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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eightieth Meeting  
Montreal, 13-17 November 2017

**BILATERAL AGENCIES' BUSINESS PLANS FOR 2018-2020**

**Introduction**

1. The following bilateral agencies submitted business plans for the years 2018-2020 to the 80<sup>th</sup> meeting: Germany, Italy and Japan<sup>1</sup>. Although France and Spain did not officially submit a business plan, the present document has included a table with the allocation of resources for France and Spain based on activities associated with HCFC phase-out management plans (HPMPs) approved in principle and HPMPs submitted to the 80<sup>th</sup> meeting.

2. Bilateral agencies intend to have activities in 20 Article 5 countries, namely: Brazil, China, Colombia, Egypt, Ghana, India, Iran (Islamic Republic of), Kenya, the Lao People's Democratic Republic, Lesotho, Liberia, Mauritius, Mexico, Namibia, Nigeria, Papua New Guinea, Seychelles, Tunisia, Viet Nam and Zimbabwe at a value of US \$11,002,514. An additional US \$8,702,127 would be requested for the period 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. 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 for Lesotho, Liberia, Mauritius, Namibia, Papua New Guinea, Seychelles and Zimbabwe; for stage II of the HPMPs for Brazil, China, Colombia, Egypt, India and Iran (Islamic Republic of); and for HPMP stage II and project preparation for Lesotho, Liberia, and Zimbabwe.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

**Table 1: Resource allocation in the bilateral agencies' business plans for 2018-2020 (US \$)\***

	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HCFC phase-out management plans (HPMPs)	7,746,937	947,665	1,852,616	10,547,218	7,536,712
HPMP project preparation (PRP) – stage II	0	134,800	0	134,800	0
HPMP stage II	0	45,985	0	45,985	1,165,415
<b>Required for compliance subtotal</b>	<b>7,746,937</b>	<b>1,128,450</b>	<b>1,852,616</b>	<b>10,728,003</b>	<b>8,702,127</b>
<b>HFC activities</b>					
HFC - enabling activities	274,511	0	0	274,511	0
<b>HFC activities subtotal</b>	<b>274,511</b>	<b>0</b>	<b>0</b>	<b>274,511</b>	<b>0</b>
<b>Grand total</b>	<b>8,021,448</b>	<b>1,128,450</b>	<b>1,852,616</b>	<b>11,002,514</b>	<b>8,702,127</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 2018-2020 is presented in Table 2. Assuming the level of pledged contribution similar to the 2015-2017 period, twenty per cent of France's annual pledged contributions for 2018 amounts to US \$2,260,651.

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

Item	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HPMPs	78,769	0	5,085	83,854	0
HPMP stage II	0	0	342,051	342,051	1,281,533
<b>Grand total</b>	<b>78,769</b>	<b>0</b>	<b>347,136</b>	<b>425,905</b>	<b>1,281,533</b>

\* Including agency support cost.

5. Regarding stage II of an HPMP that has been submitted to the 80<sup>th</sup> meeting (Kenya<sup>3</sup>), the Secretariat proposes to increase the level of funding for this activity to US \$342,051 to match the funding originally requested for the period of 2018 to 2020 and US \$1,281,533 for after 2020.

### Germany

6. The resource allocation in Germany's business plan for 2018-2020 is presented in Table 3.

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

Item	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HPMPs	6,903,505	857,265	1,762,216	9,522,986	7,536,712
HPMP PRP - stage II	0	134,800	0	134,800	0
HPMP stage II	0	45,985	0	45,985	1,165,415

<sup>3</sup> UNEP/OzL.Pro/ExCom/80/41.

Item	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance subtotal</b>	<b>6,903,505</b>	<b>1,038,050</b>	<b>1,762,216</b>	<b>9,703,771</b>	<b>8,702,127</b>
<b>HFC activities</b>					
HFC - enabling activities	274,511	0	0	274,511	0
<b>HFC activities subtotal</b>	<b>274,511</b>	<b>0</b>	<b>0</b>	<b>274,511</b>	<b>0</b>
<b>Grand total</b>	<b>7,178,016</b>	<b>1,038,050</b>	<b>1,762,216</b>	<b>9,978,282</b>	<b>8,702,127</b>

\* Including agency support cost.

7. Germany's business plan includes US \$17.06 million for approved stages I and II of HPMPs including US \$9.52 million for the period of 2018 to 2020. The Secretariat proposes cost adjustments to reflect the actual funding amounts approved under the agreements by increasing US \$3.1 million for the period of 2018-2020 and by decreasing US \$3.1 million for after 2020.

8. Germany's business plan includes US \$179,511 in 2018 for HFC enabling activities in three countries (Liberia, Papua New Guinea and Seychelles). Since these requests were submitted to the 80<sup>th</sup> meeting, the Secretariat adjusted the 2018-2020 business plan accordingly.

9. In addition, Germany included HFC enabling activities for one country (Mauritius) in the amount of US \$95,000. One of the pre-requisites for including an HFC activity in a business plan is a letter of intention/endorsement from the government concerned. Germany has not submitted the required letter for Mauritius. Germany has agreed to remove the country from its business plan.

10. 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 2018-2020<sup>4</sup>.

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

	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HPMPs	8,203,505	857,265	3,562,216	12,622,986	4,436,712
HPMP PRP - stage II	0	134,800	0	134,800	0
HPMP stage II	0	45,985	0	45,985	1,165,415
<b>Required for compliance subtotal</b>	<b>8,203,505</b>	<b>1,038,050</b>	<b>3,562,216</b>	<b>12,803,771</b>	<b>5,602,127</b>
<b>HFC activities</b>					
HFC - enabling activities	0	0	0	0	0
<b>HFC activities subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand total</b>	<b>8,203,505</b>	<b>1,038,050</b>	<b>3,562,216</b>	<b>12,803,771</b>	<b>5,602,127</b>

\* Including agency support cost.

11. Activities in Germany's adjusted 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, or US \$8,659,025 for the 2018-2020 triennium. The total value for Germany's adjusted business plan for 2018-2020 amounts to US \$12,803,771 which would exceed 20 per cent of pledged contributions for the whole triennium by US \$4,144,746. Approvals in principle for the years 2018 to 2020 of US \$12,622,986 already exceeds twenty per cent of pledge contributions for 2018-2020 by US \$3,963,961.

12. In addition, if the submissions to the 80<sup>th</sup> meeting were approved as planned, Germany will exceed the bilateral allocation for the 2015-2017 triennium by US \$10,424 assuming HFC-related activities

<sup>4</sup> UNEP/OzL.Pro/ExCom/80/16.

submitted will be funded by additional contributions. Taking into account the amount exceeded during the 2015-2017 triennium and the activities planned in the 2018-2020 business plan after adjustments by the Secretariat, Germany would exceed the bilateral allocation (based on the current replenishment) by US \$4,155,170. Germany would need to either re-programme activities for future years or request other bilateral or implementing agencies to implement projects so that its bilateral cooperation does not exceed the 20 per cent allocation.

13. Therefore, the Executive Committee may wish to reconsider the level of activities in Germany's 2018-2020 business plan in the light of the bilateral activity allocation for the 2018-2020 triennium. The Government of Germany was informed of this issue and responded that it would consider shifting tranches of approved multi-year agreements in order to stay within the 20 per cent of the pledge contributions.

## Italy

14. The resource allocation in Italy's business plan for 2018-2020 is presented in Table 5. Assuming the level of pledged contribution similar to the 2015-2017 period, twenty per cent of Italy's annual pledged contributions for 2018 amounts to US \$1,797,850.

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

Item	2018	2019	2020**	Total (2018-2020)
<b>Required for compliance</b>				
Approved HPMPs	632,800	0	0	632,800
<b>Grand total</b>	<b>632,800</b>	<b>0</b>	<b>0</b>	<b>632,800</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

15. Regarding stage II of an HPMP that has been submitted to the 80<sup>th</sup> meeting (Nigeria<sup>5</sup>), the Secretariat proposes to include the level of funding for this activity to match the funding originally requested by US \$264,872 for the period of 2018 to 2020 and US \$531,423 for after 2020.

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

Item	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HPMPs	632,800	0	0	632,800	0
HPMP stage II	0	264,872	0	264,872	531,423
<b>Grand total</b>	<b>632,800</b>	<b>264,872</b>	<b>0</b>	<b>897,672</b>	<b>531,423</b>

\* Including agency support cost.

## Japan

16. The resource allocation in Japan's business plan for 2018-2020 is presented in Table 7. Assuming the level of pledged contribution similar to the 2015-2017 period, twenty per cent of Japan's annual pledged contributions for 2018 amounts to US \$4,378,622.

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

Item	2018	2019	2020**	Total (2018-2020)
Approved HPMPs	210,632	90,400	90,400	391,432
<b>Grand total</b>	<b>210,632</b>	<b>90,400</b>	<b>90,400</b>	<b>391,432</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

<sup>5</sup> The project has been subsequently withdrawn.

17. Japan's business plan includes US \$391,432 for the period of 2018 to 2020 for stage II of HPMPs. The Secretariat proposes to increase the level of funding to include US \$185,297 approved in principle for the period of 2018 to 2020 for Viet Nam to reflect the tranche of the HPMP that was not submitted to the 80<sup>th</sup> meeting.

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

Item	2018	2019	2020**	Total (2018-2020)
Approved HPMPs	366,097	120,232	90,400	576,729
<b>Grand total</b>	<b>366,097</b>	<b>120,232</b>	<b>90,400</b>	<b>576,729</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

## Spain

18. The resource allocation in Spain's business plan for 2018-2020 is presented in Table 9. Assuming the level of pledged contribution similar to the 2015-2017 period, twenty per cent of Spain's annual pledged contributions for 2018 amounts to US \$1,201,666.

**Table 9: Allocation of resources for Spain (US \$)\***

Item	2018	2019	2020**	Total (2018-2020)
<b>Required for compliance</b>				
Approved HPMPs	1,192,731			1,192,731
<b>Grand total</b>	<b>1,192,731</b>	<b>0</b>	<b>0</b>	<b>1,192,731</b>

\* Including agency support cost.

\*\* There are no activities after 2020.

## Adjustments to bilateral agencies' business plans for 2018-2020

19. After making the adjustments proposed above, the total value of bilateral agencies' business plans for 2018-2020 is US \$15,896,808 as shown in Table 10. These adjustments have been introduced in the Consolidated business plan of the Multilateral Fund for 2018-2020.

**Table 10: Resource allocation in the bilateral agencies' adjusted business plans for 2018-2020 (US \$)\***

	2018	2019	2020	Total (2018-2020)	Total after 2020
<b>Required for compliance</b>					
Approved HPMPs	10,473,902	977,497	3,657,701	15,109,100	4,436,712
HPMP PRP - stage II	0	134,800	0	134,800	0
HPMP stage II		310,857	342,051	652,908	2,978,371
<b>Required for compliance subtotal</b>	<b>10,473,902</b>	<b>1,423,154</b>	<b>3,999,752</b>	<b>15,896,808</b>	<b>7,415,083</b>
<b>HFC activities</b>					
HFC - enabling activities	0	0	0	0	0
<b>HFC activities subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand total</b>	<b>10,473,902</b>	<b>1,423,154</b>	<b>3,999,752</b>	<b>15,896,808</b>	<b>7,415,083</b>

\* Including agency support cost.

**RECOMMENDATIONS**

20. The Executive Committee may wish:

- (a) To note the bilateral agencies' business plans for 2018-2020 submitted by Germany, Italy and Japan contained in document UNEP/OzL.Pro/ExCom/80/17; and
  - (b) That Germany's 2018-2020 business plan should be reconsidered in the light of the bilateral activity allocation for the 2018-2020 triennium.
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