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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-third Meeting  
Paris, 9-13 November 2014

**BILATERAL AGENCIES' BUSINESS PLANS FOR THE YEARS 2015-2017**

**Introduction**

1. The following bilateral agencies submitted business plans for the years 2015-2017 to the 73<sup>rd</sup> meeting: Germany, Italy, Japan and Poland<sup>1</sup>. The business plans of Italy and Japan were adjusted to include multi-year agreement (MYA) activities associated with HCFC phase-out management plans (HPMPs) that had been approved in principle. Although France did not officially submit a business plan for the years 2015-2017, the present document has included a table with allocation of resources for France based on MYA activities associated with HPMPs approved in principle.

2. Bilateral agencies intend to have activities (excluding regional projects) in 23 Article 5 countries, namely: Afghanistan, Bolivia (Plurinational State of), Botswana, Brazil, China, Colombia, Ghana, India, Iran (Islamic Republic of), Kenya, Lao People's Democratic Republic (the), Lesotho, Liberia, Mauritius, Mexico, Morocco, Namibia, Papua New Guinea, Seychelles, Tunisia, Turkey, Venezuela (Bolivarian Republic of) and Zimbabwe at a value of US \$21,453,808. An additional US \$13,231,020 would be requested for the period 2018 to after 2020 as shown in Table 1<sup>2</sup>.

<sup>1</sup> Bilateral cooperation may be considered as a contribution to the Multilateral Fund up to a value of 20 per cent of a country's annual pledge to the Fund, consistent with any criteria specified by decisions of the Parties. The Executive Committee decided to allow flexibility in the year for which bilateral projects would be credited, provided that bilateral agencies submitted their work plans at the beginning of the year in time for the Secretariat to transmit them to the Executive Committee for consideration during discussions of the business plans at the Committee's first meeting of the year (decision 25/13(a)). It should be noted that traditional bilateral donors, such as Australia, Canada, the Czech Republic, Finland, France, Portugal, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America did not submit bilateral business plans and the total value of bilateral activities could increase in the event of such submissions.

<sup>2</sup> All activities after 2020 are for approved MYAs in Mauritius, Namibia, Papua New Guinea and Seychelles under German implementation with the exception of stage II HPMP activities amounting to US \$150,000 for China also under German implementation.

**Table 1: Resource allocation in the bilateral agencies' 2015-2017 business plans (US \$)**

| Item                                     | 2015             | 2016             | 2017             | Total<br>(2015-2017) | Total<br>(2018-2020) | Total after<br>2020 |
|------------------------------------------|------------------|------------------|------------------|----------------------|----------------------|---------------------|
| <b>Required for compliance</b>           |                  |                  |                  |                      |                      |                     |
| Approved MYAs                            | 2,333,937        | 1,167,745        | 1,232,066        | 4,733,748            | 633,565              | 495,955             |
| HPMP stage I                             | 0                | 120,000          | 0                | 120,000              | 146,000              | 0                   |
| HPMP stage II                            | 5,170,000        | 1,300,000        | 4,589,360        | 11,059,360           | 11,567,500           | 150,000             |
| HPMP PRP - stage II                      | 173,900          | 0                | 0                | 173,900              | 0                    | 0                   |
| HPMP verification                        | 101,800          | 0                | 0                | 101,800              | 238,000              | 0                   |
| Demonstration PRP - low GWP alternatives | 210,000          | 0                | 0                | 210,000              | 0                    | 0                   |
| Demonstration - low GWP alternatives     | 195,000          | 4,050,000        | 0                | 4,245,000            | 0                    | 0                   |
| HCFC - Technical assistance              | 270,000          | 270,000          | 270,000          | 810,000              | 0                    | 0                   |
| <b>Grand total</b>                       | <b>8,454,637</b> | <b>6,907,745</b> | <b>6,091,426</b> | <b>21,453,808</b>    | <b>12,585,065</b>    | <b>645,955</b>      |

**COMMENTS**

3. The Secretariat reviewed each bilateral donor's business plan and provided comments on several of the proposed activities.

**France**

4. The resource allocation in France's 2015-2017 business plan is presented in Table 2. Assuming the same level of pledged contribution, twenty per cent of France's annual pledged contribution for 2015 amounts to US \$2,082,960.

**Table 2: Allocation of resources for France (US \$)\***

| Item                           | 2015           | 2016           | 2017           | Total<br>(2015-2017) | Total<br>(2018-2020) |
|--------------------------------|----------------|----------------|----------------|----------------------|----------------------|
| <b>Required for compliance</b> |                |                |                |                      |                      |
| Approved MYAs                  | 676,274        | 197,596        | 179,669        | 1,053,539            | 3,814                |
| <b>Grand total</b>             | <b>676,274</b> | <b>197,596</b> | <b>179,669</b> | <b>1,053,539</b>     | <b>3,814</b>         |

\* There are no activities after 2020 included in France's business plan.

**Germany**

5. The resource allocation in Germany's 2015-2017 business plan is presented in Table 3. Assuming the same level of pledged contribution, twenty per cent of Germany's annual pledged contribution for 2015 amounts to US \$2,727,612.

**Table 3: Allocation of resources for Germany (US \$)**

| Item                                     | 2015             | 2016             | 2017             | Total<br>(2015-2017) | Total<br>(2018-2020) | Total after<br>2020 |
|------------------------------------------|------------------|------------------|------------------|----------------------|----------------------|---------------------|
| <b>Required for compliance</b>           |                  |                  |                  |                      |                      |                     |
| Approved MYAs                            | 1,567,263        | 896,699          | 1,052,397        | 3,516,359            | 561,951              | 495,955             |
| HPMP stage I                             | 0                | 120,000          | 0                | 120,000              | 146,000              | 0                   |
| HPMP PRP - stage II                      | 140,000          | 0                | 0                | 140,000              | 0                    | 0                   |
| HPMP stage II                            | 4,500,000        | 1,300,000        | 2,275,000        | 8,075,000            | 11,567,500           | 150,000             |
| HPMP verification                        | 101,800          | 0                | 0                | 101,800              | 238,000              | 0                   |
| Demonstration PRP - low GWP alternatives | 210,000          | 0                | 0                | 210,000              | 0                    | 0                   |
| Demonstration - low GWP alternatives     | 0                | 4,050,000        | 0                | 4,050,000            | 0                    | 0                   |
| <b>Grand total</b>                       | <b>6,519,063</b> | <b>6,366,699</b> | <b>3,327,397</b> | <b>16,213,159</b>    | <b>12,513,451</b>    | <b>645,955</b>      |

6. Germany's business plan includes US \$4.57 million for approved MYAs for HPMP stage I activities including US \$3.52 million for the period of 2015 to 2017. The Secretariat proposed adjustments to reduce MYA values in Germany's business plans to reflect the records of the Secretariat by US \$26,005 with no adjustment after 2017.

7. Germany's business plan includes US \$140,000 for project preparation of stage II of HPMPs for the period of 2015 to 2017. Since these projects were submitted to the 73<sup>rd</sup> meeting, the Secretariat proposed to remove them from Germany's business plan.

8. Germany's business plan includes US \$19.79 million for stage II of HPMPs for six non-low-volume-consuming (LVC) countries for a total phase-out of 71.4 ODP tonnes, including US \$8.08 million for the period of 2015 to 2017 for a total phase-out of 46.2 ODP tonnes. The Secretariat proposed adjustments to reduce the value in Germany's business plan by US \$9.72 million for the period of 2015 to after 2020 (including US \$2.92 million for the period of 2015 to 2017).

9. Germany's business plan includes US \$339,800 for HPMP verification report for the period of 2015 to 2020 (including US \$101,800 for the period of 2015 to 2017). The Secretariat proposed to remove these projects from Germany's business plan since they were submitted to the 73<sup>rd</sup> meeting, or were not included in decision 70/15 or 72/22.

10. A total of US \$4.26 million is included in Germany's business plan for demonstration project for low global-warming-potential (GWP) alternatives (including US \$210,000 for project preparation). Germany did not provide ODP value for these activities, or indicate if a letter from the country had been received to include the entry in Germany's business plan. The Secretariat proposed to remove these projects from Germany's business plan.

**Table 4: Demonstration projects for low GWP alternatives (US \$000)**

| Country             | Sector and subsector | Value (\$000) 2015* | ODP 2015   | Value (\$000) 2016** | ODP 2016   |
|---------------------|----------------------|---------------------|------------|----------------------|------------|
| China               | RAC                  | 60                  | 0.0        | 1,000                | 0.0        |
| Region: ASP         | RAC/Serviceing       | 50                  | 0.0        | 650                  | 0.0        |
| Region: LAC and AFR | RAC/Serviceing       | 40                  | 0.0        | 600                  | 0.0        |
| Region: SEAP        | RAC                  | 60                  | 0.0        | 1,800                | 0.0        |
| <b>Total</b>        |                      | <b>210</b>          | <b>0.0</b> | <b>4,050</b>         | <b>0.0</b> |

\* Funding for project preparation

\*\* Funding for the demonstration project

11. Table 5 presents the results of the Secretariat's proposed adjustments to Germany's business plan.

**Table 5: Adjustments based on Executive Committee decisions to Germany's business plan (US \$)**

| Item                                     | 2015             | 2016             | 2017             | Total (2015-2017) | Total (2018-2020) | Total after 2020 |
|------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|
| <b>Required for compliance</b>           |                  |                  |                  |                   |                   |                  |
| Approved MYAs                            | 1,541,258        | 896,699          | 1,052,397        | 3,490,354         | 561,951           | 495,955          |
| HPMP stage I                             | 0                | 120,000          | 0                | 120,000           | 146,000           | 0                |
| HPMP PRP - stage II                      | 0                | 0                | 0                | 0                 | 0                 | 0                |
| HPMP stage II                            | 1,453,027        | 1,721,745        | 1,977,108        | 5,151,881         | 4,871,154         | 51,073           |
| HPMP verification                        | 0                | 0                | 0                | 0                 | 0                 | 0                |
| Demonstration PRP - low GWP alternatives | 0                | 0                | 0                | 0                 | 0                 | 0                |
| Demonstration - low GWP alternatives     | 0                | 0                | 0                | 0                 | 0                 | 0                |
| <b>Grand total</b>                       | <b>2,994,285</b> | <b>2,738,444</b> | <b>3,029,505</b> | <b>8,762,235</b>  | <b>5,579,105</b>  | <b>547,028</b>   |

12. If the submission to the 73<sup>rd</sup> meeting were approved as planned, Germany will exceed the bilateral allocation for the 2012-2014 triennium by US \$673,690. Taking into account the amount exceeded during the 2012-2014 triennium and the activities planned in the 2015 business plan after adjustments by the Secretariat, Germany would exceed the bilateral allocation (based on the current replenishment) by US \$940,363. Therefore, Germany would need to either re-programme activities for future years or request other bilateral or implementing agencies to implement the projects that exceed its 20 per cent allocation.

13. However, Germany's business plan, as adjusted by the Secretariat, still exceeds the current level of bilateral activities for 2016 and 2017 and if the Executive Committee decides to add the demonstration activities of Germany amounting to over US \$4 million, the business plan would substantially exceed the budget. The level to which Germany might exceed its bilateral allocation for the next triennium depends on the level of replenishment for 2015-2017. Therefore, the Executive Committee may wish to consider the level of activities in Germany's 2015-2017 business plan in the light of the financial planning document that would be submitted to the Executive Committee following a decision of the Meeting of the Parties on the level of the 2015-2017 replenishment.

### Italy

14. The resource allocation in Italy's 2015-2017 business plan is presented in Table 6. Assuming the same level of pledged contribution, twenty per cent of Italy's annual pledged contribution for 2015 amounts to US \$1,700,590.

**Table 6: Allocation of resources for Italy (US \$)\***

| Item                           | 2015           | 2016          | 2017     | Total<br>(2015-2017) | Total<br>(2018-2020) |
|--------------------------------|----------------|---------------|----------|----------------------|----------------------|
| <b>Required for compliance</b> |                |               |          |                      |                      |
| Approved MYAs                  | 0              | 73,450        | 0        | 73,450               | 67,800               |
| HPMP stage II                  | 670,000        | 0             | 0        | 670,000              | 0                    |
| <b>Grand total</b>             | <b>670,000</b> | <b>73,450</b> | <b>0</b> | <b>743,450</b>       | <b>67,800</b>        |

\* There are no activities after 2020 included in the Italian business plan.

15. Italy's business plan includes US \$670,000 for stage II of HPMPs for four non-LVC countries for a total phase-out of 7.8 ODP tonnes in 2015. The Secretariat proposed adjustments to reduce the value in Italy's business plan by US \$3,423 as the value exceeds the cost-effectiveness threshold of US \$6.92/kg for the foam sector.

**Table 7: Adjustments based on Executive Committee decisions to Italy's business plan (US \$)\***

| Item                           | 2015           | 2016          | 2017     | Total<br>(2015-2017) | Total<br>(2018-2020) |
|--------------------------------|----------------|---------------|----------|----------------------|----------------------|
| <b>Required for compliance</b> |                |               |          |                      |                      |
| Approved MYAs                  | 0              | 73,450        | 0        | 73,450               | 67,800               |
| HPMP stage II                  | 666,577        | 0             | 0        | 666,577              | 0                    |
| <b>Grand total</b>             | <b>666,577</b> | <b>73,450</b> | <b>0</b> | <b>740,027</b>       | <b>67,800</b>        |

\* There are no activities after 2020 included in the Italian business plan.

### Japan

16. The resource allocation in Japan's 2015-2017 business plan is presented in Table 8. Assuming the same level of pledged contribution, twenty per cent of Japan's annual pledged contribution for 2015 amounts to US \$4,262,532.

**Table 8: Allocation of resources for Japan (US \$)\***

| Item                                 | 2015           | 2016     | 2017             | Total<br>(2015-2017) |
|--------------------------------------|----------------|----------|------------------|----------------------|
| <b>Required for compliance</b>       |                |          |                  |                      |
| Approved MYAs                        | 90,400         |          |                  | 90,400               |
| Demonstration - low GWP alternatives | 195,000        | 0        | 0                | 195,000              |
| HPMP PRP - stage II                  | 33,900         | 0        | 0                | 33,900               |
| HPMP stage II                        | 0              | 0        | 2,314,360        | 2,314,360            |
| <b>Grand total</b>                   | <b>319,300</b> | <b>0</b> | <b>2,314,360</b> | <b>2,633,660</b>     |

\* There are no activities after 2017 included in the Japanese business plan.

17. A total of US \$195,000 is included in Japan's business plan for a global demonstration project for low GWP alternatives in 2015. Japan did not provide ODP value for this activity. The Secretariat proposed to remove this project from Japan's business plan.

18. Japan's business plan includes US \$33,900 for project preparation of stage II of HPMPs for India for the period of 2015 to 2017. Since preparation projects for India were already approved at the 72<sup>nd</sup> meeting, the Secretariat proposed to remove these projects from Japan's business plan.

19. Table 9 presents the results of the Secretariat's proposed adjustments to Japan's business plan.

**Table 9: Adjustments based on Executive Committee decisions to Japan's business plan (US \$)\***

| Item                                 | 2015          | 2016     | 2017             | Total<br>(2015-2017) |
|--------------------------------------|---------------|----------|------------------|----------------------|
| <b>Required for compliance</b>       |               |          |                  |                      |
| Approved MYAs                        | 90,400        |          |                  | 90,400               |
| Demonstration - low GWP alternatives | 0             | 0        | 0                | 0                    |
| HPMP PRP - stage II                  | 0             | 0        | 0                | 0                    |
| HPMP stage II                        | 0             | 0        | 2,314,306        | 2,314,306            |
| <b>Grand total</b>                   | <b>90,400</b> | <b>0</b> | <b>2,314,306</b> | <b>2,404,760</b>     |

\* There are no activities after 2017 included in the Japanese business plan.

## Poland

20. The resource allocation in Poland's 2015-2017 business plan is presented in Table 10. Assuming the same level of pledged contribution, twenty per cent of Poland's annual pledged contribution for 2015 amounts to US \$281,674.

**Table 10: Allocation of resources for Poland (US \$)\***

| Item                           | 2015           | 2016           | 2017           | Total<br>(2015-2017) |
|--------------------------------|----------------|----------------|----------------|----------------------|
| <b>Required for compliance</b> |                |                |                |                      |
| HCFC - technical assistance    | 270,000        | 270,000        | 270,000        | 810,000              |
| <b>Grand total</b>             | <b>270,000</b> | <b>270,000</b> | <b>270,000</b> | <b>810,000</b>       |

\* There are no activities after 2017 included in Poland's business plan.

## Adjustments based on existing Executive Committee decisions on business plans as submitted

21. After making the adjustments proposed above, the total value of bilateral agencies' 2015-2017 business plans is US \$13,770,561 as shown in Table 11.

**Table 11: Resource allocation in bilateral agencies' business plans, as adjusted by existing Executive Committee decisions (2015-2017) (US \$)**

| Item                                     | 2015             | 2016             | 2017             | Total<br>(2015-2017) | Total<br>(2018-2020) | Total<br>after 2020 |
|------------------------------------------|------------------|------------------|------------------|----------------------|----------------------|---------------------|
| <b>Required for compliance</b>           |                  |                  |                  |                      |                      |                     |
| Approved MYAs                            | 2,307,932        | 1,167,745        | 1,232,066        | 4,707,743            | 633,565              | 495,955             |
| HPMP stage I                             | 0                | 120,000          | 0                | 120,000              | 146,000              | 0                   |
| HPMP stage II                            | 2,119,605        | 1,721,745        | 4,291,468        | 8,132,818            | 4,871,154            | 51,073              |
| HPMP PRP - stage II                      | 0                | 0                | 0                | 0                    | 0                    | 0                   |
| HPMP verification                        | 0                | 0                | 0                | 0                    | 0                    | 0                   |
| Demonstration PRP - low GWP alternatives | 0                | 0                | 0                | 0                    | 0                    | 0                   |
| Demonstration - low GWP alternatives     | 0                | 0                | 0                | 0                    | 0                    | 0                   |
| HCFC - technical assistance              | 270,000          | 270,000          | 270,000          | 810,000              | 0                    | 0                   |
| <b>Grand total</b>                       | <b>4,697,537</b> | <b>3,279,490</b> | <b>5,793,534</b> | <b>13,770,561</b>    | <b>5,650,719</b>     | <b>547,028</b>      |

**RECOMMENDATIONS**

22. The Executive Committee may wish to consider noting:

- (a) The 2015-2017 business plans of bilateral agencies submitted by Germany, Italy, Japan and Poland as addressed in document UNEP/OzL.Pro/ExCom/73/19; and
- (b) That Germany's 2015-2017 business plan should be reconsidered in the light of the bilateral activity allocation in the financial planning for the 2015-2017 triennium.

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