

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fifth Meeting  
Montreal, 4-8 April 2005

**Draft decision on procedures and guidelines for core unit funding advance in the  
context of the flexible use of programme support costs by bilateral agencies**

**Agenda item 12  
Report on programme support costs of bilateral corporation projects  
(follow-up to decision 43/40)**

**Submitted by the Government of Japan**

**Proposed decision**

Noting the document UNEP/OzL.Pro/ExCom/45/49,

The Executive Committee **decided**:

1. That bilateral agencies could use support costs as core unit funding advance;  
and
2. To adopt the following procedures and guidelines for core unit funding  
advance:
  - (a) Bilateral agencies that choose core unit funding advance should adopt  
the following procedure namely;
    - (i) Submit a budget based on the core unit cost categories indicated  
the Administrative Cost Study submitted to the 26<sup>th</sup> Meeting  
(UNEP/OzL.Pro/ExCom/26/67); and
    - (ii) Submit the core unit funding advance at the same time as an  
annual business plan.

- (b) The guideline for core unit funding advances require that those bilateral agencies choosing this method of support cost funding agree:
- (i) To limit the total value of the core unit funding advance to the level of support costs indicated in the bilateral agency's business plan, but to request prudent budgets for lean and efficient core units that would be reimbursed to the Multilateral Fund from project approvals;
  - (ii) That core unit funding advance budget be subject to annual review by the Executive Committee;
  - (iii) To return any core unit advance funds that are not reimbursed to the Multilateral Fund from project approvals in the year of the advance/business plan; and
  - (iv) To enable to return the core unit advance funds in the manner of the reduction from the support cost and/or the core unit advance funds of projects in subsequent year, as appropriate, under the condition of balancing it in accordance with the period of replenishment, namely financial triennium of the Multilateral Fund.
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