

10 October 2023

Briefing on



**Budget of the Montreal Protocol Trust Fund
and
Financial Reports for the
Vienna Convention & the Montreal Protocol
Trust Funds**

(Agenda item 3(a) of the preparatory segment)

Outline

01 >



Highlights of the financial report – as at 31 Dec 2022
UNEP/OzL.Pro.35/5

02 >



Highlights of the indicative financial report - as at 30 Sep 2023
UNEP/OzL.Pro.35/INF/2

03 >



Proposed budgets for 2024 and 2025
UNEP/OzL.Pro.35/4 & UNEP/OzL.Pro.35/4/Corr.1

04 >



Funding options for 2024
UNEP/OzL.Pro.35/4

05 >



Fact Sheets for 2024
UNEP/OzL.Pro.35/INF/1



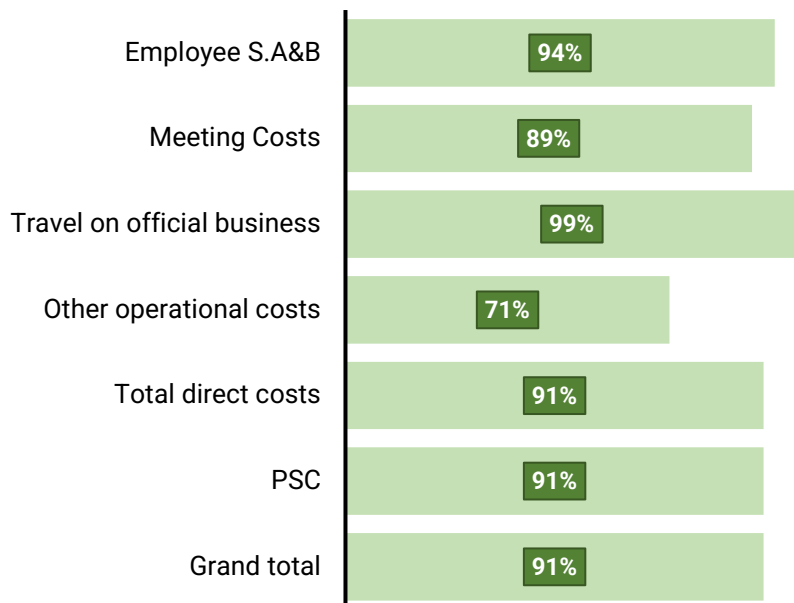
Financial Report 2022

(UNEP/OzL.Pro.35/5)

Vienna Convention Trust Fund (VC)

- ✓ Overall utilization rate - **91%**
- ✓ Expenditures for all cost categories are within the approved budget for the categories

Utilization rates

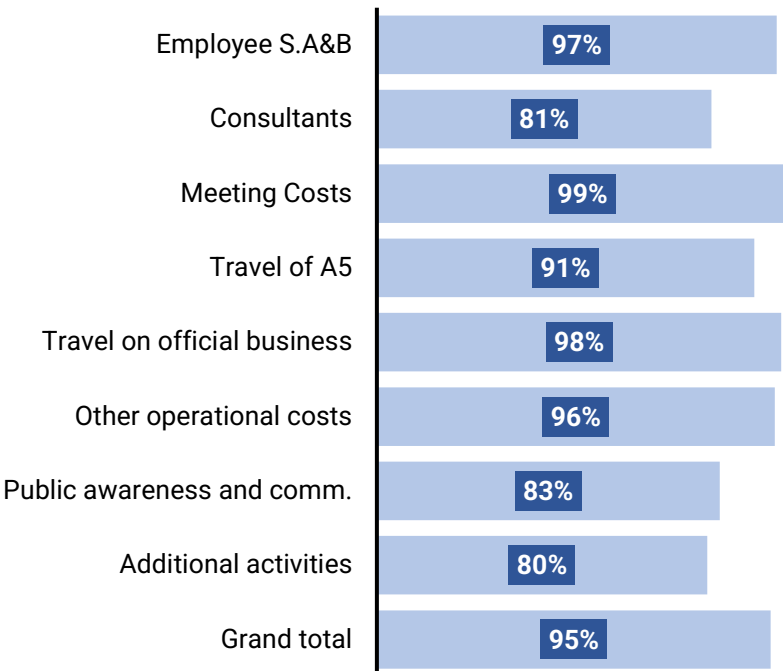


Cost category	Approved budget	Expenditure
Employee salaries, allowances and benefits	659,000	617,892
Meeting costs	10,000	8,880
Staff travel on official business	30,000	29,666
Other operational costs	87,000	61,584
Total direct costs	786,000	718,022
Programme support costs (PSC)	102,180	93,343
Grand total	888,180	811,365

Montreal Protocol Trust Fund (MP)

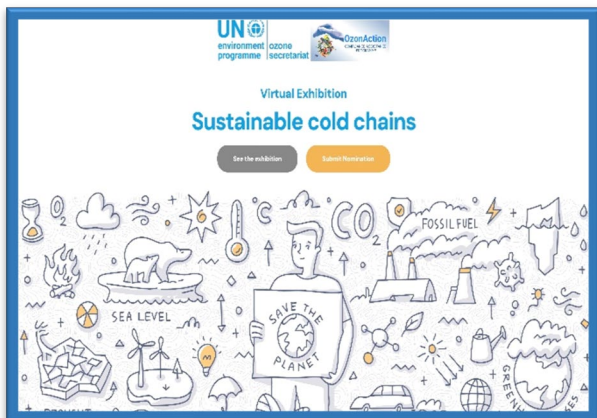
- ✓ Overall utilization rate - **95%**
- ✓ Expenditures for all cost categories are **within** the approved revised budget.
- ✓ Additional activities funded from cash balance were at 80% utilization rate

Cost Category	Approved Revised	Expenditure
Employee salaries, allowances and benefits	1,371,985	1,327,320
Consultants	80,551	65,214
Meeting costs	1,837,849	1,828,251
Travel of Article 5 parties and experts	1,228,878	1,121,886
Staff travel on official business	233,082	228,037
Other operational costs	137,925	132,791
Public awareness and communication	57,292	47,512
Total direct costs	4,947,562	4,751,011
Programme support costs (PSC 1)	643,183	616,425
Total incl. PSC 1	5,590,745	5,367,436
Additional activities funded from the cash balance	233,968	186,959
Programme support costs (PSC 2)	30,416	24,305
Total additional activities incl. PSC 2	264,384	211,264
Grand total	5,855,129	5,578,700



Update: Digital tools & Communications campaign

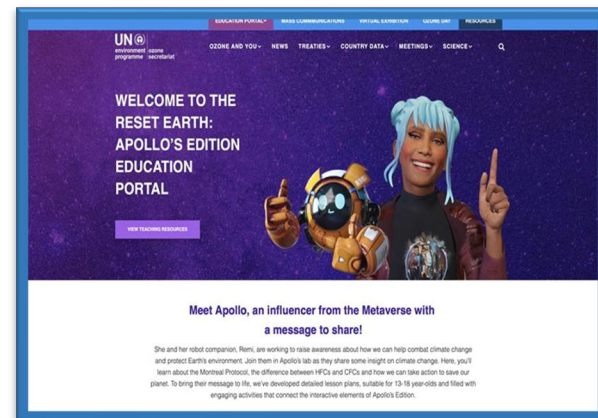
Virtual exhibition – Sustainable cold chains



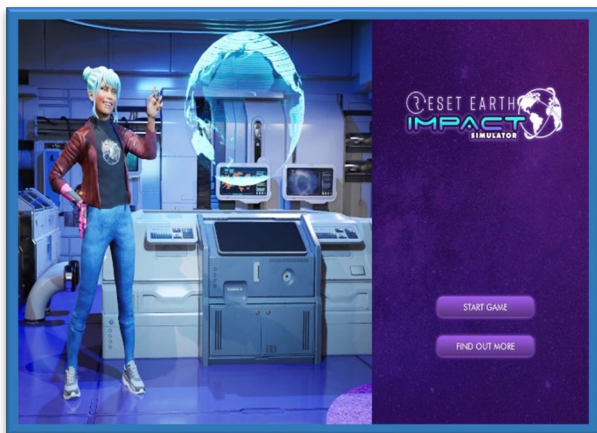
Educational portal



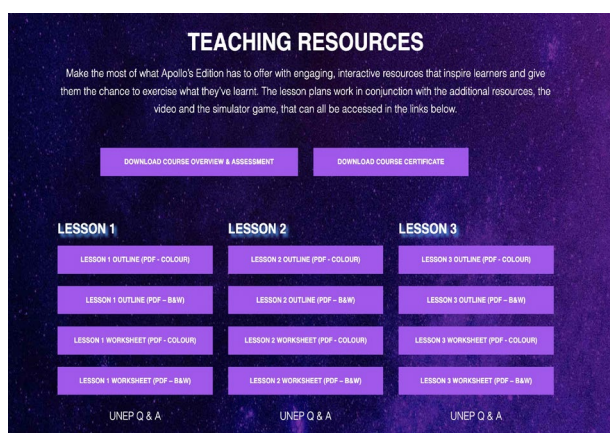
Apollo Edition (13 – 18 years old)



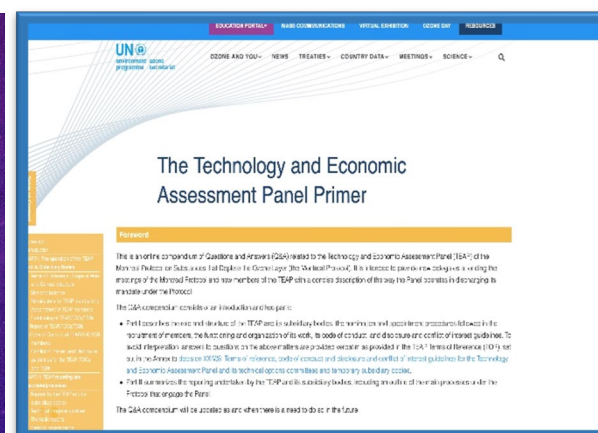
Earth Simulator Game



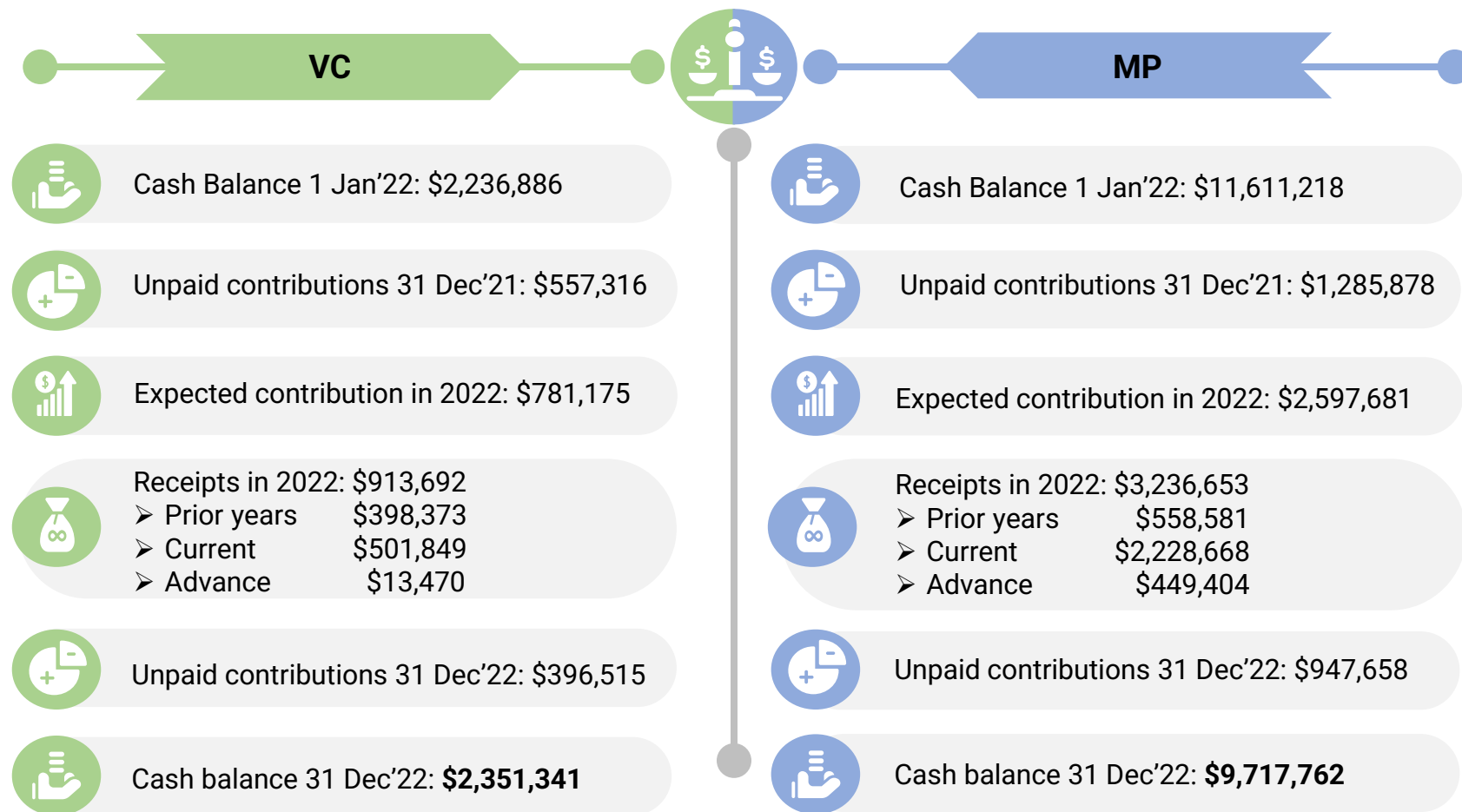
Teaching resources



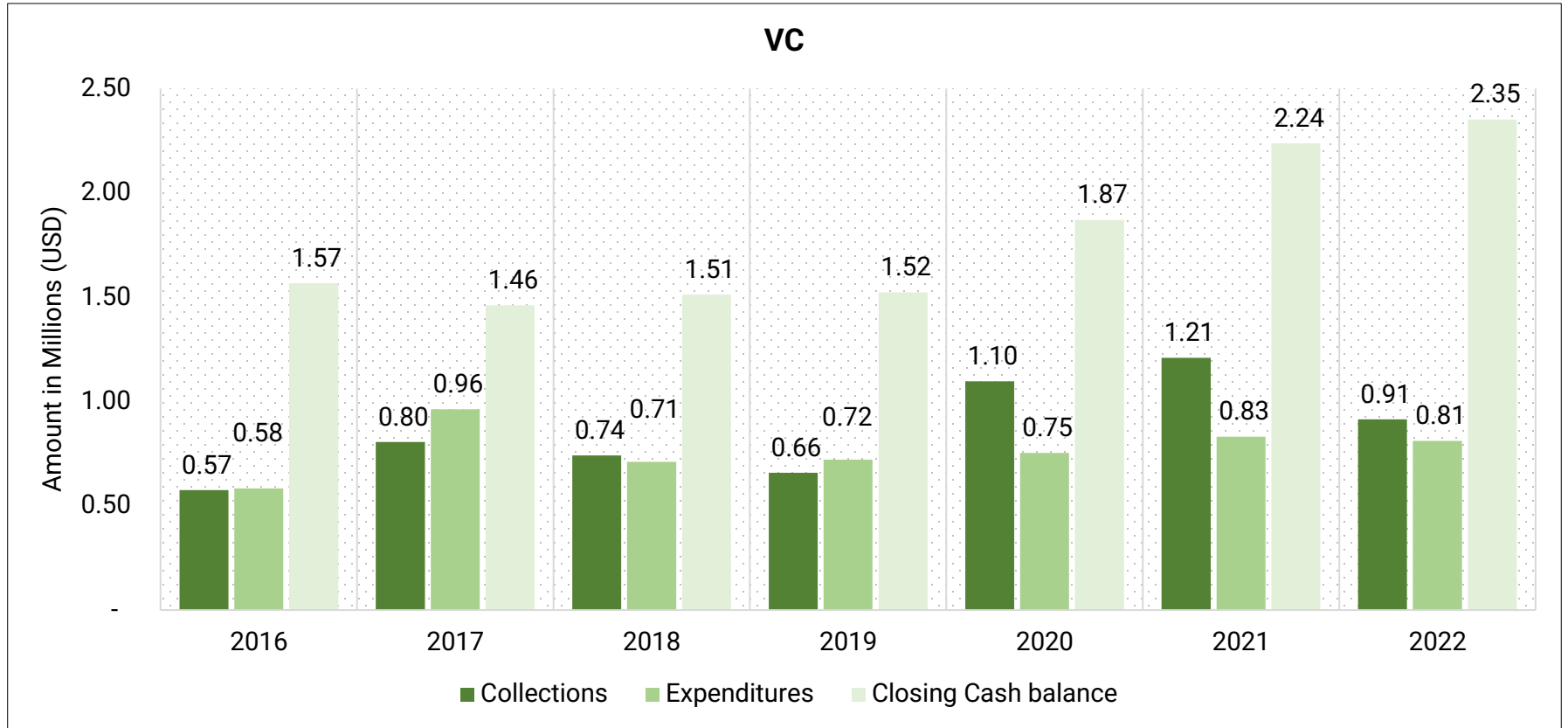
TEAP Primer



Contributions & Cash Balance

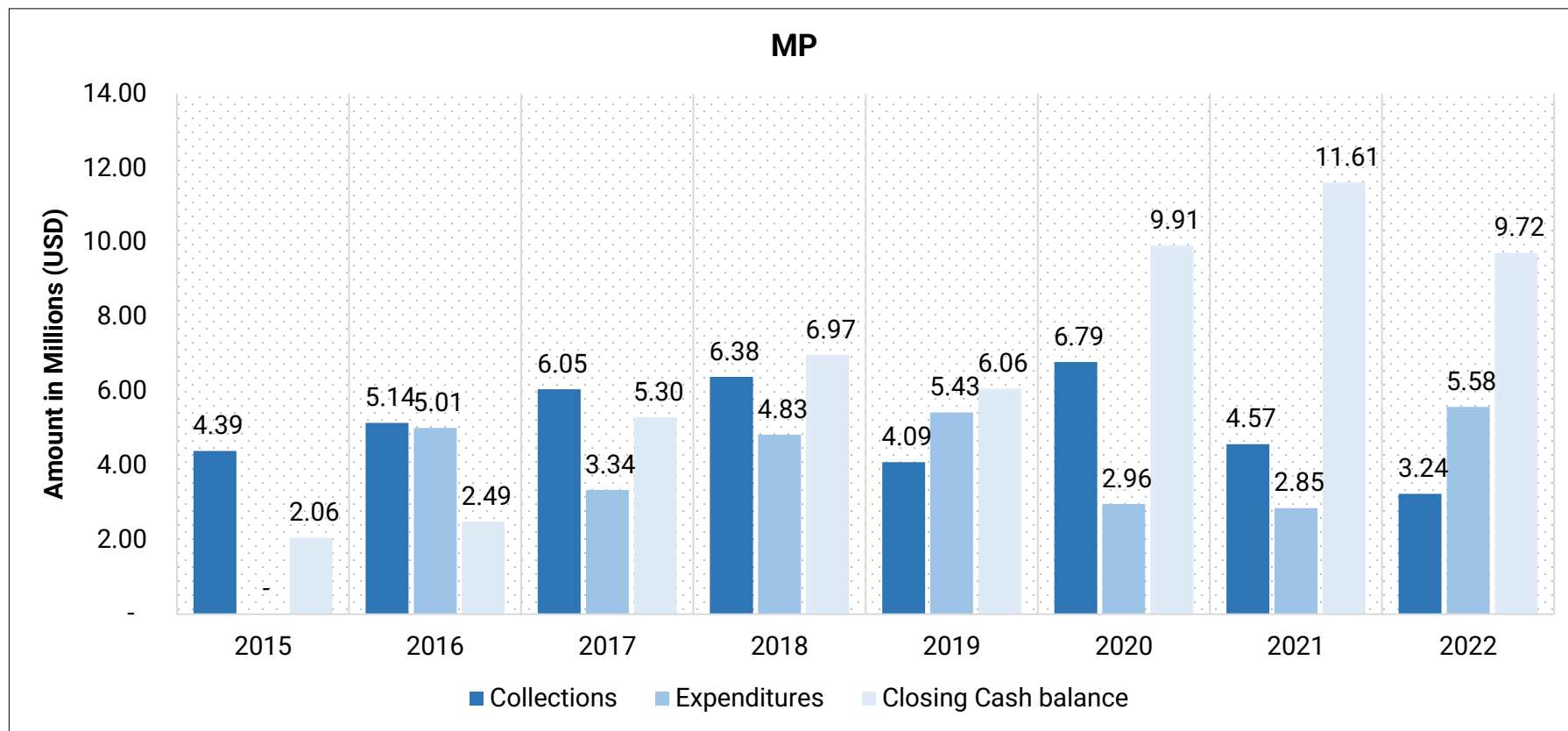


VC - Contributions, Expenses & Cash Balance



- The cash balance includes Working Capital Reserve – 15% of the annual budget
- Cash balance in 2022 increased by 5% from 2.24M recorded in 2021.

MP - Contributions, Expenses & Cash Balance



- The cash balance includes Working Capital Reserve – 15% of the annual budget
- Cash balance in 2022 reduced by 16% from 11.61M recorded in 2021.



Indicative financial report for 2023 as at 30 Sep 2023

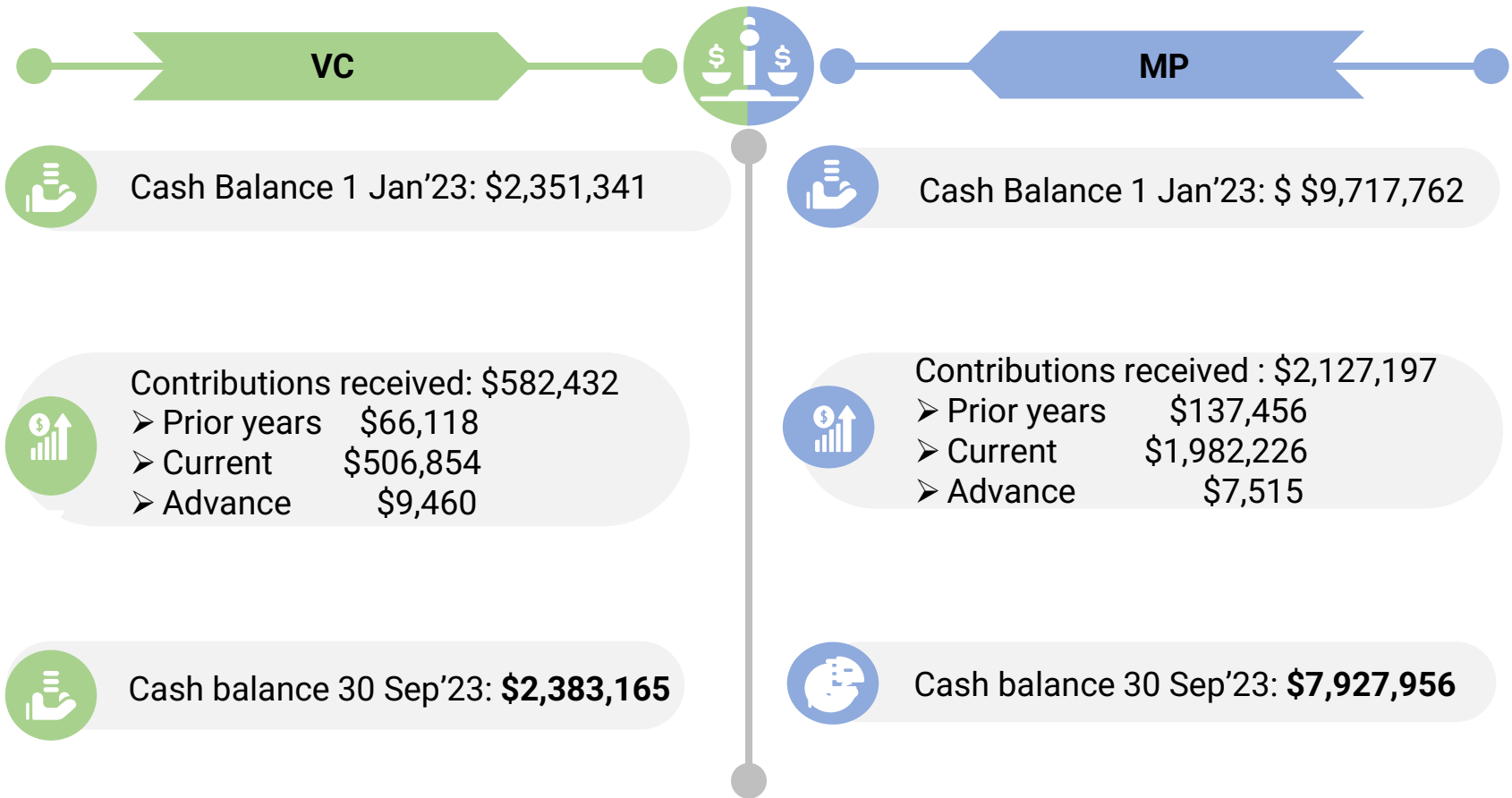
(UNEP/OzL.Pro.35/INF/2)

Indicative Financial Report - 30 Sep' 2023

- Budget utilization @ 67% (VC) and 66% (MP)
- Expenditures per category are **within** the approved budget for the category
- Expect utilization rate to increase in the last quarter
- Expect expenditure per category to be within the approved budget or within the allowable 10% threshold (UNEP standard practice)

Cost category	Vienna Convention		Montreal Protocol	
	Approved budget	Expenditures	Approved budget	Expenditures
Employee salaries allowances and benefits	671,400	468,926	1,725,000	1,101,828
Consultants	-	-	85,000	66,747
Meeting costs	10,000	-	1,623,000	1,353,566
Travel of Article 5 parties and experts	-	-	1,195,000	725,557
Staff travel on official business	30,000	23,288	210,000	176,031
Operating costs	87,000	39,135	177,000	80,189
Public awareness and communications	-	-	55,500	32,671
Total direct costs	798,400	531,348	5,070,500	3,536,589
PSC 1	103,792	69,075	659,165	459,757
Total incl. PSC 1	902,192	600,423	5,729,665	3,996,346
Additional activities funded by cash balance	-	-	359,500	47,592
PSC 2	-	-	46,735	6,187
Total additional activities incl. PSC 2	-	-	406,235	53,779
Grand total	902,192	600,423	6,135,900	4,050,125

Contributions & Cash Balance – 30 Sep'23





Proposed budgets - 2024 and 2025

Montreal Protocol Trust Fund

(UNEP/OzL.Pro.35/4 & UNEP/OzL.Pro.35/4 Corr.1)

Budget 2024

Two scenarios:

- **Zero Nominal Growth (ZNG): \$5,729,665**
Equals the approved budget for 2023
- **Recommended: \$5,852,835**
2.1% more than the ZNG
- **Activities funded from cash balance: \$226,000**
Same in both scenarios

Budgets - 2023 Vs 2024 scenarios

Cost category	Approved 2023	ZNG 2024	Recommended 2024
Employee salaries, allowances & benefits	1,725,000	1,759,500	1,759,500
Consultants	85,000	85,000	85,000
Meeting costs	1,623,000	1,691,000	1,691,000
Travel of Article 5 parties and experts	1,195,000	1,195,000	1,195,000
Staff travel on official business	210,000	174,000	210,000
Operating costs	177,000	126,000	181,000
Public awareness and communication	55,500	40,000	58,000
Total	5,070,500	5,070,500	5,179,500
Programme support costs (PSC 1)	659,165	659,165	673,335
Total incl. PSC 1	5,729,665	5,729,665	5,852,835
Additional activities from cash balance	359,500	200,000	200,000
Programme support costs (PSC 2)	46,735	26,000	26,000
Total Direct costs	5,430,000	5,270,500	5,379,500
Overall PSC	705,900	685,165	699,335
Grand total	6,135,900	5,955,665	6,078,835

ZNG 2024 = App. 2023
Rec. 2024 > ZNG 2024

Activities funded by cash bal
in 2024 is less than in 2023

Recommended 2024 Budget

Increases vis-à-vis approved 2023:

- *Staff costs – 2% (\$34,500)*
- *Meetings costs – 4% (\$68,000)*
- *Operating costs – 2% (\$4,000)*
- *Public awareness & Comms. – 5% (\$2,500)*

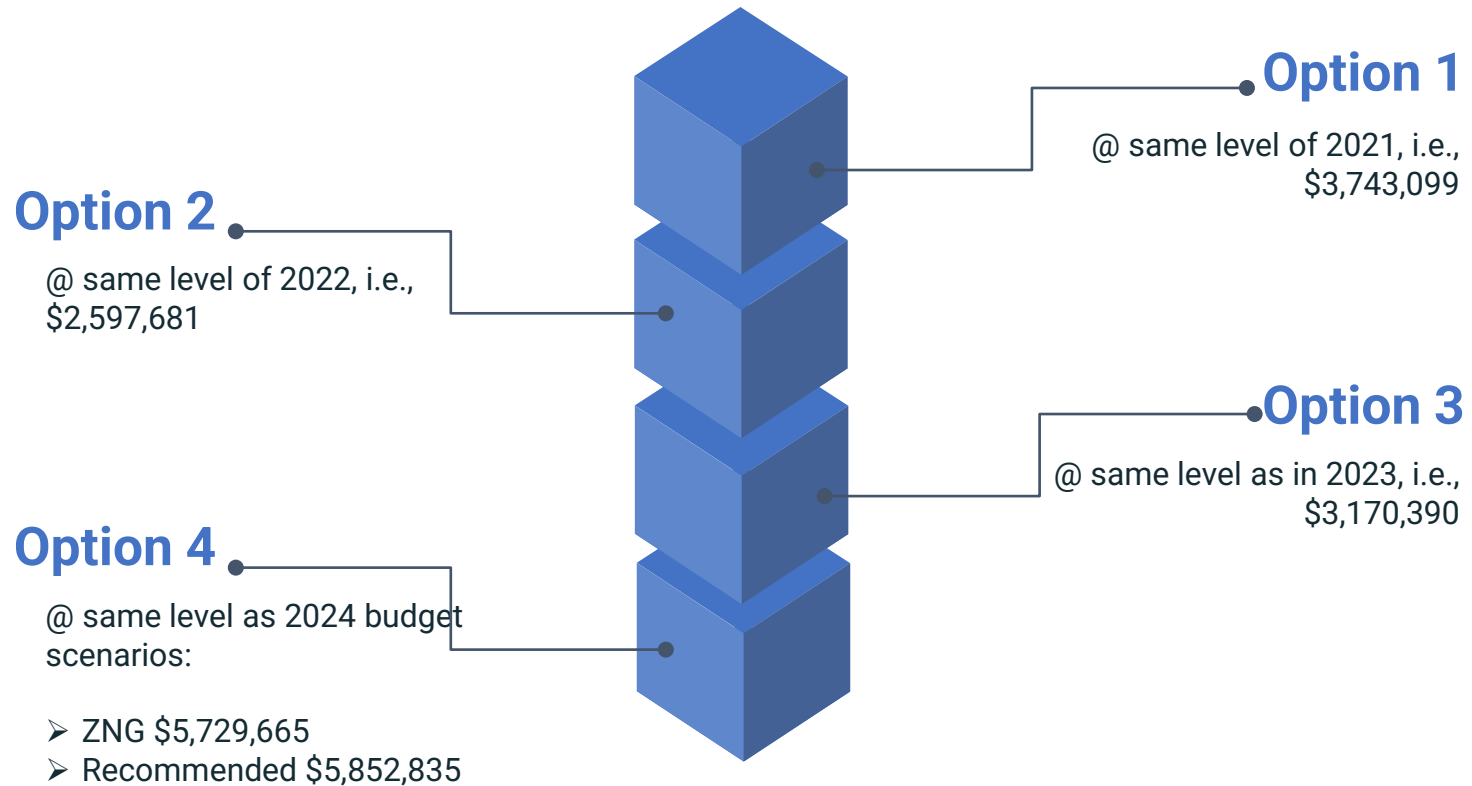
Activities funded from cash balance:

- *Tertiary education (Phase III) - \$60,000*
- *Videos on achievements (anniversaries) - \$100,000*
- *Digital tools upkeep/enhancements - \$40,000*

Upcoming anniversaries:

- ✓ **VC 40th – 2025**
- ✓ **KA 10th – 2026**
- ✓ **MP 40th - 2027**

2024 Funding options



2024 Funding options.....contd.

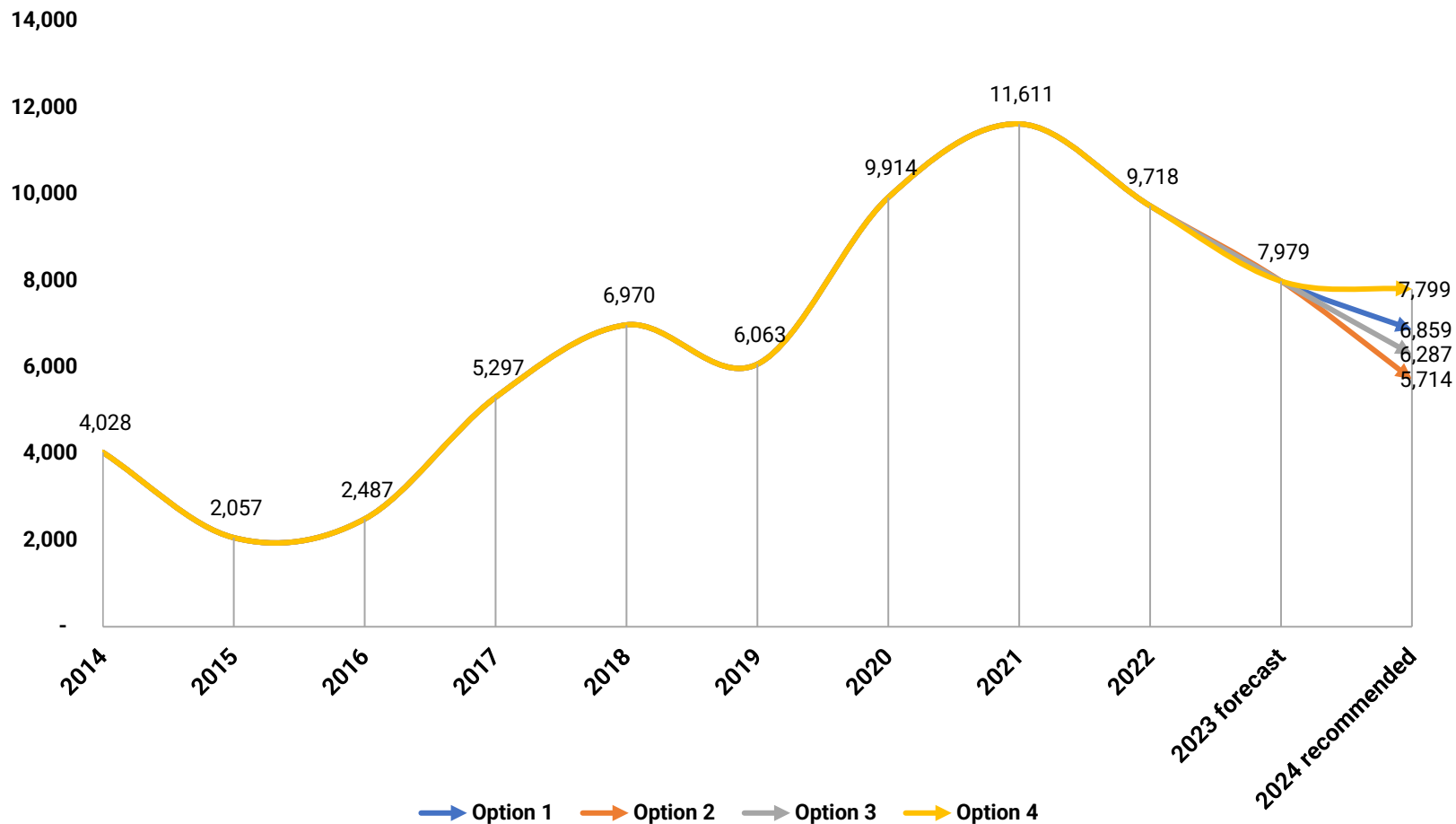
Assumptions:

- ✓ For options 1, 2 and 3, contributions received at 100% of the approved amount
- ✓ For option 4, contributions received at 80% of the approved amount.
- ✓ Expenses @ 80% of the budget

Forecasts: Receipts – Expenses - Cash Balance

	Option 1		Option 2		Option 3		Option 4	
	ZNG	Recommended	ZNG	Recommended	ZNG	Recommended	ZNG	Recommended
Budget scenarios	5,729,665	5,852,835	5,729,665	5,852,835	5,729,665	5,852,835	5,729,665	5,852,835
Cash balance on 31 Dec'23	7,979,432	7,979,432	7,979,432	7,979,432	7,979,432	7,979,432	7,979,432	7,979,432
Add: Receipts	3,743,099	3,743,099	2,597,681	2,597,681	3,170,390	3,170,390	4,583,732	4,682,268
Less: Expenses	4,764,532	4,863,068	4,764,532	4,863,068	4,764,532	4,863,068	4,764,532	4,863,068
Cash balance on 31 Dec'24	6,957,999	6,859,463	5,812,581	5,714,045	6,385,290	6,286,754	7,798,632	7,798,632

Cash Balance - evolution



Budget 2025

- ✓ **Only one scenario** – same as approved 2023 and ZNG 2024
- ✓ **Increases vs 2024 ZNG:** Employee costs (2% inflation); Staff travel; Operations; Communications
- ✓ **Decreases Vs 2024 ZNG:** Meetings
- ✓ Activities funded from cash bal. is less by 248k

Cost category	2025 ZNG
Employee salaries, allowances & benefits	1,794,700
Consultants	85,000
Meeting costs	1,547,000
Travel of Article 5 parties and experts	1,195,000
Staff travel on official business	210,000
Operating costs	181,000
Public awareness and communication	57,800
Total direct costs	5,070,500
PSC 1	659,165
Total incl. PSC 1	5,729,665
Additional activities	140,000
PSC 2	18,200
Total additional incl. PSC 2	5,210,500
Overall PSC	677,365
Grand total	5,887,865

Cash bal. - Depending upon cash levels and upon 2024 deliverables, more funding may be requested for education/videos/translations.



Fact Sheets

(UNEP/OzL.Pro.35/INF/1)

Activity Fact sheets – 16 factsheets grouped under 6 areas of work

Activity No.	MPL_Recommended budget	MPL_ZNG budget	VCL_Approved budget	Estimated earmarked contributions
Area of Work 1: Conference and Meetings	2,526,000	2,526,000	494,500	40,000
Area of Work 2: Policy Implementation	Staff time & travel costs			-
Area of Work 3: Support to the work of the Assessment Panels	410,000	405,000	Staff time & travel	423,121
Area of Work 4: Data Reporting, Monitoring and Compliance	Staff time & travel cots			-
Area of Work 5: Knowledge and Information Management and Outreach	283,000	245,000	22,500	-
Area of Work 6: Overall Management	401,000	335,000	105,500	-
Staff Costs	1,759,500	1,759,500	684,788	-
Total direct costs	5,379,500	5,270,500	1,307,288	463,121
Programme support costs	699,335	685,165	169,947	49,925
Grand Total	6,078,835	5,955,665	1,477,235	513,046

*Thank
you*

