UNITED
NATIONS

EP

United Nations
Environment
Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/95/7
8 November 2024

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 4(d) of the of the provisional agenda[1]

REVISED 2025, 2026 AND PROPOSED 2027 BUDGETS OF THE FUND SECRETARIAT

Introduction

1. The document consists of the following sections:

I. Actual 2023 budget

II. Proposed additional resources

III. Revised 2025 budget

IV. Revised 2026 budget

V. Proposed 2027 budget

VI. Recommendation

2. The tables of the revised 2025, 2026, and proposed 2027 budgets of the Fund Secretariat are presented in annex I of the present document. Annex II presents the current organigram of the Secretariat.

I. Actual 2023 budget

3. The Treasurer has submitted the final 2023 accounts[2] to the 95th meeting. Schedule 1.3 (actual expenses of the Secretariat budget in 2023) of the document, indicates an unspent balance of US $350,542 (US $296,045 from the Secretariat budget and US $54,497 from the monitoring and evaluation work programme budget) after rephasing US $188,700 (US $148,700 from the Secretariat budget and US $40,000

[1] UNEP/OzL.Pro/ExCom/95/1
[2] UNEP/OzL.Pro/ExCom/95/5

from the monitoring and evaluation work programme budget) to the approved 2024 budget. The unspent balance will be returned to the Multilateral Fund at the 95th meeting.

II. Proposed additional resources

4. The Secretariat would like to seek the Executive Committee's guidance and approval for the following additional resource requirements.

Knowledge management system

2025 provision (phase 3) - US $680,000

5. At its 91st meeting, the Executive Committee approved the budget for the knowledge management system (KMS) covering phases 1 and 2 (decision 91/69(b)) and requested that the Secretariat submit an update on the plan for phase 3, along with a request for funding its implementation, once phases 1 and 2 were completed (decision 91/69(d)).

6. The update of the information strategy of the Multilateral Fund, document UNEP/OzL.Pro/ExCom/91/70, outlined the deliverables to be implemented in phase 3, which included the development of agencies portal and enhanced support for external users via application programming interface (API) integration. Based on market research at that time, the initial cost estimates for phase 3 ranged between US $300,000 and US $400,000. However, the document also noted that it was premature to determine precise cost estimates due to the absence of historical trends and ongoing procurement processes. Consequently, it was deemed logical to defer finalizing a detailed plan for phase 3 until the core products of phases 1 and 2 were completed, and any gaps in streamlining a comprehensive workflow across the various system components were identified.

7. During the implementation of phases 1 and 2, as reported in the KMS progress reports, several activities and products were found to be interdependent. This discovery led to adjustments in the project timelines and the emergence of new products. For example, the various dashboards and data center for the country programme (CP) data could not be completed in phase 2 as all their entries have to be derived from the master database and the online CP data submissions respectively. On the contrary, APIs and user requirements for the agency online submission portal were partially developed and integrated in phase 2. Furthermore, to ensure a streamlined and seamless integration of all components into a cohesive end-to-end solution supporting data-driven dashboards, it became essential to develop the following new modules:

(a) *Business plan module (under implementation)*: The business plan module automates processes, reducing manual interventions and minimizing errors. It facilitates the online submission and management of business plan entries, aligning them with the online project submission module. This module enables efficient tracking, consolidation, and analysis of BP data, linking it to project submissions. It also helps monitor progress towards business plan objectives, ultimately supporting better decision-making;

(b) *Enterprise module (to be implemented)*: The enterprise module will track all enterprises funded through various projects. By integrating these enterprises with project submissions, it will reduce duplication and errors. This module creates a unique catalog of all funded enterprises, allowing for efficient analysis and reporting, leading to improved management and oversight;

(c) *Progress report module (to be implemented)*: The project progress report module is crucial for moving everything online and integrating financial data, providing a comprehensive view from project approval to closure. This module will capture the missing element of disbursements and track progress reports, enabling efficient data collection for project completion reports (PCRs) and enhancing project monitoring;

(d) *Project completion reporting module (to be implemented)*: The PCR module, initially planned as a simple conversion to the new online form, has evolved to be fully integrated with the online project submission system. This integration prevents data errors and duplication from agencies, streamlining the reporting process. The module also feeds into the lessons learned database and creates a PCR catalog, providing valuable insights for the evaluation team. This integration enhances the ability to analyze outcomes and improve future projects by leveraging past experiences, further supporting informed decision-making and continuous improvement; and

(e) *Treasurer module (under implementation)*: The treasurer module automates the contributions dashboard and monitors the Fund's status. It tracks contributions, invoices, and payments, consolidating all relevant data into one source. This enables comprehensive analysis and efficient tracking of the Fund's financial health, streamlining fund management and ensuring accurate monitoring of contributions. This module addresses clause 2.1 of Article II, annex XIV of document UNEP/OzL.Pro/ExCom/42/54, ensuring that the funding information and implementing agencies' accounts are reported in a transparent and consistent manner and in agreement with the Treasurer's records to allow uniformity when tracking funds flow and facilitate comparability and reconciliation.

8. Regarding the budget, the original estimate for all three phases was US $1.3 million (US $900,000 approved for phases 1 and 2, and US $400,000 estimated for phase 3). The overall revised cost estimate has now risen to US $1.58 million. The variance of US $280,000 (22 per cent increase) is attributable to the following:

(a) *Additional unplanned modules:* 18 per cent or US $237,000 distributed across the business plan module (US $58,000), enterprise module (US $20,500), progress report module (US $49,500), project completion reporting module (US $43,000), and treasurer module (US $66,000); and

(b) *Planned but underestimated modules:* 4 per cent or US $43,000 mainly attributed to the additional work required for deploying the website, meeting portal, country programme data online submission, the various dashboards and the data centre, bug fixes, and overall system improvements.

9. The Secretariat therefore presents a funding request of US $680,000 for the implementation of phase 3 of the KMS, for the consideration and approval of the Executive Committee.

2026 provision - US $200,000

10. In the first year following the implementation of the KMS, a budget allocation of $200,000 is required to cover both non-recurring and recurring expenses. Non-recurring costs will include crucial system enhancements, initial bug fixes, and improvements informed by user feedback and performance testing to optimize functionality. These updates will ensure the system meets organizational goals and user expectations. Additionally, funds will be allocated for the acquisition of licenses for new modules, hosting services, and ongoing maintenance to guarantee system reliability and availability. A portion of the budget will also support staff and stakeholder training, promoting effective system adoption and operational efficiency.

2027 provision - US $100,000

11. In the second year after the finalisation of the KMS, a budget of $100,000 will primarily cover recurring costs necessary to maintain the KMS's high performance and usability standards. Key expenses will include license renewals, hosting fees, and routine maintenance tasks, such as patch updates and security checks. Minor bug fixes emerging from regular usage will also be addressed to ensure the system continues running smoothly. Consistent upkeep is vital to prevent downtime, safeguard data integrity, and maintain the system's ongoing value to the organization.

Upgrade the existing P2 Associate Administrative Officer position to P3 level

12. The Secretariat's current staffing structure, funded from both the Multilateral Fund and Programme Support budgets, encompasses key administrative functions including information technology, protocol services, finance and budgeting, procurement, and human resources. This structure includes the position of Associate Administrative Officer at the P2 level (position #30600889), which was approved by the Executive Committee under decision 72/43 in May 2014.

13. Over the past decade, the scope and complexity of tasks assigned to the Associate Administrative Officer have grown substantially in response to an increase in deliverables and associated projects. These expanded responsibilities include overseeing an increased number of completed projects with their corresponding balance reviews and reporting, managing a greater number of short-term consultancies, individual contractors and supplementary procurement-related tasks, handling a more intricate system for participant travel management, and adapting to new methods for paying daily subsistence allowances. Despite the surge in workload, while maintaining the segregation of duties principle through the support of the senior administrative officer, the current P2 position continues to oversee the Secretariat's financial operations, which includes the review and certification of transactions initiated by GS-level positions and ensuring the timely closing of accounts. In addition, the role includes managing protocol relationships and coordinating requests in support of Secretariat staff and delegates to the Executive Committee meetings. It also involves overseeing meeting logistics in collaboration with International Civil Aviation Organization counterparts, managing human resources processes and workforce planning, and handling general administrative responsibilities such as premises maintenance.

14. It is worth noting that the current P2 administrative officer role is the lowest tier within the professional staff category of the United Nations. At this level, incumbents are generally considered to be early in their careers, requiring a minimum of two years of work experience, or no prior experience if recruited through the Young Professional Programme (YPP). However, given the complexity and breadth of the responsibilities assigned to this position within the Secretariat, a minimum of five years of work experience is necessary to effectively manage the role.

15. The proposal to upgrade the existing Associate Administrative Officer position from P2 to P3 seeks to elevate the professional standing of the role, ensuring that the incumbent possesses the necessary experience and capacity to efficiently perform these expanded duties. Additionally, it will enable the incumbent to engage confidently with colleagues in the Secretariat, at UNEP headquarters in Nairobi, and with bilateral and implementing agencies. Moreover, as part of the Secretariat's workforce planning, upgrading the position to P3 will mitigate the risk of recruiting candidates with limited experience (zero to a maximum of two years) if the role remains at the P2 level.

III. Revised 2025 budget

16. The Secretariat adjusted the approved 2025 budget to reflect the additional resources of US$766,567 proposed above and broken down as follows:

(a) *Knowledge management system*: US $680,000 for the implementation of phase 3.

(b) *Upgrade of the existing P2 Associate Administrative Officer position to P3 level*: US $86,567 calculated at the 2025 United Nations standard salary rates.

IV. Revised 2026 budget

17. The Secretariat adjusted the approved 2026 budget to reflect the additional resources of US $200,000 proposed above for the KMS. The adjustment also includes the provision of the P2 post upgrade proposed for 2025. All remaining budget lines remain unchanged.

V. Proposed 2027 budget

18. The proposed 2027 budget is based on the revised 2026 budget but maintains only the recurrent provision of the KMS for US $100,000. It makes provision for two meetings of the Executive Committee and continues to apply 3 per cent inflation rate to staff costs only.

VI. Recommendation

19. The Executive Committee may wish:

(a) To note:

(i) The document on the revised 2025, 2026 and proposed 2027 budgets of the Fund Secretariat contained in UNEP/OzL.Pro/ExCom/95/7;

(ii) The return, to the Multilateral Fund at the 95th meeting, of US $350,542 from the approved 2023 budget of the Fund Secretariat (US $296,045) and the monitoring and evaluation work programme (US $54,497);

(b) To consider the following additional resources for the Secretariat:

(i) Knowledge management system in the amount of US $680,000 in 2025, US $200,000 in 2026, and US $100,000 in 2027;

(ii) Upgrade of the existing P2 Associate Administrative Officer position to P3 level in the amount of US $86,567 in 2025 and thereafter with a 3 per cent inflation rate;

(c) To approve, as contained in annex I to the present document:

(i) The revised 2025 budget of [US $9,670,045] related to the additional resources referred to in sub-paragraph (b) above;

(ii) The revised 2026 budget of [US $9,354,175] related to the additional resources referred to in sub-paragraph (b) above; and

(iii) The proposed 2027 budget of [US $9,423,228] based on the additional resources referred to in sub-paragraph (b) above; and a 3 per cent increase in staff costs based on the 2026 revised budget.

Annex I

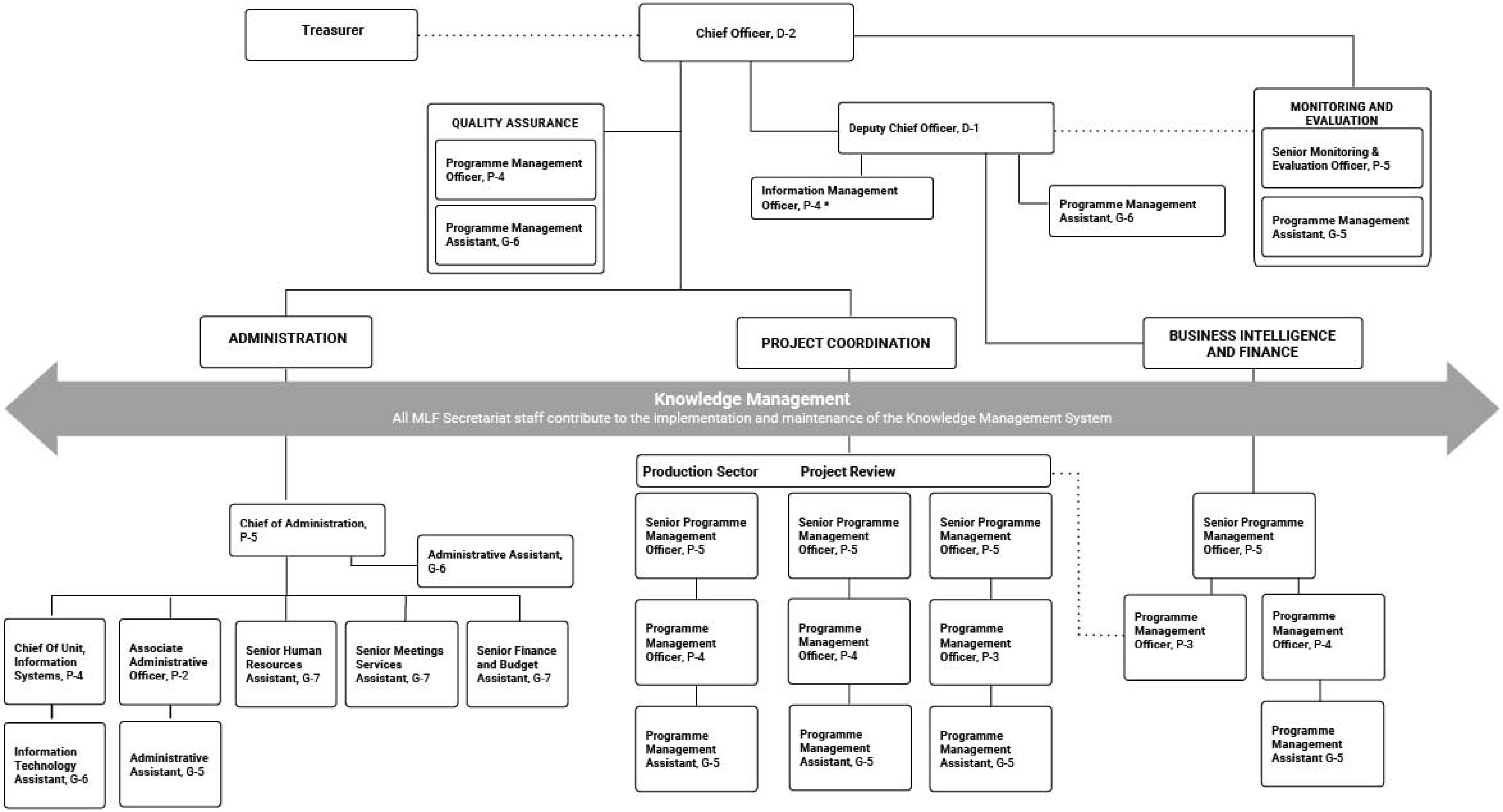
REVISED 2025, 2026, AND PROPOSED 2027 BUDGETS OF THE FUND SECRETARIAT

Budget Lines			Cost Category	Approved 2024	Approved 2025	Revised 2025	Approved 2026	Revised 2026	Proposed 2027
1000			**Employee Salaries and Entitlements**[a]						
	1100		Professional Staff	4,016,631	4,137,130	4,223,697	4,261,244	4,350,408	4,480,920
	1200		General Services Staff	772,373	795,544	795,544	819,411	819,411	843,993
Total Employee Salaries and Entitlements				**4,789,004**	**4,932,674**	**5,019,242**	**5,080,654**	**5,169,819**	**5,324,913**
2000			**Other Personnel**						
		2101	Temporary Assistance	51,600	51,600	51,600	51,600	51,600	51,600
		2201	Consultants and Individual Contractors	105,000	105,000	105,000	105,000	105,000	105,000
		2303	United Nations Volunteers (UNVs)						
Total Other Personnel				**156,600**	**156,600**	**156,600**	**156,600**	**156,600**	**156,600**
3000			**Meetings and Travel Costs**						
	3100		**Meeting Costs**						
		3101	Conference Services - ExCom 1	598,750	598,750	598,750	598,750	598,750	598,750
		3102	Conference Services - ExCom 2	598,750	598,750	598,750	598,750	598,750	598,750
		3103	Conference Services - ExCom 3						
		3104	Hospitality	35,200	35,200	35,200	35,200	35,200	35,200
	Subtotal Meeting Costs			**1,232,700**	**1,232,700**	**1,232,700**	**1,232,700**	**1,232,700**	**1,232,700**
	3200		**Travel**						
		3201	Travel of Chairperson and Vice-Chairperson	15,000	15,000	15,000	15,000	15,000	15,000
		3202	Travel of Article 5 delegates	210,000	210,000	210,000	210,000	210,000	210,000
		3203	Staff Travel for Conference Meetings						
		3204	Staff Travel on Official Business	283,800	283,800	283,800	283,800	283,800	283,800
	Subtotal Travel Total			**508,800**	**508,800**	**508,800**	**508,800**	**508,800**	**508,800**
Total Meetings and Travel Costs				**1,741,500**	**1,741,500**	**1,741,500**	**1,741,500**	**1,741,500**	**1,741,500**
4000			**Contractual Services**						
		4101	Treasury	500,000	500,000	500,000	500,000	500,000	500,000
		4102	Knowledge Management System	542,000		680,000		200,000	100,000
Total Contractual Services				**1,042,000**	**500,000**	**1,180,000**	**500,000**	**700,000**	**600,000**
5000			**Operational, Equipment and Supplies**						
	5100		**Supplies, Furniture and Equipment**						
		5101	Non-expendable Computer and ICT Equipment	20,000	20,000	20,000	20,000	20,000	20,000
		5102	Other non-expendable Supplies and Equipment	5,850	5,850	5,850	5,850	5,850	5,850
	Subtotal Supplies, Furniture and Equipment			**25,850**	**25,850**	**25,850**	**25,850**	**25,850**	**25,850**
	5200		**Other Operating Costs**						
		5201	Rental and Maintenance of Premises[a]	878,282	878,282	878,282	878,282	878,282	878,282
		5202	Rental of photocopiers and Telecomm Equipment	28,710	28,710	28,710	28,710	28,710	28,710
		5203	Telecommunication Costs	45,000	45,000	45,000	45,000	45,000	45,000
		5204	Expendable ICT Equipment and Maintenance	28,630	28,630	28,630	28,630	28,630	28,630
		5205	Expendable Stationery and Other Supplies	12,000	12,000	12,000	12,000	12,000	12,000
		5206	Miscellaneous Sundry Supplies and Services	8,500	8,500	8,500	8,500	8,500	8,500
		5207	Staff training and Development	34,000	34,000	34,000	34,000	34,000	34,000
		5208	Umoja Support Costs	60,000	60,000	60,000	60,000	60,000	60,000
	Subtotal Other Operating Costs			**1,095,122**	**1,095,122**	**1,095,122**	**1,095,122**	**1,095,122**	**1,095,122**
Total Operational, Equipment and Supplies				**1,120,972**	**1,120,972**	**1,120,972**	**1,120,972**	**1,120,972**	**1,120,972**
Total Direct Costs				**8,850,076**	**8,451,746**	**9,218,314**	**8,599,726**	**8,888,891**	**8,943,985**
Programme Support Cost				431,010	443,941	451,732	457,259	465,284	479,242
Grand Total				**9,281,086**	**8,895,687**	**9,670,045**	**9,056,985**	**9,354,175**	**9,423,228**
Previous budget schedule				*9,281,086*	*8,895,687*	*8,895,687*	*9,056,985*	*9,056,985*	*-*
Increase/decrease				*-*	*-*	*774,359*	*-*	*297,189*	*9,423,228*

[a] *Personnel and rental of premises actual costs will be reduced by a credit to the overall Multilateral Fund balance; paid through the voluntary contribution from the Government of Canada for the cost differential of having the Fund Secretariat in Montreal, Canada, instead of Nairobi, Kenya.*

Annex II

ORGANIZATIONAL STRUCTURE AND POST DISTRIBUTION



The Information Management Officer position in the organigram is subject to change based on the progress of the Knowledge Management system and its maintenance/update requirements.