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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-first Meeting
Montreal, 5-9 July 2010

CONSOLIDATED REVISED BUSINESS PLAN FOR THE YEARS 2010-2014

Introduction

1. At its 60th Meeting, the Executive Committee reviewed the 2010-2012 business plans submitted by the bilateral and implementing agencies and requested them to submit revised business plans based on decision 60/5 and, for those activities unique to UNEP's business plan, based on decision 60/6. Annex I contains the revised business plans as adjusted by the Secretariat and is provided in an Excel workbook. Annex II presents decision 60/5.
2. Also at its 60th Meeting, the Executive Committee decided on guidelines for the HCFC consumption sector (decision 60/44), which have a bearing on both the value and the tonnage for HCFC activities in the business plans.
3. Two bilateral agencies and the four implementing agencies submitted revised business plans. Information provided by bilateral agencies to the 60th Meeting is included for those bilateral agencies that did not submit revised business plans. A spreadsheet that includes data compiled from the business plans is available to Executive Committee members upon request.
4. The present document consists of the following eight sections:
 - Section I: Adjustments to the revised business plans
 - Section II: Resource availability
 - Section III: Resource allocation in business plans
 - Section IV: MYAs and standard costs
 - Section V: ODS disposal activities
 - Section VI: HCFC activities
 - Section VII: Performance indicators
 - Section VIII: Observations and recommendations

Section I: Adjustments to the revised business plans

5. The value of the business plans exceeds the remaining budget for the current triennium (US \$396.9 million) by over US \$220 million, as well as the budget for 2010-2015 (assuming the same level of funding for the 2012-2014 triennium as for the 2009-2011 triennium) by a total of about US \$200 million.
6. In reviewing the revised business plans, the Secretariat noted that the agencies did not fully implement decisions 60/5 and 60/44 in the following ways:
 - (a) The maximum production sector allocation was not pro-rated among the various HCFC production sector activities (decision 60/5(j));
 - (b) The maximum level of funding for low-volume-consuming (LVC) countries for the HCFC servicing sector until the year 2020 was exceeded (decision 60/44(f)(xii));
 - (c) HCFC project preparation exceeded the maximum allowable amounts (decision 60/5(n));
 - (d) ODS disposal projects were included that were not allowed (decision 60/5(g));
 - (e) HCFC demonstration projects were included that were not allowed (decision 60/5(k), (l) and (m));
 - (f) The institutional strengthening (IS) funding did not correspond to the model rolling three-year phase-out plan (decision 60/5(f));

- (g) Funding for multi-year agreements (MYAs) did not reflect the records of the Fund Secretariat (decision 60/5(c));
- (h) Funding for national phase-out plans (NPPs) and terminal phase-out plans (TPMPs) was included after 2010 (decision 60/5(d)).

7. Decision 60/9(a) requests the Secretariat to automatically adjust the business plans of the bilateral and implementing agencies to reflect the values in previously approved MYAs and in other previous decisions of the Executive Committee, and to ensure that activities reflected those submitted to the first Meeting of the year and their associated values. To ensure consistency between submissions and business plans at the first meeting of the year, the Fund Secretariat has automatically adjusted the revised business plans to accommodate those decisions and:

- (a) Modified MYA values and values for other activities that were approved at the 60th Meeting to reflect their approvals;
- (b) Modified project values to include support costs, as appropriate; and
- (c) Included IS, compliance assistance programme (CAP), and core unit costs to and including the year 2014 and to reflect the values in the Model.

8. The results of the automatic adjustments were shared with the agencies.

9. After making these adjustments, the total value of the 2010-2014 business plan is US \$1.21 billion, which exceeds the expected budget of US \$887 million for the same period by 36 per cent. This level of over-programming is over the 35 per cent level that had been used in previous business plans.

Adjustments to remain within the budget of the current triennium

10. After these automatic adjustments, there is still a need to further adjust the business plans to stay within the budget for the 2009-2011 triennium since the values for 2010 and 2011 exceed the 2009-2011 triennium budget (including 2009 approvals) by US \$220 million.

11. Since only US \$5 million has been included in the business plans for the 2009-2011 triennium for the HCFC production sector, and due to the relative size of HCFC phase-out management plans (HPMPs) for LVC countries, the only way to stay within the budget for the current triennium is to backload HPMP investment activities to the 2012-2014 triennium. The Secretariat has, therefore, removed half of the US \$405.42 million for HPMP investment activities from 2010 and 2011 and allocated it, on an annual basis, to the 2012-2014 triennium. The results have been incorporated into Annex I and were shared with the implementing agencies. The Secretariat requested agencies to agree to this reallocation to stay within the budget allocation for the current triennium without reducing the total amount for the activities over the period 2010-2014, but agencies either did not agree in the case of UNDP or did not comment.

12. The Executive Committee may wish to note the consolidated business plan as adjusted by the Fund Secretariat.

Adjustments due to tonnage projections

13. The business plans could be further adjusted based on the tonnage and the values included for HCFC activities.

14. The tonnage for LVC countries was limited to the 2020 level indicated in decision 60/44 (f)(xii). The extent to which these activities represent accelerated phase-out is addressed in the context of the individual business plans.

15. In the case of tonnage adjustments for non-LVC countries, decision 60/44(d) allows Article 5 countries to choose between the most recent reported HCFC consumption under Article 7 of the Montreal Protocol at the time of the submission of the HPMP and/or the investment projects, and the average of consumption forecast for 2009 and 2010, in calculating starting points for aggregate reductions in HCFC consumption.

16. Since the latest consumption is used to project a future baseline, the Secretariat noted in its comments to the agencies the cases where the tonnage in the business plans exceeded the calculated baseline by more than 10 ODP tonnes and asked them to clarify the extent to which the tonnage was for accelerated phase-out and if the tonnage in the business plans were sufficient to ensure compliance with the 2015 control measures. The extent to which an activity appears to reflect accelerated phase-out is also addressed in the context of the individual business plans.

17. The Executive Committee may wish to address tonnage matters in the context of the endorsement of individual business plans.

Adjustments due to cost-effectiveness

18. Another means of addressing the over-programming in the business plans would be by considering the cost-effectiveness values for HCFC investment projects for non-LVC countries. While decision 60/44(f) specifies the operating cost component of the cost-effectiveness value, the HCFC guidelines do not specify the capital cost component, but the Technology and Economic Assessment Panel (TEAP) replenishment study did address it. Table 1 shows the cost-effectiveness values, by implementing agency, for foam and refrigeration projects. It also addresses the results of combining the cost-effectiveness values from decision 60/44(f) with those from the replenishment study.

Table 1

COST EFFECTIVENESS FOR HCFC INVESTMENT PROJECTS IN THE ADJUSTED BUSINESS PLANS AND THE COMBINED VALUE RESULTING FROM INFORMATION IN THE TEAP REPLENISHMENT STUDY AND DECISION 60/44(f)

Sector	Cost-Effectiveness for HCFC Investment Projects (US \$/metric kilogram)			
	UNDP	UNIDO	World Bank	Combined Replenishment Study and Decision 60/44(f)
Foam	14.59	10.01	10.52	6.92
Refrigeration	13.93	17.22	14.56	10.65

19. After applying these values to the data provided by the agencies, the overall value of the business plans becomes about US \$917 million, which still exceeds the projected budget. Also, this level of funding would not include the possibility of a 25 per cent premium for climate costs foreseen in decision 60/44 (f)(iv).

20. Over-programming amounting to 36 per cent of maximum operating costs and estimated capital costs (as included in the adjusted business plans) would possibly reflect the additional premium for climate costs at the planning stage until such time as the actual project approvals indicate how this premium is applied. Alternatively, the Executive Committee may wish to consider whether further adjustment is warranted on the basis of cost-effectiveness.

SECTION II: RESOURCE AVAILABILITY

21. Decision XX/10 of the Twentieth Meeting of the Parties established a replenishment of the Multilateral Fund at a level of US \$490 million for the period 2009-2011. Table 2 shows the funds approved in 2009 by meeting, and the resulting balance of funds available for 2010 and 2011, which amounts to US \$396.9 million.

Table 2

FUNDS APPROVED IN 2009 AND BALANCE OF FUNDS AVAILABLE FOR 2010 AND 2011 (US\$)

Budget for the 2009-2011 triennium		490,000,000
Approval at 57 th Meeting	27,519,161	
Approval at 58 th Meeting	19,350,768	
Approval at 59 th Meeting*	46,230,996	
Sub-total (57 th , 58 th , and 59 th Meetings)		93,100,925
Balance		396,899,075

*Including Secretariat, ExCom Cost, and Treasurer

22. Decision 57/4 established annual budgets for the 2009-2011 triennium. Table 3 indicates that the budget for 2010, after adjusting it to take into account the balance of funds remaining from 2009, would be US \$193.9 million.

Table 3

REVISED BUDGETS FOR 2009-2011 FOLLOWING 2009 (US\$)

	2009	2010	2011	2009-2011
Budget as per decision 57/4	106,000,000	181,000,000	203,000,000	490,000,000
Total amount approved in 2009	87,524,032			
Secretariat ExCom Cost and Treasurer	5,576,893			
Balance after approvals	12,899,075			
Balance carried over		12,899,075		
Budget adjusted by balance from 2009		193,899,075		

23. At its 60th Meeting, the Executive Committee adopted a budget of US \$193.9 million for 2010 and noted the budget for 2011 of US \$203 million (decision 60/5(b)).

SECTION III: RESOURCE ALLOCATION IN THE BUSINESS PLANS

24. Table 4 presents, by year, the value of activities included in the adjusted business plans according to categories “required for compliance” and “not required for compliance” on the basis of the Model rolling three-year phase-out plan. The values included in the adjusted business plans exceed the budget for 2010 by US \$10.67 million and are below the budget for 2011 by US \$27.54 million.

Table 4

RESOURCE ALLOCATION IN BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE IN ADJUSTED BUSINESS PLANS (US \$000s)

Required by Model	2010	2011	2012	2013	2014	Total (2010 to 2014)
Required for compliance (MYAs and standard costs)	44,240	34,557	34,688	33,537	34,164	181,185
Required for compliance (HCFCs)	143,285	131,347	307,240	293,612	121,957	997,441
Not required for compliance (Resource mobilization)	1,504					1,504
Not required for compliance (ODS disposal)	12,635	8,899				21,533
Not required for compliance (Chiller, Illegal trade, CTC, MBR, MDI, studies, workshops)	2,901	653	306			3,860
Grand total	204,565	175,456	342,234	327,148	156,121	1,205,524
Annual budgets and projected budgets*	193,899	203,000	163,333	163,333	163,333	886,899
Difference	10,666	-27,544	178,901	163,815	-7,212	318,625

* Assumed budget at same level of current replenishment.

25. Table 4 further categorizes those activities required for compliance and those not required for compliance by indicating the number for MYAs already approved and allocations for standard costs, such as IS, the CAP, core unit, the Secretariat, the Executive Committee, monitoring and evaluation and the Treasurer costs. HCFC activities required for compliance constitute the largest value in the business plans.

26. The remaining category is for activities that are not required for compliance (mostly studies and workshops). These activities constitute only US \$3.86 million for 2010 to 2012 and are addressed in the context of each individual agency's business plan or work programme amendment, as appropriate.

SECTION IV: MYAs AND STANDARD COSTS

27. Table 5 presents the amounts included in the adjusted business plans for activities required for compliance in MYAs, methyl bromide, IS, the CAP, the Secretariat, the Executive Committee, monitoring and evaluation, and the Treasurer.

Table 5

REQUIRED FOR COMPLIANCE FOR MYAs AND STANDARD COSTS IN THE ADJUSTED BUSINESS PLANS (US \$000s)

Required by model	2010	2011	2012	2013	2014	Total (2010 to 2014)
Approved MYAs	12,964	2,932	4,138	2,040	2,381	24,454
New MBR activities	447	1,326				1,773
IS	9,578	8,457	8,117	8,457	8,117	42,727
CAP	9,728	10,020	10,320	10,630	10,949	51,647
Core unit	5,693	5,865	6,041	6,222	6,408	30,229
Secretariat, ExCom, and M&E Cost minus Canadian counterpart	5,329	5,458	5,572	5,688	5,808	27,855
Treasurer	500	500	500	500	500	2,500
Total (Required for compliance for MYAs and Standard Costs)	44,240	34,557	34,688	33,537	34,164	181,185

28. TPMPs and NPPs have been adjusted per decision 60/5(d) and no funds were included for new activities and activities after 2010.

29. IS has been adjusted according to decision 60/5(f). In some cases, agencies did not include IS. The adjusted business plans include the required amounts to 2014 assuming that IS funding is continued to be funded as indicated in the Model.

30. CAP, core unit costs, Secretariat/Executive Committee and monitoring and evaluation costs, and the Treasurer's costs are expected to be maintained at the rates of increase that have been agreed to-date.

SECTION V: ODS DISPOSAL ACTIVITIES

31. At its 60th Meeting, the Executive Committee decided to remove new project preparation requests for ODS disposal included in the business plans, except those required by decision 59/10 and requests for countries that had been considered at the 59th Meeting (decision 60/5(g)). Table 6 presents the remaining HCFC demonstration projects in the adjusted business plans. The adjusted business plans include US \$21.53 million for ODS demonstration, technical assistance projects and associated project preparation. Project preparation amounting to US \$1.51 million would result in US \$12.64 million in projects to be submitted in 2010 and US \$8.9 million in 2011.

Table 6

ODS DISPOSAL DEMONSTRATION/TECHNICAL ASSISTANCE PROJECTS IN THE ADJUSTED BUSINESS PLANS

Country	Status	Agency	Type	Sector / Sub-sector	Value (\$000) in 2010	ODP in 2010	Value (\$000) in 2011	ODP in 2011
Algeria	Non-LVC	Italy	DEM	ODS destruction demonstration project	737	50.0		
Algeria	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	710	50.0		
Bangladesh	Non-LVC	UNEP	PRP	Disposal project for ODS from the ship break industry (preparation)			30	
Bangladesh	Non-LVC	UNEP	TAS	Disposal project for ODS from the ship break industry (implementation)			500	
Brazil	Non-LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	1,000	1,200.0		
China	Non-LVC	Japan	DEM	Destruction	0		950	
China	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	1,419	100.0		
Colombia	Non-LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	1,000	144.5		
Cuba	Non-LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	1,000	222.0		
Ghana	LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	785	28.8		
India	Non-LVC	UNDP	DEM	Demo: ODS Bank Management/Destruction	1,419	100.0		0.0
India	Non-LVC	UNDP	PRP	Preparation of Demo: ODS Bank Management/Destruction	86			
India	Non-LVC	UNEP	PRP	Disposal project for ODS from the ship break industry (preparation)			30	
India	Non-LVC	UNEP	TAS	Disposal project for ODS from the ship break industry (implementation)			500	
Lebanon	Non-LVC	UNIDO	DEM	ODS destruction demonstration project			1,419	100.0
Lebanon	Non-LVC	UNIDO	PRP	Demo	91			
Mexico	Non-LVC	France	DEM	ODS Disposal	1,000	150.0		
Mexico	Non-LVC	UNIDO	DEM	ODS disposal demonstration project	1,064	75.0		
Nigeria	Non-LVC	UNIDO	PRP	ODS destruction/demo	65			
Nigeria	Non-LVC	UNIDO	DEM	ODS destruction demonstration project			1,419	100.0
Region: AFR	LVC	Japan	DEM	Destruction	600		0	
Region: AFR	LVC	UNEP	PRP	Preparation of the regional disposal project for Africa	226			
Region: AFR	LVC	UNIDO	DEM	ODS destruction/demo in LVC in South American Countries			568	40.0
Region: AFR	LVC	UNIDO	PRP	ODS destruction/demo in LVC in South American Countries	91			
Region: ASP	LVC	Japan	DEM	Demonstration project on ODS disposal	100			
Region: ASP	LVC	UNEP	PRP	Regional project preparation for ODS destruction in LVC countries of ASP	452			
Region: ASP	LVC	UNEP	TAS	Disposal project for ODS from aircraft dismantling industry	350			
Region: EUR	LVC	UNIDO	DEM	ODS destruction/demo in LVC in ECA			568	40.0
Region: EUR	LVC	UNIDO	PRP	ODS destruction/demo in LVC in ECA	108			
Region: LAC	LVC	UNEP	PRP	Preparation of the regional disposal project in cooperation with UNIDO	40			
Region: LAC	LVC	UNEP	PRP	Preparation of the regional disposal project in cooperation with UNIDO	40			
Region: LAC	LVC	UNEP	PRP	Preparation of the regional disposal project for English speaking Caribbean	113			
Region: LAC	LVC	UNIDO	DEM	ODS destruction/demo in LVC in Central American Countries			497	35.0
Region: LAC	LVC	UNIDO	DEM	ODS destruction/demo in LVC in South American Countries			355	25.0

Country	Status	Agency	Type	Sector / Sub-sector	Value (\$000) in 2010	ODP in 2010	Value (\$000) in 2011	ODP in 2011
Region: LAC	LVC	UNIDO	PRP	ODS destruction/demo in LVC in Central American Countries	70			
Region: LAC	LVC	UNIDO	PRP	ODS destruction/demo in LVC in South American Countries	70			
Turkey	Non-LVC	France	DEM	ODS Disposal			1,000	150.0
Turkey	Non-LVC	UNIDO	DEM	Destruction demonstration project			1,064	75.0
Total					12,635	2,120.3	8,899	565.0

32. Decision 60/5(i) requests bilateral and implementing agencies to suggest, at the 61st Meeting, a level of funding for ODS activities in LVC countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties. Decision XXI/2 paragraph 2 requested the Executive Committee to continue its consideration of further pilot projects in Article 5 Parties pursuant to decision XX/7 and, in that context, to consider the costs of a one-time window within its current destruction activities to address the export and environmentally sound disposal of assembled banks of ODS in LVC countries that are not usable in the Party of origin.

33. Table 6 presents those ODS activities for LVC countries and the new ODS activities included in the revised business plans. It includes 17 activities in LVC countries at a value of US \$3.04 million in 2010, US \$1.99 million in 2011. If the Executive Committee maintains these activities in the business plans of the bilateral and implementing agencies, the ODS disposal window for LVC countries would amount to US \$21.53 million.

SECTION VI: HCFC ACTIVITIES

HCFC production sector

34. At its 60th Meeting, the Executive Committee established an allocation of US \$147 million for the production sector for the period 2010-2014 per decision 60/5(j). Production sector activities for China and India were pro-rated to stay within the allocation of the decision.

HCFC demonstration projects

35. At its 60th Meeting, the Executive Committee decided to maintain activities in the business plans for additional HCFC demonstration projects beyond those for which project preparation had already been approved and those with no phase-out (decision 60/5 (k) and (l)). The Executive Committee also decided to remove from the business plans activities for HCFC demonstration projects to be submitted after 2010 (decision 60/5(m)). Table 7 presents the remaining HCFC demonstration projects in the adjusted business plans. A total of US \$17.28 million remains in the adjusted business plans for activities that will phase out 24.9 ODP tonnes in six countries or regions.

Table 7

HCFC DEMONSTRATION PROJECTS IN THE ADJUSTED BUSINESS PLANS

Country	Agency	HCFC	Sector / Sub-sector	Value (\$000) in 2010	ODP in 2010
China	UNEP	HCFC	Demonstration project for HCFC equipment service agencies	30	
China	UNDP	HCFC-22	Demo: XPS Foams to Methyl Formate and CO ₂	500	
China	UNIDO	HCFC-22 /HCFC-142b	XPS demo project with butane technology	1,075	
China	UNDP	HCFC-22	Demo: Commercial air-source heat pumps (HFC-32)	1,322	2.2
China	UNDP	HCFC-22	Demo: Industrial cold storage and freezing systems	4,262	1.4

Country	Agency	HCFC	Sector / Sub-sector	Value (\$000) in 2010	ODP in 2010
			(NH ₃ +CO ₂)		
China	UNIDO	HCFC-22	Demonstration project for the conversion of HCFC-22 based compressors and Air conditioners to R290-based in the RAC sector at Meizhi and Midea companies	6,450	13.2
Jordan	UNIDO	HCFC-141b	Conversion to non-HCFC technologies in the manufacturing of mini-split units (foam component)	115	1.2
Jordan	UNIDO	HCFC-22	Conversion to non-HCFC technologies in the manufacturing of mini-split units	2,215	6.9
Nigeria	Japan	HCFC-22	Refrigeration/Commercial	827	
Region: ASP	UNEP	HCFC	Technical assistance / support--Demonstration project for energy efficiency	200	
Region: WA	UNEP	HCFC	Technical assistance / support--Demonstration project to adopt low GWP HCFC alternatives in high ambient temperatures	100	
Turkey	UNDP	HCFC-22	Validation of HFO in XPS foams	180	
Total				17,275	24.9

HPMP/HCFC project preparation

36. The revised business plans for HPMP preparation, HCFC demonstration and HCFC investment project preparation were adjusted to correspond to the values approved for such activities in the light of decisions 55/13 and 56/16. The total value for HPMP preparation is US \$1.07 million. HCFC demonstration project preparation amounts to US \$158,900 and HCFC investment project preparation amounts to US \$2.46 million in 2010. No project preparation is included after 2010.

HCFC servicing sector for LVC countries

37. At its 60th Meeting, the Executive Committee established values for HPMPs for activities to achieve the 2015 and 2020 control measures according to projected baselines. The maximum level of funding for LVC countries for the HCFC servicing sector until the year 2020 was exceeded. The Secretariat adjusted all entries submitted by agencies for LVC countries according to the projected tonnage requirements as per the Model rolling three-year phase-out plan.

HCFC consumption sector investment activities in the manufacturing sector

38. The value of projects for the HCFC consumption sector investment activities amounts to US \$771.44 million out of the US \$1.2 billion level in the adjusted revised business plans. Table 8 presents the values and tonnage for three groups of countries: those whose consumption exceeds 30 per cent of total consumption, non-LVC countries, and LVC countries with investment activities in the manufacturing sector.

Table 8

**VALUE AND TONNAGE FOR HCFC INVESTMENT ACTIVITIES IN THE ADJUSTED
BUSINESS PLANS (2010-2014)**

Group	Countries	Total adjusted value (US\$)	Total tonnage (ODP tonnes)
I	China	511,711,761	2,679
II	Non-LVC countries	5,156,526	21
III	LVC countries	254,571,946	1,749
Total		771,440,233	4,449

SECTION VII: PERFORMANCE INDICATORS

39. Decision 41/93 established the current set of performance indicators for implementing agencies. Implementing agencies provided targets for these performance indicators in their business plans. All implementing agencies have indicated in their business plans their planned efforts to assist countries to comply with the Montreal Protocol's control measures. UNEP included in its business plan expected missions to Article 5 countries and its special CAP services to assist countries with compliance needs. It also showed the extent to which its activities support those of other agencies.

40. Annex III presents information on historic performance indicators as requested in decision 42/5. The remainder of Annex III addresses investment and non-investment project indicators (2001-2005) and performance indicators that are unique to UNEP.

SECTION VIII: OBSERVATIONS AND RECOMMENDATIONS

Observations

41. The business planning process was extended this year largely due to the reluctance of the implementing agencies to implement existing decisions of the Executive Committee, and their difficulties in staying within the budget for the triennium. This has culminated in the need to adjust the agencies' revised business plans to accommodate clear decisions on allowable funding. Table 9 shows the level of reductions required from the submissions of the agencies to adjust the business plans to conform with the decisions of the Executive Committee.

Table 9

**VALUES SUBMITTED BY THE AGENCIES AND ADJUSTED VALUE BASED ON
EXECUTIVE COMMITTEE DECISIONS (in US\$)**

Agency	Total value in business plans submitted to the 60th Meeting	Total value in the revised business plans submitted to the 61st Meeting	Adjusted value based on Executive Committee decisions	Difference between 60th and 61st business plans	Difference between 61st and adjusted business plan
UNDP	597,322,877	290,618,696	287,482,389	-306,704,181	-3,136,307
UNEP	117,293,078	88,688,793	104,904,580	-28,604,285	16,215,787
UNIDO	590,148,468	406,460,398	401,648,311	-183,688,070	-4,812,087
World Bank	577,111,570	565,434,155	343,905,827	-11,677,415	-221,528,328

42. To encourage agency compliance with the Executive Committee's decisions relative to business plans, the Executive Committee may wish to require that only those business plans that fully implement Executive Committee decisions may be submitted for consideration.

Recommendations

43. The Executive Committee may wish to:

- (a) Note the document entitled "Consolidated Revised Business plan for the years 2010-2014" as contained in document UNEP/OzL.Pro/ExCom/61/7, as adjusted by the Fund Secretariat;
- (b) Consider whether further adjustment to the consolidated business plan is warranted on the basis of cost-effectiveness; and
- (c) Decide that only those business plans that fully implement Executive Committee decisions may be submitted to the Executive Committee for its consideration.

Annex I

See Excel Workbook

Annex II

DECISION FROM THE 60TH MEETING ON THE CONSOLIDATED BUSINESS PLAN

57. The Executive Committee decided:

- (a) To note the consolidated 2010-2012 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/60/7 and the fact that it addressed activities for compliance with the 2015 control measures of the Montreal Protocol;
- (b) To adopt a budget of US \$193.9 million for 2010, while noting the budget of US \$203 million for 2011, established by decision 57/4;
- (c) To modify the multi-year agreement amounts in the agencies' business plans to reflect the records of the Fund Secretariat;
- (d) To integrate terminal phase-out management plan activities beyond 2010 and those planned for Somalia into HCFC phase-out management plans;
- (e) To request the bilateral and implementing agencies to consider the need for methyl chloroform activities in Haiti and the Democratic People's Republic of Korea;
- (f) To amend the business plans of the bilateral and implementing agencies according to the model rolling three-year phase-out plan for institutional strengthening projects;
- (g) To remove new project preparation requests for ODS disposal included in the business plans, except those required by decision 59/10 and requests for countries that had been considered at the 59th Meeting;
- (h) To modify the allocation for the ODS disposal activity in China in the business plans of Japan to US \$1,320,000 for 100 ODP tonnes and of UNIDO to US \$1,320,000 for 100 ODP tonnes;
- (i) To request the bilateral and implementing agencies at the 61st Meeting to suggest a level of funding for ODS activities in low-volume-consuming (LVC) countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties;
- (j) To establish a resource allocation for HCFC production in the business plans amounting to US \$147,000,000 for the period 2010 to 2014, guided by the amount suggested by the UNEP's Technology and Economic Assessment Panel in its Assessment of the Funding Requirements for the Replenishment of the Multilateral Fund for the Period 2009-2011;
- (k) To maintain activities in the business plans for additional HCFC demonstration projects beyond those for which project preparation had already been approved;
- (l) To maintain activities in the business plans for HCFC demonstration projects with no phase-out;
- (m) To remove from the business plans activities for HCFC demonstration projects to be submitted after 2010;

- (n) To modify the business plans for HPMP, HCFC demonstration and HCFC investment project preparation to correspond to the values approved for such activities in the light of decisions 55/13 and 56/16;
- (o) To request:
 - (i) A status report on establishing or modifying licensing systems, legislation and regulations pursuant to funding provided through decision 54/39(e) to address the accelerated phase-out of HCFCs, to be submitted to the 61st Meeting in the context of the agencies' progress reports;
 - (ii) That the business plans to be submitted to the 61st Meeting address planning for the period 2010 to 2014 and the 63rd Meeting 2011 to 2014; and
 - (iii) Implementing agencies to indicate in their submissions to the 61st Meeting and in future business plans:
 - a. The level of HCFC phase-out, by chemical, for example HCFC-22 and HCFC-141b; and
 - b. The level of climate co-benefits that could be achieved through HCFC phase-out activities required to achieve compliance;
- (p) To request the bilateral and implementing agencies to revise their 2010-2012 business plans to take into account the criteria for funding HCFC phase-out in the consumption sector adopted by the Executive Committee (see decision 60/44), and in particular:
 - (i) To ensure that the selection of projects in the business plans was consistent with the cut-off date applicable to HCFC-based capacity;
 - (ii) To include projects for second-stage conversions when they were necessary, and/or the most cost-effective projects in the manufacturing sector, to facilitate the compliance of Article 5 countries with HCFC control measures up to and including the 2020 reduction step;
 - (iii) To adjust the indicative costs of HCFC projects in the business plans to reflect the relevant parameters agreed with respect to incremental operating costs, phase-out costs in the refrigeration servicing sector, and cost-effectiveness thresholds; and
 - (iv) To ensure that for each Article 5 country included in the business plans, the year or years of HCFC consumption used to calculate the quantity of HCFC tonnage to be funded for phase-out to achieve compliance with the 2013 HCFC freeze and 2015 HCFC 10 per cent reduction corresponded to one of the two agreed options for the starting point for aggregate sustained reductions;
- (q) To request the bilateral and implementing agencies to submit their revised business plans to the 61st Meeting of the Executive Committee taking into account the above, and
- (r) To request the Secretariat to prepare a revised consolidated business plan for the 61st Meeting based on the revised business plans submitted.

(Decision 60/5)

Annex III

HISTORICAL PERFORMANCE INDICATORS

This annex presents the following tables:

- (a) Proposed 2010, and Actual 2009, 2008, 2007 and 2006 Business Plan Performance Indicators;
- (b) Quantitative Performance Indicators (2004 and 2005);
- (c) Investment Project Performance Indicators (2001-2005);
- (d) Non-investment Project Performance Indicators (2001-2005); and
- (e) Proposed 2010, and Actual 2009, 2008, 2007 and 2006 Performance Indicator for UNEP's Compliance Assistance Programme (CAP).

A: PROPOSED 2010 AND ACTUAL 2009, 2008, 2007 AND 2006 BUSINESS PLAN PERFORMANCE INDICATORS BY AGENCY

Item	UNDP 2006	UNDP 2007	UNDP 2008	UNDP 2009	UNDP 2010	UNEP 2006	UNEP 2007	UNEP 2008	UNEP 2009	UNEP 2010	UNIDO 2006	UNIDO 2007	UNIDO 2008	UNIDO 2009	UNIDO 2010	World Bank 2006	World Bank 2007	World Bank 2008	World Bank 2009	World Bank 2010
Number of annual programmes of multi-year agreements approved vs. those planned	27	45	39	40	48	20	35	35	56	104	29	32	30	28	22	23 ¹	19 ²	21/21	14/14	5/5
Number of individual projects/activities (investment projects, RMPs, halon banks, TAs, institutional strengthening) approved vs. those planned	7	22	24	12	52	16	30	56 (excl. CAP)	88	108	11	22	55	20	30	1	4	6/6	7	6/6
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	15	20	27	36	9	4	9	20	51	23	22	20	19	26	30	20	18	21/21	14	5/5
ODS phased-out for individual projects vs. those planned per progress reports (ODP tonnes)	2,622	1,229	1,888	633	233.9	0	0	0	0	0	1,119.4	346.2	762.9	155.2	45.1	2,288	1,334	253	229	240.3

¹ Includes three annual programmes of new multi-year projects expected to be approved by the Executive Committee in 2006.

² Includes one annual programme of new multi-year projects expected to be approved by the Executive Committee in 2007.

Item	UNDP 2006	UNDP 2007	UNDP 2008	UNDP 2009	UNDP 2010	UNEP 2006	UNEP 2007	UNEP 2008	UNEP 2009	UNEP 2010	UNIDO 2006	UNIDO 2007	UNIDO 2008	UNIDO 2009	UNIDO 2010	World Bank 2006	World Bank 2007	World Bank 2008	World Bank 2009	World Bank 2010
Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	55	60	61	98	127	86	86	86	86	33	36	20	19	13	14	20 ³	10 ⁴	8 ⁵	6 ⁶	5 ⁷
Number of policy/regulatory assistance completed vs. that planned	tbd ⁸	4/6 (67%)	4/6 (67%)	1/1 (100%)	100%	77 countries ⁹	64 countries ¹⁰	64 countries	100% ¹¹	100% ¹²	tbd ¹³	11	9	N/A	N/A	tbd ¹⁴	9/9	12/12	100%	100%
Speed of financial completion vs. that required per progress report completion dates	On Time	On time	On time	On time	On time	On Time	On time	On time	On time	On time	12 months after operational completion	12 months after operational completion	12 months after operational completion	12 months after operational completion	12 months after operational completion	11 months	11 months	11 months	11 months	11 months
Timely submission of project completion reports vs. those agreed	On Time	On time	On time	On time	On time	On Time	On time	On time	On time	On time	On time	On time	On time	On time	On time	100%	100%	100%	100%	100%
Timely submission of progress reports and responses unless otherwise agreed	On Time	On time	On time	On time	On time	On Time	On time	On time	On time	On time	On time	On time	On time	On time	On time	100%	100%	100%	100%	100%

³ Represents the number of projects expected to be completed in 2006, which will lead to an expected phase-out of 2,288 ODP tonnes.

⁴ Represents the number of projects expected to be completed in 2007, which will lead to an expected phase-out of 1,334 ODP tonnes.

⁵ Represents the number of projects expected to be completed in 2008, which will lead to an expected phase-out of 253 ODP tonnes.

⁶ Includes two investment projects, three institutional strengthening projects, and one technical assistance project.

⁷ Includes one investment project, two institutional strengthening projects, and two technical assistance projects.

⁸ The Executive Committee requested UNDP to work in coordination with the Secretariat to provide a target for policy and regulatory assistance to countries requesting it to reflect the efforts it planned to undertake in that regard within its approved projects and multi-year agreements as appropriate.

⁹ or 100% of countries listed in Annex I of the narrative either received assistance or assistance offered

¹⁰ or 100% of countries listed in Annex I either received assistance or assistance was offered

¹¹ 100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered

¹² 100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered

¹³ The Executive Committee requested UNIDO to work in coordination with the Secretariat to provide a target for policy and regulatory assistance to countries requesting it to reflect the efforts it planned to undertake in that regard within its approved projects and multi-year agreements as appropriate.

¹⁴ The Executive Committee requested the World Bank to work in coordination with the Secretariat to provide a target for policy and regulatory assistance to countries requesting it to reflect the efforts it planned to undertake in that regard within its approved projects and multi-year agreements as appropriate.

B: QUANTITATIVE PERFORMANCE INDICATORS (2004 and 2005)

Item	UNDP 2004	UNDP 2005	UNEP 2004	UNEP 2005	UNIDO 2004	UNIDO 2005	World Bank 2004	World Bank 2005
Multi-year tranches approved	19	12	3	4	18	28	18	18
Individual projects/ activities approved	25	32	19	25	11	31	5	7
Milestone activities completed	12	15.5	N/a	3	14	17	15	19
ODS phased-out for individual projects in ODP tonnes	2,579	1,288	0	20	4,790.6	1,654	4,961	2,277
Project completion	97	42	8	24	84	28	40	44
Policy/ regulatory assistance completed	N/a	N/a	2	63	15	11	All targets in annual phase-out	N/a
Speed of financial completion	88 of 104 (85%)	174	19 of 34 (56%)	12 of 49 (24%)	9.3 months	8 months	12 months	9 months
Timely submission of project completion reports	97%	111	100%	On Time	100%	On Time	84%	On Time
Timely submission of progress reports	On Time	On Time	On Time	Not On Time	On Time	On Time	On Time	On Time

C: INVESTMENT PROJECT PERFORMANCE INDICATORS (2001-2005)

ITEM	UNDP 2005	UNDP 2004	UNDP 2003	UNDP 2002	UNDP 2001	UNIDO 2005	UNIDO 2004	UNIDO 2003	UNIDO 2002	UNIDO 2001	World Bank 2005	World Bank 2004	World Bank 2003	World Bank 2002	World Bank 2001
ODP phased out	1,663	6,200	5,871	4,582	5,997	1,544.64	5,545.52	6,096	2,890	2,480	N/A	21,812.59	17,395	16,139	6,340
Funds disbursed	26,601,892	\$31,240,209	\$24,483,520	\$29,320,118	\$33,358,056	31,840,094	31,963,576	\$28,773,312	\$28,747,215	\$27,671,558	N/A	55,729,832	\$65,083,377	\$56,531,824	\$40,175,452
Project completion reports	111	97%	106%	86.50%	86.16%	78	100%	625%	300%	100%	N/A	84%	84%	103%	74%
Distribution among countries*	14	28	18	18	22	23	18	14	19	24	N/A	12	11	11	10
Timely submission of progress report		N/a	On Time	On Time	N/a		N/a	On Time	On Time	N/a		N/a	On Time	On Time	N/a
Number of project completed in year of business plan		N/a	116	106	N/a		N/a	54	46	N/a		N/a	45	46	N/a
Value of projects approved*	\$26,123,608	\$24,422,808	\$29,290,743	\$37,661,853	\$40,533,068	55,170,547	36,878,656	\$23,624,603	\$32,884,334	\$28,436,163	US \$68 million (excluding Support Costs)	\$82,629,695	\$75,107,277	\$62,531,489	\$48,139,038
ODP to be phased out*	2,940	3,606.40	3,810	3,312.90	4,352	16,540.00	9,587	1,120	4,074	4,645.80	65,722.00	20,534	11,352	12,605.90	11,456
Cost of project preparation	1.44%	3.61%	1.60%	2.54%	1.10%	0.86	2.01%	3.64%	3.28%	2.73%	0.40	0.16%	0.64%	0.43%	1.26%
Cost-effectiveness	\$8.24	\$6.27	\$7.10	\$10.35	\$8.30	3.10	\$3.58	\$9.79	\$7.28	\$6.12	1.04	\$3.74	\$6.12	\$4.57	\$3.85
Speed of first disbursement	12.9 months	12.91 months	12.8 months	12.8 months	12.84 months	8.97 months	9.06 months	9.2 months	9.16 months	9.29 months	25 months	26.02 months	26 months	26.28 months	25.33 months
Speed of completion	32.9 months	32.41 months	32.4 months	32.7 months	33.6 months	32.98 months	32.35 months	31.7 months	30.89 months	29.85 months	40 months	40.88 months	41 months	41.35 months	40.09 months
Net emission due to delays	13,508	12,440	9,322	13,375	14,381	5,354.00	15,874	5,114	6,579.50	5,940	17,651.00	18,155	21,807	24,889	25,257

D: NON-INVESTMENT PROJECT PERFORMANCE INDICATORS (2001-2005)

AGENCY	UNDP 2005	UNDP 2004	UNDP 2003	UNDP 2002	UNDP 2001	UNEP 2005	UNEP 2004	UNEP 2003	UNEP 2002	UNEP 2001	UNIDO 2005	UNIDO 2004	UNIDO 2003	UNIDO 2002	UNIDO 2001	World Bank 2005	World Bank 2004	World Bank 2003	World Bank 2002	World Bank 2001
Number of Projects Completed			22	11	8			69% of approved	66% of approved	62% of approved			16	13	3			5	2	1
Funds Disbursed (US\$)	3,224,343	2,488,374	3,693,816	2,167,508	1,684,702	10,855,433	54% of approved	72% of approved	68% of approved	68% of approved	1,387,905	1,353,861	1,201,983	775,244	461,385	1,221,964	813,599	2,246,337	546,533	281,715
Speed until first disbursement	11.5 months	11.44 months	11 months	11.4 months	10.5 months	8.41 months	8.49 months	7.6 months	7.3 months	6.87 months	8.95 months	9.34 months	9.4 months	9.85 months	9.15 months	14 months	14.58 months	13.7 months	12.05 months	11.95 months
Speed until project completion	35.4 months	35.36 months	35 months	34.7 months	35.1 months	32.44 months	31.8 months	31 months	30.4 months	29.66 months	31.93 months	33.89 months	33.7 months	33.84 months	33.66 months	32 months	30.39 months	30 months	28.85 months	29.24 months
Timely submission of progress report		N/a	On Time	On-time	N/a		N/a	On Time	On Time	N/a		N/a	On Time	On- time	N/a		N/a	On Time	On- time	N/a
Policies initiated from non- investment activities		N/a	6	28	8 countries		N/a	21 countries	11 countries	N/p		N/a	2 countries	7 countries	Policies in 2-4 countries		N/a	None	1 country	2 countries
Reduction in ODP from non- investment activities		N/a	0	1	125 tonnes		N/a	0	0	N/p		N/a	45	0	65 tonnes		N/a	86.9	0	0 tonnes

E. PROPOSED 2010, AND ACTUAL 2009, 2008, 2007 AND 2006 PERFORMANCE INDICATOR FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME (CAP)

Performance Indicator	UNEP 2006 target	UNEP 2007 target	UNEP 2008 target	UNEP 2009 target	UNEP 2010 target
Efficient follow-up to regional network/thematic meetings	100 % implementation rate	100 % implementation rate	100 % implementation rate	90 % implementation rate	90% implementation Rate
Effective support to NOUs in their work, particularly guidance to new National Ozone Units (NOUs)	10 such ways/means/products /services	7 such ways/means/products/services	7 such ways/means/products/services; All new NOUs receive capacity building support	7 such ways/means/products/services; All new NOUs receive capacity building support	7 such ways/means/products/services; All new NOUs receive capacity building support
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	All such countries	All such countries	All such countries	All such countries	All such countries
Innovations in production and delivery of global and regional information products and services	10 such products and services	7 such products and services	7 such products and services	7 such products and services	7 such products and Services
Close cooperation between CAP regional teams and bilateral and multilateral implementing agencies working in the regions	5 in each region	5 in each region	5 in each region	5 in each region	5 in each region
