



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/84/24  
2 December 2019



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-fourth Meeting  
Montreal, 16–20 December 2019

**UPDATE ON THE STATUS OF IMPLEMENTATION OF  
THE 2019–2021 CONSOLIDATED BUSINESS PLAN OF THE MULTILATERAL FUND**

**Introduction**

1. This document consists of:

Part I: An update on the status of the implementation of the 2019–2021 business plans

Part II: Resource allocation for the 2018–2020 triennium

Recommendation

Annex I: HFC phase-out activities submitted to the 84<sup>th</sup> meeting

**PART I: UPDATE ON THE STATUS OF THE IMPLEMENTATION OF THE 2019–2021  
BUSINESS PLANS**

2. At its 82<sup>nd</sup> meeting, the Executive Committee endorsed the 2019–2021 consolidated business plan of the Multilateral Fund. In response to decision 82/45(b) and (c), the Secretariat adjusted the consolidated 2019–2021 business plan, as shown in Table 1.

**Table 1. Resource allocation of the adjusted 2019–2021 consolidated business plans of the Multilateral Fund (US \$)**

Item	2019	2020	2021	Total
<b>Required for compliance</b>				
Approved HCFC phase-out management plans (HPMPs)	96,379,090	111,848,069	85,792,031	294,019,190
HPMP stage I	0	353,978	0	353,978
HPMP stage I – additional funding	0	645,788	0	645,788
HPMP project preparation (PRP) – stage II	1,414,723	395,650	130,800	1,941,173
HPMP stage II	1,761,439	15,034,014	5,046,206	21,841,660
HCFC production – stage II	23,496,000	23,496,000	23,496,000	70,488,000
HPMP PRP – stage III	246,675	894,088	160,500	1,301,263
HPMP stage III	0	1,299,272	112,059	1,411,331
HPMP verification	588,600	588,600	588,600	1,765,800
<b>Required for compliance subtotal</b>	<b>123,886,528</b>	<b>154,555,459</b>	<b>115,326,196</b>	<b>393,768,183</b>
<b>HFC activities</b>				
HFC – enabling activities	679,450	0	0	679,450
HFC – investment PRP	62,100	0	0	62,100
HFC – investment	15,512,484	0	0	15,512,484
<b>HFC activities subtotal</b>	<b>16,254,034</b>	<b>0</b>	<b>0</b>	<b>16,254,034</b>
<b>Standard activities</b>				
Compliance Assistance Programme (CAP)	11,300,749	11,639,772	11,988,965	34,929,486
Core unit	5,931,915	5,961,294	5,990,878	17,884,086
Institutional strengthening (IS)	10,461,285	10,886,318	10,546,285	31,893,889
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	6,799,233	6,954,313	7,114,045	20,867,591
Treasurer	500,000	500,000	500,000	1,500,000
<b>Standard activities subtotal</b>	<b>34,993,182</b>	<b>35,941,697</b>	<b>36,140,173</b>	<b>107,075,052</b>
<b>Grand total</b>	<b>175,133,744</b>	<b>190,497,157</b>	<b>151,466,369</b>	<b>517,097,269</b>
Indicative budget	174,600,000	171,000,000	180,000,000	525,600,000
Difference	533,744	19,497,157	-28,533,631	-8,502,731
<b>Funding distribution by agency</b>				
France	78,769	692,895	0	771,664
Germany	1,628,838	2,611,677	2,394,232	6,634,747
Italy	565,000	264,840	0	829,840
Japan	305,529	90,400	90,400	486,329
UNDP	31,787,842	53,743,937	32,001,629	117,533,408
UNEP	27,470,794	28,440,307	25,909,156	81,820,258
UNIDO	59,822,423	50,437,927	41,319,974	151,580,323
World Bank	45,586,716	46,172,260	41,548,333	133,307,309
HPMP verification*	588,600	588,600	588,600	1,765,800
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	6,799,233	6,954,313	7,114,045	20,867,591
Treasurer	500,000	500,000	500,000	1,500,000

\* Funding for the preparation of HPMP verification reports for low-volume-consuming countries (LVC) is approved by the Executive Committee on an annual basis.

### Status of implementation of the 2019 business plans

3. The total funding available for 2019 amounts to US \$174,600,000.<sup>1</sup> Of this amount, US \$9,520,278 has been approved at the 83<sup>rd</sup> meeting. Funding requests submitted to the 84<sup>th</sup> meeting amounts to

<sup>1</sup> Resource allocation adopted at the 81<sup>st</sup> meeting (decision 81/26(b)).

US \$130,778,657. If funding requests for all project proposals submitted are approved, a balance of US \$34,834,809 would be available from the 2019 business plan, as shown in Table 2.

**Table 2. 2019 consolidated business plan, submissions to the 84th meeting, and balance (US \$)\***

Budget items	Total value in business plan	Approvals at the 83 <sup>rd</sup> meeting	Submissions 84 <sup>th</sup> meeting**	Total (83 <sup>rd</sup> and 84 <sup>th</sup> )	Balance (above)/below
Bilateral agencies	2,578,136	0	2,822,543	2,822,543	(244,407)
UNDP	31,787,842	1,647,767	30,536,587	32,184,354	(396,512)
UNEP	27,470,794	3,711,600	19,194,030	22,905,630	4,565,164
UNIDO	59,822,423	4,160,911	28,312,527	32,473,438	27,348,985
World Bank	45,586,716	0	42,044,637	42,044,637	3,542,079
HPMP verification	588,600	0	569,100	569,100	19,500
<b>Sub-total (agencies)</b>	<b>167,834,511</b>	<b>9,520,278</b>	<b>123,479,424</b>	<b>132,999,702</b>	<b>34,834,809</b>
Secretariat/Executive Committee/Monitoring and Evaluation (excluding Canadian counterpart)	6,799,233		6,799,233	6,799,233	0
Treasurer	500,000		500,000	500,000	0
<b>Sub-total (standard costs)</b>	<b>7,299,233</b>		<b>7,299,233</b>	<b>7,299,233</b>	<b>0</b>
<b>Total</b>	<b>175,133,744</b>	<b>9,520,278</b>	<b>130,778,657</b>	<b>140,298,935</b>	<b>34,834,809</b>

\* Including core unit costs.

\*\* As at 2 December 2019

4. The value of project proposals submitted to the 84<sup>th</sup> meeting of US \$123,479,424 is US \$355,330 above their value in the 2019 business plan, including US \$3,580,552 associated with project proposals not included in the 2019 business plan.<sup>2</sup>

5. The value of HFC phase-down activities submitted to the 84<sup>th</sup> meeting is US \$2,539,511, of which US \$1,101,777 is associated with project proposals not included in the 2019 business plan. Annex I to the present document lists HFC-related projects submitted by the implementing agencies to the 84<sup>th</sup> meeting.

6. Project proposals with a value of US \$44,710,417<sup>3</sup> that were included in the 2019 business plan, were not submitted to the 84<sup>th</sup> meeting. These proposals have been included in the Consolidated business plan of the Multilateral Fund for 2020–2022.<sup>4</sup>

### Forward commitments

7. The total amount for existing forward commitments for multi-year agreements (MYAs) for the period 2019 to 2031 is US \$647.24 million, assuming that the funding requests of MYAs submitted to the 84<sup>th</sup> meeting will be approved in principle, as shown in Table 3.

<sup>2</sup> Stage I of the HPMP for Serbia (UNEP and UNIDO); stage II of the HPMP for Tunisia (UNIDO); HCFC investment project for Pakistan (UNIDO); project preparation for stage II of the HPMP for Bahrain (UNEP and UNIDO), Equatorial Guinea (UNEP and UNIDO), Georgia (UNDP), Liberia (UNEP and UNIDO), Mali (UNDP), Mozambique (UNDP) and Sierra Leone (UNEP and UNIDO); project preparation for stage III of the HPMP for Armenia (UNEP and UNIDO) and the Republic of Moldova (UNEP); HFC enabling activities for Algeria (UNIDO) and Haiti (UNDP), HFC investment project preparation for Egypt (UNDP); HFC investment projects for Cuba (UNDP) and Mexico (UNIDO); and IS project for India (UNDP).

<sup>3</sup> These activities include: 77 HCFC activities for 49 countries (US \$32.22 million), 13 HFC-related activities for 11 countries (US \$6.62 million) and 43 IS activities (US \$5.87 million).

<sup>4</sup> UNEP/OzL.Pro/ExCom/84/26

**Table 3. Forward commitments (2019–2031) (US \$000)**

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2030	2031	Total
Approved in principle*	79,440	135,145	104,089	81,455	58,556	29,137	30,319	33,237	16,078	212	57	567,725
Submitted to 84 <sup>th</sup> meeting	26,756	25,551	25,964	527	0	316	156	0	135	111	0	79,516
<b>Total</b>	<b>106,196</b>	<b>160,696</b>	<b>130,053</b>	<b>81,982</b>	<b>58,556</b>	<b>29,453</b>	<b>30,475</b>	<b>33,237</b>	<b>16,213</b>	<b>323</b>	<b>57</b>	<b>647,240</b>

\*Including revised HPMP agreements.

## PART II: RESOURCE ALLOCATION FOR THE 2018-2020 TRIENNIUM

8. The resources approved by the Parties to the Montreal Protocol for the 2018–2020 triennium<sup>5</sup> amount to US \$540,000,000. Of this amount, US \$144,921,792 had been allocated to activities approved in 2018, with US \$395,078,208 remaining for 2019 and 2020.

9. Taking into account approvals at the 81<sup>st</sup>, 82<sup>nd</sup>, 83<sup>rd</sup> meetings, submissions to the 84<sup>th</sup> meeting, and the Secretariat's/Executive Committee's and the Treasurer's costs, the remaining resources available for the 2018-2020 triennium would be US \$64.28 million, as shown in Table 4.

**Table 4: Resource allocation for the current 2018-2020 triennium (US \$)**

Description	2018	2019	2020	Total
<b>Resource allocation</b>				
Initial resource allocation (a)	194,400,000	174,600,000	171,000,000	540,000,000
<b>Revised resource allocation (b)*</b>	<b>144,921,792</b>	<b>224,078,208</b>	<b>171,000,000</b>	<b>540,000,000</b>
<b>Approved funding</b>				
Approvals - 81 <sup>st</sup> meeting	73,930,598			73,930,598
Approvals - 82 <sup>nd</sup> meeting	64,546,960			64,546,960
Approvals - 83 <sup>rd</sup> meeting		9,520,278		9,520,278
Submissions to the 84 <sup>th</sup> meeting		123,479,424		123,479,424
Business plan values			183,042,844	183,042,844
Secretariat's/Executive Committee's cost (excluding Canadian counterpart)	5,944,234	6,799,233**	6,954,313**	19,697,780
Treasurer	500,000	500,000	500,000	1,500,000
<b>Approved funding total (c)</b>	<b>144,921,792</b>	<b>140,298,935</b>	<b>190,497,157</b>	<b>475,717,884</b>
Amount available from 2018 resource allocation (a) - (c)	<b>49,478,208</b>			
<b>Remaining resources (b) - (c)</b>	<b>0</b>	<b>83,779,273</b>	<b>-19,497,157</b>	<b>64,282,116</b>

\* The resource allocation for 2018 was decreased based on actual costs in 2018 by US \$49,478,208 and the initial allocation for 2019 was adjusted by this amount.

\*\* Estimated

### Possible factors impacting financial planning and cash flow during the 2018-2020 triennium

10. The cash flow of the Multilateral Fund for the 2018-2020 triennium is influenced by several factors, *inter alia*: receipt of agreed 2018-2020 pledged contributions; interest to be accrued; the loss/gain due to the fixed-exchange rate mechanism (FERM); payment of contributions in arrears included in the carry-over; and the balances returned from cancelled or completed projects. The following paragraphs provide forecasted information for the 2018-2020 triennium based on actual data from 2018 and 2019.

#### Receipt of agreed pledged contributions

11. Based on the rate of pledges received in 2017 and 2018 (i.e. 97.4 per cent), of the US \$166.67 million annual contribution, US \$162.31 million is expected to be received for each year

<sup>5</sup> Decision XXIX/1

during the 2018-2020 triennium, for a total of US \$486.93 million.

Payment of outstanding contributions in arrears included in the carry-over

12. Based on updated information up to September 2019, the actual carry-over is US \$39,767,556 including US \$22,219,910 of outstanding contributions expected to be collected.

Potential interest accrued during the 2018-2020 triennium

13. Based on the cash balance in 2018 and 2019 and using the average interest collected for 2018 and up to September of 2019, it might be expected that the interest accrued during the 2018-2020 triennium would amount to US \$9.82 million.

Gains/losses due to the FERM

14. The potential impact on resources for the 2018-2020 triennium due to the FERM has been estimated at a gain of US \$3.28 million.

Potential balances returned from cancelled or completed projects

15. It is difficult to calculate the potential total funds associated with return of balances from cancelled or completed projects during the 2018-2020 triennium. As reference, the average funds returned for the 2015-2018 period was US \$5.5 million per year. Bilateral and implementing agencies are strongly encouraged to immediately return all the balances for those projects which have been operationally completed or cancelled.

**RECOMMENDATION**

16. The Executive Committee may wish to note:
- (a) The update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/84/24; and
  - (b) That US \$2,539,511 in HFC phase-down activities were submitted to the 84<sup>th</sup> meeting, including US \$1,101,777 that had not been included in the 2019–2021 business plans.

**Annex I**

**HFC PHASE-DOWN ACTIVITIES SUBMITTED TO THE 84<sup>TH</sup> MEETING**

<b>Country</b>	<b>Agency</b>	<b>Type</b>	<b>Sector</b>	<b>Project title</b>	<b>Amount reviewed or recommended (US \$)</b>	<b>Support costs reviewed or recommended (US \$)</b>
Algeria	UNIDO	TAS	SEV	Enabling activities for HFC phase-down	150,000	10,500
Argentina	UNIDO	INV	PRO	Control and phase-out of HFC-23 emissions in production of HCFC-22 at FIASA	1,343,677	94,057
Cuba	UNDP	INV	REF	Conversion from HFC-134a to HFC-290 (propane) in the manufacture of chillers at Frioclima	120,000	10,800
Egypt	UNDP	PRP	FFI	Preparation for HFC investment project in the fire-fighting equipment assembly sector	30,000	2,100
Haiti	UNDP	TAS	SEV	Enabling activities for HFC phase-down	95,000	6,650
Mexico	UNIDO	INV	PRO	Control and phase-out of HFC-23 emissions in production of HCFC-22 at Quimobasicos	632,455	44,272
<b>Total</b>					<b>2,371,132</b>	<b>168,379</b>