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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 9(f) of the provisional agenda¹

2024 CORE UNIT COSTS FOR UNDP, UNIDO AND THE WORLD BANK

I. Introduction

1. The present document assesses the 2024 core unit costs requests from and administrative cost requirements of UNDP, UNIDO and the World Bank, and the extent to which resources available for total administrative costs in 2024 could cover expected 2024 costs. The assessment is presented separately for each of the three implementing agencies. The document also presents a recommendation.

2. This document is based on information provided by the three implementing agencies on actual core and administrative costs for 2022, estimated costs for 2023, and proposed budget for 2024.² During the review of the information submitted, the Secretariat had extensive discussions with each of the three implementing agencies, where all issues were addressed. The Secretariat notes with appreciation the collaboration provided by the three implementing agencies during the review process.

3. A summary of the different administrative cost regimes of the Multilateral Fund is provided in annex I to the present document. To facilitate the review by the Executive Committee, the core unit budget data and other administrative costs for each implementing agency for the last three years (2020–2022) is presented in the main document, while historical data from 2014 is contained in Annex II to the present document.

II. UNDP

4. The Executive Committee approved the 2023 request for core unit funding for UNDP at US \$2,142,835 (decision 91/62(b)(i)). Table 1 presents the core unit budget and administrative costs provided by UNDP from 2020 to 2024.

¹ UNEP/OzL.Pro/ExCom/93/1

² The agencies used the revised format for reporting administrative costs contained in Annex XVIII to document UNEP/OzL.Pro/ExCom/79/51, pursuant to decision 79/41(e).

Table 1. Core unit budget data and other administrative costs for 2020 to 2024 for UNDP (US \$)

Cost item	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	2,316,147	2,431,357	2,380,166	2,579,426	2,451,571	2,525,119
Travel (staff and consultants)	17,032	-112	68,900	150,000	180,000	180,000
Space (rent and common costs)	130,925	131,294	131,380	131,294	131,380	131,380
Equipment supplies and other costs (computers, supplies)	15,777	11,132	6,857	15,000	15,000	15,000
Contractual services (firms)	1,648	0	2,430	30,000	30,000	30,000
Reimbursement of central services for core unit staff	251,221	222,590	222,303	250,000	250,000	250,000
Adjustments (+ = underuse and - = overrun)	-601,414	-683,114	-684,097	-1,012,885	-915,117	-973,664
Return of funds (- = returned funds)	-32,878	0	0	0	0	0
A. Sub-total core unit costs*	2,098,458	2,113,147	2,127,939	2,142,835	2,142,835	2,157,835
Reimbursement of country offices and national execution, including overheads	1,077,150	833,284	830,343	742,500	742,500	742,500
Executing agency support cost (internal), including overheads	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	251,221	222,590	222,303	250,000	250,000	250,000
Adjustments (+ = overrun and - = underuse)	601,414	683,114	684,097	1,012,885	915,117	973,664
Project costs (- = to be deducted and thus removed)						
B. Sub-total agency support costs/implementation costs	1,929,785	1,738,988	1,736,743	2,005,385	1,907,617	1,966,164
Grand total (A + B)	4,028,243	3,852,135	3,864,682	4,148,220	4,050,452	4,123,999

* The cost of the core unit is higher than the allowed subtotal of US \$2,098,458 in 2020, US \$2,113,147 in 2021, US \$2,127,939 in 2022 and US \$2,142,835 in 2023. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation costs to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

II.1 Core unit costs

5. UNDP's request of US \$2,157,835 for its 2024 core unit budget represents a 0.7 per cent increase in the budget approved for 2023. UNDP expects the costs of its core unit to exceed this amount by US \$973,664 (indicated as "Adjustment" in table 1). UNDP has normally exceeded its budget allocation for its core unit³ and recovered those costs from support costs earned through implementing Multilateral Fund projects.

6. UNDP's proposed 2024 core unit budget consists of:

- (a) Staff salaries (80.6 per cent of the budget). In 2023, the staff estimated costs were 80.2 per cent of the overall budget (ranging from 70.5 to 87 per cent since 2011);

³ On five occasions over the past 10 years, the level of core unit costs exceeded more than US \$800,000: US \$837,220 in 2012, US \$849,676 in 2013, US \$929,036 in 2017, US \$1,053,880 in 2018 and US \$904,918 in 2019. In 2023, UNDP will exceed its costs by US \$915,117 (about 42.7 per cent over budget).

- (b) Reimbursement of central services (8 per cent of the budget). The budgeted amount (US \$250,000) is higher than the actual costs in 2022 (US \$222,303) and at the same level as the estimated costs for 2023;
- (c) Travel (5.7 per cent of the budget). The proposed budget (US \$180,000) is the same as the estimated costs for 2023. The negative expenditure for 2021 is due to settlement of travel claims, resulting in refund by staff members to UNDP. The estimated budget for 2023 and proposed budget for 2024 are expected to cover costs associated with an anticipated increase in oversight and coordination missions to support Article 5 countries in implementing HCFC phase-out management plans, Kigali HFC implementation plans and energy efficiency related activities;
- (d) Space rental (4.2 per cent of the budget). Space rental costs are budgeted at the same level as 2022 actual costs and 2023 estimated costs;
- (e) Contractual service costs (1.0 per cent of the budget). These are budgeted at the same levels as the estimated costs for 2023; and
- (f) Equipment supplies (0.5 per cent of the budget). The proposed budget (US \$15,000) is the same as the estimated costs for 2023. The budgets are maintained at the same levels on a rolling basis for equipment (mainly computer hardware) acquisition throughout the year for existing and new team members.

II.2 Total administrative costs

7. UNDP expects administrative costs to amount to US \$4,123,999 in 2024, slightly above the estimated 2023 costs of US \$4,050,452.

8. The level of funding for reimbursement of country offices and national execution is expected to be at the same level as the estimated costs in 2023 (US \$742,500). This is lower than the actual costs of 2022 (US \$830,343), 2021 (US \$833,284) and 2020 (US \$1,077,150). This funding level is also lower than the range of costs between 2011 and 2018 (US \$1,472,814 to US \$2,442,896).

9. The expected resources available from the Multilateral Fund to UNDP for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to UNDP only after approved project costs are disbursed. Table 2 presents this assessment for 2020 to 2023.

Table 2. Assessment of availability of income for future administrative costs for UNDP (US \$)

Description	2020	2021	2022	2023*
Net agency support costs plus core unit costs	4,212,033	3,856,069	3,113,117	4,988,998
Total administrative cost	4,028,243	3,852,135	3,864,682	4,050,452
Balance per year	183,790	3,934	(751,565)	938,546
Running balance	(1,498,080)	(1,494,146)	(2,245,711)	(1,307,165)

* Including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

10. Based on the analysis presented in table 2, at the end of 2023, UNDP could have a negative accumulated balance amounting to US \$1,307,165. In 2024, UNDP would have to generate at least US \$5,431,164 in agency support costs and core unit costs to cover its expected total administrative costs of US \$4,123,999.

III. UNIDO

11. The Executive Committee approved the 2023 request for core unit funding for UNIDO at US \$2,050,407 (decision 91/62(b)(ii)). Table 3 presents the core unit budget and administrative costs provided by UNIDO from 2020 to 2024.⁴ The figures listed as “actual” are based on a model prepared by UNIDO to estimate the support cost of the Montreal Protocol unit pursuant to decision 56/41.⁵

Table 3. Core unit budget data and other administrative costs for 2020 to 2024 for UNIDO (US \$)

Cost item	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	1,416,184	947,075	1,113,459	1,528,400	1,192,900	1,722,600
Travel (staff and consultant)	16,004	0	103,169	541,700	124,000	369,400
Space (rent and common costs)	84,131	52,649	50,835	67,300	65,300	99,900
Equipment supplies and other costs (computers, supplies)	33,721	26,170	22,531	44,200	31,900	53,500
Contractual services (firms)	2,455	0	99	16,600	7,400	17,700
Reimbursement of central services for core unit staff	496,559	325,920	363,380	495,800	452,800	607,000
Adjustments (+ = underuse and - = overrun)	49,404	670,186	382,680	-643,593	176,107	-805,340
Return of funds (- = returned funds)	-49,404	-670,186	-382,680	0	0	0
A. Sub-total core unit costs	2,049,054	1,351,814	1,653,474	2,050,407	2,050,407	2,064,760
Reimbursement of country offices and national execution, including overheads	814,755	858,449	637,077	889,500	700,600	692,000
Executing agency support cost (internal), including overheads	1,352,699	1,163,401	1,286,907	898,200	733,600	1,574,400
Financial intermediaries, including overhead	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	0	-670,186	-382,680	643,593	-176,107	805,340
Project costs (- = to be deducted and thus removed)	0	0	0	0	0	0
B. Sub-total agency support costs/ implementation costs	2,167,455	1,351,664	1,541,304	2,431,293	1,258,093	3,071,740
Grand total (A + B)	4,216,509	2,703,478	3,194,778	4,481,700	3,308,500	5,136,500

III.1 Core unit costs

12. UNIDO’s request of US \$2,064,760 for its 2024 core unit budget represents a 0.7 per cent increase in the budget approved for 2023. UNIDO expects the costs of its core unit to exceed this amount by US \$805,340 (indicated in the row “Adjustment” in table 3).

13. UNIDO’s proposed 2024 core unit budget consists of:

- (a) Staff salaries (60 per cent of the budget consisting of 8 staff members). In 2023, the staff estimated costs were 63.6 per cent of the overall budget (ranging from 60.7 to 70.1 per cent since 2011). The number of assigned staff is forecasted to increase from an estimated 6.5 in

⁴ UNIDO has never had an appropriate cost centre accounting system that could facilitate reporting based on actual data with an audit trail. UNIDO has indicated that an alignment was established in 2017 to reflect the total administrative costs, including those which as per current UNIDO methodology may have been termed as possible project-related administrative costs.

⁵ UNIDO was requested to provide the assumption for its administrative costs model, and in future requests for core unit funding to furnish administrative cost information distinguishing project-related activities from administrative costs. Subsequently, through decision 59/28(c), the Executive Committee took note of the methodology for identifying project-related costs in UNIDO’s annual report on administrative costs (UNEP/OzL.Pro/ExCom/60/51).

2023 to 8 in 2024, because of replacements, noting however the time required for training the new personnel;

- (b) Central services (21.1 per cent of the budget). These expenses relate to the costs of UNIDO's Secretariat's governing bodies and general management apportioned based on the number of staff in the Montreal Protocol unit. The actual costs of central services in 2022 were US \$53,580 higher than the estimated costs of US \$309,800, mainly due to a greater number of core unit staff than forecasted. As a result of saving measures undertaken on administrative costs, the 2023 central services costs for core unit staff are estimated to be US \$43,000 lower than budgeted;
- (c) Travel (12.9 per cent of the budget). The proposed budget (US \$369,400) is higher than the estimated costs for 2023 (US \$124,000) and higher than the cost range incurred since 2011 (US \$0 to US \$284,000). UNIDO indicated that travel costs were the most affected cost in 2022 and 2023; in 2022, the actual expenditure was US \$103,331 lower than the estimated costs of US \$206,500 and 2023 costs are estimated to be US \$417,700 lower than the budget. All core activity meetings were held in a hybrid format;
- (d) Space rental (3.5 per cent of the budget). There is an increase of US \$8,035 from the estimated costs of US \$42,800 in 2022 and a projected decrease of US \$2,000 for 2023. The space cost will remain commensurate with the number of staff allocated;
- (e) Equipment supplies (1.9 per cent of the budget). There is a decrease of US \$269 from estimated costs of US \$22,800 in 2022 and a further decrease of US \$12,300 in 2023 is projected; and
- (f) Contractual services (0.6 per cent of the budget). There were almost no contractual service expenses in 2022 (US \$99) and an estimated decrease of US \$9,200 in 2023. The budgeted amount for 2024 (US \$17,700) is more than the estimated for 2023 (US \$7,400).

14. UNIDO will return US \$382,680 as savings from the core unit costs from 2022, to the 93rd meeting. The Executive Committee may wish to note, with appreciation, that UNIDO would be returning unused balances.

III.2 Total administrative costs

15. Total net administrative costs are proposed at US \$5,136,500 for 2024, which is higher than the 2023 estimated costs of US \$3,308,500, but in the range of costs between 2011 and 2023 (US \$2,703,478 to US \$6,821,000).

16. The reimbursement of country offices and national execution budgeted at US \$692,000 for 2024, is lower than the estimated costs for 2023 (US \$700,600) but higher than the actual costs for 2022 (US \$637,077). However, this amount is lower than previous years (ranging from US \$1,145,400 to US \$3,602,000 between 2011 and 2016). The UNIDO field structures continue being reorganized currently and further reduced costs in the coming years are expected.

17. Executing agency cost for 2024 (US \$1,574,400) is US \$840,800 higher than the estimated costs in 2023, and US \$287,493 higher than the 2022 actual costs. Executing agency costs have ranged from US \$733,600 to US \$3,302,800 for the 2011–2023 period. UNIDO explained that there is an increase of US \$148,707 in the executing agency support costs in 2022 due to revival of the execution model with the Foreign Economic Cooperation Office in China, while a decrease of US \$164,600 against earlier forecast is projected for 2023.

18. The expected resources available from the Multilateral Fund to UNIDO for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to UNIDO only after approved project costs are disbursed. Table 4 presents the assessment for 2020 to 2023.

Table 4. Assessment of availability of income for future administrative costs for UNIDO (US \$)

Description	2020	2021	2022	2023*
Net agency support costs plus core unit costs	2,444,003	3,664,980	3,486,116	5,200,254
Total administrative cost excluding project costs	4,216,509	2,703,478	3,577,458	3,308,500
Balance per year	(1,772,506)	961,502	(91,342)	1,891,754
Running balance	(6,069,921)	(5,108,419)	(5,199,762)	(3,308,008)

* Including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

19. Based on the analysis presented in table 4, at the end of 2023, UNIDO could have a negative accumulated balance amounting to US \$3,308,008. In 2024, UNIDO would have to generate at least US \$8,444,508 in agency support costs and core unit costs to cover its expected total administrative costs of US \$5,136,500. UNIDO mentioned that as in the past, it would continue to manage its operations based on its delivery of its project operations and core unit funding received.

IV. World Bank

20. The Executive Committee approved the 2023 request for core unit funding for the World Bank at US \$1,735,000 (decision 91/62(b)(iii)). Table 5 presents the core unit budget and administrative costs provided by the World Bank from 2020 to 2024.

Table 5. Core unit budget data and other administrative costs for 2020 to 2024 for the World Bank (US \$)

Cost item	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Budget	Estimated	Proposed
Core unit personnel and contractual staff	1,055,231	1,224,772	1,162,554	1,235,000	1,292,000	1,271,755
Travel (staff and consultant)	13,481	0	91,921	190,000	148,000	175,000
Space (rent and common costs)	0	0		0		
Equipment supplies and other costs (computers, supplies)	0	1,436	-77	0	0	0
Contractual services (firms)	10,292	1,000	7,136	53,870	46,000	59,647
Reimbursement of central services for core unit staff	212,792	247,637	193,342	256,130	249,000	240,743
Adjustments (+ = underuse and - = overrun)	443,204	260,155	280,124	0	0	0
Return of funds (- = returned funds)	-443,204	-260,155	-280,124	0	0	0
A. Sub-total core unit costs	1,291,796	1,474,845	1,454,876	1,735,000	1,735,000	1,747,145
Reimbursement of country offices and national execution, including overheads	1,172,183	748,694	1,165,041	1,100,000	1,100,000	1,100,000
Executing agency support cost (internal), including overheads	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)						
Cost recovery	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	0	0	0	0	0	0
Project costs (- = to be deducted and thus removed)						
B. Sub-total agency support costs/ implementation costs	1,172,183	748,694	1,165,041	1,100,000	1,100,000	1,100,000
Grand total (A + B)	2,463,979	2,223,809	2,619,917	2,835,000	2,835,000	2,847,145

IV.1 Core unit costs

21. The World Bank's request of US \$1,747,145 for its 2024 core unit budget represents a 0.7 per cent increase in the budget approved for 2023. Unlike UNDP and UNIDO, the World Bank is not subsidized by revenue from agency support costs or its general fund.

22. The World Bank's proposed 2024 core unit budget consists of:

- (a) Staff salaries (72.8 per cent of the budget). The proposed 2024 staff costs (US \$1,271,755) are lower than the 2023 estimated costs (US \$1,292,000). In addition, the 2022 actual staff costs (US \$1,162,554) were lower than the 2022 estimated costs (US \$1,235,000), and related primarily to staff costs for regular core unit functions;
- (b) Reimbursement of central services (13.8 per cent of the budget). The 2022 actual costs (US \$193,342) were 24.5 per cent lower than the estimated costs (US \$256,130). The budget for 2024 (US \$240,743) is lower than the estimated costs in 2023 (US \$249,000) but higher than the actual costs in 2022 (US \$193,342);
- (c) Travel (10 per cent of the budget). In 2024, travel costs are expected to return to normal levels as efforts will be made for staff to regularly attend UNEP's network meetings in the different regions and to host both of the World Bank's flagship workshops, in addition to attending regular Montreal Protocol meetings. The budget for 2024 (US \$175,000) is higher than the estimated costs for 2023 (US \$148,000) and 90 per cent higher than the actual costs for 2022 (US \$91,921);
- (d) Contractual services (3.4 per cent of the budget). In 2022, the actual costs for contractual services were low (US \$7,136). This item continued to have significantly lower costs until 2022 given that the World Bank did not hold its annual Climate-Ozone Operational Linkages workshop nor the annual East Asia regional workshop due to travel restrictions related to the COVID-19 pandemic, and as such the need for contractual services was greatly reduced. The proposed budget (US \$59,647) is higher than the estimated costs for 2023 (US \$46,000) and the actual costs for 2022 (US \$7,136); and
- (e) No costs for space and equipment supplies are budgeted as they are primarily absorbed by the World Bank's budget (rather than the Montreal Protocol core unit), except for 2021 when costs of US \$1,436 were incurred for space and equipment supplies.

23. The World Bank will return US \$280,124 as savings from the core unit costs from 2022, to the 93rd meeting.⁶ The Executive Committee may wish to note, with appreciation, that the World Bank would be returning unused balances.

IV.2 Total administrative costs

24. The budget for reimbursement of country offices proposed for 2024 (US \$1,100,000) is the same as the estimated costs for 2023 but lower than the actual costs for 2022 (US \$1,165,041) for providing support for management and supervision of Montreal Protocol activities. The total administrative costs are estimated at US \$2,847,145 in 2024, above the estimated costs for 2023 of US \$2,835,000.

⁶ The return of savings has already been included in the report on balances and availability of resources (UNEP/OzL.Pro/ExCom/93/4, annex III).

25. The expected resources available from the Multilateral Fund to the World Bank for administrative costs include the core unit costs and the agency support costs, plus any balance of income for administrative costs not previously used. Agency support costs are made available to the World Bank only after approved project costs are disbursed. Table 6 presents the assessment for 2020 and 2023.

Table 6. Assessment of availability of income for future administrative costs for the World Bank (US \$)

Description	2020	2021	2022	2023*
Net agency support costs plus core unit costs	1,619,536	2,410,700	3,078,735	2,813,224
Total administrative cost excluding project costs	2,463,979	2,223,809	2,619,917	2,835,000
Balance per year	(844,443)	186,891	458,818	(21,776)
Running balance	1,043,661	1,230,552	1,689,370	1,667,594

* Including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

26. Based on the analysis presented in table 6, at the end of 2023, the World Bank could accumulate a balance of US \$1,667,594 based on approvals at the 92nd meeting and submissions to the 93rd meeting. The World Bank would have to generate at least US \$1,179,551 in agency support costs and core unit costs in 2024 to cover its expected total 2024 administrative costs of US \$2,847,145.

Analysis of the administrative cost regime and core unit funding

27. Pursuant to decision 88/74(c), the Secretariat is submitting for consideration of the Executive Committee at the 93rd meeting, an analysis of the administrative cost regime and core unit funding, taking into consideration relevant decisions by the Executive Committee, on the basis of which the Committee would decide whether the administrative cost regime of the Multilateral Fund for the triennium 2021–2023 should be maintained for the triennium 2024–2026.⁷ In line with decision 91/67(b), the analysis also takes into consideration the additional resources needed on the basis of the expected increase in workload associated with HFC phase-down.

28. The 2024 core unit budgets for UNDP, UNIDO and World Bank could change depending upon the decision that may be adopted by the Executive Committee on the administrative cost regime for the triennium 2024–2026. The Executive Committee may wish to approve the 2024 core unit budgets for UNDP, UNIDO and the World Bank as requested, on the understanding that the budget levels approved could be adjusted based on the outcomes of the discussion on the review of the administrative cost regime at the 93rd meeting.

V. Recommendation

29. The Executive Committee may wish:

- (a) To note:
 - (i) The report on the 2024 core unit costs for UNDP, UNIDO and the World Bank as contained in document UNEP/OzL.Pro/ExCom/93/95;
 - (ii) With appreciation, that the core unit operation of UNIDO and the World Bank were below their budgeted levels and that UNIDO and the World Bank would return unused balances of US \$382,680 and US \$280,124, respectively, to the Multilateral Fund at the 93rd meeting;

⁷ UNEP/OzL.Pro/ExCom/93/101

- (b) To consider whether to approve the requested 2024 core unit budgets for:
 - (i) UNDP in the amount of US \$2,157,835;
 - (ii) UNIDO in the amount of US \$2,064,760; and
 - (iii) The World Bank in the amount of US \$1,747,145; and
- (c) To note that the levels of the 2024 core unit budgets indicated in sub-paragraph (b) above could be adjusted based on the outcomes of the discussion on the Review of the administrative cost regime of the Multilateral Fund (decisions 88/74(c) and 91/67(b)), at the 93rd meeting.

Annex I

SUMMARY OF THE ADMINISTRATIVE COST REGIMES OF THE MULTILATERAL FUND

1. Since the establishment of the Multilateral Fund, the Executive Committee has kept under review the Fund's administrative costs, resulting in four distinct administrative cost regimes.
2. The first administrative cost regime of the Multilateral Fund was used up to 1998. The second administrative cost regime was approved at the 26th meeting in November 1998 when the allocation of administrative costs for UNDP, UNIDO, and the World Bank was changed from a flat rate of 13 per cent applied to all projects to a graduated scale (decision 26/41).
3. The costs were changed again in December 2002 to a lower scale that included a core unit grant of US \$1.5 million per agency (decision 38/68). Annual increases have occurred for most agencies since the 46th meeting. Decision 41/94(d) requested the Secretariat to conduct an annual review of the administrative costs regime. Decision 56/41 extended the operation of decision 38/68 and its administrative costs regime to apply to the 2009–2011 triennium.
4. At the 67th meeting, the Committee decided to apply a new administrative cost regime for the 2012–2014 triennium to UNDP, UNIDO and the World Bank, consisting of annual core unit funding for which an annual increase of up to 0.7 per cent could be considered subject to annual review, and to apply the following agency fees on the basis of funding per agency: an agency fee of 7 per cent for projects with a project cost above US \$250,000, as well as institutional strengthening projects and project preparation; an agency fee of 9 per cent for projects with a project cost at or below US \$250,000; an agency fee no greater than 6.5 per cent, to be determined on a case-by-case basis for projects in the production sector (decision 67/15(b)).
5. At the 73rd meeting, the Committee decided to apply the existing administrative cost regime for the bilateral and implementing agencies during the 2015–2017 triennium; and to review the administrative cost regime and its core unit funding budget at the first meeting of 2017 (decision 73/62(b) and (c)).
6. At the 79th meeting, the Committee decided to apply the existing administrative cost regime for the implementing agencies during the 2018–2020 triennium; and to request UNDP, UNIDO and the World Bank to present their annual reports on core unit funding using the revised format for reporting (decision 79/41(c) and (e)).
7. At the 86th meeting, the Executive Committee decided to allow bilateral and implementing agencies to continue using the existing administrative cost regime for projects to be submitted in 2021, on an exceptional basis due to the extraordinary situation resulting from the COVID-19 pandemic, and without setting a precedent (decision 86/92(b)).
8. At the 88th meeting, the Executive Committee decided to allow bilateral and implementing agencies to continue to use the existing administrative cost regime for projects to be submitted in 2022 and 2023 (decision 88/74(b)).

Annex II

CORE UNIT BUDGET DATA AND OTHER ADMINISTRATIVE COSTS FOR 2014 TO 2024 FOR UNDP, UNIDO AND THE WORLD BANK (US\$)

UNDP

Cost item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	2,050,914	1,991,859	2,043,505	2,305,838	2,375,437	2,379,866	2,316,147	2,431,357	2,380,166	2,579,426	2,451,571	2,525,119
Travel (staff and consultant)	163,639	168,418	155,061	173,099	176,170	182,129	17,032	-112	68,900	150,000	180,000	180,000
Space (rent and common costs)	105,219	109,380	159,872	162,982	164,998	153,176	130,925	131,294	131,380	131,294	131,380	131,380
Equipment supplies and other costs (computers, supplies, etc.)	16,967	19,442	16,485	9,196	12,146	8,351	15,777	11,132	6,857	15,000	15,000	15,000
Contractual services (firms)	22,955	16,175	0	24,547	13,510	24,300	1,648	0	2,430	30,000	30,000	30,000
Reimbursement of central services for core unit staff	311,137	317,160	251,317	308,375	381,004	240,968	251,221	222,590	222,303	250,000	250,000	250,000
Adjustments (+ = underuse and - = overrun)	-658,389	-595,905	-585,526	-929,036	-1,053,880	-904,918	-601,414	-683,114	-684,097	-1,012,885	-915,117	-973,664
Return of funds (- = returned funds)	0	0	0	0	0	0	-32,878	0	0	0	0	0
A. Sub-total core unit costs*	2,012,442	2,026,529	2,040,715	2,055,000	2,069,385	2,083,871	2,098,458	2,113,147	2,127,939	2,142,835	2,142,835	2,157,835
B. Agency support costs/implementation												
Reimbursement of country offices and national execution, including overheads	1,694,992	1,775,969	1,472,814	1,749,877	2,214,588	488,288	1,077,150	833,284	830,343	742,500	742,500	742,500
Executing agency support cost (internal), including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery	311,137	317,160	251,317	308,375	381,004	240,968	251,221	222,590	222,303	250,000	250,000	250,000
Adjustments (+ = overrun and - = underuse)	658,389	595,905	585,526	929,036	1,053,880	904,918	601,414	683,114	684,097	1,012,885	915,117	973,664
Project costs (- = to be deducted and thus removed)	0	0	0	0	0	0	0					
B. Sub-total agency support costs/ implementation costs			2,309,657	2,987,288	3,649,473	1,634,174	1,929,785	1,738,988	1,736,743	2,005,385	1,907,617	1,966,164
Total Administrative Support Costs	4,676,959	4,715,563										
Supervisory costs incurred by MPU	53,814	56,970										
Grand total (A + B)**	4,730,773	4,772,532	4,350,371	5,042,289	5,718,858	3,718,046	4,028,243	3,852,135	3,864,682	4,148,220	4,050,452	4,123,999
Net agency support costs plus core unit costs***	3,633,814	4,217,010	4,991,070	4,541,379	4,988,599	2,794,940	4,212,033	3,856,069	3,113,117		4,988,998	
Total administrative cost	4,730,773	4,772,532	4,350,371	5,042,289	5,718,858	3,718,046	4,028,243	3,852,135	3,864,682		4,050,452	
Balance per year	-1,096,959	-555,522	640,699	-500,910	-730,258	-923,106	183,790	3,934	-751,565		938,546	
Running balance****	387,226	-168,296	472,403	-28,506	-758,765	-1,681,870	-1,498,080	-1,494,146	-2,245,711		-1,307,165	

* The cost of the core unit is higher than the allowed subtotal of US \$2,012,442 in 2014, US \$2,026,529 in 2015, US \$2,040,715 in 2016, US \$2,055,000 in 2017, US \$2,069,385 in 2018, US \$2,083,871 in 2019, US \$2,098,458 in 2020, US \$2,113,147 in 2021, US \$2,127,939 in 2022 and US \$2,142,835 in 2023. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

** Reflects total annual amount provided by the Multilateral Fund. In the transition to the revised reporting format, the budget lines "total administrative support costs", and "supervisory costs incurred by Montreal Protocol Unit" are reflected in order to show trends in the period between 2013 and 2015. These lines will be removed over time.

*** For 2023, including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

**** Excludes any balance from years prior to 2002.

UNIDO

Cost item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	1,380,600	1,293,800	1,383,600	1,501,300	1,307,624	1,351,602	1,416,184	947,075	1,113,459	1,528,400	1,192,900	1,722,600
Travel (staff and consultant)	161,800	147,700	161,100	157,800	196,736	137,864	16,004	0	103,169	541,700	124,000	369,400
Space (rent and common costs)	71,800	75,400	76,200	76,600	80,548	84,323	84,131	52,649	50,835	67,300	65,300	99,900
Equipment supplies and other costs (computers, supplies, etc.)	41,100	52,600	30,900	48,000	33,842	63,164	33,721	26,170	22,531	44,200	31,900	53,500
Contractual services (firms)	2,000	17,500	1,000	4,900	580	6,356	2,455	0	99	16,600	7,400	17,700
Reimbursement of central services for core unit staff	454,200	447,300	432,900	471,600	442,123	464,626	496,559	325,920	363,380	495,800	452,800	607,000
Adjustments (+ = underuse and - = overrun)	-99,058	-7,771	-44,985	-205,200	7,931	-24,066	49,404	670,186	382,680	-643,593	176,107	-805,340
Return of funds (- = returned funds)			0	0	-7,931	0	-49,404	-670,186	-382,680	0	0	0
A. Sub-total core unit costs*	2,012,442	2,026,529	2,040,715	2,055,000	2,061,454	2,083,870	2,049,054	1,351,814	1,653,474	2,050,407	2,050,407	2,064,760
B. Agency support costs/implementation												
Reimbursement of country offices and national execution, including overheads	1,814,900	1,327,500	1,145,400	584,300	729,854	1,339,603	814,755	858,449	637,077	889,500	700,600	692,000
Executing agency support cost (internal), including overheads	2,913,500	2,289,600	1,600,400	1,703,200	1,354,611	1,386,593	1,352,699	1,163,401	1,286,907	898,200	733,600	1,574,400
Financial intermediaries, including overheads			0	0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery			0	0	0	0	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	99,058	7,771	44,985	205,200	0	24,066	0	-670,186	-382,680	643,593	-176,107	805,340
Project costs (- = to be deducted and thus removed)			-187,800	-134,800	-136,283	-38,099	0	0	0	0	0	0
B. Sub-total agency support costs/ implementation costs			2,602,985	2,357,900	1,948,182	2,712,163	2,167,455	1,351,664	1,541,304	2,431,293	1,258,093	3,071,740
Total administrative support costs	6,839,900	5,651,400										
Minus project-related costs	-2,308,000	-977,800										
Grand total (A + B)**	4,531,900	4,673,600	4,643,700	4,412,900	4,009,636	4,796,033	4,216,509	2,703,478	3,194,778	4,481,700	3,308,500	5,136,500
Net support costs plus core unit costs***	3,950,037	4,692,578	4,549,775	3,389,249	4,361,837	3,414,440	2,444,003	3,664,980	3,486,116		5,200,254	
Total administrative cost excluding project-related costs	4,531,900	4,673,600	4,643,700	4,412,900	4,009,636	4,796,033	4,216,509	2,703,478	3,577,458		3,308,500	
Balance per year	-581,863	18,978	-93,925	-1,023,651	352,202	-1,381,593	-1,772,506	961,502	-91,342		1,891,754	
Running balance****	-2,169,426	-2,150,448	-2,244,373	-3,268,024	-2,915,822	-4,297,415	-6,069,921	-5,108,419	-5,199,762		-3,308,008	

* The cost of the core unit is higher than the allowed subtotal of US \$2,012,442 in 2014, US \$2,026,529 in 2015, US \$2,040,715 in 2016, US \$2,055,000 in 2017 and US \$2,083,870 in 2019. An adjustment line and a negative adjustment were, therefore, introduced to arrive at the required ceiling. A corresponding positive adjustment is also provided under agency support costs/implementation to ensure that the total costs incurred for administrative costs also reflect the amount exceeded by the agency.

** Reflects total annual amount provided by the Multilateral Fund. In the transition to the revised reporting format, the budget lines "total administrative support costs", and "minus project-related costs" are reflected in order to show trends in the period between 2013 and 2015. These lines will be removed over time.

*** For 2023, including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

**** The Secretariat had estimated a running balance in 2007 since 2002 of US \$2,127,930, but UNIDO's balance of US \$1,828,243 is used instead of the Secretariat's calculation.

THE WORLD BANK

Cost item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Estimated	Proposed
A. Core unit												
Core unit personnel and contractual staff	1,022,179	827,111	1,089,481	1,086,340	1,226,215	1,250,888	1,055,231	1,224,772	1,162,554	1,235,000	1,292,000	1,271,755
Travel (staff and consultant)	155,778	205,498	216,356	178,550	180,873	151,281	13,481		91,921	190,000	148,000	175,000
Space (rent and common costs)	44,130	434	1,027	0								
Equipment supplies and other costs (computers, supplies, etc.)	55,508	19,618	33,178	262	1,637	0	0	1,436	-77	0	0	0
Contractual services (firms)	14,828	49,989	96,839	189,400	73,389	38,983	10,292	1,000	7,136	53,870	46,000	59,647
Reimbursement of central services for core unit staff	90,624	210,909	225,643	210,378	245,946	249,954	212,792	247,637	193,342	256,130	249,000	240,743
Adjustments (+ = underuse and - = overrun)	0	0	62,476	60,070	6,940	43,894	443,204	260,155	280,124	0	0	0
Return of funds (- = returned funds)	-341,953	-411,441	-62,476	-60,070	-6940	-43,894	-443,204	-260,155	-280,124	0	0	0
A. Sub-total core unit costs	1,041,094	902,118	1,662,524	1,664,930	1,728,060	1,691,106	1,291,796	1,474,845	1,454,876	1,735,000	1,735,000	1,747,145
B. Agency support costs/implementation												
Reimbursement of country offices and national execution, including overheads	1,298,103	1,210,733	1,249,361	1,491,814	2,114,429	1,258,437	1,172,183	748,694	1,165,041	1,100,000	1,100,000	1,100,000
Executing agency support cost (internal), including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Financial intermediaries, including overheads	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursement of central services for core unit staff (including overhead)												
Cost recovery	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments (+ = overrun and - = underuse)	0	0	0	0	0	0	0	0	0	0	0	0
Project costs (- = to be deducted and thus removed)												
B. Sub-total agency support costs/implementation costs			1,249,361	1,491,814	2,114,429	1,258,437	1,172,183	748,964	1,165,041	1,100,000	1,100,000	1,100,000
Grand total (A + B)	2,339,197	2,112,851	2,911,885	3,156,744	3,842,489	2,949,544	2,463,979	2,223,809	2,619,917	2,835,000	2,835,000	2,847,145
Net agency support costs plus core unit costs*	2,975,314	5,458,181	2,549,351	1,882,250	3,251,509	1,472,339	1,619,536	2,410,700	3,078,735		2,813,224	
Total administrative cost	2,339,197	2,112,851	2,911,885	3,156,744	3,842,489	2,949,544	2,463,979	2,223,809	2,619,917		2,835,000	
Balance per year	636,117	3,345,330	-362,534	-1,274,494	-590,980	-1,477,205	-844,443	186,891	458,818		-21,776	
Running balance**	2,247,987	5,593,317	5,230,783	3,956,289	3,365,309	1,888,104	1,043,661	1,230,552	1,689,370		1,667,594	

* For 2023, including agency support costs approved at the 92nd meeting, and the value of agency support costs and core unit costs from submissions to the 93rd meeting.

** Excludes any balance from years prior to 2002.