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**Seventeenth Meeting of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**
Dakar, 12–16 December 2005
Item 3 (c) of the provisional agenda*

**Financial reports and budgets of the trust funds for the Vienna Convention
for the Protection of the Ozone Layer and the Montreal Protocol
on Substances that Deplete the Ozone Layer**

**Revised approved 2005 and proposed 2006 and 2007 budgets of
the Trust Fund for the Montreal Protocol on Substances that
Deplete the Ozone Layer**

Note by the Secretariat

1. The Secretariat is circulating in the annex to the present document the revised approved 2005 and proposed 2006 and 2007 budgets of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer.
2. The 2005 budget, which was approved by the Sixteenth Meeting of the Parties, is being re-proposed with a number of changes, primarily to reflect the current staff salary levels and entitlements. The adjustments proposed have been made within the approved budget allocations for 2005 and will not necessitate any additional contributions from the Parties.
3. The explanatory notes following the budget presentation set forth the basis used for calculating the proposed budgets. The 2006 budget includes the historically required cyclical budget increases given that the cost of the 2006 Meeting of the Parties will not be shared with the Vienna Convention and also the need for increased funding for the 2006 periodic assessment by the Assessment Panels.
4. Throughout the present document, all references to dollars (\$) are to United States dollars.

* UNEP/OzL.Pro.17/1.
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Annex

TRUST FUND FOR THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER
Revised approved 2005 and proposed 2006 and 2007 budgets

		w/m	2005 (\$)	w/m	2006 (\$)	w/m	2007 (\$)
10	PROJECT PERSONNEL COMPONENT						
1100	Project personnel						
	1101 Executive Secretary (D-2) (shared with the Vienna Convention, VC)	6	115,000	6	117,500	6	117,500
	1102 Deputy Executive Secretary (D-1)	12	210,000	12	215,000	12	220,000
	1103 Senior Legal Officer (P-5)	12	150,000	12	155,000	12	160,000
	1104 Senior Scientific Affairs Officer (P-5) (shared with VC)	6	82,500	6	85,000	6	87,500
	1105 Administrative Officer (P-4) (paid by UNEP)		0		0		0
	1106 Database Manager (Information System & Technology – P-3)	12	110,000	12	120,000	12	125,000
	1107 Programme Officer (Communication & Information – P-3) (paid from VC)	12	0	12	0	12	0
	1108 Programme Officer (Monitoring and Compliance) – P-3	12	112,000	12	120,000	12	125,000
1199	Subtotal		779,500		812,500		835,000
1200	Consultants						
	1201 Assistance in data-reporting, analysis and promotion of the implementation of the Protocol		50,000		50,000		50,000
1299	Subtotal		50,000		50,000		50,000
1300	Administrative support						
	1301 Administrative Assistant (G-7) (shared with VC)	6	13,000	6	13,800	6	14,750
	1302 Personal Assistant (G-6)	12	24,750	12	25,250	12	25,500
	1303 Programme Assistant (G-6) (paid by VC)	12	0	12	0	12	0
	1304 Information Assistant (G-6) (shared with VC)	6	11,000	6	11,500	6	11,500
	1305 Programme Assistant (G-6) (shared with VC)	6	10,000	6	10,500	6	11,000
	1306 Documents Clerk (G-4)	12	16,500	12	17,000	12	17,500
	1307 Data Assistant (G-6)	12	24,000	12	24,960	12	25,958
	1308 Programme Assistant - Fund (G-6) (paid by UNEP)	12	0	12	0	12	0
	1309 Logistics Assistant (G-3) (paid by UNEP)	12	0	12	0	12	0

		w/m	2005 (\$)	w/m	2006 (\$)	w/m	2007 (\$)
	1310						
	Bilingual Senior Secretary (G-6) (to be paid from VC)	12	0	12	0	12	0
	1320						
	Temporary Assistance	12	17,000	12	17,500		18,000
	1321						
	Open-ended Working Group meetings		420,000		450,000		450,000
	1322						
	Preparatory and Parties' meetings (shared with VC every three years, applies to the Seventeenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer and seventh Conference of the Parties to the Vienna Convention)		350,000		500,000		500,000
	1323						
	Assessment Panel meetings*		168,300		100,000		100,000
	1324						
	Bureau meetings		20,000		20,000		20,000
	1325						
	Implementation Committee meetings		74,000		84,000		84,000
	1326						
	MP informal consultation meetings to promote ratification and compliance		10,000		5,000		5,000
	1329						
	Extraordinary Meeting of the Parties		0		0		0
1399	Subtotal		1,158,550		1,279,510		1,283,208
1600	Travel on official business						
	1601						
	Staff travel on official business		150,000		210,000		210,000
	1602						
	Conference Services staff travel on official business		15,000		15,000		15,000
1699	Subtotal		165,000		225,000		225,000
1999	COMPONENT TOTAL		2,153,050		2,367,010		2,393,208
20	CONTRACTS						
	2200/2300						
	Subcontracts						
	2201 or						
	Study on ODS tracking system**						
	2301						
2299/2399	Subtotal		0		0		0
2999	COMPONENT TOTAL		0		0		0

		w/m	2005 (\$)	w/m	2006 (\$)	w/m	2007 (\$)
30	MEETING/PARTICIPATION COMPONENT						
3300	Support for participation						
3301	Assessment Panel meetings*		500,000		550,000		450,000
3302	Preparatory and Parties' meetings		350,000		350,000		350,000
3303	Open-ended Working Group meetings		300,000		300,000		300,000
3304	Bureau meetings		20,000		20,000		20,000
3305	Implementation Committee meetings		135,000		125,000		125,000
3306	Consultations in an informal meeting		10,000		10,000		10,000
3308	Extraordinary Meeting of the Parties		0		0		0
3399	Subtotal		1,315,000		1,355,000		1,255,000
3999	COMPONENT TOTAL		1,315,000		1,355,000		1,255,000
40	EQUIPMENT AND PREMISES COMPONENT						
4100	Expendable equipment (items under \$1,500)						
4101	Miscellaneous expendables (shared with VC)		17,000		17,000		17,000
4199	Subtotal		17,000		17,000		17,000
4200	Non-expendable equipment						
4201	Personal computers and accessories		5,000		2,000		5,000
4202	Portable computers		2,000		4,000		0
4203	Other office equipment (server, fax, scanner, furniture etc.)		7,000		5,000		5,000
4204	Photocopiers		4,000		6,000		10,000
4299	Subtotal		18,000		17,000		20,000
4300	Premises						
4301	Rental of office premises (shared with VC)		27,000		27,500		28,000
4399	Subtotal		27,000		27,500		28,000
4999	COMPONENT TOTAL		62,000		61,500		65,000

		w/m	2005 (\$)	w/m	2006 (\$)	w/m	2007 (\$)
50	MISCELLANEOUS COMPONENT						
5100	Operation and maintenance of equipment						
	5101 Maintenance of equipment and others (shared with VC)		19,270		19,500		20,000
5199	Subtotal		19,270		19,500		20,000
5200	Reporting costs						
	5201 Reporting		54,000		50,000		50,000
	5202 Reporting (Assessment Panels)		15,000		60,000		15,000
	5203 Reporting (Protocol Awareness)		5,000		5,000		5,000
5299	Subtotal		74,000		115,000		70,000
5300	Sundry						
	5301 Communications		35,000		35,000		35,000
	5302 Freight charges (documents)		60,000		70,000		60,000
	5303 Training		6,500		6,500		6,500
	5304 Others (International Ozone Day & 20th anniversary of Montreal Protocol)		12,000		10,000		10,000
5399	Subtotal		113,500		121,500		111,500
5400	Hospitality						
	5401 Hospitality		10,000		15,000		15,000
5499	Subtotal		10,000		15,000		15,000
5999	COMPONENT TOTAL		216,770		271,000		216,500

	w/m	2005 (\$)	w/m	2006 (\$)	w/m	2007 (\$)
99 TOTAL DIRECT PROJECT COST		3,746,820		4,054,510		3,929,708
<i>Programme support costs (13%)</i>		487,086		527,085		510,861
GRAND TOTAL (inclusive of programme support costs)		4,233,906		4,581,595		4,440,569
Operating cash reserve exclusive of PSC***		281,012		327,165		0
TOTAL BUDGET		4,514,917		4,908,760		4,440,569
Drawdown from the Trust Fund balance ¹		533,280		266,720		0
Drawdown from Secretariat's unspent 2001 balance ²		67,239		33,630		0
Drawdown from the Trust Fund's interest income ³		83,350		166,650		0
Additional drawdown from the Trust Fund's balance and interest income ⁴		333,394		119,668		0
Subtotal of drawdowns		1,017,263		586,668		0
Contribution from the Parties		3,497,654		4,322,092		4,440,569

* Financial assistance has been provided by the Parties for 2005, on an exceptional basis, to cover the costs of expert assistance to MBTOC for the maximum sum of \$68,300, and travel for an Article 2 Co-Chair to three meetings related to critical-use nominations to the maximum sum of \$15,000, reflected in meeting participation budget line 3301 for Assessment Panels.

** Budget lines 2201 (for supporting organization) and 2301 (for commercial contractors) are being introduced as placeholders should the Parties decide, pursuant to decision XVI/33, to fund a study on an ODS tracking system.

*** The Parties have agreed that the operating cash reserve for 2005 will be 7.5% of the approved budget. The cash reserve set for 2005 has been adjusted by the Secretariat to conform with the implementation guidelines issued by the United Nations Office of Programme Planning, Budget and Accounts in March 2005. In 2006, the operating cash reserve will increase to the level of 15%, and thenceforth will remain at the level of 15% of the annual budget, exclusive of programme support costs (decision XVI/44, paragraph 6).

¹ Decision XV/52 on the drawdown of \$800,000 in 2005 has been superseded by paragraph 3 of decision XVI/44, which apportioned the total drawdown between 2005 and 2006.

² The drawdown of \$100,869 to be applied in 2005 has been superseded by paragraph 3 of decision XVI/44, which apportioned the total drawdown as in note 1 above.

³ Decision XV/52, which calls for a further drawdown of \$250,000 in 2005, has been superseded by paragraph 3 of decision XVI/44 (note 1 above).

⁴ This drawdown is pursuant to paragraph 3 of decision XVI/44 (note 1 above).

Explanatory notes for the revised approved 2005 and proposed 2006 and 2007 budgets of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer

Budget line	Comment
Personnel component 1101–1108	New actual costs are reflected for 2005. Indicative professional salary costs applicable to the Nairobi duty station for 2006 have been used for the 2006 and 2007 budget proposals. Unspent commitments normally revert to the Montreal Protocol Trust Fund.
1102	An increase of \$60,000 is allocated in 2005 to cover some changes in the entitlements of staff in the professional and higher categories, and to reflect the correct within-grade level of the staff member in question, which was not known at the time of submission of the 2005 budget proposal to the Parties.
1103–1108	An adjustment has been made in these budget lines to cover changes in the entitlements of staff in the professional and higher categories.
1105	The post of the Administrative Officer continues to be paid from the 13 per cent programme support costs based on actual expenditures.
Consultants – 1201	Assistance in data reporting and updating of publications, and also in the development of a fully interlinked digital system at the Secretariat, will continue to be required. Funds under this line may be transferred to line 1100 to create or support short-term professional posts if necessary.
Administrative support/personnel 1301–1307	Standard general service salary costs applicable to the Nairobi duty station have been used for the 2006 and 2007 budget proposals. A revision of the salary levels for 2005 has been made to reflect the first United Nations Nairobi increase in general service staff salaries since 1999.
1308 and 1309	The posts of Programme Assistant (Fund) and Logistics Assistant continue to be paid from the 13 per cent programme support costs.
1310	The post of bilingual secretary is funded from the Vienna Convention trust fund.
1320	The Secretariat still continues to require funding for general temporary assistance, particularly in the area of documents preparation for meetings, website reorganization and arrangements for participants' attendance at meetings.
Administrative support/conference services – 1321–1326	<p>Necessary funds may be transferred from the conference servicing budget lines (1321–1326) should such services be required to be rendered either by individual consultancies or under corporate contracts.</p> <p>The current conference servicing costs have been based on the following reasons and assumptions:</p> <p>1321: The budget proposed is for one meeting of the Open-ended Working Group to be held each year in 2006 and 2007 in Nairobi or at another United Nations venue, in six languages.</p> <p>1322: The budget for 2005 is lower than in 2006 and 2007 as the cost of the meeting in 2005 is shared with the meeting of the Conference of the Parties to the Vienna Convention.</p> <p>It is assumed that the Meeting of the Parties and its preparatory meeting will be held in Nairobi in 2006 and 2007, in six languages.</p>

Budget line	Comment
	<p>When meetings are not held in Nairobi, the differential costs will be borne by the host Governments.</p> <p>1323: Financial assistance in the amount of \$68,300 has been provided by the Parties for 2005, on an exceptional basis, to cover the costs of expert assistance to the Methyl Bromide Technical Options Committee. Decision XVI/5, paragraph 7, provides that any proposals for similar support to be provided in subsequent years will require the separate consideration and agreement of the Parties.</p> <p>The budget allocation in 2006 and 2007 for the Technology and Economic Assessment Panel and its technical options committees the Scientific Assessment Panel and the Environmental Effects Assessment Panel will cover the costs of organizing their annual meetings together with communication and other sundry costs related to the work of panel members from developing countries and countries with economies in transition.</p> <p>1324: One Bureau meeting is scheduled for each of the years 2006 and 2007, with provision for interpretation and document translation into the appropriate languages based on the membership of the Bureau.</p> <p>1325: At least two Implementation Committee meetings of three days' duration are scheduled for each of the years 2006 and 2007 with interpretation and document translation as required, to be held back-to-back with the Open-ended Working Group meetings and the Meetings of the Parties in those years.</p> <p>1326: At least one informal consultation meeting per year, expected to take place in Nairobi, is envisaged for 2006 and 2007 to facilitate the work of assisting the Parties and also in promoting ratification of and compliance with the Montreal Protocol and its Amendments.</p>
Travel on official business – 1601	Over the last several years, the Secretariat has exhausted almost all its travel budget. At the same time, demands for Secretariat travel have increased dramatically, particularly in areas related to Regional Ozone Network meetings and meetings of other related conventions and international organizations pursuant to decision XVI/34.
Contracts component Subcontracts – 2201/2301	Budget line 2201 (for supporting organization) or 2301 (for commercial contractors) is being introduced as a placeholder should the Parties decide, pursuant to decision XVI/33, to fund a study on an ODS tracking system. The Secretariat is in the process of obtaining an estimated cost of an indicative study on this issue. Related information will be dispatched to Parties in October.
Meetings/Participation component – 3300 3301	<p>Participation of representatives of developing countries</p> <p>The participation of representatives of Article 5 Parties in the various Protocol meetings is assumed at \$5,000 per meeting per representative, taking into account not more than one person's travel costs per country, using the most appropriate and advantageous economy-class fare and United Nations daily subsistence allowances.</p> <p>The budget allocation against this line in 2005 has been reduced to reflect the overall requirements of the panels in 2005, based on already recorded travel and expected travel for the rest of the year.</p>

Budget line	Comment
	The budget provision requested in 2006 has increased from 2005 levels as it includes travel of Article 5 members and experts of the assessment panels and the technical options committees attending 2006 assessment meetings.
3302 and 3303	Participation costs are based on some 70 participants attending the Meetings of the Parties and some 60 participants attending the Open-ended Working Group meetings in both 2006 and 2007.
3304	Participation costs are based on one Bureau meeting a year for four Bureau members from developing countries or countries with economies in transition at each meeting.
3305	The participation costs for the two Implementation Committee meetings a year are based on eight members from developing countries and countries with economies in transition at each meeting and one representative each from three or four countries invited by the Implementation Committee at each meeting. Provision has also been made for travel by the Implementation Committee President or Vice-President from an Article 5 country to attend three Executive Committee meetings a year.
3306	Funds have been allocated to finance the participation of two participants from developing countries and countries with economies in transition as part of informal consultations on critical issues with the Montreal Protocol, assumed to be held in Nairobi.
Equipment and premises component	
Expendable equipment – 4101	The cost of miscellaneous expendables is being maintained at \$17,000. Resource utilization is being monitored constantly in order to maintain the expenditure at this level.
Non-expendable equipment – 4200	A minimum provision in 2006 has been made to provide for equipment required by new staff members and increased server capacity. A minimum provision in 2007 has also been made to enable the Secretariat to replace equipment as and when required.
Premises (rent) – 4300	The allocation for rental of premises has been reduced from \$40,000 to \$27,000 in 2005 with expected inflation taken into account thereafter as rental charges in Nairobi have been revised. The savings on this line have been shifted to other lines which needed to be increased.
Miscellaneous component	
Operation and maintenance of equipment – 5101	The provision for operation and maintenance of equipment is being increased in connection with additional servers for the Secretariat website and additional computing requirements, and also in connection with equipment for new staff members.
Reporting costs (including editing, translation, duplication, publication and printing) – 5201–5203	General reporting costs for the Secretariat are provided for under line 5201; costs include the production of the new Handbook in 2006. Line 5202 is reserved for reporting of assessment panels. The sum of \$60,000 is being requested for 2006 for printing assessment reports.

Budget line	Comment
Sundry – Communications – 5301	Careful monitoring of telecommunications resources and the use of electronic mail instead of facsimile communications enable the Secretariat to maintain a relatively low budget provision under this line.
Freight and post – 5302	The additional dispatch of documentation in connection with the 2006 assessment has been taken into consideration for 2006.
Training – 5303	The provision for training will be maintained to meet evolving training needs and to cater for training schemes introduced by the United Nations as a result of the ongoing human resources reform programme.
Others (International Ozone Day and twentieth anniversary of the Montreal Protocol) – 5304	The Ozone Secretariat will continue to provide assistance to certain countries during 2006 and 2007 to assist in their preparations for the celebration of the International Day for the Preservation of the Ozone Layer.
	In 2007, the amount being requested will be for celebration activities in connection with the twentieth anniversary celebration of the Montreal Protocol and the International Year of the Ozone Layer, as declared by the Parties in decision XVI/45.
Hospitality – 5401	Hospitality arrangements follow the usual procurement procedures of the United Nations.
	An additional amount of \$5,000 for each of the years 2006 and 2007 is being requested as the amount will not be shared with the meeting of the Conference of the Parties to the Vienna Convention in those years.