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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-second Meeting  
Montreal, 23-27 July 2007

**REPORT ON THE COSTS FOR CARRYING OUT A COMPEHENSIVE  
INDEPENDENT ASSESSMENT OF THE ADMINISTRATIVE COSTS REQUIRED FOR  
THE 2009-2011 TRIENNIUM (FOLLOW-UP TO DECISION 51/38)**

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## Introduction

1. At its 50<sup>th</sup> Meeting, the Executive Committee authorized the Fund Secretariat “to undertake a comprehensive independent assessment of the administrative costs required for the 2009–2011 triennium, using independent consultants or consulting firms as needed, and to report its conclusions to the first meeting of the Executive Committee in 2008” (decision 50/27(c)).
2. At its 51<sup>st</sup> Meeting, the Executive Committee considered the draft terms of reference for a comprehensive independent assessment of the administrative costs of the Multilateral Fund’s implementing agencies that will be required for the next triennium and decided “to adopt the draft terms of reference, as orally amended, noting that the Fund Secretariat would present the costs based on bids received from qualified consultants to the Executive Committee at its 52<sup>nd</sup> Meeting” (decision 51/38). The Executive Committee generally agreed to the costs for the analytical work and US \$150,000 was allocated to the Fund Secretariat’s budget for 2007 for this purpose.
3. The Secretariat prepared a bid package and submitted it to five companies that had experience with the Montreal Protocol. The request for a proposal was sent to these consulting firms on 12 May 2007 with a closing of bids on 22 June 2007. The request indicated that the cost of the study should be presented in terms of the costs of the analytical work and with separate costs for travel and per diem. This is the same procedure that was used with the last independent assessment of administrative costs. ICF declined to bid. Two companies reverted with a technical and financial proposal.
4. Following UN rules and regulations on procurement, an evaluation team was composed at the Secretariat to assess the proposals against the selection criteria. The evaluation team reviewed two proposals submitted by two different companies and concluded that PricewaterhouseCoopers (PWC) had presented the best bid, in particular their understanding of the subject matter appeared to be excellent and met all of the selection criteria.
5. The decision of the evaluation team is based on PWC’s excellent presentation of the issues at stake, prior experience in handling similar studies with similar institutions such as the GEF, the World Bank, UNDP, and other international agencies, and the fact that they had conducted an initial study on the administrative cost regime in 1999. Also PWC possesses a highly knowledgeable team and presented a convincing itemized and comprehensive budget.
6. The PWC budget (based on conversion from Canadian dollars to US dollars as per the UN July 2007 exchange rate) consisted of analytical costs amounting to US \$207,547 which is US \$57,547 over the budget originally approved by the Executive Committee. The analytical costs consist of the following components:

• Initiation of contract	US \$ 5,660
• Detailed Planning	US \$ 24,528
• Data gathering and analysis	US \$126,415
• Reporting	US \$ 34,906
• Presentation	US \$ 16,038

7. The travel costs amounting to US \$33,915 (based on UN exchange rates) consist of the following components:

- Multilateral and bilateral implementing agencies US \$23,755
- Other similar institutions US \$10,160

8. Additional per diem may be required as the Secretariat plans to request PWC to meet with UNEP DTIE CAP and administrative staff during its planned meeting with representatives of the Government of France to discuss France's bilateral administrative costs.

9. Given the fact that the PWC proposal exceeds the US \$150,000 limit that falls within the mandate of the Secretariat to award contracts, the Fund Secretariat has sought clearance from the Contracts Committee in UNON to award the contract to PricewaterhouseCoopers with the understanding that the Executive Committee would consider the approval of the additional funds needed for the study at its July Meeting.

10. The Executive Committee is therefore being requested to consider approving an additional US \$60,000 to cover the difference between the approved budget and the bid level (accounting for any exchange rate changes between now and the award of contract) for the study and US \$35,000 for travel costs.

**RECOMMENDATIONS**

11. The Executive Committee may wish to:

- (a) Note the Report on the costs for carrying out a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium (follow-up to decision 51/38) as contained in UNEP/OzL.Pro/ExCom/52/50; and
- (b) Approve US \$60,000 to cover the additional study costs and US \$35,000 for travel costs related to the contract on administrative costs required for the 2009-2011 triennium.

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