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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sub-Committee on Monitoring, Evaluation and Finance
Montreal, 10-11 November 1997

REPORT OF THE THIRD MEETING OF THE SUB-COMMITTEE ON MONITORING, EVALUATION AND FINANCE

1. The Sub-Committee on Monitoring, Evaluation and Finance of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Montreal on 10 and 11 November 1997.

2. The meeting was opened by the Chairperson of the Sub-Committee, Ms. Jacinthe Seguin (Australia), who welcomed the participants to the Third Meeting of the Sub-Committee. The Meeting was attended by the members of the Sub-Committee, namely the representatives of Antigua and Barbuda, Australia, Belgium, Costa Rica, United Kingdom and Zimbabwe. Representatives of Japan attended the meeting as observers. Representatives of the implementing agencies also attended as observers.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

3. The Sub-Committee adopted the following agenda:

1. Adoption of the agenda.
2. Plan of work.
3. Standard components on monitoring and evaluation in project proposals.
4. Format of project completion report.
5. Implementation delays (Continuation from previous meeting).
6. Draft 1998 business plans of the implementing agencies.
7. 1996 accounts of the Multilateral Fund (report from the Treasurer).
8. Revised budget of the Fund Secretariat and provisions for salary costs for 1999-2001.
9. Adoption of the Report of the Sub-Committee to the Executive Committee.
10. Other matters.

AGENDA ITEM 2: PLAN OF WORK

4. The Sub-Committee noted that the agenda item on discussion of the implementing agencies' 1998 draft business plans had not been included in the original text of the Sub-Committee's draft annotated agenda (UNEP/OzL.Pro/ExCom/SCMEF/3/1) and had been scheduled for discussion by the Sub-Committee on Project Review, even though issues concerning business plans and the business planning process were specifically included in the terms of reference of the Sub-Committee on Monitoring, Evaluation and Finance. The Sub-Committee therefore emphasized that it was the task of the Sub-Committee on Monitoring, Evaluation and Finance to review draft and final business plans.

5. It was also pointed out that at present one Party was represented simultaneously on both Sub-Committees. The Sub-Committee requested the Executive Committee to clarify the issue for the future on the basis of previous decisions.

AGENDA ITEM 3: STANDARD COMPONENTS ON MONITORING AND EVALUATION IN PROJECT PROPOSALS.

6. The Sub-Committee based its discussion on this agenda item on document UNEP/Ozl.Pro/ExCom/23/6, which had been prepared pursuant to the Executive Committee's decision that project proposals should include a standardized component on monitoring and evaluation. The document suggested additional elements to be included in the baseline data, together with milestones for project monitoring.

7. Opposition to the proposed inclusion of baseline data on utilized capacity was expressed because it was felt that such information was not relevant, its provision would be problematic and it was not necessary for the calculation of operating costs. On the other hand, the view was also expressed that these data would be useful, not so much for the purpose of calculating costs but as background information for the Executive Committee's monitoring and evaluation task. The Sub-Committee subsequently decided that utilized capacity should be deleted from the fifth bullet under baseline data as the other criteria would be sufficient to allow effective monitoring and evaluation.

8. The Sub-Committee discussed the need to include a further milestone relating to attestation of ODS consumption by governments or implementing agencies. It was emphasized that governments were not in a position to attest to consumption by enterprises and that the implementing agencies estimated consumption on the basis of a number of criteria. Concerns were expressed regarding the accuracy of data reported and it was proposed that the matter be discussed further at a meeting of the Sub-Committee in 1998. This proposal was opposed by some representatives who felt that the issue did not require further discussion and that, in any event, such an attestation was not covered by the Sub-Committee's terms of reference.

9. The Sub-Committee held an extensive discussion on the inclusion of a "project start-up date" milestone and how to define start-up. It then agreed that a ninth bullet should be added to the milestones as follows:

> "the beginning of project activities at the country level as stated by the Article 5 Party concerned. Where possible, these activities should be listed."

10. The Sub-Committee agreed that the Secretariat's independent evaluation officer should be requested to report and provide advice in the future on the effectiveness of this milestone.

11. The Sub-Committee noted that the milestones required for the monitoring of investment and non-investment projects were very different and accordingly requested the Secretariat to propose milestones for non-investment projects at a future meeting of the Sub-Committee.

12. It was agreed that the submission of project completion reports should be included as a milestone.

13. The Sub-Committee agreed to recommend to the Executive Committee that the standard components proposed in document UNEP/Ozl.Pro/ExCom/23/6, as amended by the Sub-Committee, should be included in investment project proposals as additional components.

AGENDA ITEM 4: FORMAT OF PROJECT COMPLETION REPORT

14. The Sub-Committee had before it document UNEP/OzL.Pro/ExCom/23/7, which contained the proposed formats for investment and non-investment projects, together with a glossary of terms.

15. Following a discussion, it was agreed that the key project milestones should be included in the completion reports themselves; that the ODS phase-out should be related to national consumption/phase-out; that the relevant country should also be asked to endorse the report and space should be left for its comments; that the glossary of terms in Appendix III should be appended to the reports for information purposes but that it should not be formally approved; and that the implementing agencies should be encouraged to describe the lessons learned from a project and therefore their statements in this regard should not be qualified as "brief".

16. Regarding the term "local executing agency", it was agreed that it was preferable to refer to the term "local executing agency/financial intermediary" and that this term should be defined in the glossary.

17. It was also agreed that the Secretariat's independent evaluation officer should be requested to develop criteria for the section on overall assessment of the project to be used by all implementing agencies. These criteria should be approved by the Sub-Committee in order to ensure that the assessment process was open and transparent.

18. The Sub-Committee discussed how soon after completion of a project the completion report should be submitted to the Secretariat. It was agreed that reports should be submitted within a six-month time period on the basis of provisional financial figures and on the understanding that final financial figures would be prepared by the agencies subsequently. If the final financial figures differed significantly from the completion report, they could subsequently be brought to the Sub-Committee's attention.

19. The Sub-Committee also discussed the timeframe for submission of reports, noting that some 600 projects had been completed by the end of 1996, 140 of which were investment projects. It agreed to recommend that a consolidated report prepared by the Secretariat's independent evaluation officer should be submitted to the Sub-Committee at its third meeting each year. In 1998, implementing agencies should submit their investment project completion reports for 1994 and 1995, together with reports on projects completed in 1997 and 1998 in time for the Sub-Committee to receive a first consolidated report at its second meeting of 1998, while the report to be submitted to the third meeting in 1998 would cover investment project reports on

projects completed by the end of 1996. It was also suggested that, at meetings where no consolidated report was submitted, the Secretariat's independent evaluation officer should provide a status report indicating the number of reports that had been received.

20. Regarding the format for project completion reports for non-investment projects, the Sub-Committee agreed that it required development and revision which could not be undertaken at the present meeting. Members were requested to provide their suggestions in writing and the Secretariat was requested to work with the implementing agencies to develop a format for consideration at the Sub-Committee's fourth meeting.

21. The Sub-Committee agreed to recommend that the Executive Committee adopt the format for project completion of investment projects reflecting the changes agreed by the Sub-Committee during this meeting.

AGENDA ITEM 5: IMPLEMENTATION DELAYS (CONTINUATION FROM PREVIOUS MEETING)

22. The Sub-Committee resumed its consideration of the project implementation delays listed in UNEP/Ozl.Pro/ExCom/23/5 which it had begun at its second meeting. At its previous meetings the Sub-Committee had discussed four reasons for delay which had been identified by the implementing agencies in their progress reports to the Twenty-second meeting of the Executive Committee and which were set out as the first four bullets in paragraph 1 of the document before the Sub-Committee. It therefore discussed the subsequent four bullets and an additional fifth bullet on customs clearance.

- obtaining technology transfer agreements

23. The Sub-Committee noted that projects often required technology transfer agreements for technologies provided under licence, a procedure which was both costly and time-consuming and in which the implementing agencies were not always willing to assist. It was the general view that it was a function of the implementing agencies to assist recipients in overcoming such problems and the Sub-Committee therefore agreed to recommend that implementing agencies should be encouraged to facilitate where possible the transfer of technologies and make greater efforts to assist in the negotiation of technology transfer agreements between the supplier and the recipient when those were necessary.

- prolonged contract negotiation

24. After representatives of the implementing agencies had explained some of the reasons for lengthy contract negotiations, the Sub-Committee noted that the introduction of milestones in reporting would indicate where delays were being encountered and thus make it easier to take steps to overcome this problem.

- changes in technology

25. The Sub-Committee noted that, at its Twenty-second Meeting, the Executive Committee had already adopted guidelines for proposals to change technology in approved projects (Decision 22/69).

- completion of grant agreements

26. The Sub-Committee noted that the World Bank had taken measures to address this issue.

- customs clearance

27. The Sub-Committee drew attention to the decision taken by the Executive Committee at its Twenty-second Meeting (Decision 22/5) urging Article 5 countries to exempt equipment bought under the Multilateral Fund from taxes or duties and calling on the implementing agencies and the Secretariat to pursue their efforts to resolve problems in this regard. It noted that the United Nations and its agencies were granted a standard exemption under special agreements and that the World Bank was making efforts to obtain the same form of exemption for equipment bought under the Multilateral Fund. It further requested that a progress report on this issue be prepared for submission to its Fourth Meeting.

AGENDA ITEM 6: DRAFT 1998 BUSINESS PLANS OF THE IMPLEMENTING AGENCIES

28. In accordance with the guidelines established by the Executive Committee that the Sub-Committee on Monitoring, Evaluation and Finance should review both the draft and the final business plans of the implementing agencies, the Sub-Committee considered the 1998 draft business plans of UNDP, UNEP, UNIDO and the World Bank, in UNEP/Ozl.Pro/ExCom/23/13 and Corr.1, 14, 15 and 16 respectively, and the Secretariat's summary and analysis of those business plans in UNEP/Ozl.Pro/ExCom/23/12 and Corr.1.

29. Each implementing agency presented its business plan, following which a general discussion highlighted the following issues.

Priorities

30. The Sub-Committee recalled the priorities in Decision 22/11, with particular reference to high ODS value, projects with short implementation time and projects which would help countries meet the 1999 freeze. However, the Sub-Committee felt that each implementing agency had tended to interpret them in its own way.

31. Sufficient information was needed in the business plans for the Sub-Committee to make judgments on the basis of those priorities and the Sub-Committee therefore agreed to recommend that the Executive Committee request agencies to be more specific on how projects would assist countries to meet the freeze.

32. The implementing agencies were requested to reconsider the allocation of resources in their revised business plans to be submitted to the first meeting of the Sub-Committee in 1998.

Contingencies

33. Noting that an agency had included a very large amount for contingencies in its business plan with little explanation, and recalling that the Sub-Committee had indeed encouraged implementing agencies to develop contingency portfolios of projects that could replace projects awaiting the adoption of guidelines (Decision 22/3), the Sub-Committee agreed to recommend that the Executive Committee request implementing agencies to provide more detail on contingency proposals.

Co-financing

34. The Sub-Committee noted a suggestion that it seemed appropriate for the agencies to consider bearing some of the cost of programmes, the Secretariat should meet with the implementing agencies to consider some co-financing by the agencies. It requested the Secretariat to explore modalities for co-financing with the implementing agencies and decided to discuss the issue further at a later meeting.

Coordination

35. The Sub-Committee was of the view that, as the implementing agencies had now had the opportunity to see each other's draft business plans, it would be useful for them to coordinate preparation of their final plans. As the Secretariat had been assigned a coordinating role, future coordination might indeed begin as early as receipt of the draft plans by the Secretariat. This would also provide an opportunity to eliminate the instances of duplication which had arisen.

Format and timing

36. The Sub-Committee noted that, while implementing agencies had complied more comprehensively than in the past with the agreed format for the preparation of business plans, data were still missing. Moreover, business plans should include information on ongoing activities in addition to new projects. The Sub-Committee urged implementing agencies to comply with the eight-week deadline for the submission of business plans.

Methyl bromide

37. The Sub-Committee noted the absence of guidelines for methyl bromide projects and that a more strategic approach was required to determine which projects and areas required further consideration, including institutional strengthening and training projects. It agreed to recommend that the Executive Committee request the implementing agencies and the Secretariat to meet with interested stakeholders to develop a strategy for this sector.

AGENDA ITEM 7: 1996 ACCOUNTS OF THE MULTILATERAL FUND (REPORT FROM THE TREASURER)

38. The representative of UNEP, in his capacity as Treasurer of the Multilateral Fund, introduced document UNEP/OzL.Pro/ExCom/23/9, together with amended figures for Schedules 1.7 and 1.8.

39. He said that the Fund's annual expenditure had increased considerably over the past two years, reaching US $109 million in 1996, a figure that for the first time was almost equivalent to the total contributions collected in the same year. Annual expenditure was still rising and would clearly be higher than contribution collections in 1997, a clear indication of the growing momentum in the implementation of activities approved by the Executive Committee. As a consequence, the unexpended balances of the Fund, which had reached US $327 million (of which US $97 million were promissory notes as at the end of 1996) would begin to decrease in 1997.

40. He further noted that, in accordance with the wishes of the Executive Committee, a comparison had been made to verify whether the figures reported by the implementing agencies to the Executive Committee in their annual progress reports were consistent with the certified and audited financial statements provided by the agencies to the Treasurer. A summary of this exercise was contained in schedule 1.8 of the document before the Sub-Committee and it indicated that there were only minor discrepancies between the two sets of reports, except in the case of one agency, where there was a significant difference, due to a conceptual error in the preparation of that agency's progress report, a situation which had since been addressed and would be rectified in the reporting for 1997.

41. In response to a question by an observer, he explained that fund balances were an inevitable result of normal lags between project approvals and their implementation; that the balance of the Fund would begin to decrease in 1997 due to accelerated implementation. He further noted that the cash balances of the Fund were always invested at the discretion of the United Nations Secretary-General, or in the case of balances held by UNDP, UNIDO and the World Bank by the financial management of these agencies and that, as a result of balances having been available, the Fund had earned US $34 million in interest income up to the end of 1996.

42. It was noted that there were considerable differences between the approved budget and actual expenditure. In response, the Secretariat explained that part of the savings incurred in 1996 referred to the allocation for the 21st Executive Committee Meeting, which had been postponed until 1997. Some other provisions in the budget, which could account for savings, were nonetheless required to be provided as contingency costs. For instance, the expenditure incurred for meetings varied according to the venue and duration of a meeting and might result in a saving or deficit.,

43. The Secretariat was requested to utilize indices derived from previous actual expenditure when drawing up proposed budgets.

44. The Sub-Committee recommended that the Executive Committee take note of the Treasurer's report on the 1996 accounts of the Multilateral Fund, (Annex I).

AGENDA ITEM 8: REVISED BUDGET OF THE FUND SECRETARIAT AND PROVISIONS FOR SALARY COSTS FOR 1999-2001

45. The Sub-Committee considered UNEP/OzL.Pro/ExCom/23/8 in which the Secretariat submitted for approval the revised budget of the Fund Secretariat for 1998 and also salary costs for staff for the years 1999-2001 in order to facilitate extension of contracts for staff in accordance with established rules.

46. A number of questions were raised in respect of salary cost calculations as presented, the variations in the Professional staff salaries generally being under-budgeted, and the salaries for the General Service staff showing a decline.

47. The Secretariat explained that there were two reasons for this. The previously approved budget for 1998 costs had been presented to the 18th Executive Committee late in 1995 and these figures had to be revised to reflect changes, including re-classifications, inflation etc. Also, there were changes in the salary scales for both the Professional and General Service grades.

48. Regarding the new post of a Monitoring and Evaluation Officer, it was confirmed that the salary cost indicated also covered the initial appointment costs for the incumbent. While it was not expected that he/she would report for duty by 1 January 1998, it was recalled that the Sub-Committee, at its previous meeting, had agreed to recommend that a consultant be employed until the new officer reported for duty.

49. It was explained that the 13 per cent Programme Support Costs covered UNEP Headquarters costs for administering staff of the Fund Secretariat in accordance with a decision of the 3rd meeting of the Executive Committee. These were the standard costs charged within

the United Nations system, although the Fund was at a particular advantage inasmuch as, contrary to general United Nations practice, those costs were only charged against staff costs.

50. Another question concerned the reason for increased conference servicing costs due to holding them outside the UN/ICAO facilities. In response the Secretariat explained that, while in general all meetings in Montreal were held in ICAO, due to a clash of schedules ICAO was sometimes unable to provide meeting rooms as in the case for the present meeting. Concern was also expressed regarding the higher costs being presented for sub-committee meetings. It was explained that, apart from the revision in accounting procedures now in place, the costs also reflected some contingency for possible meetings of sub-groups.

51. It was pointed out that the present provisions for the counterpart contribution are derived according to a set formula and that current costs by the Secretariat to be offset by the contribution are in the order of US $400,000 and not US $650,000. This is due to the lower salary cost differential between Nairobi and Montreal, and also the reduction in rental costs. The Secretariat was therefore requested to reflect the amount accordingly in the budget estimates.

52. The Sub-Committee agreed to recommend that the Executive Committee approve the revised 1998 budget for the Fund Secretariat and the provisions for Secretariat staff salary costs for the period 1999-2001 as shown in Annex II.

AGENDA ITEM 9: ADOPTION OF THE REPORT OF THE SUB-COMMITTEE TO THE EXECUTIVE COMMITTEE.

53. The Sub-Committee adopted the present report on the basis of the draft report contained in UNEP/OzL.Pro/ExCom/SCMEF/3/L.1

AGENDA ITEM 10: OTHER MATTERS

54. There was no discussion under this agenda item.

AGENDA ITEM 11: CLOSURE OF THE MEETING

The Chairman declared the meeting closed at 7:30 p.m. on Tuesday, 11 November 1997.

SCHEDULE 1.2

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1996 STATEMENT OF ASSETS AND LIABILITIES (in US$)

ASSETS	31.12.1996	31.12.1995
Cash and term deposits	2,594,959	12,441,421
Pledged contributions receivable	610,733,233	259,662,812
Other accounts receivable	379,387	430,857
Other assets - deferrred charges	28,074	6,520
Promissory notes	8,559,714	39,372,892
Operating funds provided to implementing agencies	315,541,175	262,249,463
TOTAL ASSETS	937,836,542	574,163,965
LIABILITIES		
Contributions receivable for future years	466,000,002	151,666,667
Unliquidated obligations (Secretariat)	189,071	375,723
Inter-fund balance payable	42,838	163,303
Other accounts payable	33,815	9,232
TOTAL LIABILITIES	466,265,726	152,214,925
RESERVES AND FUND BALANCES		
CUMULATIVE SURPLUS	471,570,816	421,949,040
TOTAL RESERVES AND FUND BALANCES	471,570,816	421,949,040
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	937,836,542	574,163,965
FUND BALANCE NET OF CONTRIBUTIONS RECEIVABLE	326,837,585	313,952,895

SCHEDULE 1.3

1996 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US$)

1 11	PROJECT PERSONNEL COMPONENT PROJECT PERSONNEL	APPROVED BUDGET	ACTUAL EXPENDITURE	SAVINGS/ (DEFICIT)
1101	Chief Officer	111,000	119,114	(8,114)
1102	Deputy Chief Officer, Economist	90,000	122,178	(32,178)
1103	Deputy Chief Officer, Technical Cooperatio	90,000	106,299	(16,299)
1104	Programme Officer, Economist	74,000	79,020	(5,020)
1105	Programme Officer, Engineer	74,000	91,802	(17,802)
1106	Programme Officer, Engineer	74,000	114,143	(40,143)
1107	Programme Officer, Scientist	74,000	89,762	(15,762)
1108	Programme Officer, Information	66,000	47,419	18,581
1109	Administration & Fund Management Officer	74,000	109,998	(35,998)
1198	Prior years' adjustments	0	(9,116)	9,116
11	Sub-total	727,000	870,619	(143,619)
12	Consultants			
1201	Consultancies (project reviews etc.)	101,500	77,058	24,442
12	Sub-total	101,500	77,058	24,442
130	Administrative support staff			
1301	Administrative assistant (Admin. & Fund)	46,000	46,387	(387)
1302	Library assistant	42,000	34,649	7,351
1303	Administrative Assistant (Chief Officer)	45,000	40,457	4,543
1304	Senior secretary (Deputy Chief, Econmist)	35,500	35,415	85
1305	Senior Secretary (Deputy Chief, Techn. Coo	35,500	28,369	7,131
1306	Senior Secretary (for 2 Programme Officers)	33,000	726	32,274
1307	Senior Secretary (for 2 Programme Officers)	35,500	35,816	(316)
1308	Secretary	33,000	1,221	31,779
1309	Clerk/Messenger/Receptionist	27,000	7,604	19,396
130	Administrative support staff sub-total	332,500	230,644	101,856
132-3	Conference servicing costs			
1321	19th Executive Committee Meeting	90,000	126,738	(36,738)
1322	20th Executive Committee Meeting	90,000	109,155	(19,155)
1323	21st Executive Committee Meeting	90,000	0	90,000
1331	Sub-Committee meetings	30,000	7,090	22,910
132-3	Conference servicing costs sub-total	300,000	242,983	57,017
13	Sub-total	632,500	473,627	158,873
16	Official travel on business			
1601	Staff travel on official busines	120,000	69,005	50,995
16	Sub-total	120,000	69,005	50,995
1	COMPONENT TOTAL	1,581,000	1,490,309	90,691

SCHEDULE 1.3

1996 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US$)

		APPROVED BUDGET	ACTUAL EXPENDITURE	SAVINGS/ (DEFICIT)
2	SUB-CONTRACT COMPONENT			
21	Sub-contracts with UN agencies			
2101	Sub-contracts (information materials)	30,000	0	30,000
21	Sub-total	30,000	0	30,000
23	Sub-contracts with profit making institutions			
2301	Sub-contracts	48,500	28,511	19,989
23	Sub-total	48,500	28,511	19,989
2	COMPONENT TOTAL	78,500	28,511	49,989
3	MEETING PARTICIPATION COMPONENT			
33	Participation in meetings/conferences			
3301	Chairman/Vice Chairman	30,000	25,550	4,450
3302	19th Executive Committee meeting	75,000	81,895	(6,895)
3303	20th Executive Committee meeting	75,000	75,157	(157)
3304	21st Executive Committee meeting	75,000	0	75,000
3313	Sub-Committee meetings	40,000	5,777	34,223
33	Sub-total	295,000	188,379	106,621
3	COMPONENT TOTAL	295,000	188,379	106,621
4	EQUIPMENT AND PREMISES COMPONENT			
41	Expendable equipment (items under US$1,500)			
4101	Office supplies	15,000	25,266	(10,266)
4102	Software and computer expendables	10,000	5,773	4,227
41	Sub-total	25,000	31,039	(6,039)
42	Non-expendable equipment			
4205	General non-expendable equipment	20,000	188	19,812
4298	Prior years' adjustments	0	(40,287)	40,287
42	Sub-total	20,000	(40,099)	60,099
43	Rental of premises			
4301	Rental of office premises	250,000	305,062	(55,062)
43	Sub-total	250,000	305,062	(55,062)
4	COMPONENT TOTAL	295,000	296,002	(1,002)

SCHEDULE 1.3

1996 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US$)

		APPROVED BUDGET	ACTUAL EXPENDITURE	SAVINGS/ (DEFICIT)
5	MISCELLANEOUS COMPONENT			
51	Operation and maintenance of equipment			
5101	Maintenance of equipment	8,000	5,159	2,841
5102	Maintenance of offices	6,000	1,500	4,500
5104	Rental of photocopier(s)	7,000	7,139	(139)
5105	Rental of telecommunication equipment	11,000	2,986	8,014
51	Sub-total	32,000	16,784	15,216
52	Reporting costs			
5201	Executive Committee meetings reporting	45,000	13,855	31,145
5202	Reporting (others)	20,000	5,108	14,892
52	Sub-total	65,000	18,963	46,037
53	Sundry			
5301	Communications	30,000	21,480	8,520
5302	Freight charges (documents shipment)	20,000	28,824	(8,824)
5303	Others	5,000	9,740	(4,740)
53	Sub-total	55,000	60,044	(5,044)
54	Hospitality			
5401	Hospitality	7,000	3,790	3,210
54	Sub-total	7,000	3,790	3,210
5	COMPONENT TOTAL	159,000	99,581	59,419
TOTAL		2,408,500	2,102,782	305,718
Programme support costs		137,735	132,296	5,439
GRAND TOTAL		2,546,235	2,235,078	311,157

SCHEDULE 1.4
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
UNEP Managed Activities in 1991 - 1996 (in US$)

INCOME	1996	1995	1991-96
Cash transferred from the Multilateral Fund	0	5,709,183	17,455,352
Interest earned and retained	305,567	339,902	1,159,248
TOTAL INCOME	305,567	6,049,085	18,614,600
TOTAL EXPENDITURE	4,303,410	4,490,750	16,150,786
EXCESS OF INCOME OVER EXPENDITURE	(3,997,843)	1,558,335	2,463,814
FUND BALANCE			
Fund balance, beginning of period	6,461,657	4,903,322	0
Add excess of income over expenditure	(3,997,843)	1,558,335	2,463,814
Fund balance, end of period	2,463,814	6,461,657	2,463,814

Comparison to progress reporting	
Total expenditure reported to the Treasurer	16,150,786
Less programme support costs	(1,857,947)
Less unliquidated obligations, end of period	(805,354)
Adjustments	0
Net disbursements reported to the Treasurer	13,487,485
Net disbursements reported to the Executive Committee *	13,573,503
Difference	(86,018)

* UNEP reported expenditure of US$ 14,378,857 less unliquidated obligations US$ 805 354.

SCHEDULE 1.5

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNDP Managed Activities in 1991 - 1996 (in US$)

INCOME	1996	1995	1991-96
Cash transferred from the Multilateral Fund	35,267,935	29,124,442	150,749,310
Interest earned and retained	4,007,000	1,725,906	6,292,767
TOTAL INCOME	39,274,935	30,850,348	157,042,077
TOTAL EXPENDITURE	33,209,390	12,702,044	59,347,204
EXCESS OF INCOME OVER EXPENDITURE	6,065,545	18,148,304	97,694,873
FUND BALANCE			
Fund balance, beginning of period	91,629,328	73,481,024	0
Add excess of income over expenditure	6,065,545	18,148,304	97,694,873
Fund balance, end of period	97,694,873	91,629,328	97,694,873
Comparison to progress reporting			
Total expenditure reported to the Treasurer			59,347,204
Less programme support costs			(7,151,567)
Less unliquidated obligations, end of period			(16,475,000)
Adjustments *			16,436,634
Net disbursements reported to the Treasurer			52,157,271
Net disbursements reported to the Executive Committee			52,131,176
Difference			26,095

* UNDP expenditure for last quarter 1996 and other corrections to be posted into MF accounts in 1997.

SCHEDULE 1.6

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNIDO Managed Activities in 1991 - 1996 (in US$)

INCOME	1996	1995	1991-96
Cash transferred from the Multilateral Fund	30,032,065	29,297,118	98,936,239
Interest earned and retained	3,550,981	2,486,948	6,717,934
TOTAL INCOME	33,583,046	31,784,066	105,654,173
TOTAL EXPENDITURE	28,256,885	18,685,684	50,389,938
EXCESS OF INCOME OVER EXPENDITURE	5,326,161	13,098,382	55,264,235
FUND BALANCE			
Fund balance, beginning of period	49,938,164	36,839,782	0
Add excess of income over expenditure	5,326,161	13,098,382	55,264,235
Fund balance, end of period	55,264,325	49,938,164	55,264,235

Comparison to progress reporting	
Total expenditure reported to the Treasurer	50,389,938
Less programme support costs	(5,797,070)
Less unliquidated obligations, end of period	(11,880,571)
Adjustments	0
Net disbursements reported to the Treasurer	32,712,297
Net disbursements reported to the Executive Committee	44,592,847
Difference *	(11,880,550)

* Disbursements reported to the Executive Committee would appear to include unliquidated obligatio

SCHEDULE 1.7

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

World Bank Managed Activities in 1991 - 1996 (in US$)

INCOME	1996	1995	1991-96
Cash transferred from the Multilateral Fund	20,500,000	28,856,884	139,452,828
Promissory notes encashed	13,422,470	0	13,422,470
Promissory notes transferred, net of encashments	50,030,644	38,621,486	88,652,130
Interest earned and retained	3,674,684	4,588,362	13,890,530
TOTAL INCOME	87,627,798	72,066,732	255,417,958
TOTAL EXPENDITURE	40,758,112	31,686,039	95,288,813
EXCESS OF INCOME OVER EXPENDITURE	46,869,686	40,380,693	160,129,145
FUND BALANCE			
Fund balance, beginning of period	113,259,459	72,878,766	0
Add excess of income over expenditure	46,869,686	40,380,693	160,129,145
Fund balance, end of period	160,129,145	113,259,459	160,129,145
Cash balance, end of period	71,477,015	74,637,973	71,477,015

Comparison to progress reporting	
Total expenditure reported to the Treasurer	95,288,813
Less programme support costs	(7,047,163)
Less unliquidated obligations, end of period	0
Adjustments (disbursements posted in advance)	(10,763,651)
Net disbursements reported to the Treasurer	77,477,999
Net disbursements reported to the Executive Committee	76,914,102
Difference	563,897

SCHEDULE 1.8

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Implementing Agency Summary 1991 - 1996 (in US$ x million)

INCOME	UNEP	UNDP	UNIDO	WB	TOTAL
Cash transferred from the Multilateral Fund	17.5	150.7	98.9	139.5	406.6
Promissory notes encashed	0.0	0.0	0.0	13.4	13.4
Promissory notes transferred, net of encashments	0.0	0.0	0.0	88.7	88.7
Interest earned and retained	1.1	6.3	6.7	13.9	28.0
TOTAL INCOME	18.6	157.0	105.7	255.4	536.7
TOTAL ADJUSTED EXPENDITURE	16.2	75.8	50.4	84.5	226.8
EXCESS OF INCOME OVER EXPENDITURE	2.4	81.3	55.3	170.9	309.8
CASH BALANCE, END OF PERIOD	2.4	81.3	55.3	82.2	221.2
Comparison to progress reporting					
Total adjusted expenditure reported to the Treasurer	16.2	75.8	50.4	84.5	226.8
Less programme support costs	(1.9)	(7.2)	(5.8)	(7.0)	(21.9)
Less unliquidated obligations, end of period	(0.8)	(16.5)	(11.9)	0.0	(29.2)
Net disbursements reported to the Treasurer	13.5	52.2	32.7	77.5	175.8
Net disbursements reported (to Executive Committe	13.6	52.1	44.6	76.9	187.2
Difference	(0.1)	0.0	(11.9)	0.6	(11.4)

ANNEX II

Revised Budget of the Fund Secretariat for 1998 and Provision for Salary Costs for 1999-2001

Budget Expressed in US dollars

				Approved 1998	Revised 1998	Proposed 1999	Proposed 2000	Proposed 2001
10		**PERSONNEL COMPONENT**						
1100		Project Personnel (Title & Grade)						
	01	Chief Officer	D. 2	112,000	115,000	116,190	117,200	118,400
	02	Deputy Chief Officer (Econ Coop)	P. 5	91,000	100,000	101,040	101,879	102,918
	03	Deputy Chief officer (Tech Coop)	P. 5	91,000	100,000	101,040	101,879	102,918
	04	Economic Affairs Officer	P. 4	75,000	90,000	90,940	91,679	92,570
	05	Environmental Affairs Officer	P. 4	75,000	90,000	90,940	91,679	92,570
	06	Project Management Officer	P. 4	75,000	90,000	90,940	91,679	92,570
	07	Project Management Officer	P. 4	75,000	90,000	90,940	91,679	92,570
	08	Associate Information Officer	P. 2	67,000	75,000	75,790	76,340	77,109
	09	Admin & Fund Management Officer	P. 4	75,000	90,000	90,940	91,679	92,570
	10	Monitor & Evaluation Officer 1/		-	100,000	101,000	101,900	103,000
1199		Sub-total		**736,000**	**940,000**	**949,760**	**957,596**	**967,195**
1200		Consultants						
	01	Projects and technical reviews etc		150,000	150,000	-	-	-
1299		Sub-total		**150,000**	**150,000**	-		
1300		Administrative Support Staff costs						
	01	Admin Assistant	G.8	47,000	42,000	42,860	43,717	44,596
	02	Meeting Services Assistant	G.7	43,000	40,000	40,860	41,677	42,557
	03	Programme Assistant	G.8	46,000	42,000	42,860	43,717	44,596
	04	Senior Secretary (Deputy Chief, EC)	G.6	36,500	35,000	35,740	36,455	37,212
	05	Senior Secretary (Deputy Chief, TC)	G.6	36,500	35,000	35,740	36,455	37,212
	06	Secretary (Prog Officers - 2)	G.6	34,000	35,000	35,740	36,455	37,212
	07	Secretary (Prog Officers - 2)	G.6	36,500	35,000	35,740	36,455	37,212
	08	Secretary	G.5	34,000	30,000	30,620	31,232	31,867
	09	Registry Clerk	G.4	28,000	24,000	24,480	24,970	25,461
		Sub-total		**341,500**	**318,000**	**324,640**	**331,133**	**337,923**

1/ : Approved by decision 21/36 and 22/19 of the meetings of the Executive Committee;

			Budget Expressed in US dollars				
			Approved 1998	Revised 1998	Proposed 1999	Proposed 2000	Proposed 2001
1320		Conference Servicing Costs					
	26	24th Executive Committee	90,000	100,000			
	27	25th Executive Committee	90,000	100,000			
	28	26th Executive Committee 2/	90,000	120,000			
	29	27th Executive Committee 3/		100,000			
	30	28th Executive Committee					
	31	29th Executive Committee					
	32	Sub-Committee Meetings	30,000	45,000			
		Sub-total	300,000	465,000	-	-	
1399		**Admin Support Costs : Sub-total**	**641,500**	**783,000**	**324,640**	**331,133**	**337,923**
1600		Official travel (staff)					
	01	Mission costs	120,000	120,000	-		
19		**Component Total**	**1,647,500**	**1,993,000**	**1,274,400**	**1,288,729**	**1,305,118**
20		**SUB-CONTRACTS COMPONENT**					
2100		Sub-Contracts with UN Agencies:					
	01	Information materials	30,000	30,000	-		
	02	Miscellaneous printing		-	-		
29		**Component Total**	**30,000**	**30,000**	**-**	**-**	

2/ : Cost applicable if 26th meeting of ExCom is held in Cairo in 1998 prior to the 10th Meeting of the Parties;
3/ : Provisional allotment following Decision 22/14

Budget Expressed in US dollars

			Approved 1998	Revised 1998	Proposed 1999	Proposed 2000	Proposed 2001
30		**TRAINING COMPONENT**					
3300		Participation in Meetings					
	01	Travel of Chairman / Vice-Chairman	30,000	30,000	-		
	04	21st Executive Committee					
	05	22nd Executive Committee					
	06	23rd Executive Committee					
	07	24th Executive Committee	75,000	75,000			
	08	25th Executive Committee	75,000	75,000			
	09	26th Executive Committee	75,000	75,000			
	10	27th Executive Committee 3/		75,000			
	11	28th Executive Committee					
	12	29th Executive Committee					
	13	Sub-Committee Meetings (3)	40,000	40,000			
39		**Component Total**	**295,000**	**370,000**	**-**		
40		**EQUIPMENT COMPONENT**					
4100		Expendable equipment					
	01	Office stationery etc	15,000	10,000	-		
	02	Software & Computer expendables	10,000	10,000	-		
4199		Sub-total	25,000	20,000	-		
4200		Non-expendable equipment					
	01	Computer, printers etc	20,000	20,000	-		
4299		Sub-total	20,000	20,000	-		
4300		Rental of premises					
	01	Rental of office premises	264,000	264,000	264,000	-	-
4399		Sub-total	264,000	264,000	264,000	-	-
49		**Component Total**	**309,000**	**304,000**	**264,000**	**-**	**-**

3/: Provisional, following Decision 22/14;

Budget Expressed in US dollars

			Approved 1998	Revised 1998	Proposed 1999	Proposed 2000	Proposed 2001
50		**MISCELLANEOUS COMPONENT**					
5100		Operation & maintenance of equipment					
	01	Equipment maintenance etc	8,000	8,000	-	-	-
	02	Office premises	6,000	6,000	-	-	-
	03	Rental of computer equipment	-	-	-	-	-
	04	Rental of photocopiers	7,000	7,000	-	-	-
	05	Rental of telecommunication equipment	11,000	11,000	-	-	-
5199		Sub-total	32,000	32,000	-	-	-
5200		Reporting Costs					
	01	Executive Committee meetings	45,000	-	-	-	-
	02	Reporting (others)	20,000	20,000	-	-	-
5299		Sub-total	65,000	20,000	-	-	-
5300		Sundry					
	01	Communications	30,000	30,000	-	-	-
	02	Freight charges	20,000	20,000	-	-	-
	03	Bank charges	5,000	5,000	-	-	-
	05	Staff training	-	50,000	-	-	-
5399		Sub-Total	55,000	105,000	-	-	-
5400		Hospitality					
	01	Official hospitality	7,000	7,000	-	-	-
5499		Sub-total	7,000	7,000	-	-	-
59		**Component Total**	**159,000**	**164,000**	-	-	-
99		GRAND TOTAL	2,440,500	2,861,000	1,538,400	1,288,729	1,305,118
		Programme Support Costs (13%) (on budgetlines 11 and 13.01 to 13.09)	140,075	163,540	165,672	167,535	169,665
Less		Cost covered by Govt . of Canada	(650,000)	(400,000)	(400,000)	(400,000)	(400,000)
COST TO MULTILATERAL FUND			**1,930,575**	**2,624,540**	**1,304,072**	**1,056,263**	**1,074,783**

ANNEX I

SCHEDULE 1.1

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1996 STATEMENT OF INCOME AND EXPENDITURE (in US$)

INCOME	1996	1995	1991-96
Pledged contributions	149,886,997	143,335,345	670,140,018
Interest income	11,612,277	11,211,677	33,825,205
Miscellaneous income	263,321	428,554	2,785,381
TOTAL INCOME	161,762,595	154,975,576	706,750,604
EXPENDITURE			
UNEP Managed Activities	4,303,410	4,493,467	16,150,786
UNDP Managed Activities	33,209,390	12,702,043	59,347,204
UNIDO Managed Activities	28,256,890	18,685,679	50,389,938
World Bank Managed Activities	40,774,717	31,669,434	95,288,813
Secretariat	2,235,078	2,557,445	13,964,780
Loss on Exchange	7,514	(13,406)	38,267
TOTAL EXPENDITURE	108,786,999	70,094,662	235,179,788
Excess of income over expenditure	52,975,596	84,880,914	471,570,816
Prior period adjustments to pledged contributions	(3,353,820)	(100,827)	0
Net excess of income over expenditure	49,621,776	84,780,087	471,570,816
Fund balance, beginning of period	421,949,040	337,168,953	0
Fund balance, end of of period	471,570,816	421,949,040	471,570,816