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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-seventh Meeting  
Montreal, 28 November - 2 December 2016

**BILATERAL AGENCIES' BUSINESS PLANS FOR 2017-2019**

**Introduction**

1. The following bilateral agencies submitted business plans for the years 2017-2019 to the 77<sup>th</sup> meeting: Germany, Italy and Japan<sup>1</sup>. Although France did not officially submit a business plan, the present document has included a table with the allocation of resources for France based on activities associated with HCFC phase-out management plans (HPMPs) approved in principle.

2. Bilateral agencies intend to have activities in 19 Article 5 countries, namely: Brazil, China, Colombia, Egypt, Ghana, India, Iran (Islamic Republic of), Kenya, the Lao People's Democratic Republic, Lesotho, Liberia, Mauritius, Namibia, Nigeria, Papua New Guinea, Seychelles, Tunisia, Viet Nam and Zimbabwe at a value of US \$11,708,867. An additional US \$6,731,114 would be requested for the period after 2019 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. 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 consideration during discussions of the business plans at the Committee's first meeting of the year (decision 25/13(a)). Bilateral cooperation by other non-Article 5 Parties, such as Australia, Canada, the Czech Republic, Finland, France, Israel, Poland, Portugal, Spain, Sweden, 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 stage I of HPMPs in Brazil, Colombia, Mauritius, Namibia, Papua New Guinea and Seychelles; for stage II of the HPMPs for China, India and Iran (Islamic Republic of), Lesotho, Liberia, and Zimbabwe; and for HPMP stage II project preparation for Lesotho, Liberia, and Zimbabwe.

**Table 1: Resource allocation in the bilateral agencies' business plans for 2017-2019 (US \$)\***

Item	2017	2018	2019	Total (2017-2019)	2020	Total after 2020
Approved HPMPs	1,722,017	4,546,000	0	6,268,017	1,576,746	1,527,350
HPMP project preparation (PRP) - stage II	0	0	154,000	154,000	0	80,000
HPMP stage II	656,001	3,594,847	1,036,001	5,286,850	290,400	3,256,618
<b>Grand total</b>	<b>2,378,018</b>	<b>8,140,847</b>	<b>1,190,001</b>	<b>11,708,867</b>	<b>1,867,146</b>	<b>4,863,968</b>

\* Including agency support cost.

## COMMENTS

3. The Secretariat reviewed each bilateral agency's business plan, provided comments on several of the proposed activities, and assessed the value of the activities against the annual pledged contributions.

### France

4. The resource allocation in France's business plan for 2017-2019 is presented in Table 2. Twenty per cent of France's annual pledged contributions for 2017 amounts to US \$2,260,651.

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

Item	2017	2018	2019	Total (2017-2019)	Total 2020
Approved HPMPs	179,669			179,669	5,085
<b>Grand total</b>	<b>179,669</b>	<b>0</b>	<b>0</b>	<b>179,669</b>	<b>5,085</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

### Germany

5. The resource allocation in Germany's business plan for 2017-2019 is presented in Table 3.

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

Item	2017	2018	2019	Total (2017-2019)	2020	Total after 2020
Approved HPMPs	1,722,017	4,478,000	0	6,200,017	1,576,746	1,527,350
HPMP PRP - stage II	0	0	154,000	154,000	0	80,000
HPMP stage II	300,000	2,900,000	680,000	3,880,000	200,000	3,256,618
<b>Grand total</b>	<b>2,022,017</b>	<b>7,378,000</b>	<b>834,000</b>	<b>10,234,017</b>	<b>1,776,746</b>	<b>4,863,968</b>

\* Including agency support cost.

6. Germany's business plan includes US \$9.3 million for approved stages I and II of HPMPs including US \$6.2 million for the period of 2017 to 2019. The Secretariat proposes cost adjustments to reflect the actual funding amounts approved under the agreements by US \$519 for the period of 2017-2019 and US \$163 for after 2019.

7. Germany's business plan includes US \$234,000 for project preparation of stage II of HPMPs including US \$154,000 in 2019. The Secretariat proposes to reduce the level of funding by US \$64,789 in 2019 and US \$33,611 for after 2019 pursuant to decision 71/42.

8. Germany's business plan includes US \$4.81 million (including US \$3.6 million for the period of 2017 to 2019) for stage II of HPMPs that have been submitted to the 77<sup>th</sup> meeting (China<sup>3</sup>, India<sup>4</sup> and the

<sup>3</sup> UNEP/OzL.Pro/ExCom/77/37.

Islamic Republic of Iran<sup>5</sup>). The Secretariat proposes to increase the level of funding for these activities to match the funding originally requested by US \$3.08 million for the period of 2017 to 2019 and by US \$7.46 million for the period after 2019.

9. Germany's business plan also includes US \$2.53 million for stage II of HPMPs for four additional countries, amounting to US \$280,000 for the period of 2017 to 2019. The Secretariat proposes to reduce the values by US \$33,754 for the period of 2017 to 2019 and by US \$1.08 million for the period after 2019 as they exceed the maximum allowable values to achieve a 67.5 per cent reduction in the HCFC baseline, based on decision 74/50(c)(xii).

10. Regarding the possible transfer of the HPMP for Afghanistan<sup>6</sup>, the Government of Germany will report to the 77<sup>th</sup> meeting under agenda item 6(e) on reports on projects with specific reporting requirements in line with decision 76/8(a)(iii).

11. Table 4 presents the results of the Secretariat's proposed adjustments to Germany's business plan. These adjustments have been introduced in the Consolidated business plan of the Multilateral Fund for 2017-2019<sup>7</sup>.

**Table 4: Results of the adjustments to Germany's business plan (US \$)\***

Item	2017	2018	2019	Total (2017-2019)	2020	Total after 2020
Approved HPMPs	1,722,042	4,477,456	0	6,199,498	1,576,849	1,527,084
HPMP PRP - stage II	0	0	89,211	89,211	0	46,389
HPMP stage II	295,110	5,967,209	661,427	6,923,747	5,975,833	3,859,060
<b>Grand total</b>	<b>2,017,152</b>	<b>10,444,665</b>	<b>750,638</b>	<b>13,212,455</b>	<b>7,552,682</b>	<b>5,432,533</b>

\* Including agency support cost.

12. Twenty per cent of Germany's pledged contributions for the triennium 2015-2017 amounts to US \$8,659,025. Germany's adjusted business plan for 2017 contains activities valued at US \$2,017,152 which is below the 20 per cent level for 2017 (US \$2,886,342). However, with approvals at the 74<sup>th</sup>, 75<sup>th</sup> and 76<sup>th</sup> meetings (US \$3,998,957), plus those cleared at the 73<sup>rd</sup> meeting but assigned to the 74<sup>th</sup> meeting (US \$659,452), submissions to the 77<sup>th</sup> meeting (US \$4,336,632) and activities that are planned in the 2017 business plan as adjusted by the Secretariat (US \$2,017,152), Germany exceeds the bilateral allocation for the 2015-2017 triennium by US \$2,353,168.

13. Activities in Germany's business plan for 2018-2020 assume the same level of pledged contributions for the 2015-2017 replenishment, which would result in twenty per cent annual pledged contributions of US \$2,886,342. The total value for Germany for 2018-2020 amounts to US \$18,747,985 which would exceed 20 per cent of pledged contributions. With the submissions to the 77<sup>th</sup> meeting, Germany has already exceeded the bilateral allocation for the 2015-2017 triennium and therefore, no more bilateral allocation remains for activities in the 2017 business plan. Approvals in principle for the years 2018 to 2020 should not exceed US \$2,604,720 (US \$8,659,025 allocation for the current replenishment minus US \$6,054,305 for approved HPMPs in 2018-2020). The Executive Committee may wish to consider Germany's business plan in light of the remaining funding available to Germany. The Government of Germany has been informed of this issue.

<sup>4</sup> UNEP/OzL.Pro/ExCom/77/49.

<sup>5</sup> UNEP/OzL.Pro/ExCom/77/50.

<sup>6</sup> Germany did not include the values for the approved HPMP for Afghanistan in its business plan.

<sup>7</sup> UNEP/OzL.Pro/ExCom/77/20.

## Italy

14. The resource allocation in Italy's business plan for 2017-2019 is presented in Table 5. Twenty per cent of Italy's annual pledged contributions for 2017 amounts to US \$1,797,850.

**Table 5: Allocation of resources for Italy (US \$)\*/\*\***

Item	2017	2018	2019	Total (2017-2019)
<b>Required for compliance</b>				
Approved HPMPs	0	68,000	0	68,000
HPMP stage II	265,601	604,447	265,601	1,135,650
<b>Grand total</b>	<b>265,601</b>	<b>672,447</b>	<b>265,601</b>	<b>1,203,650</b>

\* Including agency support cost.

\*\* There are no activities after 2019.

15. Italy's business plan includes US \$68,000 for an approved stage I of HPMP in 2018. The Secretariat proposes to reduce values to reflect the actual amounts approved under the agreement by US \$200 in 2018.

16. Italy's business plan includes US \$565,000 for the period of 2017 to 2019 for stage II of an HPMP that has been submitted to the 77<sup>th</sup> meeting (the Islamic Republic of Iran<sup>8</sup>). The Secretariat proposes to reduce the level of funding for this activity to match the funding originally requested by US \$565,000 for the period of 2017 to 2019.

17. Italy's business plan also includes US \$570,650 for stage II of an HPMP for the period of 2017 to 2019 for one country (Nigeria).

**Table 6: Results of the adjustments to Italy's business plan (US \$)\*/\*\***

Item	2017	2018	2019	Total (2017-2019)
<b>Required for compliance</b>				
Approved HPMPs	0	67,800	0	67,800
HPMP stage II	265,601	39,447	265,601	570,650
<b>Grand total</b>	<b>265,601</b>	<b>107,247</b>	<b>265,601</b>	<b>638,450</b>

\* Including agency support cost.

\*\* There are no activities after 2019.

## Japan

18. The resource allocation in Japan's business plan for 2017-2019 is presented in Table 7. Twenty per cent of Japan's annual pledged contributions for 2017 amounts to US \$4,378,622.

**Table 7: Allocation of resources for Japan (US \$)\*/\*\***

Item	2017	2018	2019	Total (2017-2019)	2020
<b>Required for compliance</b>					
HPMP stage II	90,400	90,400	90,400	271,200	90,400
<b>Grand total</b>	<b>90,400</b>	<b>90,400</b>	<b>90,400</b>	<b>271,200</b>	<b>90,400</b>

19. Japan's business plan did not include US \$215,129 approved in principle for stage I of an HPMP for the period of 2017 to 2019 for Viet Nam; the Secretariat proposes an adjustment accordingly.

<sup>8</sup> UNEP/OzL.Pro/ExCom/77/50.

20. Japan's business plan includes US \$361,600 (including US \$271,200 for the period of 2017 to 2019) for stage II of an HPMP that has been submitted to the 77<sup>th</sup> meeting (China<sup>9</sup>). The Secretariat proposes to increase the level of funding to match the funding originally requested by US \$29,531 for the period of 2017 to 2019 and US \$9,864 for after 2019.

**Table 8: Results of the adjustments to Japan's business plan (US \$)\*/\*\***

Item	2017	2018	2019	Total (2017-2019)	2020
<b>Required for compliance</b>					
Approved HPMPs	185,297	29,832	0	215,129	0
HPMP stage II	100,167	100,302	100,261	300,731	100,264
<b>Grand total</b>	<b>285,465</b>	<b>130,134</b>	<b>100,261</b>	<b>515,860</b>	<b>100,264</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

### Adjustments to bilateral agencies' business plans for 2017-2019

21. After making the adjustments proposed above, the total value of bilateral agencies' business plans for 2017-2019 is US \$14,546,434 as shown in Table 9. These adjustments have been introduced in the Consolidated business plan of the Multilateral Fund for 2017-2019.

**Table 9: Resource allocation in the adjusted bilateral agencies' business plans for 2017-2019 (US \$)**

Item	2017	2018	2019	Total (2017-2019)	2020	Total after 2020
Approved HPMPs	2,087,008	4,575,088	0	6,662,096	1,581,934	1,527,084
HPMP PRP - stage II	0	0	89,211	89,211	0	46,389
HPMP stage II	660,878	6,106,959	1,027,290	7,795,128	6,076,097	3,859,060
<b>Grand total</b>	<b>2,747,887</b>	<b>10,682,047</b>	<b>1,116,501</b>	<b>14,546,434</b>	<b>7,658,031</b>	<b>5,432,533</b>

## RECOMMENDATIONS

22. The Executive Committee may wish:

- (a) To note the bilateral agencies' business plans for 2017-2019 submitted by Germany, Italy and Japan contained in document UNEP/OzL.Pro/ExCom/77/21; and
- (b) To consider German components for stage II of HCFC phase-out management plans (HPMPs) in light of the remaining funding available to Germany, noting that there is no remaining funds available for Germany's 2017 allocation for activities and that approvals in principle for the years 2018-2020 should not exceed US \$2,604,720 assuming the same level of replenishment as for the 2015-2017 triennium.

<sup>9</sup> UNEP/OzL.Pro/ExCom/77/37.