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**Twenty-Eighth Meeting of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**

Kigali, Rwanda, 10–14 October 2016

Item 3 (b) of the provisional agenda for the preparatory segment *

**Administrative matters: financial report of the trust fund
and budgets for the Montreal Protocol**

**Proposed revision to the approved budget for 2016 and proposed
budgets for 2017 and 2018 for the Trust Fund for the Montreal
Protocol on Substances that Deplete the Ozone Layer**

Note by the Secretariat

1. The Secretariat has the honour to present the proposed revision to the approved budget for 2016 and the proposed budgets for 2017 and 2018 for the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer (see annex I), together with an organization chart and a staffing table for the Ozone Secretariat (see annex II). Annex III includes different scenarios of the updated scale of contributions by the parties for the 2017 proposed budget in accordance with paragraph 4 of decision XXVII/18.
2. Summaries of the revised 2016 and the proposed 2017 and 2018 budgets are presented in tables A1 and A2 of annex I. The detailed budgets are presented in table A3 of annex I, along with explanatory notes.
3. The budgets are presented in accordance with the International Public Sector Accounting Standards (IPSAS), as presented in the 2015 financial statements and budget performance report set forth in the note by the Secretariat on the indicative financial report and information related to the trust funds for the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol submitted to the Open-ended Working Group at its thirty-eighth meeting (UNEP/OzL.Pro.WG.1/38/INF/3).
4. The proposed budget revision for 2016 and budgets for 2017 and 2018 have been reviewed and endorsed by UNEP in accordance with paragraph 17 of the terms of reference for the administration of the Trust Fund.

A. Revised budget for 2016

5. The revised budget for 2016 has remained at the overall approved level of \$6,772,162 with minor shifting of funds between categories as follows:

* UNEP/OzL.Pro.28/1.

(a) An additional \$80,000 has been incurred to cover the cost of conference services and related interpretation costs due to an extra day being added to the planned thirty-eighth meeting of the Open-ended Working Group and the Third Extraordinary Meeting of the Parties, initially planned to be 7 days in total, in order to hold the resumed thirty-seventh meeting of the Open-ended Working Group, to be held on 15 and 16 July 2016, back to back with the thirty-eighth meeting of the Open-ended Working Group (18-21 July 2016) and the Third Extraordinary Meeting of the Parties (22 to 23 July 2016), to be held in Vienna, Austria;

(b) An additional \$70,000 has been incurred to cover the additional interpretation sessions for the thirty-eighth meeting of the Open-ended Working Group and the Third Extraordinary Meeting of the Parties in Vienna. In the initial approved budget the provision for interpretation for the two meetings was two sessions per day;

(c) The total increase in direct cost is \$150,000 which is offset by projected savings of \$150,000 in staff cost due to the vacancy of the Programme Management Officer (P4) post currently under recruitment.

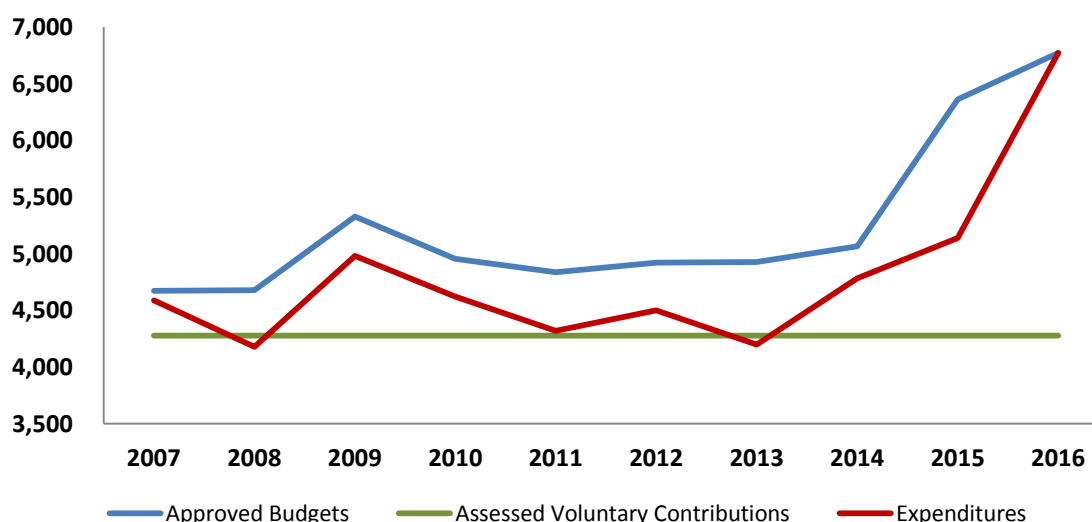
6. In accordance with paragraph 11 of decision XXVII/18, the parties to the Montreal Protocol requested the Executive Secretary to fully utilize the programme support costs available to it in 2016 and, where possible, to offset those costs against the administrative components of the approved budget. On the basis of that decision, the Secretariat has budgeted to fully utilize the available resources for programme support costs in coordination with the United Nations Environment Programme. The planned programme support cost budget for fiscal year 2016 is to cover staff in administrative roles and the cost of upgrading the Secretariat website.

B. Cash flow problem in 2016

7. At the Eighteenth Meeting of the Parties, held from 30 October to 3 November 2006, the parties agreed in decision XVIII/5 on a voluntary assessed contribution level of \$4,276,933, starting in 2007. For every year since then, the parties have approved on the same level of contribution to the trust fund, with the aim of maintaining the national voluntary assessed contributions of the parties at the 2007 level and drawing down from the fund balance to cover the difference between the annual budget and the voluntary assessed contributions. The fund balance in the reserve, which consisted of cash reserve plus receivables in arrears, stood at \$8 million in 2007. That cash reserve has since been spent entirely due to the annual drawdowns until 2015.

8. Chart 1 below shows the historical annual budgets, expenditures and assessed voluntary contributions; the shortfall between approved budgets and the contributions for each of the years was covered by approved drawdowns from the fund balance of the trust fund.

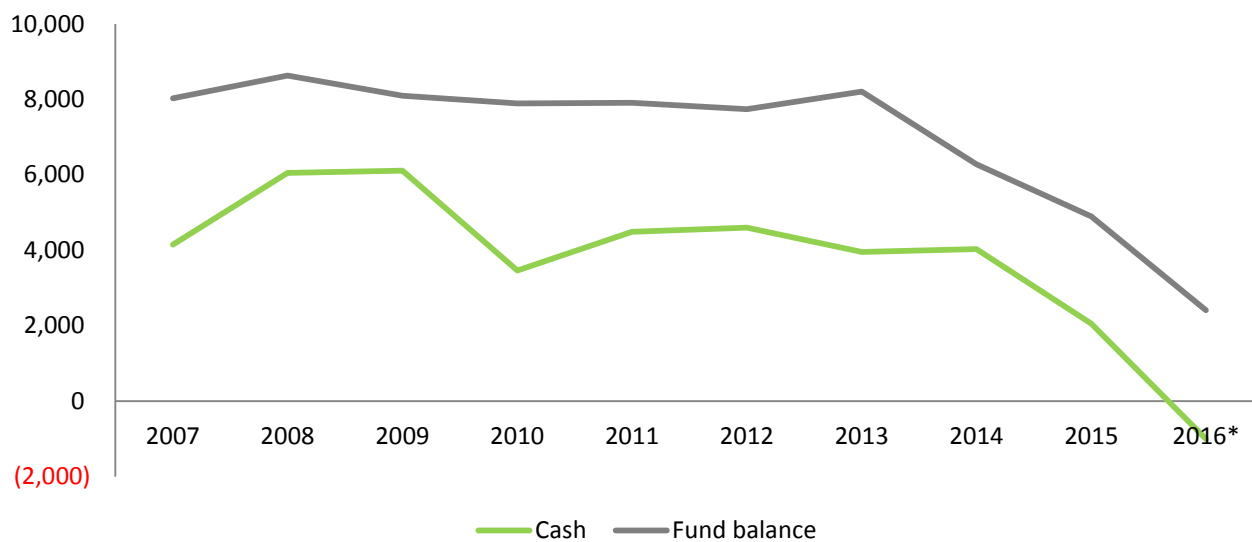
Chart 1
Progression of Approved Budgets, Expenditures and Assessed Voluntary Contributions for years: 2007 to 2016
 (Thousands of United States dollars)



9. Because of the sustained drawdowns of the fund balance, the trust fund for the Montreal Protocol is currently facing significant liquidity risk¹. The Secretariat has performed cash flow forecasting and rolling forecasts of liquidity requirements to determine whether the trust fund has sufficient cash to meet operational needs. Based on this analysis there is a significant liquidity risk for both 2016 and 2017 as a result of: (1) the low ending cash position for 2015; (2) the large contributions receivable in arrears; (3) the increase in expenditures due to the approved additional meetings; and (4) the additional meeting (resumed thirty-seventh meeting of the Open-ended Working Group) that had not been budgeted for in 2016.

10. Chart 2 below graphically outlines the ending cash positions and fund balance for the Montreal Protocol trust fund for fiscal years 2007 to 2016 with 2016 being an estimate.

Chart 2
Progression of cash position and fund balance 2007 to 2016
 (Thousands of United States dollars)



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Cash balance	4,147	6,053	6,107	3,463	4,491	4,595	3,956	4,028	2,057	(1,000)
Fund balance	8,028	8,626	8,099	7,895	7,908	7,736	8,209	6,281	4,898	2,410

11. The budget proposals presented in the past to the parties included drawdowns with the aim of balancing the budget as a result of the lower contributions compared to the approved budget each year. Prior to fiscal year 2015 the fund balance was primarily composed of cash and the lower contributions did not have an operational impact on the trust fund. Whilst for Fiscal year 2016 the projected fund balance is estimated to be adequate at \$2.4 million, the associated cash balance is in a dire position. In financial terms, the fund balance is a calculation of the total assets (i.e. cash, contributions receivable, and physical assets among others) less total liabilities. The implementation of the decision for the 2016 budget to drawdown funds (\$2.4 million) can only be implemented through decreasing of cash that the trust fund does not have to compensate the whole amount. As shown in chart 2 above, the cash balance of the trust fund in 2015 has decreased by 50 per cent or \$1.9 million when compared to the 2014 ending cash balance.

12. The UN Financial Rules and Regulations prohibit trust funds from operating in a negative cash position and as such the Ozone Secretariat, in coordination with the parties, must put in place adequate mitigation plans before the end of 2016. It must be noted that several parties have already paid their 2016 assessed voluntary contributions and this has delayed the liquidity risk but not resolved the problem. The problem can only be resolved by significantly reducing expenditures, receiving additional and new contributions from the parties or collecting on arrears contributions receivable and/or a combination of all options.

¹ Liquidity risk is the risk that the trust fund might not have adequate cash to meet its obligations as they fall due.

13. The Secretary General bulletin (ST/SGB/188) on “Establishment and management of trust funds” requires the establishment of a working cash reserve at the level of 15 per cent of the estimated annual budget expenditures. This working cash reserve would provide a buffer during shortfalls in contributions to the trust fund and in the final closure of obligations. Additionally, the parties reaffirmed the establishment of a 15 per cent cash reserve in their decision XXVI/21 under paragraph 6. The UN’s Office of Internal Oversight Services (OIOS) concluded its audit of the Ozone Secretariat and the associated funds in 2013 with the view that there were adequate funds on hand despite long outstanding contributions in arrear. Under the current financial conditions the Montreal Protocol trust fund would not meet the minimum liquidity requirements and as such would not be in compliance with the established United Nations policy and the decisions of the parties. If this position is maintained until closure of the books (31 December 2016), it would result in a severe audit finding which will have a negative impact on UNEP’s consolidated financial statements. The projected one million cash injection needed until the end of 2016 is composed of an actual cash projection of negative \$200,000 and the statutory requirements for the cash reserve of 15 per cent of the budget calculated at \$817,000 (2017 budget).

14. In accordance with decision XXVII/18 the Secretariat, in coordination with the President of the Meeting of the Parties, has initiated discussions with parties whose contributions are in arrears, resulting in a small reduction in the outstanding amounts of contributions.

C. Proposed budgets for 2017 and 2018

15. The Secretariat developed the budget proposals for 2017 and 2018, based on accurate cost estimates available at the time of preparation. Any changes due to decisions by parties or unforeseen changes in costs will be presented to the parties in subsequent years as revisions to the budgets.

16. The explanatory notes following the proposed budgets provide brief information on the basis for the budget calculations.

17. The proposed budgets for 2017 and 2018 are lower than the 2016 by 20 per cent and 18 per cent, respectively. Comparatively 2017 budget is slightly lower than 2018 due to the fact that meeting costs for 2017 (Meeting of the Parties) are shared with the Vienna convention. The budget for both years assumes two meetings annually with the staffing levels for the Secretariat minus two posts of general administrative staff that have been frozen in 2016 and the Secretariat proposes to abolish. In financial terms, the Secretariat is submitting a zero growth budget for 2017 and 2018 budgets. The primary cost drivers for the budgets are staff cost accounting 27 per cent and meeting costs including travel of Article 5 parties accounting for 53 per cent.

18. In accordance with paragraph 11 of decision XXVII/18, the parties requested the Executive Secretary to fully utilize the Programme Support Cost (PSC) resources in 2016 and where possible to offset those costs against the administrative components of the approved budget. Based on this decision, the Secretariat has budgeted to fully utilize the available resources for PSC in coordination with UNEP. For fiscal year 2017 the planned PSC budget of \$626,365 will be used to cover the Secretariat’s administrative needs and \$206,700 is used to cover the corporate costs shared with UNEP (e.g. Umoja costs, audit, central payroll, treasury function among others).

D. Level of contributions and arrears

19. The proposed revised budget for 2016 and the proposed 2017 and 2018 budgets and the diminished fund balance and cash balance call for an increase in contributions above the level that has been held constant since 2007. Table 1 below shows the progression of income and expenditure from 2010 to 2016. The Secretariat would like to bring to the attention of the parties that it is forecasting that the fund balance will drop to \$2.4 million by the end of 2016 and a negative cash balance position if the current rate of contributions level is upheld.

Table 1**Progression of fund balance and reserves: 2010 to 2016**
(Thousands of United States dollars)

<i>Trust Fund for the Montreal Protocol</i>	<i>2010</i> <i>UNSAS²</i> <i>actual</i>	<i>2011</i> <i>UNSAS</i> <i>actual</i>	<i>2012</i> <i>UNSAS</i> <i>actual</i>	<i>2013</i> <i>UNSAS</i> <i>actual</i>	<i>2014</i> <i>IPSAS³</i> <i>actual</i>	<i>2015</i> <i>IPSAS</i> <i>actual</i>	<i>2016</i> <i>IPSAS</i> <i>forecast</i>
Accumulated surplus: start of year	7,421	7,217	7,230	7,058	7,531	5,603	4,221
IPSAS adjustment					(1,469)		
Contributions	4,277	4,277	4,277	4,277	4,277	4,277	4,277
Interest/miscellaneous income	142	55	51	16	47	6	6
Expenditure	(4,623)	(4,319)	(4,500)	(4,198)	(4,783)	(5,665)	(6,772)
Adjustments			-	378			-
Fund balance: end of period	7,217	7,230	7,058	7,531	5,603	4,221	2,610
Cash reserve	678	678	678	678	678	678	(200)
Fund balance and reserve	7,895	7,908	7,736	8,209	6,281	4,899	2,410

20. The IPSAS adjustment of \$1,469,000 in 2014 relates primarily to a provision against voluntary assessed contributions, as indicated in the note by the secretariat on financial matters (UNEP/OzL.Pro.WG.1/36/INF1).

21. 2015 expenditure includes the meeting costs and cost of travel of Article 5 parties to a two-day workshop held back to back with the three-day meeting of the thirty-fifth Open-ended Working Group in Bangkok in April 2015 (in addition to the thirty-sixth meeting of the Open-ended Working Group), as well as meeting costs and travel of Article 5 parties to a two-day intersessional informal meeting held in Vienna in June 2015. It also includes the meeting costs and travel of Article 5 parties to the resumed thirty-sixth meeting of the Open-ended Working Group held on 29 and 30 October 2015, back to back with the Twenty-Seventh Meeting of the Parties held in Dubai, United Arab Emirates, from 1 to 5 November 2015. The 2015 figures are the final and un-audited figures for the trust fund.

22. The 2016 costs reflect increased costs associated with conference servicing for the meetings of the Open-ended Working Group and the Meetings of the Parties.

E. Funding Options for the consideration of the parties for 2017 and 2018

23. It is recommended that in order for the Ozone Secretariat to maintain stable operations the cash reserve of the Montreal Protocol trust fund should be maintained at 15 per cent of the planned expenditures.

24. Based upon the analysis above, the parties may wish to consider increasing the level of contributions to match the annual approved budgets plus 15 per cent in order to replenish the cash reserve. The Ozone Secretariat is recommending that the budget for 2017 includes the onetime 15 per cent funding of the cash reserve in order to ensure cash availability for operations as required by the United Nations operation of trust funds (see paras 12 and 13). The replenishment of the cash reserve to the 15 per cent level in 2017 assumes that all parties pay their assessed voluntary contributions. However, the Secretariat is providing two more options for stabilizing the cash position of the trust fund during 2017, 2018 and 2019 as shown in table 3 below.

² UNSAS: United Nations system accounting standards;

³ IPSAS: International Public Sector Accounting Standards.

Table 2

Funding requirements 2016, 2017 & 2018

(Thousands of United States dollars)

	2016	2017	2018
Proposed Budget	6,772	5,445	5,549
Contributions Historical Value	4,277	4,277	4,277
Projected Funding Shortfall	2,495	1,168	1,272
Proposed Contribution Level	6,772	5,445	5,549
Recommended Operating Cash Reserve	-	817	832
Total Proposed Contribution Level		6,262	6,381

25. Based on the proposed budget for 2017 the Ozone Secretariat has developed three funding options (see table 3) with the associated estimated cash position and fund balance for consideration by parties. All three options below assume parties will pay 100 per cent of the assessed voluntary contributions for 2017 and 2018.

Table 3

Funding options for the proposed 2017 budget and resulting impact on 2017, 2018 and 2019 contributions

Option 1 (recommended option)	Option 2	Option 3
Contributions level: <u>\$6.262 million</u> Option parameters: Fully funding of the budget and the cash reserve in fiscal year 2017	Contributions level: <u>\$5.853 million</u> Option parameters: Fully funding of the budget and the cash reserve over two years (2017/2018)	Contributions level: <u>\$5.714 million</u> Option parameters: Fully funding of the budget and the cash reserve over three years (2017/2018/2019)
Projected Year End Balances: Cash: \$817 thousand Fund Balance: \$2.35 million	Projected Year End Balances: Cash: \$408 thousand Fund Balance: \$2.35 million	Projected Year End Balances: Cash: \$270 thousand Fund Balance: \$2.35 million

F. Key observations

26. There are six key observations for the parties to consider at their deliberations:

- (a) The revised budget for 2016 has remained at the overall approved level of \$ 6,772,162 and the programme support cost for 2015 has been fully utilized;
- (b) Two posts at the general administrative level that have been frozen in 2015 are proposed to be abolished;
- (c) The fund balance (cash reserve plus receivable in arrears plus other assets) stood at \$8 million in 2007 but that fund balance has significantly been reduced and the cash balance has been totally spent due to the annual drawdowns;
- (d) The trust fund of the Montreal Protocol is currently facing significant liquidity risk and the UN financial rules prohibit trust funds from operating in a negative cash position. This may jeopardise short term operations of the Secretariat;
- (e) The parties to the Montreal Protocol must put in place adequate mitigation plans (reduce planned expenditures, receiving additional and new contributions, collecting on arrears) before the end of 2016 to address the negative cash balance of \$1million.
- (f) Three funding options are being proposed for 2017 and 2018 to match the expenditures projected for the respective years and to build gradually the statutory cash reserve that has been fully depleted. The Ozone Secretariat recommends option 1.

Annex I

Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer: proposed revision to the approved budget for 2016 and proposed budgets for 2017 and 2018

Table A1

Summary of 2016 budget revision

(United States dollars)

<i>Cost category</i>	<i>Approved 2016</i>	<i>Revised 2016</i>	<i>Change</i>	<i>Percentage change</i>
Employee salaries, allowances and benefits	1,443,194	1,293,194	(150,000)	-10%
Non-employee compensation and allowances	85,000	85,000	-	0
Supplies and consumables	219,870	219,870	-	0
Travel on official business	225,000	225,000	-	0
Operating expenses			-	-
Meeting costs	2,255,000	2,405,000	150,000	7%
Meeting participation of A-5 parties	1,740,000	1,740,000	-	0%
Miscellaneous	25,000	25,000	-	0
Subtotal	5,993,064	5,993,064	-	0%
Programme support costs (13 per cent)	779,098	779,098	-	0%
Total	6,772,162	6,772,162	-	0%

Table A2

Summary of budget proposals for 2016, 2017 and 2018

(United States dollars)

<i>Cost category</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employee salaries, allowances and benefits	1,293,194	1,483,072	1,490,082
Non-employee compensation and allowances	85,000	85,000	85,000
Supplies and consumables	219,870	299,870	209,870
Travel on official business	225,000	225,000	225,000
Operating expenses			
Meeting costs	2,405,000	1,395,250	1,571,000
Meeting participation of A-5 parties	1,740,000	1,305,000	1,305,000
Miscellaneous	25,000	25,000	25,000
Subtotal	5,993,064	4,818,192	4,910,952
Programme support costs (13 per cent)	779,098	626,365	638,424
Total	6,772,162	5,444,557	5,549,376

Table A3**Proposed revision to the approved budget for 2016 and proposed budgets for 2017 and 2018 of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer**

(United States dollars)

<i>Cost category</i>	<i>Revised 2016</i>	<i>Proposed 2017</i>	<i>Proposed 2018</i>
1100 Professional and higher category	1,060,652	1,249,082	1,249,082
1300 Administrative support	232,542	233,990	241,000
Component total: Employee salaries, allowances and benefits	1,293,194	1,483,072	1,490,082
Consultants			
1201 Assistance in data reporting, analysis and promotion of implementation of the Protocol	85,000	85,000	85,000
Component total: Non-employee compensation and allowances	85,000	85,000	85,000
Expendable equipment			
4101 Miscellaneous expendables	18,000	18,000	18,000
Subtotal	18,000	18,000	18,000
Non-expendable equipment			
4201 Personal computers and accessories	5,000	5,000	5,000
4202 Portable computers	5,000	5,000	5,000
4203 Other office equipment (server, scanner, furniture, etc.)	5,000	5,000	5,000
4204 Photocopiers	5,000	5,000	5,000
4205 Equipment and peripherals for paperless meetings	5,000	5,000	5,000
Subtotal	25,000	25,000	25,000
Rental of premises			
4301 Rental of office premises	41,870	41,870	41,870
Subtotal	41,870	41,870	41,870
Operational and maintenance of equipment			
5101 Maintenance of equipment and others	20,000	20,000	20,000
Subtotal	20,000	20,000	20,000
Reporting costs			
5201 Reporting	65,000	65,000	50,000
5202 Reporting (assessment panels)	5,000	5,000	5,000
5203 Reporting (Protocol awareness)	5,000	5,000	5,000
Subtotal	75,000	75,000	60,000
Sundry			
5301 Communications	10,000	10,000	10,000
5302 Freight charges	10,000	10,000	10,000
5303 Training	10,000	10,000	10,000
5304 Others (International Ozone Day)	10,000	90,000	15,000

Subtotal		40,000	120,000	45,000
Component total: Supplies and consumables		219,870	299,870	209,870
Travel on official business				
1601	Staff travel on official business	210,000	210,000	210,000
1602	Conference Services staff travel on official business	15,000	15,000	15,000
Component total: Travel on official business		225,000	225,000	225,000
Meeting costs				
1321	Conference services costs: Open-ended Working Group meetings	600,000	676,000	676,000
1322	Conference services costs: preparatory meetings and meetings of the parties	625,000	489,250	645,000
1323	Communication costs of A-5 assessment panel members and organizational costs of meetings	70,000	70,000	90,000
1324	Conference services costs: Bureau meetings	25,000	25,000	25,000
1325	Conference services costs: Implementation Committee meetings	125,000	125,000	125,000
1326	Conference services costs: Montreal Protocol informal consultation meetings	10,000	10,000	10,000
1332	Conference services costs: resumed thirty-seventh meeting of the Open-ended Working Group	80,000	–	–
1333	Conference services costs - Additional five-day OEWG meeting and two day back to back extraordinary MOP	870,000	–	–
Subtotal		2,405,000	1,395,250	1,571,000
Travel of A-5 parties				
3301	Travel of A-5 parties: assessment panel meetings	450,000	450,000	450,000
3302	Travel of A-5 parties: preparatory meetings and meetings of the parties	375,000	375,000	375,000
3303	Travel of A-5 parties: Open-ended Working Group meetings	325,000	325,000	325,000
3304	Travel of A-5 parties: Bureau meetings	20,000	20,000	20,000
3305	Travel of A-5 parties: Implementation Committee meetings	125,000	125,000	125,000
3306	Travel of A-5 parties: consultations in an informal meeting	10,000	10,000	10,000
3312	Travel of A-5 parties - Additional five-day OEWG meeting back to back and two-day extraordinary MOP	435,000	–	–
Subtotal		1,740,000	1,305,000	1,305,000
Hospitality				
5401	Hospitality	25,000	25,000	25,000
Subtotal		25,000	25,000	25,000
Component total: Operating expenses		4,170,000	2,725,250	2,725,250
Total direct costs		5,993,064	4,818,192	4,910,952
Programme support costs (13 per cent)		779,098	626,365	638,424
Grand total		6,772,162	5,444,557	5,549,376

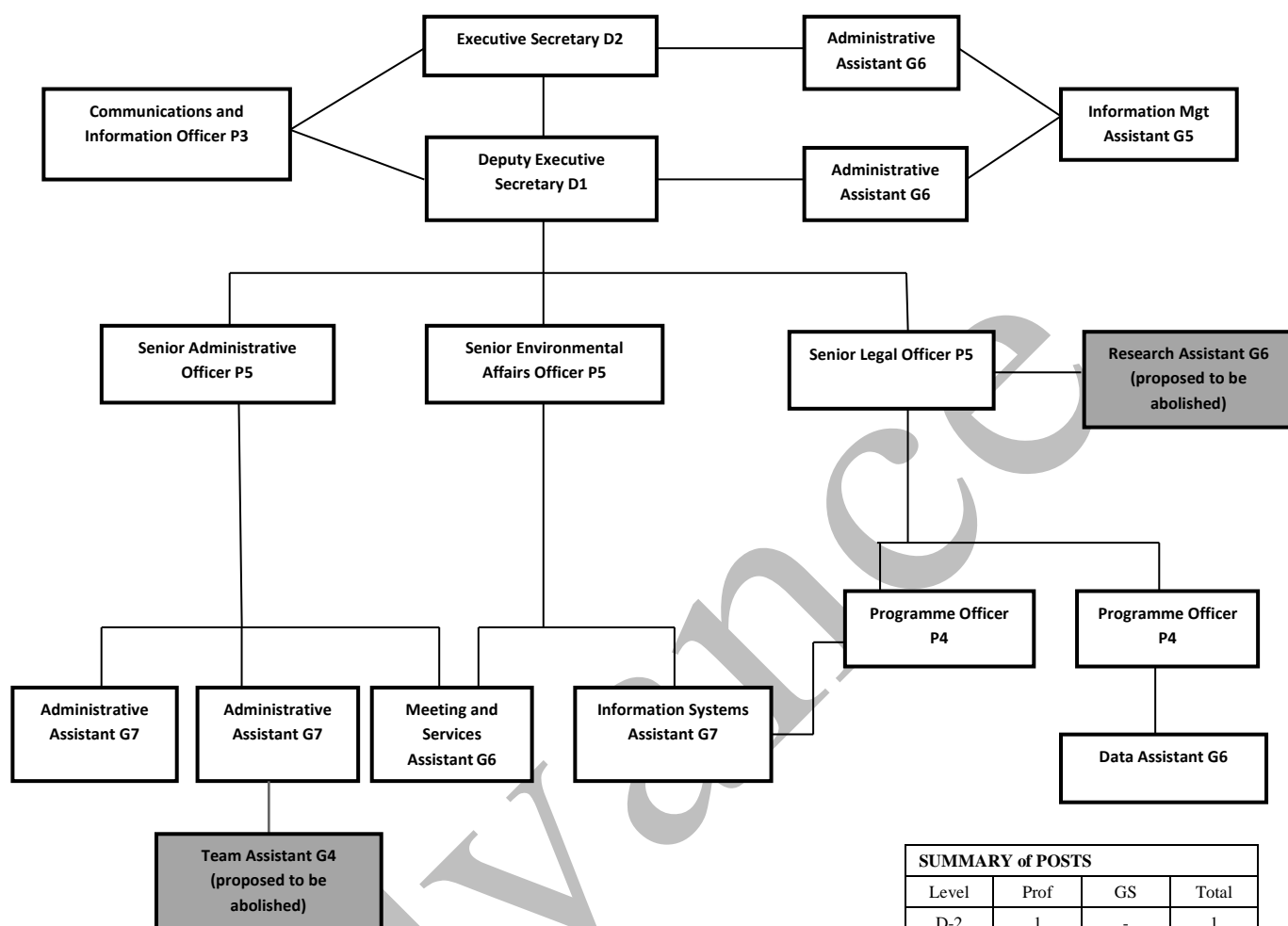
Explanatory notes for the proposed revision to the approved budget for 2016 and the proposed budgets for 2017 and 2018 of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer

<i>Budget line</i>	<i>Comment</i>
Professional and higher category 1100	<p>Indicative Professional-level salary costs applicable to the Nairobi duty station and trends in salary costs have been used for the budgets. Salary costs for staff at the Professional level consist of: (a) basic salaries; (b) post adjustment as determined and reviewed by the International Civil Service Commission of the United Nations throughout the year, based on the cost of living index of the Nairobi duty station; and (c) entitlements such as home leave travel, which is granted during alternate years, and education grant. Annex II shows the detailed staffing table of the Secretariat with relevant levels.</p> <p>The post of the Senior Environmental Affairs Officer was filled internally effective January 2016. The proposed budgets for 2017 and 2018 represent full years' salary and emoluments at the P-5 level.</p> <p>The post of the Programme Officer became vacant as of January 2016. The post is currently under recruitment and is expected to be filled by the end of 2016.</p> <p>The post of Senior Administrative Officer at the P-5 level is funded by the programme support cost budget.</p> <p>The post of Communications and Information Officer at the P-3 level is funded fully from the trust fund for the Vienna Convention.</p>
Administrative support/personnel 1300	<p>Indicative General Service level salary costs applicable to the Nairobi duty station and trends in actual salary cost have been used for the budgets. Annex II shows the detailed staffing table of the Secretariat with relevant levels.</p> <p>The approved 2016 budget increased by 5 per cent compared with the 2015 budget to cater for normal step increment and inflation.</p> <p>The 2017 and 2018 budget proposals reflect trends in actual costs and a 3 per cent inflationary rate taking into account annual salary step increments.</p> <p>Two posts at the G-6 level, Programme Assistant and Meeting Services Assistant, are funded by the trust fund for the Vienna Convention.</p> <p>The 2017 budget further cuts the staffing levels for the Secretariat with the proposal of abolishing two posts (G6-Research Assistant and G4 Team Assistant)</p>
Consultants 1201	<p>Consultants are used by the Secretariat for research on meetings and facilitation of the workshop on HFC management. The proposed budget for 2017 would not change from the approved amount \$85,000, and would be maintained at that level in 2018.</p>
Supplies and consumables 4101, 4201-4205, 4301, 5101, 5201- 5203, 5301-5304	<p>The section includes expendable equipment, non-expendable equipment, and rental of office premises, reporting costs, communication, freight, training and the costs of Ozone Day celebrations. For 2017 the Secretariat is looking to enhance the Ozone Day celebrations as this being the 30th anniversary of the Montreal Protocol. The Secretariat will embark on a multi-faceted campaign to raise awareness.</p>
Reporting 5201	<p>The amount budgeted for reporting will enable the Secretariat to cover standard reporting costs associated with operations and remains relatively constant for the three years.</p>
Travel on official business 1601-1602	<p>Travel on official business for 2017 and 2018 is maintained at the 2016 level</p>

<i>Budget line</i>	<i>Comment</i>
Operating expenses 1321-1331, 3301 to 3311 and 5401	This section includes meetings costs, travel of Article 5 participants and hospitality
	Meeting costs (not including travel of Article 5 parties)
	The 2016 meeting costs have been increased as follows:
1333	<p>\$80,000 to cover the cost of the resumed thirty-seventh meeting of the Open-ended Working Group to be held on 15 and 16 July 2016, back to back with the Thirty-eight meeting of the Open-ended Working Group and the Third Extraordinary Meeting of the Parties to take place in Vienna on 18-23 July.</p> <p>\$70,000 to cover 3 daily interpretation sessions for the Open-ended Working Group in Vienna and the Third Extraordinary Meeting in July, the third interpretation session is substantially higher due to the summer holidays and Department of Conference Services having to hire non Vienna based interpreters</p>
1321	<p>For the 2017 proposed budget:</p> <p>The 2017 budget decreased by 20 per cent when compared with 2016 due to the one less meeting planned and additionally in 2017, the cost of the meeting is shared with the Vienna Convention Trust Fund, which is currently budgeted at \$252,000; hence the decrease in meeting costs to \$489,250 – However the proposed budget for 2018 for this line item will increase to \$676,000.</p>
1324	One Bureau meeting is scheduled for each of the years 2017 and 2018, with provision for interpretation and document translation into the appropriate languages depending on the membership of the Bureau. The proposed costs have remained the same as the 2016 budget.
1325	The proposed budgets for Implementation Committee meetings in 2017 and 2018 have remained the same as the approved 2016 amount.
5401	<p>The hospitality cost covers receptions at the meetings of the Open-ended Working Group and the Meetings of the Parties.</p> <p>Necessary funds may be transferred from the conference servicing budget lines (1321–1326) should such services be required, either through individual consultancies or corporate contracts.</p>
	Travel of Article 5 participants:
	For the 2017 proposed budget:
3301-3311	The participation of representatives of parties operating under paragraph 1 of Article 5 in the various Montreal Protocol meetings is budgeted at \$5,000 per representative per meeting using the most appropriate and advantageous economy-class fare and United Nations daily subsistence allowances.
3311	<p>All other costs remain the same. For 2017 and 2018, the cost of travel for Article 5 participants decreases, as no additional meetings are planned.</p> <p>The Secretariat confirms that no funds from the budget lines in this section have been used to cover travel of non-Article 5 parties.</p>

Annex II

Organization chart



Senior Management Team: Executive Secretary, Deputy Executive Secretary, Senior Legal Officer, Senior Environmental Affairs Officer and Senior Administrative Officer

Administrative and Management Team: Senior Administrative Officer and all General Service staff

Environmental Affairs and Assessment Panels Team: Senior Environmental Affairs Officer and Professional staff

Legal Affairs and Compliance Team: Senior Legal Officer and Professional staff

Information Technology Team: Programme Officer and Information Management and Systems Assistant

SUMMARY of POSTS			
Level	Prof	GS	Total
D-2	1	-	1
D-1	1	-	1
P-5	3	-	3
P-4	2	-	2
P-3	1	-	1
GS *	-	10	10
Total	8	10	18

* 2 posts vacated in 2015 and proposed to be abolished

Staffing table for posts funded by the Trust Fund for the Montreal Protocol

Level	Professional and higher	General Service	Total
D-2 ^a	1	–	1
D-1	1	–	1
P-5 ^b	2	–	2
P-4	2	–	2
General Service ^c		6	6
Total	6	6	12

^a Funded 50 per cent by the Vienna Convention Trust Fund and 50 per cent by the Montreal Protocol Trust Fund.

^b One post funded 100 per cent by the Montreal Protocol Trust Fund and one post funded 50 per cent by the Vienna Convention Trust Fund and 50 per cent by the Montreal Protocol Trust Fund.

^c Three posts funded 100 per cent by the Montreal Protocol Trust Fund and three posts funded 50 per cent by the Vienna Convention Trust Fund and 50 per cent by the Montreal Protocol Trust Fund.

Annex III

Scale of Contributions by the Parties – proposed options

Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer						
(General Assembly Resolution A/67/502/Add.1 of 24 December 2012 with a maximum assessment rate of 22 per cent)						
	NAME OF PARTY	Adjusted UN scale with 22% maximum assessment rate considered	2016 contributions by parties	2017 contributions by parties	2017 contributions by parties	2017 contributions by parties
			<u>Current Level</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
1	Afghanistan	0	-	0	0	0
2	Albania	0	-	0	0	0
3	Algeria	0.137	5,840	8,550	7,992	7,803
4	Andorra	0	-	0	0	0
5	Angola	0	-	0	0	0
6	Antigua and Barbuda	0	-	0	0	0
7	Argentina	0.431	18,416	26,960	25,201	24,604
8	Armenia	0	-	0	0	0
9	Australia	2.067	88,412	129,431	120,990	118,120
10	Austria	0.795	34,018	49,800	46,553	45,448
11	Azerbaijan	0	-	0	0	0
12	Bahamas	0	-	0	0	0
13	Bahrain	0	-	0	0	0
14	Bangladesh	0	-	0	0	0
15	Barbados	0	-	0	0	0
16	Belarus	0	-	0	0	0
17	Belgium	0.995	42,543	62,282	58,220	56,839
18	Belize	0	-	0	0	0
19	Benin	0	-	0	0	0
20	Bhutan	0	-	0	0	0
21	Bolivia (Plurinational State of)	0	-	0	0	0
22	Bosnia and Herzegovina	0	-	0	0	0
23	Botswana	0	-	0	0	0
24	Brazil	2.924	125,072	183,101	171,159	167,099
25	Brunei Darussalam	0	-	0	0	0
26	Bulgaria	0	-	0	0	0
27	Burkina Faso	0	-	0	0	0
28	Burundi	0	-	0	0	0
29	Cabo Verde	0	-	0	0	0
30	Cambodia	0	-	0	0	0
31	Cameroon	0	-	0	0	0
32	Canada	2.974	127,204	186,221	174,076	169,947
33	Central African Republic	0	-	0	0	0

34	Chad	0	-	0	0	0
35	Chile	0.333	14,238	20,844	19,484	19,022
36	China	5.131	219,452	321,268	300,316	293,192
37	Colombia	0.258	11,041	16,163	15,109	14,751
38	Comoros	0	-	0	0	0
39	Congo	0	-	0	0	0
40	Cook Islands	0	-	0	0	0
41	Costa Rica	0	-	0	0	0
42	Cote d' Ivoire	0	-	0	0	0
43	Croatia	0.126	5,371	7,863	7,350	7,176
44	Cuba	0	-	0	0	0
45	Cyprus	0	-	0	0	0
46	Czech Republic	0.385	16,455	24,089	22,518	21,984
47	Democratic People's Republic of Korea	0	-	0	0	0
48	Democratic Republic of Congo	0	-	0	0	0
49	Denmark	0.673	28,774	42,124	39,377	38,443
50	Djibouti	0	-	0	0	0
51	Dominica	0	-	0	0	0
52	Dominican Republic	0	-	0	0	0
53	Ecuador	0	-	0	0	0
54	Egypt	0.134	5,712	8,362	7,817	7,632
55	El Salvador	0	-	0	0	0
56	Equatorial Guinea	0	-	0	0	0
57	Eritrea	0	-	0	0	0
58	Estonia	0	-	0	0	0
59	Ethiopia	0	-	0	0	0
60	European Union	2.492	106,572	156,016	145,841	142,382
61	Fiji	0	-	0	0	0
62	Finland	0.517	22,124	32,389	30,277	29,558
63	France	5.575	238,422	349,039	326,276	318,536
64	Gabon	0	-	0	0	0
65	Gambia	0	-	0	0	0
66	Georgia	0	-	0	0	0
67	Germany	7.118	304,411	445,645	416,581	406,699
68	Ghana	0	-	0	0	0
69	Greece	0.636	27,197	39,815	37,219	36,336
70	Grenada	0	-	0	0	0
71	Guatemala	0	-	0	0	0
72	Guinea	0	-	0	0	0
73	Guinea-Bissau	0	-	0	0	0
74	Guyana	0	-	0	0	0
75	Haiti	0	-	0	0	0
76	Holy See	0	-	0	0	0
77	Honduras	0	-	0	0	0
78	Hungary	0.265	11,339	16,600	15,518	15,149
79	Iceland	0	-	0	0	0
80	India	0.664	28,391	41,563	38,852	37,930
81	Indonesia	0.345	14,750	21,593	20,184	19,706
82	Iran (Islamic Republic of)	0.355	15,176	22,217	20,768	20,275

83	Iraq	0	-	0	0	0
84	Ireland	0.417	17,819	26,086	24,385	23,806
85	Israel	0.395	16,881	24,713	23,101	22,553
86	Italy	4.433	189,612	277,584	259,481	253,326
87	Jamaica	0	-	0	0	0
88	Japan	10.797	461,796	676,049	631,959	616,968
89	Jordan	0	-	0	0	0
90	Kazakhstan	0.121	5,158	7,551	7,059	6,891
91	Kenya	0	-	0	0	0
92	Kiribati	0	-	0	0	0
93	Kuwait	0.272	11,638	17,037	15,926	15,548
94	Kyrgyzstan	0	-	0	0	0
95	Lao People's Democratic Republic	0	-	0	0	0
96	Latvia	0	-	0	0	0
97	Lebanon	0	-	0	0	0
98	Lesotho	0	-	0	0	0
99	Liberia	0	-	0	0	0
100	Libya	0.142	6,053	8,862	8,284	8,087
101	Liechtenstein	0	-	0	0	0
102	Lithuania	0	-	0	0	0
103	Luxembourg	0	-	0	0	0
104	Madagascar	0	-	0	0	0
105	Malawi	0	-	0	0	0
106	Malaysia	0.28	11,979	17,536	16,393	16,004
107	Maldives	0	-	0	0	0
108	Mali	0	-	0	0	0
109	Malta	0	-	0	0	0
110	Marshall Islands	0	-	0	0	0
111	Mauritania	0	-	0	0	0
112	Mauritius	0	-	0	0	0
113	Mexico	1.836	78,522	114,953	107,456	104,907
114	Micronesia (Federated States of)	0	-	0	0	0
115	Monaco	0	-	0	0	0
116	Mongolia	0	-	0	0	0
117	Montenegro	0	-	0	0	0
118	Morocco	0	-	0	0	0
119	Mozambique	0	-	0	0	0
120	Myanmar	0	-	0	0	0
121	Namibia	0	-	0	0	0
122	Nauru	0	-	0	0	0
123	Nepal	0	-	0	0	0
124	Netherlands	1.649	70,508	103,220	96,489	94,200
125	New Zealand	0.252	10,785	15,789	14,759	14,409
126	Nicaragua	0	-	0	0	0
127	Niger	0	-	0	0	0
128	Nigeria	0	-	0	0	0
129	Niue	0	-	0	0	0
130	Norway	0.848	36,277	53,108	49,644	48,467
131	Oman	0.102	4,348	6,365	5,950	5,809

132	Pakistan	0	-	0	0	0
133	Palau	0	-	0	0	0
134	Panama	0	-	0	0	0
135	Papua New Guinea	0	-	0	0	0
136	Paraguay	0	-	0	0	0
137	Peru	0.117	4,988	7,302	6,825	6,663
138	Philippines	0.153	6,565	9,611	8,984	8,771
139	Poland	0.918	39,261	57,476	53,728	52,453
140	Portugal	0.472	20,206	29,581	27,651	26,996
141	Qatar	0.208	8,909	13,043	12,192	11,903
142	Republic of Korea	1.987	85,002	124,438	116,323	113,564
143	Republic of Moldova	0	-	0	0	0
144	Romania	0.225	9,634	14,104	13,184	12,871
145	Russian Federation	2.43	103,929	152,147	142,224	138,851
146	Rwanda	0	-	0	0	0
147	Saint Kitts and Nevis	0	-	0	0	0
148	Saint Lucia	0	-	0	0	0
149	Saint Vincent and the Grenadines	0	-	0	0	0
150	Samoa	0	-	0	0	0
151	San Marino	0	-	0	0	0
152	Sao Tome and Principe	0	-	0	0	0
153	Saudi Arabia	0.861	36,831	53,919	50,403	49,207
154	Senegal	0	-	0	0	0
155	Serbia	0	-	0	0	0
156	Seychelles	0	-	0	0	0
157	Sierra Leone	0	-	0	0	0
158	Singapore	0.383	16,369	23,964	22,401	21,870
159	Slovakia	0.17	7,290	10,672	9,976	9,739
160	Slovenia	0	-	0	0	0
161	Solomon Islands	0	-	0	0	0
162	Somalia	0	-	0	0	0
163	South Africa	0.371	15,858	23,215	21,701	21,186
164	South Sudan	0	-	0	0	0
165	Spain	2.963	126,735	185,534	173,434	169,320
166	Sri Lanka	0	-	0	0	0
167	Sudan	0	-	0	0	0
168	Suriname	0	-	0	0	0
169	Swaziland	0	-	0	0	0
170	Sweden	0.957	40,924	59,910	56,003	54,675
171	Switzerland	1.044	44,632	65,340	61,078	59,629
172	Syrian Arab Republic	0	-	0	0	0
173	Tajikistan	0	-	0	0	0
174	Thailand	0.238	10,188	14,915	13,942	13,612
175	The former Yugoslav Republic of Macedonia	0	-	0	0	0
176	Timor-Leste	0	-	0	0	0
177	Togo	0	-	0	0	0
178	Tonga	0	-	0	0	0
179	Trinidad and Tobago	0	-	0	0	0
180	Tunisia	0	-	0	0	0

181	Turkey	1.324	56,611	82,876	77,471	75,633
182	Turkmenistan	0	-	0	0	0
183	Tuvalu	0	-	0	0	0
184	Uganda	0	-	0	0	0
185	Ukraine	0	-	0	0	0
186	United Arab Emirates	0.593	25,364	37,132	34,710	33,887
187	United Kingdom	5.162	220,774	323,203	302,125	294,958
188	United Republic of Tanzania	0	-	0	0	0
189	United States of America	21.928	937,830	1,372,942	1,283,402	1,252,959
190	Uruguay	0	-	0	0	0
191	Uzbekistan	0	-	0	0	0
192	Vanuatu	0	-	0	0	0
193	Venezuela (Bolivarian Republic of)	0.625	26,728	39,129	36,577	35,709
194	Vietnam	0	-	0	0	0
195	Yemen	0	-	0	0	0
196	Zambia	0	-	0	0	0
197	Zimbabwe	0	-	0	0	0
	Total	100	4,276,933	6,261,241	5,852,899	5,714,063

Advanced