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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-first Meeting  
Montreal, 18-22 June 2018

**FINAL REPORT ON THE REVIEW OF THE OVERALL STRUCTURE OF THE  
COMPLIANCE ASSISTANCE PROGRAMME (DECISION 80/55(b)(i))****Background**

1. At its 77<sup>th</sup> meeting, the Executive Committee requested UNEP to review the overall structure of the UNEP Compliance Assistance Programme (CAP), and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the 79<sup>th</sup> meeting.<sup>1</sup>
2. At its 79<sup>th</sup> meeting, the Executive Committee noted that UNEP had asked to submit the report along with the 2018 CAP work programme that was due to the 80<sup>th</sup> meeting.
3. At the 80<sup>th</sup> meeting, UNEP submitted a brief review of the overall structure of the CAP as part of UNEP's CAP budget for 2018,<sup>2</sup> in line with decision 77/38(c). During the discussion about the review of the overall structure of the CAP, one member urged that prudence be exercised with regard to making decisions about the programme before the review had been completed, particularly filling vacant positions before a new structure had been found based on the completed review; CAP should ensure that it remained useful as it evolved, so that it could keep addressing emerging needs and new challenges in Article 5 countries; resources provided to the CAP should be used solely for the purposes of that programme, and not used for any other UNEP activities; the efficient management of the funds provided to the CAP by the Multilateral Fund, resulting in the return of unused funds, should be maintained. Several members recognized the valuable services that UNEP, through the CAP, was providing to Article 5 countries, and expressed the hope that the CAP would continue to be of valuable assistance to countries in carrying out their HFC phase-down activities. Subsequent to the discussion, the Executive committee, *inter alia*, requested UNEP to provide a final report to the 81<sup>st</sup> meeting on the review of the overall structure of the CAP and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries (decision 80/55(b)(i)).

<sup>1</sup> Decision 77/38(c)

<sup>2</sup> UNEP/OzL.Pro/ExCom/80/28.

4. UNEP has submitted to the 81<sup>st</sup> meeting the final report on the review of the overall structure of the CAP and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries, pursuant to decision 80/55(b)(i). The final report is attached as Annex I to this document.

### **Executive Summary**

5. The review assessed the overall structure of UNEP's CAP and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries in line with the relevant decisions of the Executive Committee. It took into account the cumulative changes and reforms in the programme since the establishment of the CAP in 2002. UNEP conducted this review based on consultations with Article 5 countries, internal and external stakeholders and partners. The review also took into account network meeting recommendations, compliance missions to countries, and UNEP's performance indicators as an implementing agency.

6. UNEP became an implementing agency of the Multilateral Fund in 1991 and fulfilled this mandate through the OzonAction Programme based in Paris at UNEP's Economy Division (formerly Division of Technology, Industry and Economics). In 2002, the Executive Committee approved the CAP to provide services to Article 5 countries through a regional presence to ensure and sustain the countries' compliance with the Montreal Protocol measures, among others.

7. The CAP approach has evolved since 2002, with adjustments to the overall project focus and objectives, to align its services with the changing compliance requirements of the Montreal Protocol. This included modifications in operations, workload, and staffing over the years.

8. The review found that changes might be necessary in some areas to improve service delivery and expertise to Article 5 countries in the context of the CAP overall principles and boundaries. These adjustments would harness the full potential of the programme in terms of both strategy design, implementation, and CAP structure and operations (financial and human resources). Currently some restructuring and retooling of CAP global structure and operations are ongoing to deliver its existing programme of work while, at the same time, implementing new activities related to the Kigali Amendment.

9. Overall, the services provided by CAP have significant potential to continue contributing to the objectives set by the Protocol and especially assisting Article 5 Parties to comply with the existing and future commitments.

10. The key findings and recommendations of the report were related to the future workload and capacity of the CAP to deliver, including adjustments to CAP structure; and options for delivery mechanisms for CAP services.

11. The following are the conclusions of the review:

- (a) The CAP is a unique delivery mechanism providing special services to Article 5 countries, such services have a significant potential to continue contributing to the objectives set by the Montreal Protocol including the commitments undertaken with the Kigali Amendment, in a smooth and sustainable manner;
- (b) The present overall and regional structure and operations of the CAP sets clear overall boundaries and principles for engagement based on Executive Committee decisions; the restructuring and retooling of the CAP operations is a continuous process, and the adjustments made during these years resulted in improved delivery of services. In order to address the challenges in increased workload, structure and operations, improved operationalisation is needed in a few areas through a revised CAP structure that will provide a sound framework for engaging with Parties and meeting emerging needs of Article 5 countries, without any additional costs to the Multilateral Fund;

- (c) The CAP continues to work with Article 5 countries during the transition to the evolved ozone and climate context resulting from the Kigali Amendment with minimal disruptions by providing “quick start” assistance to address HFCs, while at the same time meeting their HCFC phase-out targets;
- (d) Over the last 26 years, OzonAction Programme, now the CAP, has contributed to the very low rate of non-compliance by countries to date by continuing to support Article 5 countries set up their national policy, legislation, and ODS licensing and quota systems, report their national Article 7 and Country Programme data, and ratify the Montreal Protocol and its amendments; and
- (e) The purpose and vision of the CAP provides a relevant framework for meeting the objectives of the Kigali Amendment for HFC phase-down as it did in meeting the phase-out of all ODS (i.e., CFCs, halons, methyl bromide, HCFCs).

**Secretariat’s comments**

12. The Secretariat reviewed this report in line with decision 77/38(c), and provided UNEP with detailed comments and suggestions on the whole report. UNEP revised the final report taking into consideration the Secretariat’s observations and suggestions on the information that was contained in the initial draft.

**Recommendation**

13. The Executive Committee may wish:
- (a) To note the final report on the review of the overall structure of the Compliance Assistance Programme (CAP) contained in document UNEP/OzL.Pro/ExCom/81/20; and
  - (b) To request UNEP when submitting the CAP budget and workplan for 2019 at the 82<sup>nd</sup> meeting to describe and operationalise the changes proposed in the overall CAP structure for consideration of the Executive Committee, noting relevant previous decisions on the CAP and its funding.

**REVIEW OF THE OZONACTION  
COMPLIANCE ASSISTANCE PROGRAMME**



Submitted by  
UN Environment OzonAction  
to the 81st Meeting of the Executive Committee of the Multilateral Fund

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## **Executive Summary**

This review assesses the overall structure of UN Environment's (UNEP) Compliance Assistance Programme (CAP) and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries in line with Executive Committee Decisions 77/38 (c) and 80/55(b). It takes into account the cumulative changes and reforms of the CAP over the last 17 years. The review was an internal self-evaluation by UNEP developed with the support of external experts, and based on consultations with internal and external stakeholders and partners. UNEP is submitting this document for the consideration of the Executive Committee and welcomes any guidance the Committee may wish to make concerning additional future revised structure and operations of CAP based on the various options considered and proposed herein.

UNEP became an Implementing Agency of the Multilateral Fund for the Implementation of the Montreal Protocol in 1991 and this mandate is fulfilled through OzonAction. At the end of 2001, the Executive Committee approved UNEP's proposal to establish the CAP in response to the needs of Article 5 Parties. Since that date, this regional delivery mechanism has provided compliance assistance services, project implementation support, clearinghouse and capacity building services that have assisted Parties operating under Article 5 of the Montreal Protocol to achieve and sustain compliance with their international obligations. The CAP has evolved organically since 2002, with a number of modifications to project focus, workload, operations, and staffing over the years. This review has helped UNEP reflect on the current structure, distribution of staff, allocation of budget and operational procedures, and identify how it should be adjusted to ensure the most effective delivery under a changing Montreal Protocol landscape.

The review found that whereas the structure and operations of the CAP set clear overall boundaries and principles for engagement based on Executive Committee decisions, improved operationalization is needed in a few areas. Adjustments are necessary to harness the full potential of the CAP and its services both in terms of design of the strategy, implementation, CAP structure and operations (financial and human resources). Refining the CAP global structure and operations are ongoing to meet current programme delivery and to facilitate implementing additional enabling activities based on the Kigali Amendment. Overall, the services provided by CAP have significant potential to continue contributing to the objectives set by the Protocol and especially assisting Article 5 Parties to comply with the existing and future commitments.

## **Background**

1. At its 77<sup>th</sup> meeting, the Executive Committee requested UNEP to review the overall structure of the Compliance Assistance Programme (CAP) and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the Executive Committee for consideration at its 79th meeting (Decision 77/38(c)). UNEP submitted a brief review of the CAP to the 80<sup>th</sup> Executive Committee meeting as part of the rolling three-year CAP strategy. Executive Committee Decision 80/55 (b) requested UNEP to provide a final report to the 81<sup>st</sup> meeting on the review of the overall structure of the CAP and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries. Comments made by the committee during that meeting included *inter alia* that "it was important to ensure that the CAP remained useful as it evolved so that it could keep addressing emerging needs and challenges in Article 5 countries.... A number of members also expressed the hope that CAP would continue to be of valuable assistance to countries in carrying out HFC phase down activities."

2. This report is in line with the above decisions. The purpose of this review of CAP is to provide information to the Executive Committee on how CAP is responding to emerging needs of Article 5 countries to meet their obligations as Parties to the Montreal Protocol. The review takes into account the evolution, cumulative mandate, changes and reforms of the CAP in the recent past. UNEP is submitting this document for the consideration of the Executive Committee and welcomes guidance from the Committee concerning a future revised structure and operations of CAP.

3. Specific objectives of this review include providing an overview of the context of the Montreal Protocol today; CAP mandate and key functions; summary of the evolution of the CAP organizational structure; overview of work distribution and changes in work load from CAP inception to the present, and how this affects current structure; challenges with the present set-up and delivery mechanisms; assessment of the required capacity of the CAP to continue to deliver its mandate in the medium term; CAP fund management; key findings and recommendations; conclusions with request for guidance from the Executive Committee on the changes and adjustments proposed to the CAP structure, for consideration during the submission of the 2019 CAP budget and work plan.

### **Methodology and Approach**

4. UNEP undertook an internal review on CAP's structure, regional delivery mechanism, CAP achievements, challenges, and opportunities and specifically how CAP could best serve Article 5 country needs in the future. It is a self-evaluation based on a desk study of all relevant strategic documents, an analysis of the CAP services and project database and a survey of the Clearinghouse conducted in 2017.

5. *Process of consultations:* This review by UNEP reflects internal perspectives and recommendations. It is not a third-party evaluation. However, the review included discussions and analysis with both Article 5 and Article 2 countries, network meeting recommendations, compliance missions to countries, the performance indicators of UNEP as an Implementing Agency of the Multilateral Fund and the qualitative assessment reports of National Ozone Officers (NOOs) for the Executive Committee. Noting that 70% of the staff are based in regional offices, the Regional Directors were consulted on the structure of the CAP in their regions and global support from OzonAction Paris. This review also takes into account the recommendations of audits and evaluations of CAP.<sup>1</sup> It includes the inputs from the four CAP team building exercises and strategic planning workshops held (2014-2018).

6. The orientation of the review focused on the three following main areas:

- *Focus on current structure and operations:* The review is an assessment of how the evolving needs of Article 5 countries have been reflected in the design of the previous CAP strategy, work plans and annual activities and how Executive Committee decisions are addressed.

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<sup>1</sup> OzonAction's work has been the direct or indirect subject of 27 evaluations (Multilateral Fund, Parties to Montreal Protocol, Swedish International Development Authority) and 2 audits (Office of Internal Oversight Services). The most recent OIOS report was in 2014. This latter covered the financial and administrative management. All actions undertaken to meet recommendations were accepted by the audit.

- *Estimation of workload, current and future:* The review takes into account the compliance assistance services and implementation of the Clearinghouse functions (annual CAP services and Annexes to the CAP budget); and number of projects managed per region and staff (last 5 years) and future project submissions as per the current business plan.
- *Estimation of staffing needs:* Noting the above estimates of both project and non-project-related services, the role of the global coordination team in Paris and the regions, an estimation of staffing needs is provided in key findings and recommendations. CAP may revise these estimates in the future to better reflect the medium/long term programme needs.

## **Context of Montreal Protocol Today**

7. Parties are encouraging all countries to promote the selection of alternatives to HCFCs that minimize environmental impacts, in particular impacts on climate, as well as meeting other health, safety and economic considerations. The Kigali Amendment to the Protocol to phase-down hydrofluorocarbons (HFCs) is to reduce dependency on high-GWP alternatives and increase the adoption of low-GWP, energy-efficient technologies as part of the HCFC phase-out process under the Montreal Protocol. Such a “smart approach” can achieve the Montreal Protocol’s objective of eliminating HCFCs while at the same time achieving energy efficiency gains and CO<sub>2</sub> emissions reduction — a “climate co-benefit.” The Kigali Amendment has catalysed a change in the role and responsibilities of Governments and Ozone Officers, who now must become familiar with concepts and activities related to cross-cutting issues of ozone protection, energy efficiency and climate change, and concurrently implement national obligations for an HCFC phase out.

## **Mandate and Key Functions**

8. UNEP was entrusted by the Parties in 1991 as an Implementing Agency of the Multilateral Fund and assigned the clearinghouse function described in Article 10 of the Montreal Protocol.<sup>2</sup> In 2001, the 35th Executive Committee meeting approved the establishment of the CAP. The reorientation of the OzonAction Programme to the CAP highlighted how it was designed to achieve and sustain compliance, promote a greater sense of country “ownership”, and implement the agreed Executive Committee framework for strategic planning. The CAP fulfils UNEP’s mandate by strengthening the capacity of Article 5 governments – particularly National Ozone Units (NOUs) and National Ozone Officers (NOOs) – as well as industry and other government agencies to elaborate and enforce the policies required to implement the Protocol.

9. The annual CAP Work Programme and Budget funded by the Multilateral Fund supports the entire CAP operations in Paris and the Regional Offices: 48 staff, networking activities, capacity building and clearinghouse functions, as well as operations and overheads (communication, administrative services, telephone, rental, computer, equipment, etc.) and other costs.

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<sup>2</sup> As per Article 10 of the Montreal Protocol, the clearinghouse function comprises: (i) Assist Article 5 Parties through country specific studies and other technical co-operation, to identify their needs for co-operation;(ii) Facilitate technical co-operation to meet these identified needs;(iii) Distribute, as provided for in Article 9, information and relevant materials, and hold workshops, training sessions, and other related activities, for the benefit of Parties that are developing countries; and (iv) Facilitate and monitor other multilateral, regional and bilateral co-operation available to Parties that are developing countries.



10. Under the CAP, 68% of the staff is decentralized and based in the UNEP Regional Offices (Bangkok, Manama, Nairobi and Panama), where they closely interact with countries on a day to day basis to achieve and sustain compliance. These teams operate through the cooperation and support of the UNEP Regional Directors and their offices. As a response to the recommendation of the internal audit that “UNEP should review the existing organizational arrangements to ensure that these provide for clear accountability and efficient and effective delivery of the OzonAction Branch programme of work in accordance with the decision of the Executive Committee”, the Regional Network Coordinators have the Head of OzonAction as their First Reporting Officer.<sup>3</sup> The Regional Directors provide additional supervision as Second Reporting Officers, oversight and the political support. The placing of the CAP in the regions is also in line with the corporate strategy on regionalisation and UNEP’s strategic regional presence policy of being closer to the clients.

11. This approach and regional delivery mechanism included personnel and related support costs that would be used to: deliver compliance-related services directly to countries (policy assistance, compliance support, Networking and capacity building/information exchange); directly implement certain projects (e.g. Institutional Strengthening, Country Programme/Refrigeration Management projects preparation and implementation); and monitor and report to the Executive Committee. The CAP was first entrusted with compliance assistance services and the Clearinghouse mandate, advising and liaising between governments and the Multilateral Fund Secretariat, to which responsibilities in project implementation and management have gradually been added.

12. *CAP services.* CAP services cover a wide range of topics including technical capacity building support on regulatory infrastructure, policies, licensing and quota systems, enforcement, and refrigeration technicians (Fig.1).<sup>4</sup> These services have enabled the NOOs to smoothly transition the different technology challenges, sustain compliance and meet national ODS phase out targets since 1991.

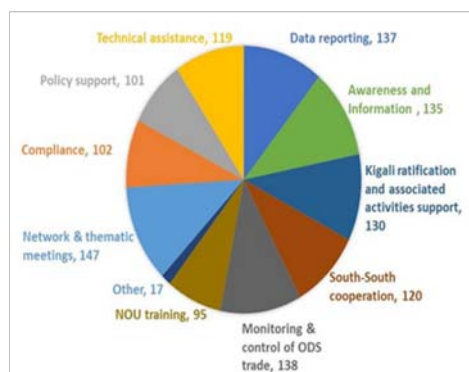


Figure 1. Proposed CAP services for 2018 from approved 2018 CAP Workplan and Budget (1077 services)

<sup>3</sup> . The United Nations Office of Internal Oversight Services (OIOS) undertook an audit of the UNEP OzonAction Branch in 2013 (Report 2014/040). “The reporting lines that existed in UNEP at the time of the audit were not efficient and effective to support the implementation and oversight of the Programme of Work approved by the ExCom. Whereas the Head of the Branch was the reference point for the ExCom on the financial and programmatic performance of OzonAction, based on existing organizational arrangements, this manager was not in the position to control or influence staff performance and key organizational processes for the delivery of the programme. Failure to comply with the expectations and decisions of the ExCom by aligning lines of authority and accountability to improve responsiveness to the ExCom and transparency may result in reputational damage to UNEP and possible loss of funding.”

<sup>4</sup> Decisions relating to CAP – Annex 1A; Mandate and overview of the CAP-Annex 1B.

- Country-specific compliance assistance services to all NOOs. Compliance with the Protocol is the key overall indicator for Montreal Protocol institutions. CAP's primary role is to assist Article 5 countries in actual or potential non-compliance to be in compliance with their obligations. CAP cooperates closely with the Ozone Secretariat, the Multilateral Fund Secretariat, and other Implementing Agency partners to identify countries that have difficulties in maintaining compliance or are at risk of being in non-compliance. The compliance services include assistance with policies, legislation and enforcement, data reporting, capacity building of Ozone Officers and support for ratification and implementation. CAP prioritises to deliver timely assistance on the basis of countries' differentiated needs and ad hoc requests. In conformity with its mandate, CAP dedicates most of its resources to address specific problems of LVCs and very low volume consuming countries (VLVCs).
- Leveraging the Clearinghouse mandate. The Clearinghouse mandate is the pillar of the CAP and provides a platform for all Implementing Agencies and Secretariats. The aim is to build on countries experience, harness the Clearinghouse function and tools developed by CAP as well as other Agencies to deliver sustainable capacity building in the refrigeration servicing sector, enforcement and legislation, and ensure integration into national HPMPs whilst taking into account activities for the HFC phase-down (Annex I).
- Regional Networks of Ozone Officers. A flagship activity of UNEP and a core mechanism of the Multilateral Fund family of institutions, the Regional Networks covering 145 developing countries and managed by the CAP is a forum for experience exchange and knowledge transfer.
- NOU training. The NOU is the focal point for collecting and reviewing Country Programme data. The country-driven approach requires countries to have National Ozone Officers with the necessary advanced skills to effectively manage various activities at national, regional and global levels. NOOs are constantly facing challenges that range from the monitoring and enforcement of the ODS legislation, to HCFC licensing systems, to providing advice to the government on choice of technologies and country data reporting. CAP advocates for and develops tools to ensure NOOs have necessary capacity for holistic management, hence the launch of the new approach - the "NOUs training scheme", basic and advanced.
- Sustainable technician training in the refrigeration servicing sector. For the majority of Article 5 countries, the refrigeration servicing sector continues to be the largest or the only consumer of ODS<sup>5</sup>. Training in good refrigeration practices is provided to all Article 5 countries under the CAP and through individual projects. CAP is assisting 100 countries via the HPMPs to provide an opportunity to make the right technology choices of non-HCFC, low-GWP refrigerants and to embrace energy efficiency.
- Leveraging industry partnerships for sustainable technician training in the refrigeration servicing sector. CAP has a major role to play to create an enabling environment for all stakeholders including the heating, ventilation, air conditioning and refrigeration (HVAC&R) Supply-Chain network. Noting especially the corporate social/environmental responsibilities of the large industry stakeholders to lead the sector to enforce and monitor the sound management of refrigerants. The absence of a global unified agreeable approach amongst HVAC&R industry remains the challenge. Through collaborations with the global industry associations, represented by the Air Association of Heating, Refrigeration Institute (AHRI), CAP is

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<sup>5</sup>. UNEP/OzL.Pro/ExCom/72/42.

collaborating on a qualification programme that can support governments' efforts to regulate the servicing sectors (Refrigerants Driving Licence). See Annex 1 for further information.

13. *Project services.* UNEP is currently responsible for implementing a portfolio of more than 650 ongoing Multilateral Fund projects (Fig.2) and delivering over 600 compliance assistance services annually (Fig.3), plus other projects and services for 145 developing countries:

- Institutional Strengthening (IS) projects. CAP provides 103 countries with ongoing technical assistance and administrative support for the implementation of their IS projects, including the submission of IS renewals and assistance with activities covered by these projects. Institutional strengthening is performed as part of CAP services.
- HCFC Phase-out Management Plan (HPMP) project preparation and implementation. CAP assists 72 countries as the Lead Agency and 28 countries as the cooperating Agency for their HCFC phase out. CAP implements HPMP verification projects as and when approved by the Executive Committee.
- Bilateral projects. UNEP assists several bilateral agencies with the implementation of their Multilateral Fund projects through CAP, and engages in select partnerships for Montreal Protocol objectives complementary to the Multilateral Fund.
- Non-ODS Alternatives surveys projects. CAP assisted 79 countries to complete their non ODS alternative surveys.
- Enabling activities projects. CAP provides 31 countries with technical support for enabling activities related to the Kigali Amendment, and is awaiting the decisions on 49 other projects submitted to the 81<sup>st</sup> Executive Committee meeting (80 countries in total).

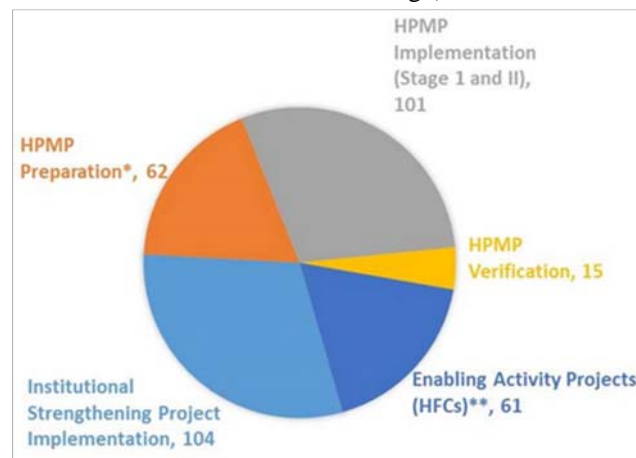


Figure 2. Proposed projects for 2018 from approved 2018-2020 Business Plan (343 total)

14. This is a challenging portfolio: around 137 countries are directly served by UNEP-implemented projects, 145 countries receive CAP services in some form or the other, and these client countries are mainly the low volume consuming countries (LVC). However, services are also available and delivered to very large countries, 48 countries which are classified as Least Developed Countries, 38 classified as Small Island Developing States and a significant number facing very challenging post-conflict, post-disaster, or political issues.

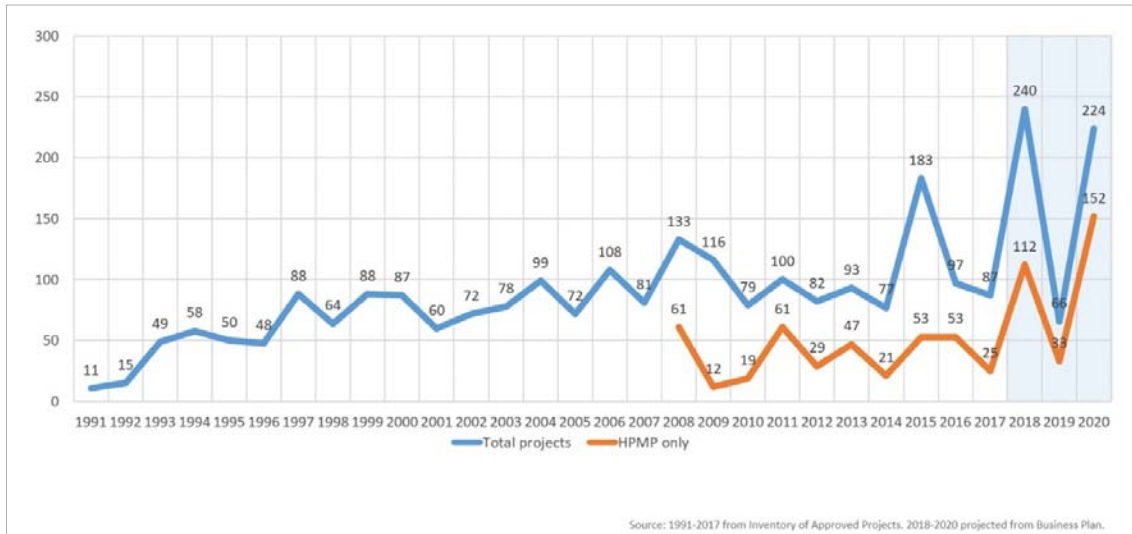


Figure 3. Evolution of CAP project approvals

15. The CAP is a project proposed by UNEP to the Executive Committee on an annual basis through the CAP Annual Work Programme and Budget, which includes a logical framework analysis with yearly expected results, performance indicators and benchmarks. The document takes into account all Executive Committee decisions related to CAP (Annex II). Each year UNEP re-evaluates the CAP programme strategy, operations, staffing and budget to ensure that it meets the current needs of Article 5 countries under the Montreal Protocol and submits this for the consideration of the Executive Committee and negotiations thereafter. This has been done annually since 2001, and with those gradual changes, CAP has evolved organically since then to reach its current form.

16. Taking into account the specific challenges associated with the HCFC phase out and the HFC phase down, UNEP proposed the first three year rolling strategy for CAP in 2015 to provide a longer term strategic vision and to align the CAP with the Business Planning cycle. Recurring activities such as the compliance assistance services (network meetings, clearing house, etc.) continue throughout the three years, re-adjusted based on the lessons learnt and evolving needs (Annex II). The strategy aims to address in a better way the multitude of emerging trends, challenges and cross-cutting issues developing countries face in the context of the HCFC phase-out implementation and HFC phase down. The three-year strategy moved away from single one-off initiatives to assembling all CAP’s resources, skills, strengths and comparative advantages and experience to sustainable long term global CAP initiatives and products, whilst recognising the need for regional specificities. The services and activities comprise the interconnected and mutually supporting CAP services to Article 5 countries. The strategy was recently revised in 2017 to reflect the Kigali Amendment.

17. For 2018-2020, CAP’s specific objectives are:

- Assisting countries to comply with their HCFC phase out commitments and sustaining compliance with prior targets;
- Strengthening the Refrigeration Servicing Sector for Ozone- and Climate-Friendly Alternatives;

- Building capacity to initiate enabling activities for the HFC phase down; and
- Leveraging the Clearinghouse mandate.

18. The expertise developed by CAP, also builds on the lessons learnt and aims to address in a comprehensive way the challenges and cross-cutting issues that developing countries face in the current context of the HCFC phase-out implementation to meet the 35% phase-out target in 2020, prepare for the 67.5% in 2025, and initiate enabling activities for an HFC phase-down post-Kigali.

### **CAP Staff and Structure**

19. *CAP organizational structure and evolution:* Since 1991, the Economy Division (previously the Division for Technology, Industry and Economics) housed the OzonAction headquarters function at the UNEP premises in Paris. The headquarters team has an oversight function which includes the elaboration of the CAP strategy, vision and yearly CAP programme of work, analysis and assessment of the annual budget, developing the three-year CAP Business Plan, quality review and coordination of all country project submissions to the Executive Committee and negotiating all the latter with the Multilateral Fund Secretariat and the Executive Committee. The headquarters team also includes the staff who are co-responsible with regional staff for developing the global capacity building tools with inputs and feedback from all regional meetings, country specific missions, identified needs from outcomes of project implementation and the recommendations from the meetings of the Executive Committee, Parties to the Montreal Protocol and the Open Ended Working Group. The Paris-based team provides the backup services to all regions not only times of staff short fall e.g. in the Asia and Pacific with recent departure of two senior staff, but also in leading and undertaking special missions for different regional technical capacity building workshops. This indicates the flexibility in structure and operations of the CAP to meet the current and emerging regional and country needs.

20. With the establishment of the CAP, the 35<sup>th</sup> Executive Committee meeting in 2001 approved the creation of 21 new posts which included 16 Professional posts in the regions. The decisions by the Executive Committee on the programme and budget included approval of the Annex VI on the allocation of posts and their locations, based on the needs of the countries and regions as regards compliance obligations under the Montreal Protocol. The placing of CAP staff in Regional Offices was in line with the proposed CAP delivery mechanism of providing direct assistance to countries.<sup>6</sup>

21. CAP staff are located in five duty stations (Bangkok, Manama, Nairobi, Panama City, and Paris). The Executive Committee decided that when “approving the UNEP’s Compliance Assistance Programme on the understanding that, for the implementation of agreed activities, the expenditure of CAP funds and the responsibilities and placement of staff would remain as submitted, and that, were any changes to be proposed, UNEP would report them to the Executive Committee as soon as possible for its consideration and a decision thereon,” (Decision 73/53) and the Branch organigram and reporting structure is reviewed and approved by the Executive Committee on an annual basis. The

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<sup>6</sup> UNEP/OzL.Pro/ExCom/35/67, pages 26-27 “ Having considered the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/35/19, para. 56), the Executive Committee decided to approve the Compliance Assistance Programme (CAP) budget for UNEP, as contained in Annex VI to the present report.”

number, type and location of these staff are clearly identified in the CAP Work Programme, Budget and Progress Report and is based on regional needs (Fig. 4).

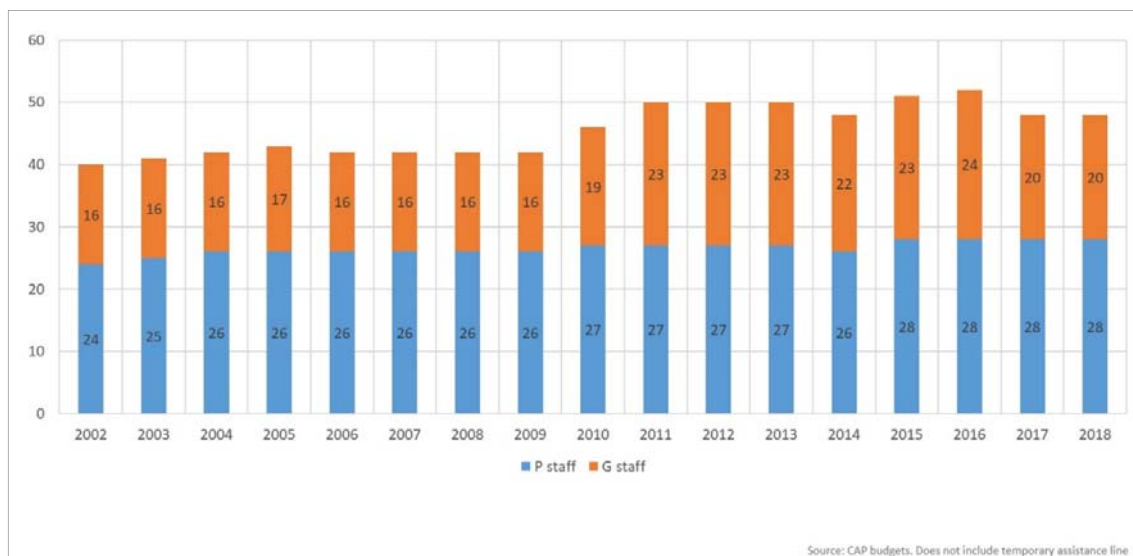


Figure 4. Current CAP staffing

22. In 2010, further structural changes were undertaken in the CAP teams. Noting the increased responsibilities and workload, the Executive Committee approved seven adjustments in personnel lines to accommodate reclassifications to higher levels in both the professional and general service categories; the inclusion of the costs of an additional regional coordinator for the South-East Asia network; and two new posts in ROAP and ROLAC.<sup>7</sup>

23. The Pacific Island Countries (PICs) were part of the South East Asia Pacific (SEAP) network; both networks are highly dependent upon their mutual cooperation and countries participate regularly in the respective activities of their two networks, sharing joint activities such as capacity building, etc. In light of the PIC's accelerated ODS phase out, the Executive Committee recognized that there was no need for a full time PIC Coordinator.<sup>8</sup> Thus, in approving the RNC for the PICs, it was recognized that the "ROAP PIC network coordinator will, aside from managing the 13 PIC countries in a network, also have the added responsibility of monitoring existing projects and HCFC activities in the Asia and the Pacific region."<sup>9</sup> Following discussions with Executive Committee (December 2014, 73<sup>rd</sup> Executive Committee, Paris), in order to retain the full time P4 post, the functions of the post were diversified. Subsequently, the P4 post responsibilities included projects and CAP services in countries outside of the PIC region; coordination of the new global initiative for ODS in fishing vessels;

<sup>7</sup> The support for the SEAP Network from Sida ended in December 2009 and the Network was integrated into the existing family of networks managed by the CAP with a corresponding budget.

<sup>8</sup> The PIC region is the only region to have achieved 80% phase out of HCFCs, well in advance of their legal obligations under the Protocol. All other Article 5 countries committed to 10% phase out in 2015 and 35% phase out in 2020. Much of the work is therefore already done in the PICs. In addition, 4 of the 13 PICs have already achieved total phase out and zero ODS consumption. The HCFC Phase out Management Plan (HPMP) for Fiji (one of the larger economies in the PIC region) is led by UNDP and the HPMP for Papua New Guinea is led by GIZ-Germany.

<sup>9</sup> Decisions 56/33 and 56/43, details in para 21d and 25, document UNEP/OzL.Pro/ExCom/56/21.

development of capacity building tools for Asia and Pacific in collaboration with the Capacity Building Manager (Paris); and policy and enforcement support for South East Asia Pacific countries.

24. *From a Programme perspective.* The CAP regional teams are led by a Montreal Protocol Regional Coordinators (or RNCs). This regional delivery mechanism is a distinct feature of the OzonAction CAP. Since CAP was founded in 2001, the staff roles and responsibilities have evolved and expanded over time both in terms of CAP work plan requirements and in response to the evolving requirements of Article 5 countries. Since 2013, CAP has undergone regular reorganisation of the regional team structures to optimize operations for more effective delivery, monitoring and evaluation.

25. The Executive Committee decision on the annual CAP workprogramme, includes the approval of the budget for staffing and the respective staff locations. The placing of all three RNCs (South Asia, South East Asia and Pacific Islands) in Bangkok; two RNCs in Nairobi (Africa Francophone and Anglophone), two RNCs in Panama (Central and South America and the Caribbean), the RNC in Manama (West Asia) and the RNC in Paris (Europe and Central Asia), is specifically to promote cohesion and cooperation among the CAP teams, implement joint and regional technical compliance assistance delivery services, and facilitate optimal conditions for the management of the networks of ozone officers. Moreover, all RNCs co-organize joint inter regional meetings of National Ozone Officers; and technical thematic meetings as a bid to regional integration, share technical knowledge and skills given the mix of countries i.e. HCFC producers and consumers, large volume consumers, low volume consumers and very low volume consumers. Additionally, other Implementing Agencies of the Montreal Protocol also have staff based in some of the same regional offices as CAP staff, which enhances UN inter-agency collaboration especially for joint implementation of HCFC phase out projects in cooperation and builds on comparative advantages.

26. Based on the lessons learnt from the management and coordination of the West Asia and Europe and Central Asia networks with assigned dedicated Network Coordinators, to promote more effective management and delivery of the regional network activities in Africa, the Asia Pacific and Latin America and the Caribbean regions, with clearly assigned and demarcated roles and responsibilities, the management of the networks in was separated in 2014. Whilst the earlier CAP staff configuration in these regions had worked for a period of time, noting the demand on the staff, evolution of networking services and responsibilities it was important to have a dedicated staff for each of the networks. This also ensured harmonisation in coordination of all networks, enabled each RNC to manage their own network with its own allocated resources and design its own sub regional specific workplans to reflect the actual needs of each sub-region. The three networks in the Asia Pacific region were assigned individually to the 3 staff in Bangkok as Network Coordinators for the Asia Pacific region (South Asia, South East Asia and Pacific Island Countries), two Staff in Nairobi were assigned each to manage the Africa Francophone and Anglophone networks; and two Staff in Latin America were assigned to manage the Central and South America, and Caribbean networks. Henceforth, each Network was assigned to a dedicated coordinator. The separation of responsibilities did not impact the CAP services nor the submission and or delivery of projects, on the contrary, it did enable the dedicated Coordinators to interact more regularly with countries and stepped up individualised

compliance services. This approach also encouraged the staff to take on additional responsibilities for regional/global projects.<sup>10</sup>

27. Human and financial resources are shared between networks: e.g. the joint global resources allocation for three activities namely South-South cooperation, regional awareness raising as well as sub-contracts with supporting organizations. Having the teams together in the Regional Offices is also cost effective on the global budget for the CAP communication, operations and administrative services (telephone, rental, computer, equipment etc).

### **Overview of Current Work Distribution**

28. Responsibilities of the RNCs include coordination of the networks, sharing of responsibility for delivery of CAP services and project elaboration, implementation and monitoring (IS, HPMP and other projects). CAP's regional teams are organised around the Regional Networks.

29. At the time of the establishment of the CAP in 2001, the services to countries and number of Multilateral Fund projects managed per regional teams were balanced; with each RNC/team having a similar workload - RNCs and their respective teams mainly supported their respective regions and networks and in some cases also contributed to inter-regional (e.g. joint network meetings) or global activities (e.g. global publications, review of new publication and enforcement mechanisms). Each team is responsible for one network, and is comprised of one Regional Network Coordinator and one HPMP Officer. In the case of Africa, which has the 2 individual largest networks (26 and 28 countries), the team is also supported by a Junior Technical Officer (P2).

30. *Recent adjustments-regions.*

- During the period 2014-2017, the RNC for the Pacific Island Countries took on global CAP activities and responsibilities and led the global initiative on ODS management in the fishing sector.
- Whereas China falls under the ambit of the South Asia network and team, over the last ten years, the RNC for the SEAP region is also responsible for the management and coordination of all OzonAction projects in China (HCFC phase out and the China Trust Fund projects).
- The Senior HCFC Phase out Management (HPMP) Officer in Manama took on approximately 70% global responsibilities for development and management of relevant partnerships and international programmes for the refrigeration servicing sector.
- In 2017, the responsibilities of the RNC for ECA were adjusted to include ECA project management and to bring it in line with the other RNCs.

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<sup>10</sup> A few highlights cited: The South-East Asia Pacific Island team led the development of a global tool handbook on flammable refrigerants; PIC Coordinator led the global initiative on ODS management in the fishing sector; RNC for Francophone Africa led the global publication on good practices; RNC for Anglophone Africa spearheaded the first regional technicians training as per EU standards; the global compilation of illegal trade and customs award was led by the Europe and Central Asia team; RNC SEAP led the elaboration of the largest CAP project, namely the servicing sector in China; RNC Central and South America led the development of global publications with regional experts such as the phase out of methyl bromide; RNC West Asia and the team spearheaded the high ambient projects.



31. Whereas the staffing components in Africa and Latin America enabled each network to have their own HPMP Officers, the Asia and Pacific Region shared the HPMP Officers between the networks.

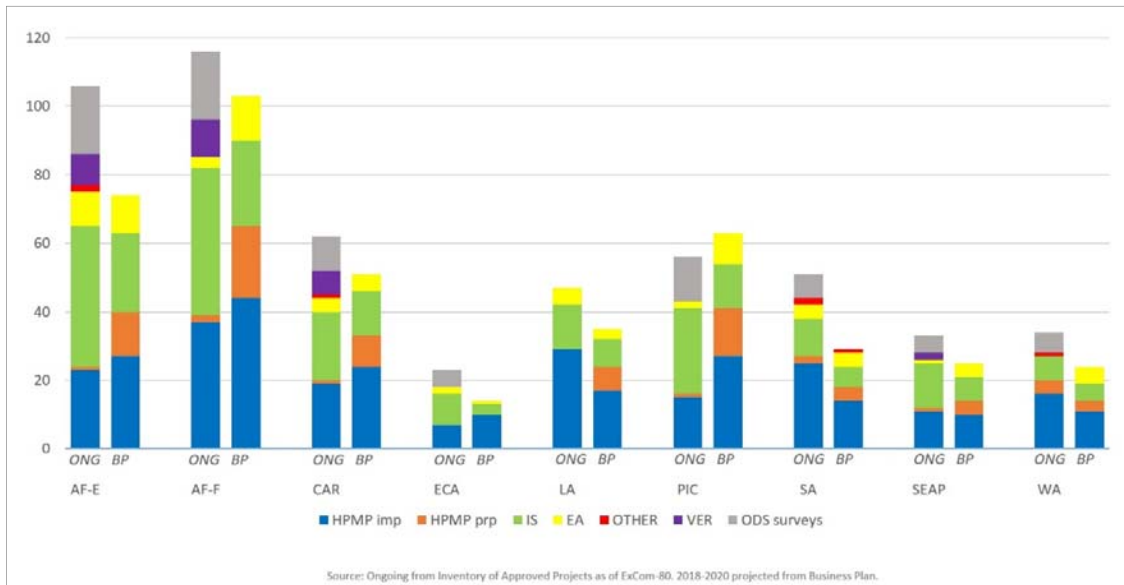


Figure 5. Project workload per team, ongoing (ONG) and proposed in Business Plan (BP)

32. The CAP team in Paris includes the staff of the global Clearinghouse, Capacity Building, Networking and Executive Committee Coordination teams. The Paris staff support the Head of OzonAction with Business Planning, Work Programming, Progress Reporting and compliance tracking activities. The Paris team coordinates all UNEP project proposals and other inputs from the Regional CAP teams and performs internal review to help ensure overall quality control of submissions.

33. Following a review of the responsibilities and functions of all Support Staff, training was offered in UMOJA, the new UN financial system that was introduced in 2014. Moreover, with the implementation of UMOJA, G staff in Paris and the regions, play an ever more important role in supporting the objectives of the programme; all regional and three Paris-based support staff are now mapped and trained in UMOJA with diversified complementary functions to support financial, administrative and project responsibilities. In Regional Offices where there is more than one RNC team, staff sharing and complementary services between the RNCs and networks has facilitated the teams to work within the CAP allocated human and financial resources. Cross networking and knowledge sharing between the RNCs has significantly supported the networks.

34. Fig. 5 provides an overview of number of Multilateral Fund projects managed as of today by the regional teams. This could range from 15 to 50 projects per P staff (different IS projects and phases, HPMP tranches, non ODS alternative surveys, enabling activities, etc.). In certain cases there could be at least 3 projects per country, pending the region and country and whether UN Environment is a cooperating and or Lead Agency. These projects include all ongoing projects. It also indicates the number of signed legal agreements managed by staff. Further streamlining arrangements between teams is needed to equilibrate the substantive and financial workload as indicated in the current structure (illustrated in Annex 1V), in order to meet immediate emerging needs.

35. *CAP staff time.* Decision 70/10 (iii) requested UNEP to provide a status report to the Executive Committee meetings on the extent to which UNEP implemented measures to ensure that all professional staff time paid with CAP funds was used for the Multilateral Fund Montreal Protocol activities, in line with decision 50/26(a)(iii). CAP has complied with this decision and since 2014 provides yearly reports through the CAP Work Programme and Budget. All CAP staff annual workplans and proposed activities are reviewed by the Head of OzonAction to ensure coherence with the approved CAP mandate and compliance with the decision on use of staff time.

### **Challenges in Delivering the CAP mandate**

36. Based on the overview of the current work of the CAP, the review of the evolution of the CAP organizational structure, this section highlights the challenges faced by UNEP in delivering the CAP mandate, and the future work of the programme.

37. *Staffing.* The current staffing component is sufficient in the medium term to deliver the key functions of the CAP in a timely and efficient manner and as per the approved 3 year rolling strategy. However, due consideration needs to be given to the unique country driven approach in project management and the large transaction costs this entails. Certain gaps in resources (human and financial) been identified (i.e. more staff maybe needed, or new functions need to be defined for existing staff to ensure high quality delivery provided; these could be in new areas of work (HFC alternatives technology identification, for instance that currently lack dedicated staff members, etc). A P3 incumbent in Paris and the new P4 post responsibilities (Kigali Officer) aim to provide the support to countries in linking the ongoing HPMP projects to enabling activities.

38. *Project implementation.* Improvements have been made to current systems and processes to gain efficiencies in terms of delivery time for implementation of projects, as soon as Executive Committee decisions are made. In terms of financial and administrative support, it should be noted that currently CAP has 700 grants in UMOJA which corresponds to individual projects as per Executive Committee approvals. The UMOJA Extension 2 will be launched in December 2018. One dedicated staff in the CAP Paris, a G7 Budget and Finance Assistant, is responsible for and trained to make budget sub-allotments and create all S1 grants per project approvals in UMOJA (this can be up to 100 projects approved annually). One dedicated support staff in each region, with the exception of two in Africa, are responsible for creating the subsequent P grants with the legally-signed agreements with countries.

39. *Programme delivery with cooperating implementing agencies.* CAP works with all Agencies in different countries and has a good working relation and understanding. A clear separation of responsibilities and tasks are defined in the projects. In certain approved country projects, an overlap in functions maybe perceived in the delivery of the non-investment component of the HPMP.

40. *Current mechanism for designing a budget for activities within the CAP.* The evolution of networking and thematic activities over the last five years shows that CAP pays special attention to introducing a diverse setup of events that support the technical needs and emerging issues to Article 5 Parties, whilst being cost effective. The 2009 CAP budget for network meetings was approved for

US\$ 1,035,000, and in 2018 for US\$ 1,262,000; hence, over nine years the budget for these workshops increased by 18%. These costs take into account the increased costs for travel and DSA for participants. Different combinations of joint network meetings took place, since 2013, to foster south-south cooperation and experience exchange opportunities within the same region and inter-regionally and retain cost effectiveness. A wide range of themes and topics were also covered through CAP thematic events allowing in-depth consultation and better understanding of important concerns i.e. policies, certification, servicing sector, technology selection, standards update, customs & illegal trade, high-ambient temperatures, fisheries & marine sectors, etc.

41. The joint network/thematic as well as back-to-back events also provided a very cost-efficient setup of CAP networking activities, culminating in the first global inter-regional thematic and network meetings in January 2018, and back to back parallel meetings for the ten networks at the OzonAction headquarters in Paris (approximately US\$ 751,000). The panels and meeting recommendations will be invaluable to the CAP and other Implementing Agencies on planning and executing activities in Article 5 countries to meet their obligations under the HCFC phase out and simultaneously make informed decisions on alternative HFC technologies. The current mechanism for delivery of the regional networks and thematic meetings provides a good platform to also provide dedicated sessions to the dialogue on the enabling activities.

42. *Challenges identified by A5 countries related to CAP's delivery of services.* Given the country driven-nature of all CAP services, approved country project funds are normally disbursed to the countries for implementation via legal instruments signed between the beneficiary Government and UNEP.<sup>11</sup> Whereas this mechanism has certainly built the institutional capacity and ownership to manage international programmes, the lengthy procedures and signing of legal agreements has delayed project implementation in certain countries. Besides, the number of transactions (reporting, review of substantive reports, and financial obligations) per legal instrument per project can vary to between 4-8 pending the country and type of project. Reducing administrative delays in disbursements to countries is an urgent matter. As per feedback received, the network and thematic meeting's agendas will allow for more time for discussion and sharing of experiences.

43. *Current challenges in project delays.* The delays in the submission of verification reports, in the submission of tranches and IS projects, data reporting challenges, concluding the signature of legal agreements, disbursement delays either due to inadequate substantive or financial reports, etc are being dealt with on many levels: closer coordination with countries, staff being more pro-active in identifying bottlenecks and informing Senior Management

## **CAP Fiduciary and Administrative Management**

44. *CAP budget.* The operational costs for all CAP staff (salaries, activities, office rental, computer equipment, communication, etc.) are fully funded by the Multilateral Fund, and OzonAction provides the direct overhead and operational costs to the Regional Offices from the CAP budget on an annual basis. Budget sub-allotments for the regional activities, both under country projects as well as the

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<sup>11</sup> Under supervision of the Economy Division Finance and Administration, the Fund Management Officer (P3- paid from the overhead costs) and the Paris Budget Assistant are responsible for the creation of the S1 grants in UMOJA. All regional Support Staff are mapped for specific functions and responsible for the creation of the project P1 grants. These staff monitor all projects and contracts under supervision of the UNEP Regional FMOs and the Regional CAP teams.

yearly CAP, are transferred to the Regional Offices with oversight by the Head of OzonAction Branch. The Regional Fund Management Officers (FMOs) provide administrative and financial support to the Regional teams.

45. Over the last 5 years, UNEP has made every effort to streamline expenditures.<sup>12</sup> UNEP acts in accordance with all relevant Executive Committee decisions relating to its operations as an implementing agency of the Multilateral Fund and returns unspent balances annually. The requested annual CAP budget, which is under the responsibility of the Head of Branch, is based on an analysis which includes in-depth review of the actual annual expenditures for the CAP for the previous year, compared with the actual expenditure for the current year up to July. In the negotiations of the annual CAP budget proposal, the Head of Branch ensures that it covers inflationary costs related to staff commitments and is based on programme needs to deliver the large portfolio of CAP services and project implementation,<sup>13</sup> applying Executive Committee Decisions 47/24 and 50/26, recalled in 68/18(b). During the 80<sup>th</sup> Executive Committee, it was noted<sup>14</sup> “that the close monitoring of the CAP in recent years had led to requests for smaller budget increases on the one hand, and to the efficient management of the funds provided to the CAP by the Multilateral Fund on the other, resulting in the return of unused funds.”

## Key Findings and Recommendations

46. *Future workload and capacity.* Whilst the CAP structure in 2001, re-alignment and adjustments in 2009 and 2013 were suitable for this period and made an immense contribution to the phase out and Montreal Protocol obligations, the Programme now requires certain adjustments to meet new challenges, complexity and coherence of the HCFC phase out and HFC phase down activities. This can be viewed with a medium and long term perspective.

47. As regards the institutional set-up currently in place (i.e. Paris as HQ and regional teams), the following options for an optimal delivery mechanism for CAP services can be considered:

- The workload on the Paris team has increased over the last years with the overall management and coordination: oversight and monitoring (substantive and financial); elaboration of the UNEP business plan; design and development of the CAP strategy, budget and workplans; quality review of all project submissions to the Executive Committee; all UNEP reporting to the Executive Committee; and global functions such as elaboration of specific tailored capacity building materials, support to the regions to deliver targeted capacity building workshops (training of new NOOs, customs workshops). In 2016-2017, one Paris staff was fully dedicated to the technical review and quality control for all the 80 non-ODS alternative country surveys, design of specific reporting templates and submissions to the Executive Committee.

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<sup>12</sup>. The United Nations Office of Internal Oversight Services (OIOS) audit of the UNEP OzonAction Branch in 2013 (Report 2014/040). Based on actions taken and the satisfactory internal financial and administrative review mechanisms implemented, OIOS considered all the audit recommendations closed in May 2015.

<sup>13</sup>. These increases are in line with the Noblemaire Principle being used by the International Civil Service Commission (ICSC) to have standard salaries for all United Nations staff in the different Agencies

<sup>14</sup>. Para 165 Statements from the Executive Committee Members on the presentation of the UNEP’s Compliance Assistance Programme budget for 2018. “It was also considered to be worth reiterating that resources provided to the CAP should be used solely for the purposes of that programme, and not used for any other UNEP activities”.

- The workload on the regional teams has also increased proportionately. Staff are responsible for delivery of compliance assistance services, drafting new projects with countries and assuring the implementation of some 650 ongoing projects in 137 countries. Staff were also responsible for the technical support to the 80 countries to complete the non ODS surveys within the deadlines. Regional staff also elaborated the new 71 enabling activity projects and will assist countries with implementation (30 projects approved at Executive Committee 80 and 41 submitted to Executive Committee 81). The added advantage is that through implementation of these national projects, CAP has an overview of the refrigerant usage, management and challenges at national level.
- Noting the CAP staffing and structure in Annex IV, and the difference in workload per staff and per region, the focus on project implementation, one option would be to consider a more flexible regional structure, maintaining the Regional Coordinator to coordinate the networks, with the assigned responsibilities for a certain number of projects implementation as per the staff level and separately assigning individual countries and or a portfolio of projects to Programme Officers. This would assure that each staff has the responsibility for all projects implemented in a given country and will be able to better advise on technology choices, identify linkages and overlaps between the IS, HPMP and enabling activity projects, provide targeted assistance to implement the Kigali Amendment and monitor progress. This would also address the need for a more balanced workload distribution.
- Noting the extensive workload in project management and delivery, another option would be to consider assigning project responsibility to all staff in Paris and the regions.

48. *Other staffing and structure adjustments to be considered:*

- Africa: Noting the extensive project workload and CAP services in the 54 African countries: it is proposed that any new vacant posts in the programme be considered for Africa. With the increased and expanded roles and responsibilities of the Montreal Protocol Regional Coordinators, extended CAP services to include support to the Kigali Amendment implementation, as well as their role in implementation of the some 350 projects, it is proposed to upgrade the two Coordinators to the P5 level, in line with functions and duties since two years. This minimal total additional cost could be borne by the vacant G6 post in Bahrain.
- Asia and the Pacific: The responsibilities of the P5 vacant post now includes coordination, oversight and monitoring to all the three networks and China. Noting the exceptional needs of the Pacific Island Countries and need for continuous re-enforced south-south capacity building, high turnover of NOOs (currently 9 new NOOs), it is proposed to re-join the South-East Asia and Pacific Island Countries under the SEAP network under a P4 staff as the Montreal Protocol Officer/Coordinator, as was previously the case.
- East and Central European team: The network is managed out of the Paris Office by a P4 staff. The ECA Coordinator manages in total a portfolio of approximately 20 projects. Ad hoc support (G staff assistance) is provided to the ECA Coordinator as and when needed by the Paris team and 50% (through expert services) from the savings of a vacant P3 post in Paris.
- Latin America and the Caribbean: In a bid for strengthening the corporate regionalization strategy, the Information Manager post (P4-Paris), was re-assigned duty station to the Latin America and the Caribbean countries as of 1<sup>st</sup> February 2018. The incumbent will perform 50% of tasks globally on information and outreach activities and noting the specific needs of the

region, will dedicate 50% to awareness raising and institutional strengthening. Additional global support to compensate for this staff move is indicated below. With this additional support to the ROLAC team, the functions of the vacant P3 post (HPMP Officer) could be revised to meet regional emerging needs.

- West Asia: The CAP global Partnerships Coordinator (70%) is responsible for mobilization of international partners and the development of global products. The functions of the post implies a close coordination with the Capacity Building Manager (based in Paris). The incumbent is also the Coordinator interim for the West Asia region and responsible for certain technical specific activities and projects in the region (e.g. high ambient temperature projects). Given the future support to all Article 5 countries for technology choices and mobilization of appropriate partnerships, the need to be closer to the Capacity Building team in Paris, it may be considered to move the post temporarily to Paris for a limited duration.

49. *Paris based Staff*. Based on their expertise and functions, certain Paris Support staff have additional responsibilities in administration and finance. Paris teams already operate under two different teams: project and policy support and the Clearinghouse.

- Clearinghouse team: All CAP staff promote the clearinghouse mandate and all CAP staff in regional offices have roles and responsibilities in advocacy, raising awareness, outreach and communication. All Staff are responsible for supporting the countries in raising awareness and outreach, either via the Institutional Strengthening projects or the Networks and CAP services. The regional staff are the first line of contact with all NOOs in information exchange, raising awareness and outreach, via daily operations, network meetings and project implementation. Noting the mandate of CAP in leveraging the Clearinghouse functions, networking, south-south corporation, developing capacity building tools and targeted information for managing the HCFC phase out and the HFC phase-down, certain staff readjustments were undertaken. The Team comprises the Capacity Building Manager and the Partnerships Coordinator (currently based in Bahrain). The team is complemented by 50% time of the P3 Programme Officer and Kigali Officer indicated below. These staff also have global responsibilities for elaborating targeted deployment strategies for the tools and products generated by all CAP under the Clearinghouse mandate. Two G staff based in Paris are dedicated to outreach and communication: one of these staff is responsible for maintaining the web site and the other for the OzoNews. Under supervision of the Capacity Building Manager, one additional G staff is dedicated to the iPIC mechanism and development of training materials.
- Project Management Team: The team leads the development of the business plan, responsible for all project review and submissions, the development of different training materials for new and experienced NOUs and the substantive progress report. The team comprises the Network and Policy Manager and Executive Committee Coordinator. The dedicated Kigali Officer will support all regional teams on the HFC work and establish linkages between the overlapping commitments of HCFC phase out. A Programme Officer (P3) who was fully assigned to the review of the non ODS alternative surveys (2016-2017) is now coordinating the data mining from these projects and the global enabling activities projects (development of reporting templates, etc.), and supports quality review of projects for Executive Committee submissions. The incumbent is an energy efficiency expert with 15 years' experience in the Energy Branch, UNEP. The responsibilities and assignments of incumbents of this Programme Officer and the Kigali Officer (under recruitment) contribute to both the Clearinghouse and Project Management teams. Noting the additional revised job descriptions

for certain staff that correspond to the increased level of complexity of the tasks actually performed, and that the responsibilities have substantially increased, UNEP proposes to initiate a request for the classification of certain posts. Should there be any financial implications for the latter, this will be maintained under the overall CAP budget.

50. *Delivery mechanism*

- Strengthening regional delivery. The regional delivery mechanism complemented with the specific and global functions from the Paris Headquarters will be maintained. Support to the financial and administrative aspects of projects services need to be re-considered in the context of the UN financial rules, UMOJA and the UNEP corporate strategy on regionalisation. Strengthening the regional offices with appropriate resources to support the financial transactions on projects and avoid the undue delays will be pursued. Given the large portfolio of projects assembled in all developing countries, upscaling the speed of delivery of financial and administrative support with dedicated fund management is necessary. Projects are implemented by the Regional CAP teams with financial and administrative assistance from the Regional Administrative and Fund Management Officers. Given the project workload and the corporate strategy on decentralization policy, it is more effective to strengthen the regions.
- Medium term regional delivery support (5 years). Based on the needs expressed by the Regions, certain adjustments were undertaken to strengthen the Regional Offices and ensure more effective timely delivery of services to countries.<sup>15</sup> The Africa and Asia Pacific special needs were considered in 2017-2018: one of the vacant P2 posts was moved from the Africa region to the Asia Pacific region as a dedicated Fund Management Assistant; the vacant P3 post in Bangkok was reassigned to the Africa region, and the terms of reference of this post are being revised to provide financial and administrative support for the over 350 projects in Africa; the functions will also support global CAP fund management as and when necessary; the vacant G5 post in Africa will be fully dedicated to follow up on the UMOJA payments and disbursements on all CAP projects, with United Nations Office in Nairobi (finance department).
- Additional UMOJA functions and regionalisation: One option is to build capacity in the regions for the creation of the S1 grants in UMOJA, a function currently held by one G7 in Paris for the entire CAP. Given the significant workload associated with managing the finance and administration of projects by the UNEP Regional Fund Management Officers over and above their functions, a dedicated FMO with certifying functions (P2 or P3) in each regional office should be considered. The proposed revision of the responsibilities above of the P2 post to be moved to Bangkok and the revision of the terms of reference of a P3 in Africa will only partially meet the financial and administrative needs of the programme. Further adjustments will be considered and pursued for the Latin America and Caribbean and West Asia Offices in 2019. This could be considered within the existing CAP staffing and budget.

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<sup>15</sup> Country projects including the legal agreements with Governments are cleared by the Head of OzonAction as per the formal agreement of countries and the Executive Committee decisions. The Regional Fund Management Officers (FMOs) in the Regional Office, under the supervision of the regional Directors (Bahrain, Nairobi, Panama and Bangkok) assume administrative and financial or certification roles for OzonAction transactions in the regions. As per the internal review mechanisms, all legal agreements signed for CAP projects, are reviewed by the Head of Branch and one Activity leader and then signed by the Regional Director or Head of Branch.

- Increased interaction with countries. Timely intervention, adaptability and flexibility of the CAP programme and staff to accommodate evolving needs of National Ozone Units both via direct contacts (missions) and via the Regional Networks is a hallmark of the CAP and a cost/effective way to avoid potential non-compliance situations.
- Challenges identified by A5 countries related to CAP's delivery of services. One option and recommendation was to re consider the schedule of payments and amounts disbursed under the current legal instruments; hence, the first advance payment has been increased to the maximum of 50% as per UN financial rules and the last payment is decreased.
- Current challenges in country project delays. CAP staff have undertaken several missions to the countries with particular delays and needs. Bilateral sessions during network meetings and or teleconferences continue to be scheduled with high level officials and the Head of OzonAction and sometimes with the UNEP Regional Directors and Representatives. The special case of verification reports of LVCs depends upon an external verifier and institutional capacity of country concerned. UNEP has particular challenges in LVCs as the verification report exercise is not a regular and routine activity. Executive Committee guidance is sought on the role for UNEP in the verification report process.
- Enhanced partnerships. Significant efforts have been made to bring on board the necessary partnerships for an effective, holistic HCFC phase out and HFC phase down. CAP will pursue its efforts and widen scope and outreach to forge new partnerships within and outside UNEP to ensure a multi-disciplinary environmental response to the complex HCFC phase out and HFC phase down.
- Integration of existing and new tools into projects. Communications and advocacy can bring about a new era for refrigerant management and climate co-benefits. CAP has produced a number of capacity building tools, publications and fact sheets reports as outputs. The deployment strategy of integrating these tools into the Institutional Strengthening and HPMP projects will add value and encourage best practice.
- Improvements to the current mechanism for designing a budget for activities within the CAP. Different options can be considered for designing the budget for activities within the CAP. Every effort was made in the last years to ensure that the budgets approved for the meetings were at a minimum and on many occasions, it was more cost effective to combine network meetings of different regions with international meetings and or back to back with these conferences.

## **Conclusions**

UNEP has been an Implementing Agency of the Multilateral Fund since 1991. The CAP was established in 2001 in response to the needs of Article 5 Parties, as a regional delivery programme, designed and driven according to the needs of the countries. For the period 2018-2020, UNEP has considered these needs as reflected in the rolling CAP three year strategy, 2018 annual CAP workplan and budget and the UNEP three year business plan.

This internal review of CAP has helped UNEP reflect on the current structure, distribution of staff, allocation of budget and operational procedures, and identify how it could be adjusted to ensure the most effective delivery under a changing Montreal Protocol landscape. The review helped to assess



whether the structure and operations (form) of the CAP could be further optimised to enable a more efficient delivery of the CAP services and projects implementation (function). It found that whereas the structure and operations of the CAP set clear overall boundaries and principles for engagement based on Executive Committee decisions, in the short and medium term, improved operationalization is needed in a few areas. Adjustments are necessary to harness the full potential of the CAP and its services both in terms of design of the strategy, implementation, structure and operations (financial and human resources). Refining the CAP global structure and operations are ongoing to meet current programme delivery and to facilitate implementing additional enabling activities based on the Kigali Amendment.

1. OzonAction CAP is working to ensure that Article 5 countries experience a seamless transition to the evolved climate and ozone context resulting from the Kigali Amendment with minimal disruptions. Our goal is to help them make a “quick start” on addressing HFCs, while at the same time not distracting them from reaching their existing HCFC targets. Such a “smart approach” can achieve the Montreal Protocol’s objectives and “climate co-benefits.”
2. Over the last twenty-six years, CAP has contributed to the very low rate of non-compliance to date, supporting countries with timely reporting of their national Article 7 and Country Programme data, high rate of ratification of the Montreal Protocol and its five amendments and the setting up of national policy, legislation, HCFC licensing and quota systems.
3. Retooling of the CAP global structure and operations is a continuous process, and was pursued since the CAP inception and especially over the last five years. These adjustments have improved operationalization. A revised CAP structure and operations will be proposed for the 82<sup>nd</sup> Executive Committee submission with the aim to provide a sound framework for engaging with Parties and meeting their emerging needs without any additional costs to the current CAP budget.
4. The CAP is a unique delivery mechanism providing special services to the Parties operating under Article 5 of the Montreal Protocol. The services provided by the CAP have a significant potential to continue contributing to the objectives set by the Protocol and especially assisting Parties to comply with the commitments undertaken with the Kigali Amendment in a smooth and sustainable manner. Whereas the present overall and regional structure and operations of the CAP sets clear overall boundaries and principles for engagement based on Executive Committee Decisions, improved operationalisation is needed in a few areas.
5. CAP’s purpose and vision has proved durable and adaptable and provides as relevant a framework for meeting post-Kigali objectives as it did in meeting the previous chlorofluorocarbon CFC phase out and in meeting the schedules for the HCFC phase out.
6. UNEP looks to guidance and recommendations from the Executive Committee on the proposed changes in structure and operations and especially on how future adjustments could be made to fully harness the potential of the CAP and its services both in terms of structure and operations to meet regional and country needs. UNEP would reflect these in the submission of the 2019 CAP workprogramme and budget.

## ANNEX-I

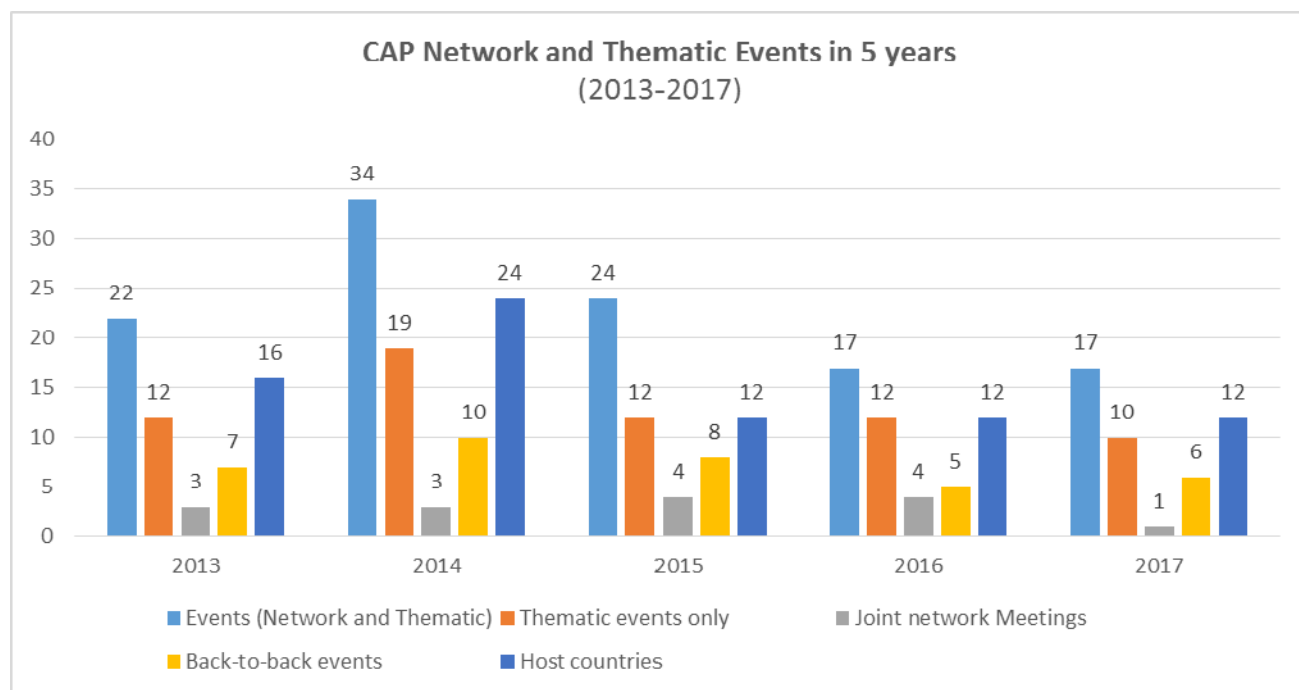
### BRIEFING NOTE ABOUT OZONACTION CLEARINGHOUSE SERVICES

#### A. Networking and South-South Cooperation

UN Environment currently facilitates the operation of 10 Regional Networks of Ozone Officers from 147 developing countries and countries with economies in transition. The Networks are administered by Montreal Protocol Regional Network Coordinators who are CAP staff. Networking comprises annual meetings and follow-up workshops; regular communication between CAP staff and the Ozone Officers to provide information and assistance in resolving any difficulties encountered both in country obligations and in project implementation; technical capacity building; thematic and contact group meetings; and country-to-country cooperation. OzonAction organizes targeted thematic meetings inside and outside of network meetings with countries experiencing difficulties with compliance.

South-South assistance was created with the approval of the 2003 CAP Work Programme. The availability of South-South resources to different regions has paralleled the evolution of the Regional Networks. Priority is given to countries in actual or potential non-compliance and new Parties. Over the years, the budget for the south-south was included in the overall networking activities. Topics include inter-regional collaboration, licensing and quota systems, customs, policies, tools, technical options, twinning approach for new Ozone Officers, and RAC certification schemes

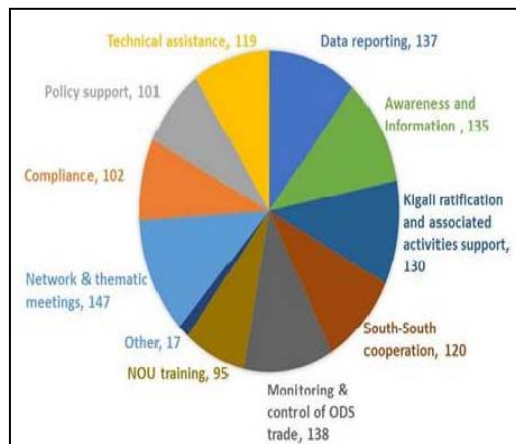
The evolvement of networking and thematic activities over the last 5 years shows that CAP pays special attention to introduce a diverse setup of events that support the needs and emerging issues to Article 5 parties. Different combinations of joint network meetings took place, since 2013, to foster S-S cooperation and experience exchange opportunities within the same region and inter-regionally. Wide range of themes and topics were also covered through CAP thematic events allowing in depth consultation and better understanding to important concerns i.e. policies, certification, servicing sector, technology selection, standards update, customs & illegal trade, high-ambient, fisheries & marine, etc. The joint network/thematic as well as back-to-back events provided, also, a very cost-efficient setup of CAP networking activities. Below Graph shows the CAP Network and Thematic Events in the last five years.



#### B. Compliance Assistance Services

Compliance with the Protocol is the key overall indicator of success for UN Environment and the other members of the Montreal Protocol family of institutions. When a country is in danger of not meeting a specific obligation under this MEA, this family mobilizes to provide proactive support to that country, to enable them to avoid being in non-compliance or quickly returning to compliance. CAP's primary role is to assist Article 5 countries in actual or potential non-compliance to be in-compliance with their obligations under this multilateral environmental agreement (MEA).

CAP cooperates closely with the Ozone Secretariat, the Multilateral Fund Secretariat, and other Implementing Agency partners to identify countries that have difficulties in maintaining compliance or are at risk of being in non-compliance, with special attention paid to countries in post-conflict situations. On average, CAP provides over 600 country-specific compliance services to developing countries each year.



### C. Partnerships and Capacity Building

As part of the three-years overarching strategy, OzonAction has re-focused its clearinghouse activities to develop products and tools that can be utilized by different stakeholders at the local level allowing NOUs and governments to smoothly implement Montreal Protocol projects and programs and meet the compliance targets. For this purpose, OzonAction partnered with several international organizations and associations to mobilize their capacities and knowledge in producing, reviewing and campaigning for final state-of-art products that are technologically up-to-date and easy to use by clients to the Montreal Protocol. Through thorough analyzing the needs the countries and clients to be served under Montreal Protocol programs and projects, the following list of stakeholders were identified:

A. Institutional (Public Sectors)	B. Technical (Private, Non-Governmental)
1. NOUs (Environmental Authorities)	1. Servicing workshops, companies and technicians
2. Energy/ Climate Authorities	2. Refrigerants' importers, wholesalers and distributors
3. Customs, Enforcement, Boarder controls	3. Training Institutes and Centers
4. Standardization Authorities	4. Engineers, plants/facility managers and operators
5. Industry Authorities	5. Consultants and consulting firms
6. Technical Education & Vocation Training (TVET)	6. Buildings and Plants Owners/Investors
7. Engineering groups	7. Research Institutes & Universities
8. Research Institutes & Universities	8. Engineering groups
9. Housing and Buildings Authorities	9. Informal servicing sector
10. Procurement Boards and Committees	
11. Marine/Fisheries/Agriculture/Ports, Others	
12. Chambers of Trade and Industry	

In reaching out those different clients, OzonAction Clearinghouse Team worked over the last three years to develop products and tools that can be instantaneously utilized as part of ongoing phase-out projects and capacity building programs. The products and tools were also designed under thematic groups and in different formats to allow broader use and better accessibility. Therefore, the products and tools worked-out by OzonAction were categorized as Refrigeration Servicing Sector (RSS) Training Tools, Customs Training Tools, Online Tools, Mobile Applications, NOU Capacity Building Tools, Policy and Technical Factsheet/Briefs, Special Tools.

Accordingly, OzonAction Clearinghouse Team developed a Deployment Plan that links all the developed, and under preparation, tools with the ongoing projects i.e. ISPs, HPMPs and Kigali Enabling. The OzonAction Clearinghouse Team will continue updating this plan with the new tools and products. Deployment Plan is summarized as below:

PRODUCT	STATUS	ISP	HPMP	OTHERS	PARTNER*
<b>NOU Capacity Building Tools</b>					
1. NOU Training Programme	May-18 Pilot1	√	√	√	
2. Advanced NOU Training Programme	Dec 2018	√	√	√	
<b>Policy and Technical Factsheets / Briefs</b>					
1. Kigali Kit (20 factsheets, poster, handbook)	Available	√		√	
2. Safety Factsheets	Available		√	√	
3. Refrigerant Classification 2	Available		√	√	ASHRAE
4. Cold Chain Tech. Briefs	Available		√	√	IIR
<b>Mobile Applications3</b>					
1- WhatGas?	Available	√		√	
2- GWP ODP Calculator	Available	√			
3- Quick Guide (flammable good servicing guide e-book)	Aug 2018		√		
4- Air-conditioner charge size calculator	Aug 2018		√		
<b>Online Tools</b>					
1- Refrigerant Literacy E-Learning Course	Available	√	√	√	ASHRAE
2- Refrigerant Management E-Learning Course	July-2018		√	√	ASHRAE
3- iPIC Mechanism	Available	√		√	
<b>Refrigeration Servicing Sector (RSS) Training Tools</b>					
1. Good Practice Videos & Mobile App (Theory and good practice video: by Oct 18)	Available		√	√	BFS
2. Universal Training Kit	Nov-2018		√	√	AREA
3. Refrigerant Driving License (RDL)	Pilot4		√		AHRI
4. Refrigerant Management University Course	Available	√	√	√	AAHRAE
<b>Customs Training Tools</b>					
1. Customs E-Learning	Available (Aug 2018)		√		WCO
2. Customs Training Manual, Risk profiling guide	Update Dec 2018		√		UNODC / WCO
3. Customs and enforcement factsheets	Available		√		WCO
<b>Special Tools</b>					
1. HFCs Outlook Model	Pilot end 2018	√		√	EPEE
2. Cold Chain Database Model	Oct 2018	√	√	√	GFCCC

\* IIR: International Institute of Refrigeration – BFS: Bundesfachschule Kälte-Klima-Technik - AREA: European association of refrigeration, air conditioning and heat pump (RACHP) contractors - AHRI: Air-Conditioning, Heating and Refrigerating Institute - WCO: World Customs Organization – UNODC: UN Office of Drugs & Crime – EPEE: European Partnerships for Energy and Environment – GFCCC: Global Food Cold Chain Council.

<sup>1</sup> Pilot stage will start mid of 2018, rollout starting from 2019

<sup>2</sup> Issued every 6 months in cooperation with ASHRAE to reflect new refrigerants receiving “R” number

<sup>3</sup> What Gas? and GWP calculator area also available as desktop applications (finalised on April 2018)

<sup>4</sup> Pilot Stage up till end of 2018 and includes limited number of countries. To start rolling out in 2019

## ANNEX-II EXECUTIVE COMMITTEE DECISIONS RELATED TO UN ENVIRONMENT CAP

While preparing this document, UNEP took into consideration the following Executive Committee decisions related to CAP and responses provided by UN Environment to each decision.

Decision	Action requested	Response
80/55 (b) (i)	Request UNEP to provide final report to the 81st meeting on the review of the overall structure of the CAP and its operations and regional structure in addressing emerging needs and new challenges in Article 5 countries;	Submitted for the consideration of ExCom-81
80/55 (b) (ii)	Request UNEP to provide final report to the 82nd meeting on the four global activities (national ozone officer training programme, refrigerant drivers license programme, global training programme for the refrigeration servicing sector, and ODS management in the fisheries sector) which were identified in the 2016–2018 three-year rolling strategy, providing details on the overall cost, achievements and outputs and how these had contributed to the compliance for Article 5 countries within the CAP mandate, in line with decision 75/38(c)(i);	Will be submitted to the ExCom-82
80/55 (c)	To further request UNEP, in future submissions of the CAP budget, to continue: (i) Providing detailed information on the activities for which the global funds would be used; (ii) Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and to provide details, pursuant to decisions 47/24 and 50/26, on the reallocations made; (iii) Reporting on the current post levels of CAP staff and informing the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations; and (iv) Providing a budget for the year in question, and a report on the estimated costs incurred in the previous year, noting sub-paragraphs (c)(ii) and (c)(iii) above.	Will be submitted to the ExCom-82  (Although part of the requested information is included at the current document submitted to ExCom-81 in relation to CAP Review)
77/38(c)	Request UNEP to review the overall structure of the CAP and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the Executive Committee for consideration at its 79th meeting.  The suggestion was also made for UNEP to conduct a survey to assess the level of satisfaction with the CAP's clearinghouse mechanism and e-learning modules, and other global activities	Partial information was provided in the proposal for the CAP 2018 Work Programme and Budget, as part IV, "Review of the OzonAction Compliance Assistance Programme"  This information is provided the present proposal as Annex 4A
77/38 and 75/38(c)	Requested UNEP to continue to submit an annual work programme and budget for the CAP, including: <ul style="list-style-type: none"> <li>▪ Providing detailed information on the progress of the four new activities identified in the 2016 work programme where the global funds would be used until their completion;</li> <li>▪ Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and to provide details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26; and</li> <li>▪ Reporting on the current staff post levels and informing the</li> </ul>	This information is provided in the proposal for the CAP 2018 Work Programme and Budget and in the Annexes 3B and 2D on the budget.

Decision	Action requested	Response
	Executive Committee of any changes thereto, particularly in respect to any increased budget allocations.	
74/10	Requested UNEP to submit its written report on the audit of the UNEP OzonAction Branch to the 75th meeting so that the Committee could keep those issues under consideration in the context of the approved Compliance Assistance Programme budget.	Details of the actions taken to implement the OIOS audit recommendations were submitted to the 75 <sup>th</sup> meeting of the Executive Committee.
73/53	Requested UNEP to report to the 74 <sup>th</sup> meeting on actions taken to implement recommendations 1, 2, 3 and 4 taken from the May 2014 report of the UN Office of Internal Oversight Services audit of the UNEP OzonAction Branch. <ul style="list-style-type: none"> <li>▪ UNEP to review the existing organizational arrangements to ensure for clear accountability and efficient and effective delivery of the OzonAction Branch programme of work in accordance with ExCom decisions</li> <li>▪ UNEP to put in place a mechanism to ensure that funds are used as approved, any variances disclosed and unspent funds returned to the ExCom in a timely manner</li> <li>▪ Define a mechanism that projects are financially closed no more than 18 months after date of operational completion</li> <li>▪ UNEP to ensure that it does not enter into contractual arrangements that duplicate the services of the Compliance Assistance Project.</li> </ul>	As above.
73/53	Requested UNEP in future submissions of the CAP to continue providing: <ul style="list-style-type: none"> <li>▪ Detailed information for which global funds would be used.</li> <li>▪ Extending prioritization of funding between CAP budget lines to accommodate changing priorities and to provide details, pursuant to decisions 47/24 and 50/26, on the reallocations made.</li> <li>▪ Reporting on current post levels of staff and informing on any changes thereto, particularly with respect to any increased budget allocations.</li> </ul>	This decision is superseded by decision 75/38(c). Detailed information on use of global CAP funds are provided in Annex 2D and 2E.
70/10(d)(i) i)	Requested UNEP to continue providing reports on the utilization of Compliance Assistance Programme (CAP) staff for Multilateral Fund Montreal Protocol activities according to the following five categories in the context of annual progress and financial reports: <ul style="list-style-type: none"> <li>▪ Projects and services approved by the Executive Committee;</li> <li>▪ Pursuing synergies or implementing joint activities with other non-Multilateral Fund partnerships and initiatives;</li> <li>▪ Mobilizing resources for ozone protection activities from entities outside of Multilateral Fund;</li> <li>▪ UNEP-wide processes and activities; and</li> <li>▪ Administrative activities.</li> </ul>	The use of CAP staff time, which covers the period 1 August 2016 to 11 August 2017, is indicated in Annex 3D.
70/10(d) (iii)	Requested UNEP to provide a status report to the 71st meeting on the extent to which UNEP had implemented measures to ensure that all professional staff time paid with CAP funds was used for Multilateral Fund Montreal Protocol activities, in line with decision 50/26(a)(iii).	This decision is implemented as above.
70/10(iv)	Requested UNEP to ensure that Regional Network Coordinators were directly accountable to the Network and Policy Manager in the OzonAction branch, based on the CAP organigram presented in the 2010 CAP budget (UNEP/OzL.Pro/ExCom/59/17), and according to the CAP structure indicated in the original description of the CAP programme provided in UNEP/OzL.Pro/ExCom/35/4.	See Annex 3D.
69/8	Approved UNEP's 2013-2015 Business Plan, included approval to	The LFAs are included in

Decision	Action requested	Response
	move UNEP's logical framework analyses from the Business Plan to the CAP Budget starting from the 2014 CAP Budget cycle, in the interest of further streamlining those processes.	Annex 2A of this proposal.
66/16(v)	Requests UNEP to present its detailed annual progress report on CAP activities to the third meeting of each year in the context of the annual CAP approval, and to identify any project implementation impediments for the CAP project in the Annual Progress and Financial Report.	This information is provided in Annex 3A, 3B, 3C, 3D and 3E of this proposal.
68/18(b)	Requests UNEP, in future submissions of the CAP budget, to continue: (i) Providing detailed information on the activities for which the global funds would be used; (ii) Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and providing details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26; and (iii) Reporting on the current staff post levels and informing the Executive Committee of any changes thereto, particularly in respect of any increased budget allocations.	The present budget proposal includes sections that address each of the elements in this decision under Annex 2D and 2E.
60/6(i)	Requests UNEP to submit a complete list of special compliance assistance activities with the CAP budget (submitted to the last Meeting of the Executive Committee each year) so that the Executive Committee would be able to examine and approve the budget in a more holistic manner.	This information is presented in Annexes 2A and 2B.
52/7	Followed the Final Report on the Evaluation of the CAP Programme, requests UNEP to consider further regionalization of CAP resources and to focus the CAP on specific priority areas and activities.	Additional regionalization of CAP resources will be done as per regional needs in 2017.
50/26(c)	Requires that the CAP budget should only be spent in accordance with the terms of reference for the financial mechanism contained in Article 10 of the Montreal Protocol and therefore resources should not be spent on inter-multilateral environmental agreement coordination activities.	The CAP budget continues to be spent by UNEP in accordance with the terms of reference for the financial mechanism
47/24	Requires that (a) Requests for future increases in the CAP budget would be limited to 3 per cent, unless the Executive Committee was given evidence that inflationary pressures justify otherwise; and (b) UNEP was encouraged to continue to extend the prioritization of funding between CAP budget lines so as to accommodate changing priorities.	The present proposal adheres to this decision.
26/41	Establishes the Programme Support Cost rate for UNEP as follows: (a) 13 per cent on projects up to a value of \$500,000; (b) For projects with a value exceeding \$500,000 but up to and including \$5,000,000, an agency fee of 13 per cent should be applied on the first \$500,000 and 11 per cent on the balance; (c) to assess projects with a value exceeding \$5 million on a case-by-case basis; (d) 0% for Institutional Strengthening projects (e) 8% for CAP.	The present proposal adheres to decision on CAP.



## ANNEX III

### STRENGTHS AND COMPARATIVE ADVANTAGE OF THE COMPLIANCE ASSISTANCE PROGRAMME

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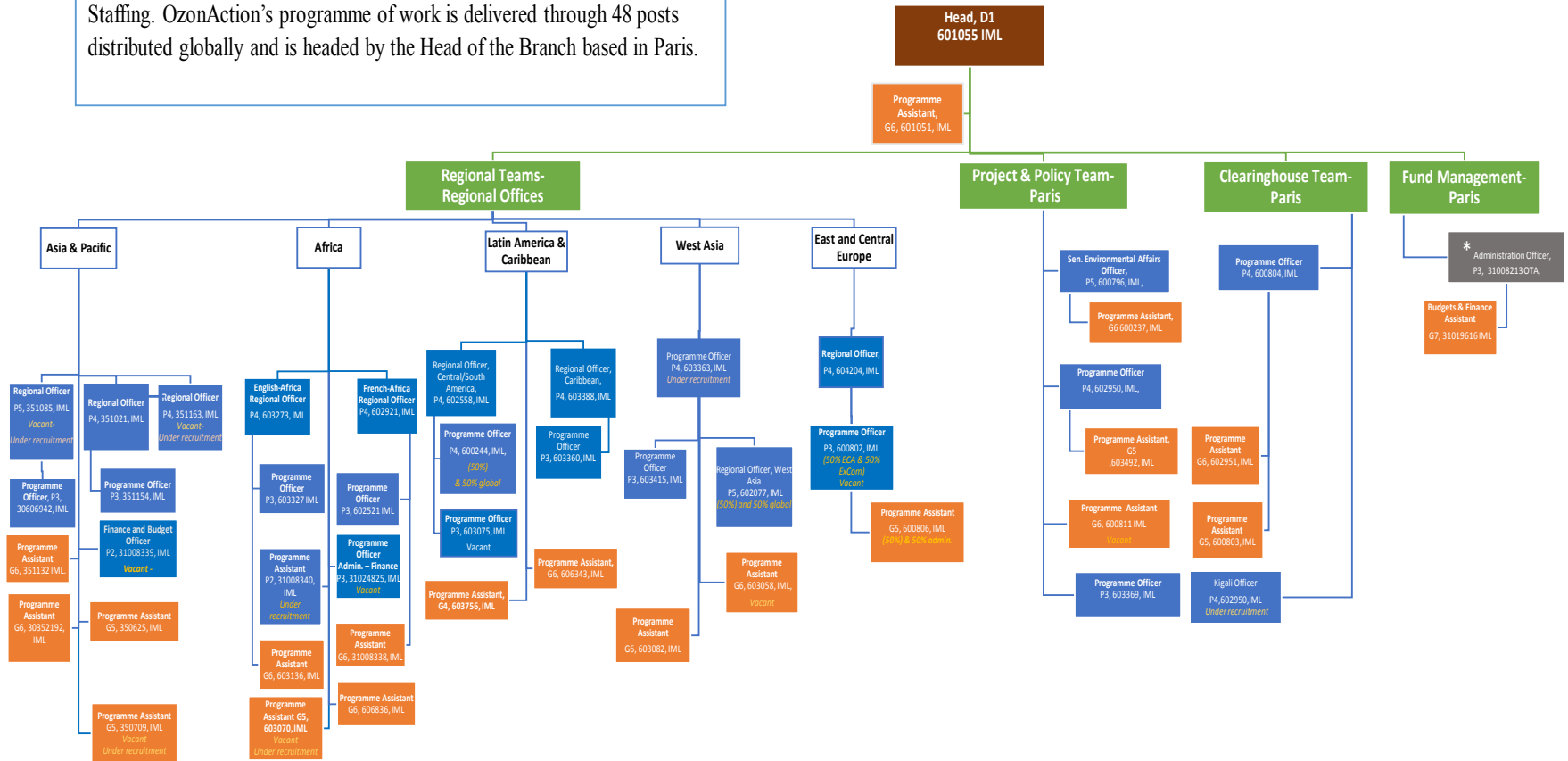
- **Focus on Low-volume Consuming Countries (LVCs).** While CAP works with countries of all ODS consumption levels, it has the maximum interaction with LVCs and specifically tries to cater to their non-investment needs.
- **Compliance focus.** CAP provides staff priority and resources towards compliance-relevant activities that are not part of specific project work (e.g. data reporting), which are often overlooked or which fall outside of regular project services.
- **NOU focus.** Most of CAP services are oriented towards the needs of NOUs. The proximity and regular interaction of CAP staff with Ozone Officers, the linkage to the IS and HPMP projects and Regional Networks, has resulted in a close and highly productive working relationship between CAP and NOUs, making them our privileged clients. CAP strives to raise the profile of NOUs and empower them so that they can be in the “driver’s seat” of the Montreal Protocol process.
- **Institutional Strengthening (IS).** UN Environment implements the most number of IS projects of any agency under the Multilateral Fund. The country-driven approach requires countries to have Ozone Officers with the necessary advanced skills and continuous training to effectively manage various activities at national, regional and global levels. NOOs are constantly facing challenges in performing their tasks, which range from the monitoring and enforcement of the ODS legislation, to HCFC licensing systems, to providing advice to the government on choice of technologies and country data reporting. CAP works closely with NOOs through IS projects to help overcome these challenges.
- **Focus on refrigeration servicing sector (RSS).** Since inception, CAP’s core work is in the RSS. Training for refrigeration and air conditioning (RAC) servicing technicians is a core capacity building service provided by CAP through HPMPs and the Information Clearinghouse. CAP has cultivated strong linkages with RAC associations and technical training institutes.
- **Focus on customs officers.** CAP focuses significant assistance to customs officers as a major stakeholder group in support of trade control and enforcement objectives in national Montreal Protocol strategies. This support includes provision in information tools and training of customs and enforcement officers in all regions, encouraging cooperation between NOUs and customs officers. and establishing links with the relevant regional and international enforcement organizations.
- **HCFC phase out management projects:** Support as the Lead Agency in 71 national HCFC Phase out Management Plans (HPMPs) and as the Cooperating Agency in 30 countries.
- **Clearinghouse function.** UN Environment is the only Implementing Agency with the specific mandate to collect and share information, experiences and know-how between Parties to build capacity. The information clearinghouse is a pillar of CAP services and is supported by the other CAP activities.
- **Experience gained from working with a diversity of countries.** OzonAction has 147 developing country clients that cover a broad spectrum in terms of population, geographic size, location, and level of ODS consumption and production. This unique position allows CAP to share information, experiences and lessons learned across different types/sizes of countries and between regions.
- **Country-to-country cooperation.** CAP supports and facilitates country-to-country cooperation in many forms (Networking, country missions, study tours, bilateral cooperation, etc.) between Article 5 countries to share expertise on specific focused priority areas and spread of best practices.
- **Regional delivery mechanism.** Under the CAP, the majority of staff are based in UN Environment’s Regional Offices, where they closely interact with countries on a day-to-day basis to support and sustain compliance. This regional delivery mechanism is a distinctive feature of the OzonAction Programme.
- **Access to international partners.** CAP managed, over years, to build strategic and long-term partnerships with most of key international associations and organizations especially in RAC sector. Such relationships bring state-of-art products and better services to local stakeholders.



## ANNEX IV CURRENT CAP STRUCTURE AND OPERATIONS

### STRUCTURE

Staffing. OzonAction's programme of work is delivered through 48 posts distributed globally and is headed by the Head of the Branch based in Paris.



All CAP staff are paid from the CAP b  
 \* Not paid from CAP budget

