Meetings and Travel Costs		1,159,100	1,741,500	1,159,100	1,741,500	1,741,500
4000	Contractual Services					
4101	Treasury	500,000	500,000	500,000	500,000	500,000
4102	Knowledge Management System	542,000	542,000			
Total Contractual Services		1,042,000	1,042,000	500,000	500,000	500,000
5000	Operational, Equipment and Supplies					
5100	Supplies, Furniture and Equipment					
5101	Non-expendable Computer and ICT Equipment	13,000	20,000	13,000	20,000	20,000
5102	Other non-expendable Supplies and Equipment	5,850	5,850	5,850	5,850	5,850
Subtotal Supplies, Furniture and Equipment		18,850	25,850	18,850	25,850	25,850
5200	Other Operating Costs					
5201	Rental and Maintenance of Premises ^b	878,282	878,282	878,282	878,282	878,282
5202	Rental of photocopiers and Telecomm Equipment	28,710	28,710	28,710	28,710	28,710
5203	Telecommunication Costs	45,000	45,000	45,000	45,000	45,000
5204	Expendable ICT Equipment and Maintenance	28,630	28,630	28,630	28,630	28,630
5205	Expendable Stationery and Other Supplies	7,000	12,000	7,000	12,000	12,000
5206	Miscellaneous Sundry Supplies and Services	8,500	8,500	8,500	8,500	8,500
5207	Staff training and Development	20,137	34,000	20,137	34,000	34,000
5208	Umoja Support Costs	60,000	60,000	60,000	60,000	60,000
Subtotal Other Operating Costs		1,076,259	1,095,122	1,076,259	1,095,122	1,095,122
Total Operational, Equipment and Supplies		1,095,109	1,120,972	1,095,109	1,120,972	1,120,972
Total Direct Costs		8,179,013	8,850,076	7,780,683	8,451,746	8,599,726
Programme Support Cost		431,010	431,010	443,941	443,941	457,259
Grand Total		8,610,023	9,281,086	8,224,624	8,895,687	9,056,985
<i>Previous budget schedule</i>		8,610,023	8,610,023	8,224,624	8,224,624	
<i>Increase/decrease</i>		-	671,063	-	671,063	9,056,985

^a Personnel costs under BLs 1100 and 1200 will be reduced by US \$408,444 based on 2022 actual cost differentials between staff cost in Montreal and staff cost in Nairobi covered by the Government of Canada.

^b Rental of premises will be offset by US \$575,304 (based on 2022) being covered by cost differential with Government of Canada, as well as the credit amount of US \$96,790 received from the brokerage company, leaving US \$45,318 to be charged to the MLF.

Annex II – ORGANIZATIONAL STRUCTURE AND POST DISTRIBUTION



*The Information Management Officer position in the organigram is subject to change based on the progress of the Knowledge Management system and its maintenance/update requirements.