

EP

الأمم المتحدة

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/60/51

12 March 2010

ARABIC

ORIGINAL: ENGLISH

برنامج
الأمم المتحدة
للبيئة



اللجنة التنفيذية للصندوق المتعدد الأطراف
لتنفيذ بروتوكول مونتريال
الاجتماع الستون
مونتريال، 12 - 15 أبريل / نيسان 2010

منهجية لتحديد التكاليف ذات الصلة بالمشروعات
في التقرير السنوي لليونيدو بشأن التكاليف الإدارية
(المقرر 28/59 (ج))

خلفية

1 - نظرت اللجنة التنفيذية في اجتماعها السادس والخمسين في ورقة عن التكاليف الإدارية اللازمة لفترة 2009-2011، ووافقت على أن تحتفظ بنظام التكاليف الإدارية القائم للوكالات الثنائية والمنفذة لفترة 2009-2011. وطلبت اللجنة من الوكالات المنفذة تقديم البيانات الفعلية اللازمة لرصد الفروق بين إيرادات التكاليف الإدارية والتكاليف المتكبدة. كما طلبت اللجنة من اليونيدو تقديم الافتراضات المستخدمة في نموذج التكاليف الإدارية، وقررت أنه يتعين على الوكالات أن تقدم فيما يتعلق بطلبات تمويل الوحدة الأساسية في المستقبل، معلومات عن التكاليف الإدارية التي تفرق بين الأنشطة المتعلقة بالمشروعات والتكاليف الإدارية (المقرر 41/56 الفقرة (د)). وقدمت اليونيدو الافتراضات الكامنة وراء نموذجها للتكاليف الإدارية إلى الاجتماع التاسع والخمسين إلا أنها لم تقدم المعلومات التي تميز الأنشطة ذات الصلة بالمشروعات. وأشارت اليونيدو إلى أنها ترغب في إعادة النظر في المنهجية التي سيق أن استخدمتها في هذا الغرض. وقررت اللجنة التنفيذية ضمن جملة أمور " أن تناقش في الاجتماع الستين منهجية لمساعدة اليونيدو في تحديد تكاليف المشروعات، إن وجدت، في تقريرها السنوي عن التكاليف الإدارية." (المقرر 28/59 الفقرة ج) وتتناول هذه الوثيقة منهجية اليونيدو المقترحة وتقدم تعليقات أمانة الصندوق عليها.

المنهجية المقترحة

2 - يتألف المرفق الثاني من تقديم اليونيدو استجابة لكل من المقرر 41/55 الفقرة (د) والمقرر 28/59 الفقرة (ج). وتستند المنهجية المقترحة لتحديد التكاليف ذات الصلة بالمشروعات وفصلها عن الإبلاغ عن التكاليف الإدارية إلى تطبيق استبيان داخلي يركز على تنفيذ المشروعات بما في ذلك الدعم التقني بفرض تحديد النسبة من مجموع تكاليف المكتب الميداني لليونيدو التي تبلغ في شكل أنشطة ذات صلة بالمشروعات ويغطي الاستبيان بالدرجة الأولى المكونات الستة التي حددتها اللجنة التنفيذية بوصفها أنشطة ذات صلة بالمشروعات ولا يتضمن الأنشطة ذات الصلة بتمويل الوحدة الأساسية. وسوف يتناول الاستبيان النسبة المئوية للوقت الذي استغرقه موظفو اليونيدو في المسائل ذات الصلة بالمشروعات. وسيجري التحقق من النتائج في عملية تتضمن تطبيق استبيان إضافي موجه إلى تحديد الوقت الذي يستغرق في الأسبوع (لفترة أسبوعين) على مكونات نوعية تتعلق بتنفيذ المشروعات. وسوف تطبق نتائج التحليل على تقدير التكاليف الإدارية الذي يقدم للجنة التنفيذية خلال اجتماعها الثاني والستين بشأن التقرير السنوي لليونيدو المتعلق بالتكاليف الإدارية وطلبه تمويلاً للوحدة الأساسية.

3 - ويتضمن المرفق الأول أيضاً تعديلات على نموذج اليونيدو للتكاليف الإدارية الذي كان قد قدم إلى الاجتماع التاسع والخمسين. وتتعلق التعديلات الرئيسية عن النموذج السابق بالمنهجية المقترحة لتحديد التكاليف ذات الصلة بالمشروعات التي لها تأثير على البنود المحددة للمكاتب القطرية وجهات التنفيذ الوطنية (بما في ذلك التكاليف العامة) وتكاليف الدعم الداخلي للوكالة المنفذة (بما في ذلك التكاليف العامة) وسيعتمد تقرير اليونيدو لعام 2010 على النموذج المعدل.

التعليقات

4 - يقدم نموذج التكاليف الإدارية لليونيدو منهجية تجمع بين التكاليف الفعلية مع التكاليف التناسبية. ويستخدم كل من اليونيدو، والبنك الدولي افتراضات مماثلة. وأشار اليونيدو للأمانة إلى أنه ينفذ عملية لتطبيق نظام لمحاسبة التكاليف خلال السنوات الأربع القادمة حيث يمكن التفرقة بين وقت الموظفين الذي يقضوه في المهام الإدارية والوقت المتعلق بإدارة المشروعات.

5 - وقد صدر عقد لإجراء عملية التقييم الداخلية للمنظمة بأسرها وللتفرقة بين تكاليف الإدارية وتتضمن المنهجية المستخدمة استبياناً للموظفين وإجراءً للتحقق يعتمد على محاسبة التكاليف لعينة لفترة زمنية. وتستخدم منهجية اليونيدو المقترحة لعمليات الصندوق المتعدد الأطراف منهجية مماثلة اتفق عليها مع أمانة الصندوق. وسوف تقترح المنهجية نهجاً متساوياً للتفرقة بين تكاليف المشروع والتكاليف الإدارية حيث أنها تستخدم نفس التعاريف الواردة في التقييم المستقل عن التكاليف الإدارية للوكالات المنفذة الذي قدم إلى الاجتماع السادس والعشرين للجنة التنفيذية (الفصل الثالث للوثيقة UNEP/OzL.Pro/ExCom/26/67).

التوصية

6 - قد ترغب اللجنة التنفيذية في الإحاطة بالوثيقة UNEP/OzL.Pro/ExCom/60/51 بشأن المنهجية المتعلقة بتحديد التكاليف ذات الصلة بالمشروعات في التقرير السنوي لليونيدو بشأن التكاليف الإدارية (المقرر 28/59 ج)).

Annex I

UNIDO'S SUBMISSION PURSUANT TO DECISIONS 56/41 (d) AND 59/28 (c)

1. Background

UNIDO submitted to the 59th Meeting of the Executive Committee its methodology for reporting on core unit costs and administrative costs for UNIDO's MP operations. UNIDO's report, including the description of the methodology, was noted by the Executive Committee. At the same time, the Executive Committee decided (in its decision 59/28):

Quote

(c) To discuss at the 60th Meeting, a methodology to assist UNIDO in identifying project-related costs, if any, in its annual report on administrative costs.

Unquote

It was recognized by the Executive Committee that based on UNIDO's present business model the separation of such costs would not be possible in the absence of cost center accounting and for this reason a methodology providing best estimates would be sufficient.

It was highlighted in earlier meetings that UNIDO was different from the other agencies, since UNIDO was an implementing and executing agency at the same time. Until now, "any project related costs", mainly technical consultancy work undertaken by regular staff of the Organization, were reported as administrative costs, without claiming any additional support costs for these technical support activities, which are not directly charged to projects. This additional support was provided by UNIDO as additional assistance to A5 countries and was financed through UNIDO's own resources as part of the Organization's mandate and in line with its approved budgets.

2. Identification of project related costs

In order to comply with the decision of the Executive Committee, UNIDO has recruited an independent international consultant to review once again UNIDO's existing methodology for reporting its core unit and administrative costs and to make a proposal for a methodology to identify project related costs in its administrative cost reporting.

A draft methodology, responding to the above decision has been presented to the representatives of the Multilateral Fund Secretariat in Vienna on 8-9 February 2010. The methodology, UNIDO's operations and reporting were discussed in detail. As a result of these discussions, the MLF Secretariat, with some modifications, accepted the proposed methodology. The agreed upon methodology is presented in Chapter 4 - Methodology for identifying and separating out project related costs from UNIDO's administrative cost reporting

3. Summary of UNIDO's operations and its reporting to the MLF

The objective of this chapter is to provide a comprehensive and detailed description of how UNIDO, within its business framework and in line with its mandate as well as in accordance with its financial rules and regulations, handles and accounts for:

- a. Montreal Protocol project expenditures,
- b. Recording and charging of support costs,
- c. Montreal Protocol branch administrative activities,

- d. Establishing additional components to be reported as project-related activities,
- e. Verification of questionnaires,
Annex 1 Adjusted Assumptions for UNIDO's Administrative Cost Model, and
Annex 2 Adjusted Assumption for UNIDO'S Administrative Cost Model Table

This information is provided for the information of the Members of the Executive Committee for more clarity and to understand that UNIDO is fully compliant with standard UN accounting procedures.

a. Montreal Protocol project expenditures

UNIDO treats each Montreal Protocol Project as a Fund in Trust Project. Based on the approved project document including the approved project budget, a specific and individual project account within the MP Fund in Trust is established in UNIDO's financial system and a project allotment document, referred to in this document as PAD, is established. The PAD reflects the approved budget for all direct project costs and serves as a mechanism to track all financial activities that will be undertaken.

Depending on the nature of the project and in accordance with UNIDO's financial rules and regulations, only expenses indicated in the approved project document and its budget are permissible to be charged against the PAD and recorded on the individual project account.

Costs related directly to the Montreal Protocol Branch (the organizational unit responsible for programme and project management under the MP), such as staff salaries, non-project-related travel and expert group meetings as well as general common operating costs are not charged to the individual projects (further described in point c. below).

In accordance with UNIDO's financial rules and regulations, once a project has been financially completed and all activities indicated in the project document have been achieved, any unutilized funds, including its respective support costs, are returned to the donor, unless the donor explicitly requests UNIDO to utilize those funds in implementation of other projects. In the case of Multilateral Fund, all unutilized project balances are returned to the Fund.

b. Recording and charging of support costs

The level of support costs charged or generated from a project is established based on the agreement between the donor and UNIDO. In the case of Montreal Protocol projects there are two components related to support costs, namely:

1. A lump sum component to cover Core Unit functionality, and
2. Support cost generated from execution of projects.

As explained in point (a.) above, UNIDO treats all Montreal Protocol projects as part of the MP Fund in Trust, and hence approved funds are all credited to the MP Fund in Trust upon their receipt.

In the case of the lump sum component for Core Unit functionality, funds are received on an annual schedule and thus, UNIDO's credits the MP Fund in Trust with the amount received. Thereafter the same funds receipted under the MP Fund in Trust are expended to UNIDO's support cost reimbursement (operational) budget as explained in point (c.) below.

In the case of the variable support costs generated based on project expenditures, the support costs will only be charged to the MP Fund in Trust once an obligation or disbursement has occurred (point a. above).

Support costs on project expenditure are charged based on the approved MLF percentage. In accordance with UNIDO's financial rules and regulations as part of the month-end accounts closure, the support costs generated from project expenditures are credited to UNIDO's support cost reimbursement (operational) budget fund.

c. Covering of Montreal Protocol Branch administrative activities

UNIDO finances its core activities through two major sources of funding:

- (i) Assessed Contributions from its Member States, and
- (ii) Support costs reimbursement earned for Technical cooperation projects (incl. the lump sum for Core Unit functionality).

Both sources of funding are accounted for in two separate funds, namely:

- (i) Regular Budget (RB), financed from assessed contributions from Member States, and
- (ii) Support cost reimbursement Budget (DO) financed by support cost reimbursement, earned through the implementation of Technical cooperation projects.

As indicated in point (a.), administrative activities that are not accounted for under the approved project document are not charged to the project account. The following administrative components have been financed through UNIDO's RB and DO:

- (i) Staff Salaries (all levels),
- (ii) Consultancies,
- (iii) Travel,
- (iv) Expert Group Meetings,
- (v) Purchase of office Equipment and supplies,
- (vi) Other common costs which are pro-rated throughout the Organization such as:
 - a. Field representation,
 - b. Total administration costs i.e. Finance Unit, Human Resource Management Unit,
 - c. Total general management costs, and
 - d. Secretariat of Governing bodies costs.

The below Table 1 is a cumulative summary, which UNIDO has been reporting to the Executive Committee of the Multilateral Fund. The table indicates that UNIDO continuously runs negative balances based on comparison of reported costs incurred versus actual income.

The income amount indicated is generated by two components – CUF (Lump sum for Core Unit functionality) and variable support costs earned on projects.

Table 1 (reference to UNEP/OzL.Pro/ExCom/56/19 – Page 5)

UNIDO	2002	2003	2004	2005	2006	2007	2008
Agency Fee income from Expenditure and core unit costs	3,612,944	4,894,912	4,838,520	4,593,474	5,025,532	3,787,035	3,743,666
Cost incurred	5,210,705	6,315,500	5,387,900	5,990,310	5,250,400	8,071,400	6,711,200
Balance	-1,597,761	-1,420,588	-549,380	-1,396,836	-224,868	-4,284,365	-2,967,534
Running Balance	-1,597,761	-3,018,349	-3,567,729	-4,964,565	-5,189,433	-9,473,798	-12,441,332

It is understood that UNIDO has an overall negative running balance, which has been financed through UNIDO's regular budget. UNIDO highlights that this is due to the assistance to A5 countries and is part of the Organization's mandate, in line with its approved budget. Furthermore, UNIDO has not requested the Multilateral Fund for reimbursement of the deficit, and will not unilaterally request on the basis of the subject methodology.

4. Methodology for identifying and separating out project related costs from UNIDO's administrative cost reporting

UNIDO is an implementing and executing agency, and its staff, specifically those holding a Professional post, are in fact undertaking most of the technical components of the project development and monitoring of the projects allocated to them.

Table 2 below shows the list of project related costs, as defined in Annex 1 of UNEP/OzL.Pro/ExCom/56/19 "Distinction between administrative and project activities".

Table 2

Components identified by ExCom
a. Marketing, business development and prospecting for new projects (this activity is funded by the ExCom, which has established ozone units in each country)
b. Project formulation/preparation in cases where a project preparation budget has been approved
c. Project implementation, including the provision of project management and technical skills (participation in the design of constructed equipment and training material would both be considered to be project activities)
d. Any activity considered to be a project, for instance country program preparation, technical assistance, training etc.,
e. Technical inspections of project "deliverables" by appropriately qualified experts,
f. Technical support provided at the programme or project level.

UNIDO has a strong technical team, which regularly performs a series of activities, which relate to items c. (project implementation) e. (technical inspection) and f. (technical support). Taking into account the direct involvement of UNIDO staff at Headquarter and field offices in the above activities, the following methodology will be used to identify direct project-related costs under the following cost components of the administrative cost report:

- a. Reimbursement of country offices and national executive, including overhead*
- b. Executing agency support cost (internal), including overhead*

a. Reimbursement of country offices and national executive, including overhead:

Based on an in-house questionnaire focusing primarily on the components c, e and f of Table 2 as potential project-related activities, a percentage of total UNIDO field office costs will be reported as project-related activities.

b. Executing agency support cost (internal), including overhead:

Based on an in-house questionnaire focusing primarily on the components c, e and f as potential project-related activities, a percentage of Montreal Protocol staff, excluding those reported under core unit functionality, will be reported as project-related activities.

Verification of the results collected from the questionnaire

Questionnaires will be prepared to survey the percentage of time spent on the project-related matters based on the ExCom's definition. These questionnaires will be sent to all UNIDO field offices and to the professional staff in Montreal Protocol branch, other than those doing core unit functionality. After receiving initial responses, the collected data will be verified as follows:

- (i) Bilateral discussions with MP staff with responses significantly different from other MP staff submissions;
- (ii) Responses from field offices will be verified by MP staff; If required, relevant field staff will be contacted to clarify inconsistencies;
- (iii) Selecting several professional staff in Montreal Protocol branch to conduct another round of questionnaires, which will be based on capturing actual weekly time spent on these specific components for a survey period of two weeks;

After verification of the collected data, UNIDO will finalize its administrative cost report and will submit its annual report to the Executive Committee for its consideration.

Annex 1 Adjusted Assumptions for UNIDO's Administrative Cost Model

Items reported as expenses under core funding

Core unit personnel and contractual staff:

1. This figure includes the remuneration of personnel in the Montreal Protocol Branch, who carry out core unit functions.

Contractual staff:

2. This figure includes the remuneration of consultancies and expert group meeting expense

Travel:

3. This item captures travel and travel-related expenses undertaken by staff of the Montreal Protocol branch for core-unit-functions-related travel.

Space:

4. Contains occupancy and maintenance costs reflecting UNIDO's contribution to joint and common buildings management services, the major repairs and replacements fund. This methodology considers only the staff-on-board at Headquarters in the calculation of the cost of space per staff. It is assumed that space and common costs expenses are directly related to number of staff hence cost per employee is multiplied by number of staff included in the line item-Core unit Personnel as outlined above.

Equipment and other costs:

5. Reflects overall operating costs and information technology costs. The total costs in these categories are divided by the total number of staff and multiplied with the number of staff included in the item-Core Unit Personnel as outlined above.

Contractual services (firms):

6. Reflects the contractual services for career development training, printing and translation related to core unit functionality.

Reimbursement of central services for core staff:

7. Provided in this figure is the total administration costs which include the total general management costs and costs of Secretariat of Governing bodies. These costs are divided by the total number of staff and multiplied with the number of staff included in the line item-Core Unit Personnel as outlined above. It is assumed that total administration costs are directly proportional to the number of staff in the organization.

Items reported as expenses under administrative support costs

Reimbursement of country offices and national executive, including overhead:

8. Includes the actual/estimated net costs for field representation under UNIDO's regular and operational budgets. In order to arrive at Montreal Protocol share of the net costs, UNIDO uses

the following calculation. The total amount of Technical Cooperation expenditure will be divided by the total expenditure related to Montreal Protocol activities. The resulting percentage will be multiplied by the total field office costs.

Executing agency support cost (internal), including overhead:

9. Includes actual/estimated costs of project management/administration (excluding core unit functionality) and direct support (e.g. procurement).

Items reported as expenses under project -related costs

Reimbursement of country offices and national executive, including overhead:

10. Includes the actual/estimated net costs for field representation under UNIDO's regular and operational budgets. Based on an in-house questionnaire focusing primarily on the six components identified as project-related activities indicated in the document entitled Administrative costs of implementing agencies (UNDEP/OzL.Pro/ExCom26/67, Chapter 3), a percentage of field office costs will be reported as project-related activities.

Executing agency support cost (internal), including overhead:

11. Includes actual/estimated costs of project management/administration (excluding core unit functionality). Based on an in-house questionnaire focusing primarily on the six components identified as project-related activities indicated in the document entitled Administrative costs of implementing agencies (UNDEP/OzL.Pro/ExCom26/67, Chapter 3), a percentage of Montreal Protocol staff excluding those reported under Core Unit funding will be reported as project-related activities.

Annex 2 Assumption for UNIDO'S Administrative Cost Model Table

The table below is a summary of the above explained cost model and it focuses on providing:

1. All components and sub-components listed,
2. Where these components are reported under i.e. core funding or administrative costs, and
3. The method of pro-rating the costs.

Items reported as expenses under core funding:

Components	Sub-Components	Pro-rated calculation
1. Core unit personnel	9 posts consisting of a. 1 Director, b. 3 Professional, and c. 5 General services staff.	Based on actual costs of the indicated posts.
2. Contracted staff	a. Consultants, and b. Expert group meeting expenses of personnel.	Based on actual costs related to the sub-components.
3. Travel	a. All travel directly related to MP core unit functions	Based on actual costs related to the sub-components.
4. Space	a. Rent, and b. Common costs.	The total of (a+b) is divided by total HQ staff and multiplied by 9 core staff.
5. Equipment and other costs	a. General services operating costs (non-staff costs), and b. IT-non-staff costs	The total of (a+b) is divided by total HQ staff + field staff and multiplied by 9 core staff.
6. Contractual services (firms)	a. Contractual services (i.e. printing), and b. Translations services	Based on actual costs related to the sub-components.
7. Reimbursement of central services for core staff	a. Total administration costs, b. Total general management costs, and c. Secretariat of governing bodies costs	The total of (a+b+c) is divided by total HQ staff + field staff and multiplied by 9 core staff.

Items reported as expenses under administrative support costs:

Components	Sub-Components	Pro-rate calculation
8. Reimbursement of country offices and national executive including overhead	a. RB-field representation (net costs including income), b. OB-field representation (net costs)	The total amount of Technical Cooperation expenditure will be divided by the total expenditure related to Montreal Protocol activities. The resulting percentage will be multiplied by the total field office costs (a+b).
9. Executing agency / support cost (internal), including overhead	a. SEPA, b. Montreal Protocol Branch, less consultancy, EGM, travel, core staff SEPA, and point 11, and c. Procurement (purchase & contracts) staff costs.	a. Amount paid by UNIDO representing 3 % out of the UNIDO's income of 7.5%. b. Direct project management costs based on the questionnaire, i.e. staff costs excluding core unit staff costs. c. The total number of purchase orders raised for both, Headquarters and Technical Cooperation will be divided by the total number of Montreal Protocol purchase orders to provide a percentage. Thereafter, the total procurement staff costs excluding the Director's post is multiplied by that percentage.

Items reported as expenses under project -related costs:

Components	Sub-Components	Pro-rate calculation
10. Reimbursement of country offices and national executive including overhead	a. Field office costs	Based on an in-house questionnaire focusing primarily on the components c, e and f of Table 2 as potential project-related activities, a percentage of field office costs will be reported as project-related activities.
11. Executing agency / support cost (internal), including overhead	a. Montreal Protocol Branch, less consultancy, EGM, travel, core staff & SEPA.	Based on an in-house questionnaire focusing primarily on the components c, e and f as potential project-related activities, a percentage of Montreal Protocol staff excluding those reported under Core unit funding will be reported as project-related activities.

The results of the adjusted model calculation, based on the situation in 2010, will be retroactively applied to data from the years 2000-2009 to estimate project-related costs for those years.