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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-eighth Meeting
Montreal, 14-16 July 1999

Addendum

REPORT ON IMPLEMENTATION OF THE NEW ADMINISTRATIVE COST REGIME

NOTE: This addendum was necessitated by UNIDO's submission of the information for Part A on 18 June 1998 which was the day of the first dispatch of documents to Executive Committee members. UNIDO subsequently modified its input to correspond to the requested format and submitted its revised information on 24 June 1998.

Replace paragraph 11 with the following:

11. The reports prepared by UNDP, UNEP, UNIDO and the World Bank are found in Annex II. The World Bank updated the information contained in the study by providing 1998 data and providing more detail on travel, space, contractual services, and other costs for the data for the years prior to 1998. The data before 1998 for the other agencies were the same as that included in the Administrative Cost Study presented to the 26th Meeting. The following table shows the total administrative costs of the implementing agencies from 1994 through 1998. It also indicates that the average annual administrative costs for all implementing agencies were US \$13.4 million.

Year	1994	1995	1996	1997	1998	Average (94-98)
Resources for Administrative Costs (US\$)	7,234,363	13,053,251	13,809,263	15,409,634	17,694,289	13,440,160

Add paragraphs 18 (bis, ter, and qua) as follows:

UNIDO

18 (bis). The major components of UNIDO's administrative costs in 1998 were: executing agency costs (10.1 per cent of disbursements), reimbursement of central services (4.4 per cent), and coordinating unit personnel costs (1.5 per cent).

18 (ter). The major components of UNIDO's 1998 administrative costs were more or less comparable to its 1997 administrative costs. The executing agency costs decreased from US \$3,418,684 in 1997 to US \$3,376,969 in 1998. The central services' costs increased from US \$1,285,363 to US \$1,457,707. And the coordinating unit costs increased from US \$1,897,251 in 1997 to US \$2,103,038 in 1998.

18 (qua). UNIDO did not report any "costs allocated to projects" in the information it provided for Annex II, although such costs were reported as part of UNIDO's executing agency costs in separate correspondence with the Secretariat. In this regard, UNIDO informed the Secretariat that staff travel and staff time were charged to project budgets starting from 1997 and 1998, respectively.

Add as page 2(bis) of Annex II, the following:

UNIDO ADMINISTRATIVE COSTS (1994-1998)

Year	1998		1997		1996		1995		1994		Total (1994-1998)	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Personnel costs (salaries/benefits)	491,903	1.5%	428,333	1.5%	310,800	1.20%	263,583	1.60%	240,917	10.10%	1,735,536	1.6%
Consultants (salaries /benefits)	-	0.0%	7,000	0.0%	35,600	0.10%	58,200	0.40%	0	0.00%	100,800	0.1%
Travel (personnel)	-	0.0%	30,589	0.1%	26,800	0.10%	21,200	0.10%	35,828	1.50%	114,417	0.2%
Travel (consultants)	-	0.0%	0	0.0%	0	0.00%	0	0.00%	0	0.00%	0	0.0%
Space (rent & common costs)	25,572	0.1%	28,468	0.1%	19,003	0.10%	23,907	0.10%	16,649	0.70%	113,599	0.2%
Equipment (computers, etc.)	-	0.0%	7,000	0.0%	5,000	0.00%	5,000	0.00%	3,000	0.10%	20,000	0.0%
Contractual services (firms)	18,156	0.1%	0	0.0%	0	0.00%	0	0.00%	0	0.00%	18,156	0.0%
Other costs (supplies, etc.)		0.0%	30,498	0.1%	20,884	0.10%	23,760	0.10%	14,516	0.60%	89,658	0.1%
Total cost of co-ordinating unit	535,631	1.6%	531,888	1.8%	418,087	1.70%	395,650	2.40%	310,910	13.10%	2,192,166	2.1%
Reimbursement of Country offices & Nat'l execution	109,700	0.3%	80,000	0.3%	91,250	0.40%	20,000	0.10%	40,000	1.70%	340,950	0.3%
Reimbursement of Central services	1,457,707	4.4%	1,285,363	4.4%	1,168,572	4.70%	842,175	5.10%	182,880	7.70%	4,936,697	4.6%
Less : cost allocated to projects	-	0.0%	0	0.0%	0	0.00%	0	0.00%	0	0.00%	0	0.0%
Net cost of the Co-ordinating units	2,103,038	6.3%	1,897,251	6.5%	1,677,909	6.70%	1,257,825	7.60%	533,790	22.50%	7,469,813	7.0%
Executing agency support cost (internal)	3,376,969	10.1%	3,418,684	11.8%	3,348,545	13.40%	2,508,763	15.20%	1,088,362	45.80%	13,741,323	12.9%
Financial intermediaries	-	0.0%	0	0.0%	0	0.00%	0	0.00%	0	0.00%	0	0.0%
Total Admin Costs	5,480,007	16.4%	5,315,935	18.3%	5,026,454	20.10%	3,766,588	22.80%	1,622,152	68.30%	21,211,136	20.0%
Project Disbursement	33,347,691	100.0%	29,023,614	100.0%	25,006,092	100.00%	16,536,000	100.00%	2,375,091	100.00%	106,288,488	100.0%
Total disbursement	38,827,698		34,339,549		30,032,546		20,302,588		3,997,243		127,499,624	
Treasurer's report	37,682,889		32,796,683		28,256,885		18,685,684		2,683,852		120,105,993	
Difference	1,144,809		1,542,866		1,775,661		1,616,904		1,313,391		7,393,631	