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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-seventh Meeting
Montreal, 28 June-2 July 2021¹

**APPROVED 2020, 2021, REVISED 2022 AND PROPOSED 2023 BUDGETS OF THE FUND
SECRETARIAT**

1. The Secretariat presents the document on the approved, revised and proposed budgets of the Fund Secretariat, for consideration and approval by the Executive Committee every year at the last meeting of the year. As a result of the COVID-19 pandemic, the 86th meeting (i.e., the last meeting in 2020, initially scheduled for the month of November) could not take place in-person; in accordance with the agreed procedure for conducting the 86th meeting.² Consideration of the agenda item on the Approved 2021, revised 2022 and proposed 2023 budgets of the Fund Secretariat³ was deferred to the 87th meeting.⁴

2. At its 84th meeting, the Executive Committee *inter alia* approved the proposed 2022 budget of the Fund Secretariat based on the 2021 approved budget, including two meetings in Montreal and a 3 per cent increase in staff costs, and requested the Secretariat to continue monitoring its staff costs to assess the appropriate rate of increase for future years and to report back to the 86th meeting taking into account the Secretariat's expenses presented in the final 2019 accounts (decision 84/6(b)(ii) and (c)).

3. This document presents an analysis of staff costs over the last three years to determine the appropriate rate of increase for future years in response to decision 84/6(c), and presents the approved 2021, revised 2022 and proposed 2023 budgets of the Fund Secretariat based on the analysis.

4. It consists of the following sections:

- Analysis of staff costs
- Approved 2020 and 2021
- Revised 2022 budget
- Proposed 2023 budget
- Recommendation

¹ Online meetings and an intersessional approval process will be held in June and July 2021 due to coronavirus disease (COVID-19)

² Including two intersessional approval processes and formal online and virtual contact/Sub-group meetings were held to consider certain agenda items and meeting documents.

³ Agenda item 4(d) (UNEP/OzL.Pro/ExCom/86/1)

⁴ Paragraph 52 of document UNEP/OzL.Pro/ExCom/86/100

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

5. The approved 2020 and 2021, revised 2022, and proposed 2023 budgets of the Fund Secretariat are contained in Annex I to the present document.

Analysis of staff costs

6. In response to the request by the Executive Committee, the Secretariat has reviewed its staff costs at the 60th meeting,⁵ when the annual increase in personnel budget was adjusted from 5 per cent to 3 per cent (decision 60/49), and at the 65th meeting⁶ when the 3 per cent annual increase was maintained after it was demonstrated that such annual increase was sufficient to cover staff costs and secure a contingency to meet unexpected costs and was within UN standards budgeting practices (decision 65/52(b)).⁷

7. The review presented to the 65th meeting, also considered the actual staff costs that were incurred against the approved budget with a 3 per cent increase against the previous year's approved budget, and based on full occupancy rate. Based on this approach, several staff budget lines reflected unspent balances that vary depending on *inter alia* changes in staff entitlements and dependant status. All unspent balances are immediately returned to the Multilateral Fund upon closure of the accounts of the Fund at the end of each year.

8. Table 1 presents an analysis of the 2018-2020 approved personnel budgets and actual expenditures (as reported in the final accounts of the Fund in 2018 and 2019 and the 2020 provisional accounts), and the unspent balances that have been returned to the Multilateral Fund in 2018 and 2019.

Table 1: 2018-2020 approved prsonnel budgets, actual expenditures and balances (US \$)

Description	2018	2019	2020*
Approved personnel budget	4,213,647	4,340,055	4,470,257
Actual expenditure	3,157,542	3,037,312	3,251,205
Unspent balance	1,056,105	1,302,742	1,219,052
Unspent balance (%)	25.06	30.02	27.27

*Based on the provisional 2020 accounts.

9. The results from the analysis concluded that unspent balances were due to annual fluctuations in the personnel budget lines due to the change in staff entitlements and benefits in accordance with the UN staff regulations and rules (including number of dependents, education grant entitlement, home leave); the number of vacant posts, and where budget lines allocation were partially disbursed for hiring temporary staff; as well as gains from the exchange rate (between the US \$ and the Can \$) emanating mainly from the staff in the general service category; and in an overestimation of some of the personnel budget lines. In preparing future budgets, the Secretariat will consider actual staff costs incurred on the personnel budget lines when available.

Approved 2020 budget

10. The Treasurer submitted the final 2019 accounts⁸ to the 86th meeting. Schedule 1.3 (actual expenses of the Secretariat budget in 2019) of the document indicates an unspent balance of US \$1,806,471, including US \$24,209⁹ of commitments in 2019 to be spent and recorded in 2020. Accordingly, US \$1,782,262

⁵ UNEP/OzL.Pro/ExCom/60/53

⁶ UNEP/OzL.Pro/ExCom/65/58

⁷ The Fund Secretariat budget does not make provision for a contingency fund/reserve in a separate budget line.

⁸ UNEP/OzL.Pro/ExCom/86/5

⁹ Column E of Schedule 1.3 (Annex I of document UNEP/OzL.Pro/ExCom/86/5)

(consisting of US \$1,735,073 from the Secretariat budget and US \$47,189 from the Monitoring and Evaluation budget) has been returned to the Fund (decision 86/5(a)).

Approved 2021 budget

11. The approved 2021 budget of the Fund Secretariat has maintained the staff cost at the same level pending vacant posts to be filled.

Revised 2022 budget

12. After taking into consideration the results of the detailed staff costs analysis, and noting that all the posts of the Secretariat have been (or will be occupied in the near future), the Secretariat adjusted the approved 2022 personnel budget from US \$7,949,630 to US \$6,915,766 (representing a 20 per cent reduction on staff costs). This adjustment results in the return of US \$1,033,864 to the Multilateral Fund. The operational cost had been maintained at the same level with two meetings a year.¹⁰

2023 budget

13. The proposed 2023 budget is based on the 2022 revised budget. It makes provision for two meetings of the Executive Committee in Montreal, and continue to apply a 3 per cent inflation rate to staff cost only.

Recommendation

14. The Executive Committee may wish:

- (a) To note:
 - (i) The document on the approved 2020 and 2021, revised 2022 and proposed 2023 budgets of the Fund Secretariat contained in UNEP/OzL.Pro/ExCom/87/5;
 - (ii) That US \$24,209 in expenditures not recorded in the final 2019 accounts had been reallocated to the 2020 budget;
- (b) To approve, as contained in Annex I to the present document:
 - (i) The revised 2022 budget of US \$6,915,766 based on the analysis of staff costs in response to decision 84/6(c), resulting in the return of US \$1,033,864 to the Multilateral Fund at the 87th meeting; and
 - (ii) The proposed 2023 budget of US \$7,039,830, based on the revised 2022 budget, including two meetings of the Executive Committee in Montreal; and a 3 per cent increase in staff cost.

¹⁰ The impact of the COVID-19 pandemic has not been taken into account. Unspent balances mainly related to travel expenses for staff and delegates and the cost of presentational meetings of the Executive Committee will be assessed and returned to the Fund when the accounts of the Fund are closed.

Annex I

APPROVED 2020, 2021, REVISED 2022 AND PROPOSED 2023 BUDGETS OF THE FUND SECRETARIAT

		Approved 2020 ⁽¹⁾	Approved 2021	Approved 2022	Revised 2022	Proposed 2023	
10	PERSONNEL COMPONENT*						
1100	Project Personnel (Title & Grade)				20% reduction on approved 2022	+3% on revised 2022	
	01	Chief Officer (D2)	300,466	309,480	318,764	255,011	262,662
	02	Deputy Chief Officer (D1)	296,523	305,418	314,581	251,665	259,215
	03	Programme Management Officer (P4)	209,636	215,925	222,402	177,922	183,260
	04	Senior Programme Management Officer (P5)	267,956	275,995	284,275	227,420	234,243
	05	Senior Programme Management Officer (P5)	267,956	275,995	284,275	227,420	234,243
	06	Senior Programme Management Officer (P5)	267,956	275,995	284,275	227,420	234,243
	07	Senior Programme Management Officer (P5)	267,956	275,995	284,275	227,420	234,243
	08	Information Management Officer (P4)	241,521	248,766	256,229	204,984	211,133
	09	Senior Administrative and Fund Management Officer (P5)	240,413	247,626	255,055	204,044	210,165
	10	Senior Monitoring and Evaluation Officer (P5)	267,956	275,995	284,275	227,420	234,243
	11	Programme Management Officer (P3)	164,681	169,621	174,710	139,768	143,961
	12	Chief, Information Systems Unit (P4)	177,793	183,127	188,620	150,896	155,423
	13	Programme Management Officer (P4)	208,803	215,067	221,519	177,215	182,532
	14	Associate Administrative Officer (P2)	143,286	147,585	152,012	121,610	125,258
	15	Programme Management Officer (P3)	143,286	147,585	152,012	121,610	125,258
	98	Prior Year					
1199	Sub-Total	3,466,189	3,570,175	3,677,280	2,941,824	3,030,079	
1200	Consultants						
	01	Projects and technical reviews etc.	75,000	75,000	75,000	75,000	75,000
1299	Sub-Total	75,000	75,000	75,000	75,000	75,000	
1300	Administrative Support Personnel						
	01	Meeting Services Assistant (G7)	112,947	116,335	119,825	95,860	98,736
	02	Programme Management Assistant (G6)	106,872	110,078	113,380	90,704	93,426
	03	Programme Management Assistant (G5)	89,604	92,292	95,060	76,048	78,330
	04	Programme Management Assistant (G5)	83,664	86,174	88,759	71,007	73,138
	05	Information Technology Assistant (G6)	106,873	110,079	113,381	90,705	93,426
	06	Programme Management Assistant (G5)	88,425	91,077	93,810	75,048	77,299
	07	Administrative Assistant (G6)	94,857	97,703	100,634	80,507	82,922
	08	Staff Assistant (G5)	72,272	74,440	76,674	61,339	63,179
	09	Programme Management Assistant (G5)	83,664	86,174	88,759	71,007	73,138
	10	Programme Management Assistant (G5)	83,664	86,174	88,759	71,007	73,138
	11	Programme Management Assistant (G6)	81,227	83,664	86,174	68,939	71,007
	Sub-Total	1,004,068	1,034,190	1,065,216	852,173	877,738	
1330	Conference Servicing Cost						
1333	Meeting Services: ExCom	355,800	355,800	355,800	355,800	355,800	
1334	Meeting Services: ExCom	355,800	355,800	355,800	355,800	355,800	
1336	Meeting Services: ExCom						
1335	Temporary Assistance	18,800	18,800	18,800	18,800	18,800	
	Sub-Total	730,400	730,400	730,400	730,400	730,400	
1399	TOTAL ADMINISTRATIVE SUPPORT	1,734,468	1,764,590	1,795,616	1,582,573	1,608,138	

⁽¹⁾ Does not include allocation for 2019 unrecorded expenditures amounting to US \$24,209; US \$7,168 for computer expendables (BL 4102); US \$10,548 for non - expendable (BL 4201-4202); and US \$6,493 for network Maintenance (BL 5105).

*Personnel costs under BLs 1100 and 1300 will be reduced by US \$247,880 based on 2019 actual cost differentials between staff cost in Montreal and staff cost in Nairobi covered by the Government of Canada.

			Approved 2020	Approved 2021	Approved 2022	Revised 2022	Proposed 2023
1600	Travel on official business						
	01	Mission costs	208,000	208,000	208,000	208,000	208,000
	02	Network meetings (4)	50,000	50,000	50,000	50,000	50,000
1699		Sub-Total	258,000	258,000	258,000	258,000	258,000
1999		COMPONENT TOTAL	5,533,658	5,667,765	5,805,896	4,857,397	4,971,217
20	CONTRACTUAL COMPONENT						
2100	Sub-contracts						
	01	Treasury services (decision 59/51(b))	500,000	500,000	500,000	500,000	500,000
	02	Corporate consultancies					
2200	Subcontracts						
	01	Various studies					
	02	Corporate contracts	-	-	-	-	-
2999		COMPONENT TOTAL	500,000	500,000	500,000	500,000	500,000
30	MEETING PARTICIPATION COMPONENT						
3300	Travel and DSA for Article 5 delegates to Executive Committee meetings						
	01	Travel of Chairperson and Vice-Chairperson	15,000	15,000	15,000	15,000	15,000
	02	Executive Committee (2)	150,000	150,000	150,000	150,000	150,000
3999		COMPONENT TOTAL	165,000	165,000	165,000	165,000	165,000
40	EQUIPMENT COMPONENT						
4100	Expendables						
	01	Office stationery	7,000	7,000	7,000	7,000	7,000
	02	Computer expendable (software, accessories, hubs, switches, memory)	10,530	10,530	10,530	10,530	10,530
4199		Sub-Total	17,530	17,530	17,530	17,530	17,530
4200	Non-Expendable Equipment						
	01	Computers, printers	13,000	13,000	13,000	13,000	13,000
	02	Other expendable equipment (shelves, furnitures)	5,850	5,850	5,850	5,850	5,850
4299		Sub-Total	18,850	18,850	18,850	18,850	18,850
4300	Premises						
	01	Rental of office premises**	870,282	870,282	870,282	870,282	870,282
		Sub-Total	870,282	870,282	870,282	870,282	870,282
4999		COMPONENT TOTAL	906,662	906,662	906,662	906,662	906,662
50	MISCELLANEOUS COMPONENT						
5100	Operation and Maintenance of Equipment						
	01	Computers and printers, etc. (toners, colour printer)	8,100	8,100	8,100	8,100	8,100
	02	Maintenance of office premises	8,000	8,000	8,000	8,000	8,000
	03	Rental of photocopiers (office)	10,000	10,000	10,000	10,000	10,000
	04	Telecommunication equipment rental	8,000	8,000	8,000	8,000	8,000
	05	Network maintenance	10,000	10,000	10,000	10,000	10,000
5199		Sub-Total	44,100	44,100	44,100	44,100	44,100
5200	Reproduction Costs						
	01	ExCom and reports to MOP	10,710	10,710	10,710	10,710	10,710
5299		Sub-Total	10,710	10,710	10,710	10,710	10,710
5300	Sundries						
	01	Communications	45,000	45,000	45,000	45,000	45,000
	02	Freight charges	6,000	6,000	6,000	6,000	6,000
	03	Bank charges	2,500	2,500	2,500	2,500	2,500
	05	Staff training	20,137	20,137	20,137	20,137	20,137
	06	GST					
	04	PST					
5399		Sub-Total	73,637	73,637	73,637	73,637	73,637
5400	Hospitality and Entertainment						
	01	Hospitality costs	16,800	16,800	16,800	16,800	16,800
5499		Sub-Total	16,800	16,800	16,800	16,800	16,800
5999		COMPONENT TOTAL	145,247	145,247	145,247	145,247	145,247
GRAND TOTAL			7,250,567	7,384,674	7,522,805	6,574,306	6,688,126
		Programme support costs (9%)	402,323	414,393	426,825	341,460	351,704
		COST TO MULTILATERAL FUND	7,652,890	7,799,067	7,949,630	6,915,766	7,039,830
		Previous budget schedule	7,652,890	7,799,067	7,949,630	7,949,630	-
		Increase/decrease	(0)	0	0	(1,033,864)	7,039,830

**Rental of premises will be offset by US \$619,267 (based on 2019) being covered by cost differential with Government of Canada leaving US \$54,526 to be charged to the MLF.