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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-third Meeting
Montreal, 27– 31 May 2019

**REVIEW OF THE ADMINISTRATIVE COST REGIME: ANALYSIS BY COUNTRY OF
PROJECT MANAGEMENT UNITS, INSTITUTIONAL STRENGTHENING, AND
IMPLEMENTING AGENCIES, INCLUDING ACTIVITIES AND FUNDING UNDER THE
COMPLIANCE ASSISTANCE PROGRAMME, CORE UNITS AND OTHER ELEMENTS
OF THE ADMINISTRATIVE COST REGIME, AND INFORMATION ON NATIONAL
LEVEL INDEPENDENT VERIFICATION (DECISION 82/82(b))**

Background

1. At its 79th meeting, the Executive Committee considered pursuant to decision 75/69(b), (c) and (d), a study on the review of the Multilateral Fund's administrative cost regime and its core unit funding budget to contribute to the assessment of administrative costs for the 2018-2020 triennium¹.
2. Subsequently, the Executive Committee requested the Secretariat to *inter alia* prepare for the 82nd meeting a document on the duties and costs associated with project management units (PMUs), analyzing how those costs and duties related to institutional strengthening (IS), the UNEP Compliance Assistance Programme (CAP), project preparation funding, and support costs for project implementation and verification activities; as well as the extent to which agencies passed on administrative duties to other institutions (decision 79/41(f)).
3. In response to decision 79/41(f), the Secretariat submitted a document² to the 82nd meeting presenting an analysis of the duties and costs associated with PMUs and the extent to which agencies passed on administrative duties to other institutions.
4. In the ensuing discussion,³ members expressed appreciation for the paper, which aided in understanding aspects of PMUs, notably the lack of consistent use of Appendix 5-A of Agreements on the implementation of HPMPs in order to clearly describe and define the roles and responsibilities of PMUs and National Ozone Units (NOUs). However, the Executive Committee requested additional information that would provide a better understanding of the difference between the roles and

¹ The study was to *inter alia* determine the appropriate level of programme support costs to administer projects supported by the Fund, and to update the definitions of relevant components of administrative costs, including core unit costs, the Compliance Assistance Programme, central services, executing agency, financial intermediary, and project management unit (UNEP/OzL.Pro/ExCom/79/43).

² UNEP/OzL.Pro/ExCom/82/63

³ Paragraph 283 of document UNEP/OzL.Pro/ExCom/82/72

responsibilities of the PMU and NOU. A more detailed supplementary analysis was requested focusing on the roles of the PMU and NOU in collecting and reporting Article 7 data under the Protocol; financial data on funding for PMUs compared with institutional strengthening (IS) funding for NOUs, by country, and the potential overlaps between PMUs and NOUs in supporting HPMP implementation; the roles and responsibilities of PMUs, NOUs and implementing agencies; and the verification process and associated costs, as input into future discussions on monitoring, verification and reporting on the implementation of ODS phase-out activities.

5. Subsequently, the Executive Committee *inter alia* requested the Secretariat to prepare, for the 83rd meeting, in consultation with the implementing agencies, a document providing detailed analysis by country on PMUs, IS projects, and implementing agencies, including in relation to: activities and funding under the UNEP CAP; the core units of UNDP, UNIDO and the World Bank and other elements of the administrative cost regime; and information on national level independent verification; (decision 82/82(b)).

6. The Secretariat has prepared the present document pursuant to decision 82/82(b)).

Scope of the document

7. This paper provides additional analysis of the information contained in document UNEP/OzL.Pro/ExCom/82/63, particularly the elements included in decision 82/82(b), and a description of the duties and costs in the implementation of Fund-supported activities. It presents analysis by country based on information gathered from the review of stage I of HCFC phase-out management plans (HPMPs), and IS requests. The analysis is based on the large number of policies and decisions related to the elements included in decision 82/82(b), namely PMUs, IS projects, implementing agencies (including UNEP CAP and the core units of UNDP, UNIDO and the World Bank), other elements of the Fund's administrative cost regime, and verifications undertaken under HPMPs.

8. The present document is also based on discussions with bilateral and implementing agencies, both at Inter-agency coordination meetings (IACMs), including the last meeting held in March 2019, and bilaterally with each agency. The document incorporates invaluable information provided by the implementing agencies in the past and specifically for the present document. The information is summarized in Annex I to the present document. The Secretariat notes with appreciation the fruitful discussions with the agencies and information they have provided.

Duties and costs related to decision 82/82(b)

9. Since the establishment of the Multilateral Fund in 1991, the Executive Committee has kept under review the Fund's administrative costs. At its 26th meeting, the Executive Committee approved the definition of administrative costs and the constitution of eligible components for reimbursing such costs, differentiating them from project costs that are associated with project implementation and management (decision 26/41). In 2001-2002, in the context of the strategic planning of the Multilateral Fund, the Executive Committee adopted the country-driven approach, approved through decision 35/5 the establishment of the CAP⁴, and agreed to provide core unit costs to UNDP, UNIDO and the World Bank, with a reduction of the graduated agency support cost rates.⁵

⁴ UNEP/OzL.Pro/ExCom/35/67.

⁵ The current administrative cost regime applicable to UNDP, UNIDO and the World Bank, consists of annual core unit funding allowing an annual increase of up to 0.7 per cent subject to annual review, and agency support costs of 7.0 per cent for projects with a cost at or above US \$250,000, including IS renewals and project

10. Since the approval of the first two HPMPs at the 60th meeting, the roles and responsibilities of NOUs, PMUs and the bilateral and implementing agencies have increased. In addition to approving tranches of HPMPs that include funding for PMUs, the Executive Committee separately approves funding for preparation of new stages of HPMPs; preparation of verification of HCFC consumption in low-volume consuming (LVC) countries; renewal of IS projects (every two years) in line with decision 74/51;⁶ and budgets of UNEP CAP and the core unit costs of UNDP, UNIDO and the World Bank.

11. Table 1 presents a summary of the roles and responsibilities and funding modalities related to: IS; PMUs established for HPMP implementation; bilateral and implementing agencies in HPMP implementation; the UNEP-CAP; and the core units of UNDP, UNIDO and the World Bank.

Table 1. Overview⁷ of IS, PMUs, bilateral and implementing agencies, CAP, and core units

Funding source	Roles and responsibilities	Funding modalities
IS	<p>In virtually all Article 5 countries which get Multilateral Fund support, the NOU coordinates the implementation of Montreal Protocol activities, and delivery on the country's phase-out obligations which are outlined in its Agreement with the Executive Committee. With the support of bilateral and implementing agencies, the NOU capacity is strengthened through IS funding in implementing a range of activities, namely:</p> <ul style="list-style-type: none"> • Preparing of the national strategy for ODS phase-out strategy, which often coordinating stakeholders, and in consultation with a National Ozone Committee • Facilitating the ratification of the amendments to the Montreal Protocol • Putting in place and enforcing legislation and regulations for the control and monitoring of controlled substances • Managing the collection, analysis and submission of consumption and production data reports under Article 7 and under progress reports on CP implementation • Coordinating stakeholders, for example, government institutions, customs authorities, importers/exporters and traders, industry and industry/trade associations, training centres, and NGOs • Linking government authorities with the Committee, the Secretariat, and agencies • Integrating ozone protection issues into national plans • Raising awareness among stakeholders, including the public 	<p>Funding is renewed every two years upon receipt of a progress report of the previous two-year period, and a plan of action for the next two-year period</p> <p>IS budgets cover funding for staff salaries and for operational cost of the ozone offices</p> <p>Agency support costs of 7.0 per cent for IS projects under UNDP, UNIDO and the World Bank; no agency support costs are applicable for IS projects supported by UNEP.</p>

preparation; agency support costs of 9.0 per cent for projects with cost below US \$250,000; and agency support no greater than 6.5 per cent, to be determined on a case-by-case basis for projects in the production sector.

⁶ The Executive Committee approved all IS projects and renewals at a level 28 per cent higher than the historically agreed level, with a minimum level of IS funding of US \$42,500 per year, to continue support for compliance with the Montreal Protocol and to address the challenges related to the phase-out of HCFCs. The Committee also decided to review IS, including funding levels, at the first Executive Committee meeting in 2020.

⁷ This overview is based on information presented in previous documents considered by the Executive Committee.

Funding source	Roles and responsibilities	Funding modalities
<p>PMU under HPMPs</p>	<p>Day-to-day implementation of investment projects (where applicable), training programmes, technical assistance and awareness-raising activities included in the approved HPMPs</p> <p>PMU provides support to the NOU and independent verifier on verification process (e.g., meetings with relevant stakeholders, data collection coordination, and inputs on review findings)</p> <p>PMU usually, under the supervision of the NOU, takes the role of coordinating non-governmental stakeholders or some Government department(s), industrial associations, research institutes, standard bureau, training institute, and statistics bureau for the implementation of HPMP activities.</p> <p>While the main responsibility for data gathering, analysis and reporting remains within the NOU, in some cases the PMU participates in collecting and analyzing consumption data pertaining to the controlled substances associated with HPMP implementation</p>	<p>Funding is provided based on the overall HPMP funding proposed, taking into account the type of activities to be implemented during the overall stage of the HPMP</p> <p>The level of PMU funding recommended follows these principles:</p> <ul style="list-style-type: none"> • For non-LVC countries, funding is calculated on an average 5 per cent with a maximum level not exceeding 10 per cent of the total funding requested for the HPMP; and • For LVC countries, project monitoring and coordination is integrated as part of the eligible funding for each LVC country⁸, with the allocation not to exceed 20 per cent of this total funding for each stage of the HPMP <p>Unlike funding for IS, the country has the flexibility to reallocate funding approved for the PMU to phase-out activities. However, disbursements for the PMU by the implementing agency should be up to the maximum funding level approved</p>
<p>Bilateral / implementing agencies</p>	<p>The roles and responsibilities of bilateral and implementing agencies with regard to HPMPs are described in Appendix 6 of the Agreement. These include:</p> <ul style="list-style-type: none"> • <u>Lead agency</u>: Ensuring performance and financial verification in accordance with the Agreements and with its specific internal procedures and requirements (except in China where the World Bank conducts the performance verification); preparing progress reports for previous funding tranches and plans of action for the following funding tranche; independent verification that the phase-out targets have been met and the associated tranche activities have been completed; fulfilling the reporting requirements for the progress reports and the overall plans; ensuring that independent technical experts carry out technical reviews; carrying out supervision missions; ensuring that the mechanism in place allows for effective, transparent implementation of the phase-out plan and accurate data reporting; and policy, management and technical support • <u>Cooperating agency</u>: Providing assistance with policy, management and technical support when required as in paragraph 1(m) of Appendix 5-A; implementing and assessing the activities funded by the cooperating agency while referring to the lead 	<p>For UNDP, UNIDO and the World Bank, agency support costs vary from up to 6.5 to 9.0 per cent depending on the type and cost of the project</p> <p>For bilateral agencies and UNEP, agency support costs vary from 11 to 13 per cent depending on the cost of the project</p> <p>Costs associated with verifications in non-LVC countries are usually covered by the agency support costs of the lead implementing agencies, while the verification costs for LVC countries are approved by the Executive Committee</p>

⁸ Decision 60/44 and 74/50

Funding source	Roles and responsibilities	Funding modalities
	<p>agency to ensure a coordinated sequence in the activities; and reaching consensus with the lead implementing agency on planning, coordination and reporting arrangements to facilitate the implementation of the plan</p> <ul style="list-style-type: none"> • Verification: In addition to confirming compliance with the consumption/production targets in multiyear agreements, independent verifications of HCFC consumption and production have been a useful tool in assisting Article 5 countries to improve their HCFC import and export licensing and quota systems and the procedures to operate them in a reliable manner. Verification reports are the responsibility of the lead implementing agency of the HPMP and are mandatory for all non-LVC countries, while for LVC countries, a sample of 20 per cent of these countries is selected for the purpose of verification any given year 	
UNEP-CAP ⁹	<p>UNEP coordinates CAP, a regional capacity-building mechanism that promotes the exchange of information, experience and know-how to meet Montreal Protocol commitments, report data, adopt and enforce policies, adopt technologies, and strengthen NOUs. CAP has a key role in assisting Article 5 countries in preparing and submitting Article 7 and CP data to the Ozone and Fund Secretariats respectively</p> <p>CAP also:</p> <ul style="list-style-type: none"> • Provides special compliance assistance, query response and training of NOUs and facilitates enforcement • Capacity building, providing training, information and support services that strengthen the national capacity of stakeholders (e.g., customs officers, refrigeration technicians, refrigeration associations), to establish the enabling environment for the implementation of the Protocol • A South-South and North-South cooperation facility that enables cooperation between two or more countries on specific technical or policy challenges in implementing the Protocol • A global information, communication and education clearinghouse service that provides publications, e-services and tools that can be used in support of Protocol objectives • Provides country-specific compliance assistance services to address the individual compliance-related needs articulated by NOUs 	<p>The budget for CAP was approved for the first time in 2002. Funding requests for the CAP budget (including eight per cent of agency support costs) are submitted for consideration by the Executive Committee on an annual basis. The requests include a comprehensive progress report on the activities implemented in the previous year, a financial report on disbursements, and a work programme for the following year.</p> <p>Balances of CAP budgets are returned to the Multilateral Fund on an annual basis</p> <p>The Secretariat reviews the requests and provides a recommendation</p>

⁹ CAP supports 145 Article 5 countries that cover a broad spectrum in terms of size, population, and consumption and production of controlled substances. CAP services include technical capacity-building support on regulatory infrastructure, policies, licensing and quota systems, enforcement, and refrigeration technicians.

Funding source	Roles and responsibilities	Funding modalities
Core units	<p>UNDP, UNIDO and the World Bank have established core units, which provide expertise and coherent implementation of Protocol activities in Article 5 countries</p> <p>Core unit duties include:</p> <ul style="list-style-type: none"> • Collecting, reviewing and pre-qualifying project applications • Dealing with governments and establishing legal agreements • Preparing project proposals • Fielding consultants to project sites • Submitting and following-up on project proposals submitted to the Executive Committee for approval; • Coordinating with the Fund Secretariat on different activities • Preparing implementation agreements and terms of reference for subcontractors • Mobilizing implementation teams for approved projects using appropriate bidding and evaluation mechanisms • Processing contractual and accounting documents associated with approved projects • Reporting on results of projects and the programme (preparing progress and project completion reports) • Preparing business plans based on communications with governments about their needs and priorities • Preparing financial progress reports • Following up on implementation status, including country visits if there is evidence of undue delays or difficulties • Providing input to the Secretariat with policy papers and issues as required • Participating in meetings of the Executive Committee, and the Secretariat 	<p>Funding requests for core unit costs were approved for the first time in 2003</p> <p>Requests for core unit costs are submitted for consideration by the Executive Committee. The Secretariat reviews them and provides a recommendation. Balances of core unit costs e.g. for the World Bank, are returned to the Multilateral Fund</p> <p>Core unit costs are also used for: direct costs for <i>inter alia</i> substantive and operational staffing, facilities and equipment, and programme services (e.g., resource mobilization, monitoring, evaluation and management); and indirect costs for <i>inter alia</i> central administration of human, financial, physical and information technology resources; and legal liabilities</p>

Detailed analysis by country on PMU, IS and agency support costs

12. For the detailed analysis by country requested under decision 82/82(b), the Secretariat reviewed stage I of the HPMPs (and associated Agreements) of 34 non-LVC countries, including China, and stage I of the HPMPs of 29 LVC countries, as well as the IS projects approved for these countries since the time of the approval of the HPMP.

13. The information used for the analysis included:

- (a) Number of years of implementation of stage I of the HPMP as recorded in paragraph 1 and Appendix 2-A of the Agreement with the Executive Committee; one additional year was included to allow for the completion of the HPMP in line with paragraph 14 of the Agreement;

- (b) Total cost of the HPMP (including agency supports costs) as recorded in Appendix 2-A of the Agreement. The cost represents the aggregated project costs and aggregated agency support costs when the HPMP is implemented with the assistance from more than one agency;
- (c) PMU approved budgets are extracted from the project document containing the overall stage I of the HPMP presented for consideration by the Executive Committee; PMU cost per year is calculated by dividing the total PMU cost by the number of years of implementation of stage I of the HPMP; and
- (d) IS cost represents the total aggregated cost of all the renewals of IS that were approved by the Executive Committee from the year stage I of the HPMP was approved; IS cost per year is calculated by dividing the total aggregated IS cost by the number of years of implementation of stage I of the HPMP.

Non-LVC countries

14. Table 2 presents the information on 34 non-LVC countries selected for the representative analysis.

Table 2. Information from 34 non-LVC countries used for the analysis requested under decision 82/82(b)

Country	No. of years	HPMP cost (US \$)			% support \$	PMU cost (US \$)		% PMU \$	IS cost (US \$)	
		Total	Project	Support		Total	Per year		Total	Per year
Analysis of 33 non-LVC countries excluding China										
Afghanistan	11	757,655	679,101	78,554	11.57	66,869	6,079	9.85	642,000	58,364
Algeria	9	2,146,062	1,993,331	152,731	7.66	150,000	16,667	7.53	257,400	28,600
Argentina	9	11,597,593	10,775,154	822,439	7.63	400,000	44,444	3.71	1,420,746	157,861
Bahrain	13	3,033,814	2,808,985	224,829	8.00	165,000	12,692	5.87	230,000	17,692
Bangladesh	10	1,692,305	1,556,074	136,231	8.75	-	-	-	426,400	42,640
Brazil	6	21,027,388	19,417,866	1,609,522	8.29	950,000	158,333	4.89	800,280	133,380
Chile	6	1,936,306	1,786,455	149,851	8.39	102,433	17,072	5.73	798,434	133,072
Colombia	7	7,338,594	6,821,483	517,111	7.58	336,363	48,052	4.93	1,179,568	168,510
Democratic Republic of Congo	8	527,150	475,000	52,150	10.98	60,000	7,500	12.63	149,540	18,693
Dominican Rep	10	1,826,192	1,696,225	129,967	7.66	100,000	10,000	5.90	746,891	74,689
Ecuador	11	2,576,812	2,393,159	183,653	7.67	126,000	11,455	5.27	226,305	20,573
Egypt	10	9,164,414	8,520,815	643,599	7.55	667,000	66,700	7.83	1,269,475	126,948
India	5	22,969,344	21,994,490	974,854	4.43	1,020,000	204,000	4.64	1,224,194	244,839
Indonesia	9	13,661,136	12,692,684	968,452	7.63	450,000	50,000	3.55	1,236,880	137,431
Islamic Republic of Iran	9	10,869,327	9,994,338	874,989	8.75	390,000	43,333	3.90	791,210	87,912
Jordan	9	3,579,964	3,329,317	250,647	7.53	100,000	11,111	3.00	819,171	91,019
Kenya	7	1,009,000	900,000	109,000	12.11	90,000	12,857	10.00	497,468	71,067
Lebanon	8	2,682,242	2,495,109	187,133	7.50	232,300	29,038	9.31	707,210	88,401
Libya	5	2,042,462	1,908,843	133,619	7.00	4,000	800	0.21	329,279	65,856
Malaysia	7	10,306,530	9,587,470	719,060	7.50	600,000	85,714	6.26	1,274,520	182,074
Mexico	11	19,421,177	18,066,211	1,354,966	7.50	242,000	22,000	1.34	1,558,570	141,688
Morocco	9	1,383,246	1,286,740	96,506	7.50	80,000	8,889	6.22	0	0
Nigeria	7	5,309,242	4,938,830	370,412	7.50	356,634	50,948	7.22	1,445,600	206,514
Pakistan	7	5,881,713	5,448,849	432,864	7.94	-	-	-	1,248,037	178,291
Panama	6	364,561	335,545	29,016	8.65	39,000	6,500	11.62	681,720	113,620
Peru	6	310,111	282,671	27,440	9.71	50,000	8,333	17.69	304,403	50,734
Philippines	7	2,495,965	2,295,000	200,965	8.76	230,000	32,857	10.02	998,211	142,602

Country	No. of years	HPMP cost (US \$)			% support \$	PMU cost (US \$)		% PMU \$	IS cost (US \$)	
		Total	Project	Support		Total	Per year		Total	Per year
Saudi Arabia	10	14,421,066	13,420,971	1,000,095	7.45	500,000	50,000	3.73	200,000	20,000
South Africa	10	6,990,905	6,533,556	457,349	7.00	420,000	42,000	6.43	0	0
Thailand	8	19,394,412	18,108,630	1,285,782	7.10	1,276,633	159,579	7.05	1,234,138	154,267
Tunisia	6	1,966,209	1,800,195	166,014	9.22	150,000	25,000	8.33	247,270	41,212
Turkey	9	15,263,964	14,223,540	1,040,424	7.31	500,000	55,556	3.52	1,112,800	123,644
Viet Nam	6	9,809,397	9,125,020	684,377	7.50	532,572	88,762	5.84	661,506	110,251
Total		233,756,258	217,691,657	16,064,601	7.38	10,386,804	1,386,271	4.77	24,719,226	3,232,443
China										
National coord.	6	387,000	360,000	27,000	7.50	23,400	3,900	6.50		
PU foam	6	78,303,870	73,000,000	5,303,870	7.27	3,650,000	608,333	5.00		
XPS foam	6	53,670,860	50,000,000	3,670,860	7.34	2,807,000	467,833	5.61		
ICR	6	65,396,900	61,000,000	4,396,900	7.21	3,965,000	660,833	6.50		
RAC	6	80,432,150	75,000,000	5,432,150	7.24	4,236,550	706,092	5.65		
Solvent	6	5,362,500	5,000,000	362,500	7.25	325,000	54,167	6.50		
Servicing	6	6,278,400	5,640,000	638,400	11.32	400,000	66,667	7.09		
Total		289,831,680	270,000,000	19,831,680	7.35	15,406,950	2,567,825	5.71	1,778,400	296,400

15. The following observations arise from the data in Table 2:

- (a) For the 33 non-LVC countries, excluding China, the average agency support costs represented 7.38 per cent of the total project cost. Agency support costs above 7.5 per cent of the total costs are due to the involvement of bilateral agencies and UNEP in project implementation;
- (b) The average aggregated funding for PMUs represented 4.77 per cent of the total project costs. Funding for PMUs was not requested in stage I of the HPMPs for Bangladesh and Pakistan, while funding for the PMUs of the Democratic Republic of Congo, Kenya, Panama, Peru and the Philippines was 10 per cent of the total project cost or higher;
- (c) The level of funding approved for PMUs was reviewed by the Secretariat at the time stage I of the HPMP was submitted for approval by the Executive Committee. The funding levels were associated with the number of technical and administrative staff required for the activities and sectors included, the number of enterprises to be converted and their sectoral and geographical distribution, as well as activities related to the refrigeration servicing sector. Article 5 countries with the highest PMU funding compared to the overall cost of the HPMP were mostly implementing activities related to the servicing sector;
- (d) Several of the 33 Article 5 countries in the analysis received funding for the conversion of HCFC-based manufacturing enterprises as stand-alone projects prior to the approval of their stage I (e.g., Algeria, Argentina, Bangladesh, Colombia, Dominican Republic, Egypt, Jordan, Mexico, Morocco, Pakistan, Philippines, Saudi Arabia, and Turkey). Those stand-alone projects did not include funding for PMUs (technical assistance, consultancy support and training activities, for example, could also be considered as project-related technical assistance activities, and are part of the project costs). The majority of these projects were under implementation at the time they were subsumed into stage I of the HPMPs;

- (e) Not all Article 5 countries submit requests for IS renewal every two years. For example, the last IS funding request submitted by Morocco was at the 59th meeting. Since South Africa was reclassified as an Article 5 country, IS funding has not been approved;
- (f) The total aggregate IS funding approved for the 33 Article 5 countries (excluding China) amounted to US \$24,719,226 or 11.2 per cent of the aggregated HPMP costs. The annual aggregate IS funding of US \$3,232,443 was about three times higher than the annual aggregate PMU funding of US \$1,386,271;
- (g) In the case of the HPMP for China, the aggregated agency support costs represented 7.35 per cent of the total aggregated costs of stage I of the HPMP, while the aggregated PMU costs represented 5.71 per cent of the total aggregated costs of stage I of the HPMP. The total IS funding for China since the approval of stage I of the HPMP amounted to US \$1,778,400, representing 0.66 per cent of the total cost of the HPMP and 11.54 per cent of the total PMU costs; and
- (h) A summary of the activities implemented under IS projects that are different from the activities related to the PMU is contained in Table 1. For the analysis requested under decision 82/82(b), Annex II to the present document presents a summary of the actual IS activities under current implementation in the 33 non-LVC countries listed in Table 2 (noting that IS funding has not been approved for South Africa). This information has been extracted from the respective work programmes of implementing agencies approved by the Executive Committee.

LVC countries

16. For the majority of LVC countries, stage I of their HPMPs related to phasing down the consumption of HCFCs (mostly HCFC-22) used solely for servicing refrigeration and air-conditioning equipment. The Executive Committee agreed on maximum funding levels for HPMPs based on the HCFC baseline for compliance (decision 60/44(f)(xii) and decision 74/50(c)(xii)).

17. Table 3 presents the information from for 29 LVC countries selected for the representative analysis.

Table 3. Information from 29 LVC countries used for the analysis requested under decision 82/82(b)

Country	No. of years	HPMP cost (US \$)			support %	PMU cost (US \$)		PMU %	IS cost (US \$)	
		Total	Project	Support		Total	Per year		Total	Per year
Albania	11	346,750	315,000	31,750	10.08	50,000	4,545	15.87	497,952	45,268
Angola	7	191,840	176,000	15,840	9.00	36,000	5,143	20.45	575,232	82,176
Armenia	7	649,121	601,838	47,283	7.86	-	-	-	667,200	95,314
Barbados	9	312,880	280,000	32,880	11.74	20,000	2,222	7.14	299,520	33,280
Bolivia (Plurinational State of)	11	347,130	315,000	32,130	10.20	33,500	3,045	10.63	258,684	23,517
Bosnia and Herzegovina	10	1,023,170	953,284	69,886	7.33	-	-	-	312,692	31,269
Botswana	7	616,000	560,000	56,000	10.00	30,000	4,286	5.36	100,061	14,294
Burkina Faso	12	702,300	630,000	72,300	11.48	120,000	10,000	19.05	309,915	25,826
Eritrea	10	232,500	210,000	22,500	10.71	17,000	1,700	8.10	145,000	14,500
Ethiopia	10	350,350	315,000	35,350	11.22	30,000	3,000	9.52	145,000	14,500
Georgia	11	538,468	500,900	37,568	7.50	41,100	3,736	8.21	267,001	24,273
Guatemala	11	480,606	442,137	38,469	8.70	66,500	6,045	15.04	159,744	14,522
Haiti	10	312,516	280,000	32,516	11.61	23,467	2,347	8.38	128,000	12,800
Honduras	11	691,000	630,000	61,000	9.68	90,000	8,182	14.29	145,000	13,182

Country	No. of years	HPMP cost (US \$)			% support \$	PMU cost (US \$)		% PMU \$	IS cost (US \$)	
		Total	Project	Support		Total	Per year		Total	Per year
Lao, People's Democratic Republic	11	316,400	280,000	36,400	13.00	14,400	1,309	5.14	290,000	26,364
Montenegro	11	434,838	404,500	30,338	7.50	31,500	2,864	7.79		-
Namibia	16	1,009,000	900,000	109,000	12.11	100,000	6,250	11.11	205,000	12,813
Niger	10	617,125	560,000	57,125	10.20	45,000	4,500	8.04	234,828	23,483
North Macedonia	12	1,107,250	1,030,000	77,250	7.50	-	-	-		-
Oman	6	471,354	434,120	37,234	8.58	40,000	6,667	9.21	293,039	48,840
Qatar	9	1,243,000	1,150,907	92,093	8.00	90,000	10,000	7.82	113,920	12,658
Senegal	11	693,637	630,000	63,637	10.10	60,000	5,455	9.52	693,580	63,053
Serbia	12	1,050,408	973,260	77,148	7.93	45,000	3,750	4.62	430,664	35,889
Somalia	10	337,050	315,000	22,050	7.00	66,000	6,600	20.95	145,000	14,500
Sudan	9	1,564,817	1,456,341	108,476	7.45	50,000	5,556	3.43	665,122	73,902
Turkmenistan	12	700,954	652,050	48,904	7.50	30,000	2,500	4.60	77,000	6,417
Uruguay	6	408,504	380,004	28,500	7.50	82,000	13,667	21.58	687,648	114,608
Zambia	11	350,350	315,000	35,350	11.22	50,000	4,545	15.87	150,520	13,684
Zimbabwe	11	1,163,088	1,038,818	124,270	11.96	100,000	9,091	9.63	486,234	44,203
Total		18,262,406	16,729,159	1,533,247	9.17	1,361,467	137,005	10.06	8,483,556	935,134

18. The following observations arise from the data in Table 2:

- (a) For all 29 LVC countries analysed, the average agency support costs represented 9.17 per cent of the total project cost. These costs indicate the greater assistance provided by bilateral agencies and most notably by UNEP in the implementation of HPMPs in LVC countries¹⁰;
- (b) The average aggregated funding for PMUs represented 10.06 per cent of the total project costs, and varied widely from no funding request (Armenia, Bosnia and Herzegovina and North Macedonia) to over 20 per cent (Somalia). As per decisions by the Executive Committee, funding for the PMU is part of the maximum allowable funding of HPMPs for activities related to the servicing sector in LVC countries;
- (c) The IS projects for Montenegro and North Macedonia were included under the funding approved for stage I of the HPMP, and were therefore not included in Table 3;
- (d) The total aggregate IS funding approved for the 27 Article 5 countries (excluding Montenegro and North Macedonia) amounted to US \$8,483,556, representing almost 50 per cent of the aggregated cost of the HPMP. The annual aggregate IS funding of US \$935,134 was about seven times higher than the annual aggregate PMU funding of US \$137,005. This demonstrates the active role of the NOUs in LVC countries in the implementation of the HPMPs; and

¹⁰ UNEP has indicated that in most of the cases in which it works with the majority of LVCs as a lead agency for HPMP implementation, the HPMP projects do not include a PMU. In all these projects, there is a separate component on monitoring and evaluation. The monitoring and evaluation component is designed to assist LVCs to ensure effective implementation of all project components within the HPMP through regular monitoring and collection of data to measure progress against performance criteria.

- (e) Similar to the case of non-LVC countries, Annex III to the present document presents a summary of the actual IS activities under current implementation in the 27 LVC countries listed in Table 3. Verification activities are conducted with funding specifically approved for those countries.

Observations of the Secretariat

19. All activities submitted for Multilateral Fund support, including HPMPs and HPPMPs (the PMU is one of the cost components); IS projects; verification processes for LVC countries (funded outside the HPMP); the CAP; and core unit costs of UNDP, UNIDO and the World Bank, and bilateral and implementing agencies' support costs, are governed by decisions of the Executive Committee.

20. HPMP funding tranche and IS renewal requests provide comprehensive data and information on progress, roles and responsibilities of implementing agencies, NOUs and PMUs, and costs associated with these roles and responsibilities. In Article 5 countries with no PMU budget in the HPMP, the NOU is central to the implementation of all activities, including Article 7 and CP data reporting. The implementation progress reports include verifiable performance indicators, with the main objective being each country's compliance with its obligations to the Montreal Protocol and targets specified under its Agreement with the Executive Committee.

21. All proposals are subject to comprehensive and thorough review by the Secretariat, including financial reporting and monitoring, before submission to the Executive Committee for consideration and decision. This analysis considers the risk of overlap in the functions and duties of the different stakeholders and the costs associated with project activities and monitoring, and concludes that there is no double-counting, and that the risk of costs ballooning are either limited or none existent.

22. Bilateral and implementing agencies have management and performance measures, which are outlined in project documents, providing for regular progress and expenditure reports against which disbursements are processed, and HPMP tranche and IS phase requests are prepared and submitted.

Recommendation

23. The Executive Committee may wish to note the review of administrative cost regime: analysis by country on project management units, institutional strengthening, and implementing agencies, including activities and funding under the Compliance Assistance Programme, core units and other elements of the administrative cost regime, and information on national level independent verification (decision 82/82(b)), contained in document UNEP/OzL.Pro/ExCom/83/39.

Annex I

DUTIES AND COSTS ASSOCIATED AGENCIES IN IMPLEMENTING ODS PHASE-OUT ACTIVITIES¹

UNDP

1. UNDP has since 2010 been supporting HPMP implementation in 47 countries, and institutional strengthening projects in 22 countries. The HPMP funding approved in principle for UNDP between 2010 and 2018 for stage I amounts to US \$172,741,400, and the total for stage II is US \$241,704,497. The total PMU budget approved in principle for the same period amounts to US \$22,081,442. UNDP's core unit funding approved since 2010 totals US \$18,241,722, and programme support costs approved for HPMPs amount to US \$29,677,769. Institutional strengthening funding approved since 2010 is US \$21,608,065.

2. Core unit funding is approved by the Executive Committee to fulfil the UNDP's global core functions. Core unit costs are not linked to the approved HPMP, PMU, IS and funding. Administrative costs (core activities) are approved to cover the costs of UNDP's Montreal Protocol Unit staff and associated operating expenses. MPU staff coordinate the UNDP Montreal Protocol programme in all Article 5 countries with MLF projects. Staff functions include: preparing delegation of authority to UNDP country offices on project funding approved by the Executive Committee; draw up documents for signature; project implementation; oversight; coordination with other UNDP offices to ensure consistency of MLF programme implementation with UNDP policies and procedures; coordination with MLF Secretariat and the Executive Committee, Treasurer, other implementing agencies; policy advice to Article 5 countries; lead agency functions; business planning; knowledge management; trust fund management, including allocation and monitoring of approved funding and associated budgets as well as substantive (project); and financial reporting to MLF.

3. Administrative costs (project fees) are approved by the Committee to cover UNDP general management costs. General management costs are incurred by UNDP's central, regional and country offices to facilitate implementation of MLF and UNDP programmes funded from sources other than MLF. The fees paid by each source of funding as a percentage of project cost are distributed internally among various offices, including UNDP-MPU, central services and country offices. General management services provided by UNDP include, for example, legal, financial, human resources, travel, procurement, ICT and Security, and general administration. These costs are considered indirect costs since they cannot be directly attributed to a specific project. Without this larger UNDP infrastructure, it would not be possible for the small UNDP-MPU team to operate cost effectively to ensure successful delivery of MLF programmes.

UNEP

4. UNEP is currently responsible for implementing a portfolio of more than 450 ongoing Multilateral Fund projects in A5 countries. It is implementing 104 IS projects for which it does not receive support costs. The HPMP funding approved in principle for UNEP between 2010 and 2018 for stage I amounts to US \$28,143,604, and the total for stage II is US \$24,558,930. The total CAP budget approved in principle for the same period totals US \$85,102,259, and the associated support costs total US \$79,247,836. Unlike other implementing agencies, UNEP does not get core unit funding but CAP. Institutional strengthening funding approved since 2010 totals US \$28,340,583.

5. CAP funding is approved by the Executive Committee to fulfil the UNEP's global core functions. UNEP CAP staff support the project delivery in all A5 countries, whether UNEP is a lead or cooperating

¹ The information presented in this Annex has been provided by the implementation agencies.

agency, and whether or not a lead/cooperating agency has a PMU under its HPMP components. CAP provides technical and financial support to the NOUs related to IS and HPMP projects, as well as CAP services, which cover a wide range of areas, including technical capacity building support on regulatory infrastructure, policies, licensing and quota systems, enforcement, and the refrigeration servicing sector.

6. UNEP works with the majority of LVCs as a lead agency in the implementation of HPMPs. In most of the cases, the HPMP projects do not include a PMU, but a separate component on monitoring and evaluation. In some LVC countries, the PMU acronym stands for project monitoring unit, which is distinctly different from PMU as it is generally understood in the HPMP context. The Project Monitoring Unit applies to the NOUs which have two or more consultants under the component for monitoring and evaluation.

7. The monitoring and evaluation component assists LVCs to ensure effective implementation of all project components within the HPMP through regular monitoring and collection of data to measure progress against performance criteria. One of the important contributions to the successful implementation of HPMPs is that the M&E component ensures that monitoring of the implementation of various activities is done in a timely manner resulting.

8. UNEP implements a few non-LVC HPMPs as lead agency. The PMUs in those large countries are formal, organised units that support complex components of HPMPs. The unit is normally under the supervision and coordination of the NOU.

UNIDO

9. UNIDO is supporting HPMP implementation in 36 low-volume consuming (LVC) countries (excluding Croatia), 36 non-LVC countries in stage I and 15 non-LVCs in stage II of their HPMPs. UNIDO is the lead implementing agency for HPMPs in 33 countries and is the cooperating agency in 43 countries.

10. The HPMP funding approved in principle for UNIDO between 2010 and 2018 for stage I amounts to US \$227,283,003. This excludes the Croatia HPMP and the HCFC project in Syria. The total PMU budget approved in principle for the same period totals US \$18,665,302. UNIDO's core unit funding approved since 2010 totals US \$18,241,722. The programme support costs approved for UNIDO for HPMPs since 2010 amount to US \$34,098,731. This excludes the Croatia HPMP and HCFC project in Syria. Core unit funding is approved by the Executive Committee to fulfil the agency's global core functions. Core unit costs are not linked to the approved HPMP, PMU, IS and funding.

11. Since 2010, UNIDO has been supporting 14 countries with IS activities, including North Macedonia (Former Yugoslav Republic of Macedonia (FYROM)), Montenegro and Turkmenistan for which IS activities are included in the HPMP. IS funding approved since 2010 totals US \$6,892,150. This amount excludes the IS included in the HPMPs for North Macedonia, Montenegro and Turkmenistan for which the approved funding in principle is included in the total HPMP funding. The IS projects for these three countries are a stand-alone component of each HPMP, and the activities are implemented in accordance with the IS guidelines.

12. UNIDO has a direct execution model for the PMU budget and the institutional arrangements are the same in all countries where UNIDO is operating since they all follow the same UNIDO rules and project implementation guidelines. The PMU budget is used to finance staff and travel costs and project execution and coordination. When missions are required for PMU staff, individual travel requests are authorized by the project manager and administratively managed centrally by UNIDO.

13. The PMU is not involved in UNIDO's core activities, and its budget and costs are independently managed from the IS funds. The PMU budget is managed as a separate project component and with separate contractual arrangements, TORs and reporting requirements. The approved support costs provide for project implementation and are used to cover UNIDO's administrative operations. UNIDO centrally manages support costs to cover the administrative costs related to project implementation.

The World Bank

14. The Bank has since 2010 been supporting stage I and II HPMP implementation in six countries, and two in institutional strengthening. The HPMP funding approved in principle for the Bank between 2010 and 2018 for stage I amounts to US \$104,629,584, and the total for stage II is US \$168,753,947. The total PMU budget approved in principle for the same period totals US \$14,617,917. The Bank's core unit funding approved since 2010 totals US \$13,797,644 of which US\$1,624,941 was returned. The programme support costs approved for the Bank for HPMPs since 2010 amount to US \$24,719,405.

15. The Bank supports Jordan and Thailand in implementing each country's IS projects. IS funding directly supports the NOU to manage all aspects of Montreal Protocol implementation. Institutional strengthening funding approved for the Bank since 2010 is US \$1,905,976.

16. The Bank has three types of PMU arrangements: autonomous PMU operating parallel to the NOU; PMU reporting to the head of the NOU or other manager in the agency or ministry responsible for Montreal Protocol implementation; and integrated PMU working within the NOU and reporting to the head of the NOU or other manager in the agency or ministry responsible for Montreal Protocol implementation.

17. The Bank requires under an overall grant agreement that a country recipient of MLF grant funding maintains a project management unit(s) during project implementation with "composition, power, function, staffing and resources," appropriate to fulfilling project responsibilities. The institutional arrangements, responsibilities, and financing of the PMU are described in the agreement and the project appraisal document, and, further detailed in a mandated "project implementation manual." The Bank's overall agreement with the government not only outlines roles and responsibilities, but also requires the country, through the PMU, to continually monitor and evaluate the progress of the project and regularly submit progress and financial reports. This includes "interim financial reports" semi-annually, and an annual audited financial statement within six months after a calendar year, and semi-annual progress reports. Timely submission of documents required by the Executive Committee is also reflected in the grant agreement.

Annex II

**CURRENT INSTITUTIONAL STRENGTHENING IMPLEMENTATION
IN 33 NON-LOW-VOLUME-CONSUMING COUNTRIES**

Country	Meeting	Description
Afghanistan	80	Consult on the HCFC-based equipment ban; hold meetings with customs department on data collection, field surveys and visits; raise awareness among stakeholders of the forthcoming ban on HCFC-based equipment; continue training in good practices and strengthen cooperation with the customs department, ministries and industry associations; and start preparatory work on enabling activities to facilitate Kigali Amendment ratification.
Algeria	73	Ensure the sustainability of ozone unit activities; continue the implementation of the existing licensing and quota system; coordinate the implementation of HPMP activities; continue information dissemination and awareness raising; collect and report data to the Ozone and Multilateral Fund Secretariats.
Argentina	82	Through the NOU, strengthen and ensure sustainability of HPMP activities implemented in the servicing sector including technical assistance to end-users for low-GWP alternatives selection and strengthening the legal framework to support activities; coordinate activities with stakeholders; collect and submit CP and Article 7 data; participate in regional network and Montreal Protocol meetings; and continue public awareness activities, including celebration of International Ozone Day.
Bahrain	81	Continue to work with stakeholders and update them on Montreal Protocol-related decisions to ensure engagement in implementation of the HPMP and HFC phase-down enabling activities; continue to operate the quota and licensing system; start procedures for Kigali Amendment ratification; initiate the licensing and quota system updates to include HFCs; pursue efforts to identify feasible ODS alternatives (not-in-kind technologies); continue awareness raising; continue to prepare CP and Article 7 data reports.
Bangladesh	77	Continue implementing and monitoring stage I of the HPMP and ODS-related activities; adopt and implement policies, strategies, and ODS control measures; maintain close cooperation with customs and stakeholders to prevent illegal trade in ODS and to monitor HCFC imports; raise awareness and exchange information on ozone layer protection and its linkage to climate change; assist in submitting investment activities under stage II of the HPMP and commence activities upon approval; work with refrigeration and air-conditioning industry to identify and facilitate adoption of low-GWP alternatives.
Brazil	75	Support coordination and monitoring of the implementation of stage I of the HPMP and the initiation of stage II through consultations with stakeholders to continuously review the work plan and update the evolving legislation and rules to ensure the control, monitoring, oversight and proper use of ODS and alternative substances; coordinate the ODS disposal demonstration project and integrated management of the chillers sector; ensure the enabling environment to undertake ODS import controls, participation in Montreal Protocol meetings, continued information dissemination on national legislation and regulations to protect the ozone layer, and awareness raising; and hire consultants to strengthen the NOU technical team and to develop work, studies, and the collection of data on ODS alternatives.
Chile	79	Work with public and private entities to enforce HCFC consumption control measures and coordinate activities including investment projects, training programmes on good refrigeration practices, and public awareness activities; initiate the internal process for the ratification of the Kigali Amendment; continue to participate in regional network and Montreal Protocol meetings.
China	82	Improve policy formulation and enforcement; strengthen international communication; strengthen coordination with related agencies and stakeholders; improve data collection and reporting; and improve the project management capacity of the PMU which will ensure communication with bilateral and implementing agencies in its daily operation, and continue to practice efficient programme management, awareness raising and data reporting, and expand its capabilities to ensure successful ODS phase-out; and attend relevant regional network and Montreal Protocol meetings.

Country	Meeting	Description
Colombia	79	Implement stage II of the HPMP; initiate the process for ratification of the Kigali Amendment; consult with the Climate Change office, Energy Department, and other stakeholders to coordinate efforts through the Montreal Protocol and the UNFCCC; collect and analyze data on ODS alternatives; participate in regional and Montreal Protocol meetings; celebrate International Ozone Day; and continue other awareness activities.
Democratic Republic of Congo	77	Disseminate information and raise awareness including Ozone Day celebration and awareness on low-GWP alternatives to HCFCs; coordinate HPMP activities with stakeholders; promote and enforce the licensing and quota system; continue training of refrigeration technicians; establish incentives on imports of hydrocarbons and develop incentive programmes for enterprises to convert refrigeration equipment; monitor and evaluate HPMP activities; organize annual stakeholder workshops; collect and report ODS data to the Fund and Ozone Secretariats; and participate in regional network and Montreal Protocol meetings.
Dominican Republic	82	Ensure the operation of the HCFC/HFC licensing and quota system; develop national capacities to allow efficient Montreal Protocol implementation; monitor and control imports and use of HCFCs; facilitate access to and use of low GWP alternatives; train RAC servicing technicians, customs officers and enforcement inspectors; foster partnerships with public and private sectors; and implement public awareness campaigns; prepare for the ratification of the Kigali Amendment and HFC phase-down through the implementation of the revised regulation and through enabling activities.
Ecuador	76	Implement the ODS licensing system; train customs officials on ODS illegal trade; increase controls on imports of ODS equipment and HCFC-141b contained in imported pre-blended polyols; report ODS data and CP activities; train RAC technicians to promote the use of HCFC alternatives and refrigerant recovery and recycling; and carry out public awareness campaigns.
Egypt	81	Continue to enforce and operate the electronic database connection between the NOU and customs, and initiate consultations to extend the database to include HFCs; coordinate implementation of the foam sector phase-out plan under stage II; manage and monitor HCFC imports through the quota system; promote Kigali Amendment ratification and review and propose regulation amendments; carry out awareness activities on the ban of HCFCs in pre-blended polyols and celebrate international ozone day; and attend regional network and Montreal Protocol meetings.
India	76	Sustain ODS phase-out; monitor effective implementation of stage I of the HPMP; finalize and implement the strategy for stage II; strengthen institutional networks to achieve the compliance targets; continue implementation and enforcement of the Amended Rules (2014) for ODS; and intensify implementation of information outreach activities involving all stakeholders.
Indonesia	80	Provide support for completion of stage I of the HPMP and implementation of stage II through the enforcement of policies, strategies, control measures, technical assistance and monitoring mechanisms, cooperation with stakeholders, and public awareness; support implementation of enabling activities for the Kigali Amendment; ensure timely submission of data to the Fund and Ozone Secretariats and participate in regional network meetings and Montreal Protocol meetings.
Islamic Republic of Iran	82	Control and monitor all ODS consumption; submit CP and Article 7 data; monitor projects and activities under stage II of the HPMP through close coordination with the implementing agencies and relevant stakeholders; coordinate with the Customs department and Trade Promotion Organization and with the Ozone Cells in provinces to implement ODS policy and control measures; carry out awareness-raising and training activities; implement the enabling activities project to facilitate ratification of the Kigali Amendment; and participate in relevant regional and international meetings.

Country	Meeting	Description
Jordan	82	Monitor importers and industry, train customs officers, and build capacity to track ODS use; implement public awareness activities, and attend ozone-related meetings; oversee HPMP activities to convert about 80 enterprises (refrigeration and foam subsectors) in coordination with the PMU; support the RAC sector with training, technician certification, demonstration projects, and advice on setting-up refrigerant recovery, recycling and reclamation centers; coordinate training on handling and using ODS alternatives; promote study tours to provide technical assistance and exchange information and experiences on ODS alternatives; assist in the development of an electronic management system to include HCFCs and HFC enterprises; raise awareness on HFCs and the Kigali Amendment.
Kenya	80	Train RAC technicians, customs and enforcement officers to support ODS regulations implementation; raise awareness and distribute materials to stakeholders; ensure timely data submission to the Ozone and Fund Secretariats; coordinate completion of stage I of the HPMP, and launch the second stage of the HPMP; participate in regional and international meetings of the Montreal Protocol; and engage policy makers for the early ratification of the Kigali Amendment.
Lebanon	82	Implement a public awareness strategy with a special focus on the RAC servicing sector; amend, if necessary, the existing legislation and ODS licensing system to accommodate HFCs and ensure future enforcement of those regulations; facilitate the ratification of the Kigali Amendment with support from the enabling activities for the preparation of a cooling plan, and development of a Minimum Energy Performance Standard; recruit technical consultants and a legal advisor to assist in developing national policies; update the appropriate guidelines for monitoring and evaluation of ODS phase-out projects; and ensure implementation of stage II of the HPMP; participate in the negotiations related to the HFC phase-down guidelines at Montreal Protocol meetings, and participate in regional network meetings.
Libya	81	Continue to monitor HCFC consumption through the licensing and quota system; issue quotas for 2018 and 2019 in line with the Agreement with the Executive Committee and decision XXVII/11; monitor HCFC distribution by sub-sector; continue to coordinate activities with stakeholders on future HFC phase-down; coordinate enabling activities to facilitate Kigali Amendment ratification; carry out information dissemination and awareness; report CP and Article 7 data; and participate in regional and Montreal Protocol meetings.
Malaysia	80	Coordinate completion of stage I of the HPMP, implementation of stage II, and preparations for HFC phase-down; enforce policies, strategies, control measures, technical assistance and monitoring mechanisms; support monitoring activities under stage II including the investment project in the foam sector, technical assistance in the RAC sector, and regulations and measures to control HCFC consumption; initiate enabling activities for Kigali Amendment ratification.
Mexico	82	Prepare the basis for legislative and regulatory measures to be adopted; monitor ODS import and consumption data; collect and submit CP and Article 7 data; implement the quota system to ensure sustainability of the 35 per cent reduction in HCFC consumption in 2018 and 2019; implement stage II of the HPMP, and the HFC conversion projects; coordinate the HFC enabling activities project; and participate in regional network and Montreal Protocol meetings.
Mexico	7	Support for the Ozone Protection Unit to develop a tracking system for production and imports, preparation of investment project proposals, coordination with industry and implementing agencies, training programmes, negotiate voluntary agreements, update country programme and public information.
Morocco	59	To continue implementing the national ODS phase-out plan including training of refrigeration technicians, operation of the recovery and recycling centres and enforcement of the licensing system; facilitate the preparation and implementation of the HPMP; and submit reports to the Fund and Ozone Secretariats.
Nigeria	82	Increase awareness raising; strengthen collaboration with chemical regulatory agencies, particularly with regard to data reporting; coordinate with industry stakeholders; and build capacity for sustainable implementation of the Montreal Protocol.
Pakistan	82	Hold awareness workshops targeting industry, importers and the general public; train servicing technicians and promote good refrigeration practices; train customs officers; celebrate International Ozone Day; implement awareness activities targeting youth and environmental

Country	Meeting	Description
		university; participate in Montreal Protocol and regional network meetings; implement enabling activities to ratify the Kigali Amendment; collaborate with the National Standards body on the development of safety standards for HC technology; make policy to ensure the safe handling of ODS and the adoption of standards and practices for flammable refrigerants; monitor the quota system in collaboration with all the relevant stakeholders; and launch registration process for HFC importers, initially on a voluntary basis then as a policy.
Panama	80	Ensure sustainability of the phase-out and compliance with the Protocol's control measures; strengthen legislation; support industry and trade to adopt ODS alternatives and related technologies; maintain public awareness activities targeting illegal ODS trade; submit data reports to the Fund and Ozone Secretariats in a timely manner; attend Montreal Protocol meetings; coordinate and monitor the implementation of stage II of the HPMP including projects in the foam and RAC servicing sectors, and the regulations and measures to control HCFC consumption; aim to ratify the Kigali Amendment by the end of 2018.
Peru	80	Assist the national focal point and liaise with country authorities; promote Kigali Amendment ratification; continue implementation of the ODS quota and licensing system; coordinate with the Customs Authority to ensure ODS control measure implementation and illegal trade prevention; continue HPMP implementation and initiate stage II of the HPMP; engage stakeholders to control HCFC demand; raise public awareness; train RAC technicians in safe practices for flammable refrigerants; and strengthen RAC technicians' certification programme.
Philippines	79	Implement the licensing and quota system for HCFC import/export; submit data reports; pursue implementation of stage II of the HPMP; monitor ODS imports; conduct public awareness activities; monitor grant recipients of the foam sector plan; work to facilitate the ratification of the Kigali Amendment through additional public awareness.
Saudi Arabia	67	Coordinate the Montreal Protocol programme and update the legislative and regulatory measures; improve HCFC controls through the HCFC import quota system and update the licensing system to operate online; strengthen cooperation with the Customs Department; improve ODS data collection and illegal trade control; and with the Gulf Cooperation Council member countries and regional authorities, build the capacity of refrigeration technicians and customs officers, and conduct awareness-raising activities; finalize the preparation of the HPMP, and ensure data reporting to the Fund and Ozone Secretariats.
Thailand	82	Coordinate and implement the allocation of import quotas; monitor imports and exports with the Customs Department; technical assistance and build capacity including support to the Ministry of Energy to raise industry awareness regarding energy efficiency; conduct training workshops on HCFCs and HFCs for customs officials; and conduct public awareness activities.
Tunisia	74	Focus on activities to complete the methyl bromide phase-out (including coordination of the acquisition and distribution of phosphine generators for the fumigation of dates); start the operation and monitoring of the RRR centres in order to minimize imports of HCFCs, and acquire 20 refrigerant recovery units; continue coordinating the implementation of investment projects, training programmes for the RAC manufacturing sector operating with HCFC-22, the acquisition of a number of equipment and tools for vocational training centres, and the updating of training programmes for RAC technicians and training of customs officers to control imports of ODS; conduct a HFC survey; continue awareness efforts including seminars for the 30th anniversary of the Vienna Convention; and participate in regional network and Montreal Protocol meetings.
Turkey	80	Train and support the new generation of ODS alternatives; increase monitoring of ODS trade to combat illegal trade; collect data and report ODS; implement networking and awareness activities; initiate actions in coordination with the Ministry of Foreign Affairs to start the process of Kigali Amendment ratification.

Country	Meeting	Description
Viet Nam	82	Strengthen HCFC quota system enforcement, especially the control of HCFC-141b in pre-blended polyols; coordinate HPMP implementation; conduct awareness-raising activities, including International Ozone Day celebration, and activities supporting the operation of the RAC industry associations; submit CP and Article 7 data; and participate in international and regional meetings related to the Montreal Protocol.

Annex III

**CURRENT INSTITUTIONAL STRENGTHENING IMPLEMENTATION
IN 27 LOW-VOLUME-CONSUMING COUNTRIES**

Country	Meeting	Description
Albania	80	Continue activities to ensure approval and adoption of legislation; implement the new ODS legislation, develop capacities to promote Montreal Protocol implementation, monitoring and control of HCFC imports and use, and facilitate access to and use of new alternatives and technologies; continue training of RAC servicing technicians, customs officers and environment inspectors; foster partnerships with stakeholders; continue public awareness campaigns; and prepare for Kigali Amendment ratification and implement enabling activities for HFC phase-down.
Angola	80	Continue the training programme for RAC technicians, and customs and enforcement officers to support the enforcement of ODS regulations; maintain database of importers, improve coordination of the allocation of HCFC licenses and quotas, and organize meetings to analyze annual quotas; revise and submit ODS data for approval; engage in regional and international meetings of the Montreal Protocol; and engage policy makers for the early ratification of the Kigali Amendment.
Armenia	82	Monitor and identify the consumption of controlled substances; follow up on policies and regulations for improvements; coordinate matters on illegal trade with Customs; raise awareness of technicians on refrigerant recycling and recovery; cooperate and coordinate with ministries and inter-ministerial bodies, advisory groups, and stakeholders; collect and submit CP and Article 7 data; organize Ozone Day celebrations; and participate in regional network and Montreal Protocol meetings.
Barbados	82	Monitor the implementation of the licensing and quota system; sustain ODS phase-out achieved; strengthen partnerships between the NOU and regional and international partners, and the Climate Change Unit and the Energy Division on Kigali Amendment implementation; coordinate HPMP implementation and HFC phase-down preparatory activities; and continue awareness-raising activities targeting the public and stakeholders.
Bolivia (Plurinational State of)	80	Provide assistance to the national focal point for the Montreal Protocol and liaise with authorities; promote Kigali Amendment ratification; continue to implement the ODS quota and licensing system; coordinate with Customs to prevent illegal trade; coordinate stage I of the HPMP implementation with stakeholders; carry out awareness activities; train servicing technicians in safety practices for flammable refrigerants; and strengthen the implementation of the certification system for RAC technicians.
Bosnia and Herzegovina	80	Build capacity to target the HCFC consumption phase-out targets and enhance ongoing regulatory efforts; improve HCFC controls and track the promulgation and enforcement of policy and legislation; cooperate with the customs authorities to prevent illegal trade, and with the RAC Association to support activities in the sector; ratify the Kigali Amendment and initiate enabling activities for early action to phase down HFCs.
Botswana	76	Coordinate HPMP activities including implementation of ODS regulations, enforcement of the licensing and quota system, regular monitoring of ODS imports through the National Licensing Committee, and training of customs and enforcement officers and technicians including the establishment of a training syllabus for the RAC association; implement public awareness activities; report ODS data; and participate in regional network and Montreal Protocol meetings.
Burkina Faso	79	Coordinate stage I of the HPMP including submission and implementation of the third tranche; disseminate information and raise awareness; promote the licensing and quota system and its enforcement, and provide information about annual quotas to importers; strengthen the capacity to fight illegal trade; train refrigeration technicians under the HPMP; monitor and evaluate; organize annual stakeholder workshops to raise awareness on low-GWP alternatives; collect and report data to the Fund and Ozone Secretariats; and prepare for ratification of the Kigali Amendment.

Country	Meeting	Description
Eritrea	77	Coordinate the planned activities to achieve the phase-out of HCFCs; ensure an enabling environment for robust collaboration to fully engage with stakeholders; continue training RAC technicians and customs officers and conducting public awareness activities; engage custom officers to support the implementation and enforcement of ODS regulations; ensure the preparation of the report on the non-ODS alternatives survey.
Ethiopia	77	Strengthen the network between national institutions; conduct additional training for RAC technicians; implement public awareness activities; monitor HPMP activities; and ensure integration of Montreal Protocol objectives into national environmental policy and regulations.
Georgia	81	Further improve the regulatory framework by amending exemptions to ODS use, ensuring mandatory RAC technician certification, and regulating ODS-containing equipment import/export; continue enforcing ODS control measures and monitoring illegal ODS trade through customs and environmental officer training; prepare for Kigali Amendment ratification; report ODS consumption data; assist in HPMP implementation; raise awareness of stakeholders on UNFCCC and Montreal Protocol linkages, and of decision-makers on green procurement; cooperate with the Waste and Chemicals Management Service, relevant ministries and donor programmes to manage ODS-based waste electrical and electronic equipment; and participate in regional networks and Montreal Protocol meetings.
Guatemala	81	Continue activities such as the revision of ODS legislation to fulfill the Kigali Amendment requirements and the development of national capacities; monitor and control the import and use of HCFCs/HFCs; facilitate access to and use of new alternatives; continue HPMP implementation and public awareness activities, and foster partnerships with public and private sector stakeholders; promote Kigali Amendment ratification and HFC phase-down through enabling activities.
Haiti	75	Collect and report data to the Ozone and Fund Secretariats in a timely manner; strengthen the capacity of customs officials and technicians to allow for the transition to low-GWP energy-efficient alternatives; support the national refrigeration association; develop a public awareness and education campaign and strengthen relationships with stakeholders; remain active in regional network and Montreal Protocol meetings; and hire a legal consultant to develop legislation on refrigerants and the Ministerial resolution on the licence and quota system.
Honduras	75	Continue to apply and implement the national law for ODS (Acuerdo #006/2012) and the quota and licensing system; continue to liaise with national authorities; continue to implement HCFC phase-out activities and submit the third tranche of stage I the HPMP; collaborate with the main stakeholders to control HCFC demand; continue public awareness activities and training activities for RAC technicians; continue implementation of R&R activities; coordinate and collaborate with customs authorities; celebrate International Ozone Day; and participate in regional network meetings.
Montenegro	61	Continue implementing information campaigns and the issuance of newsletters; assist in the preparation of the HPMP; and data reporting.
Namibia	79	Coordinate implementation of the IS project and monitor implementation of stage I of the HPMP; train refrigeration technicians and customs officers; raise awareness through various means and distribute awareness materials to industry and other stakeholders; submit CP and Article 7 data; coordinate the completion of the second tranche and launch implementation of the third tranche of the HPMP; engage in regional and international meetings; and initiate the administrative procedures to ratify the Kigali Amendment by raising the awareness of key policy makers.
Niger	80	Disseminate information and raise awareness; coordinate HCFC phase-out activities; promote and enforce the licensing and quota system; train RAC technicians; continue monitoring and evaluation; hold stakeholder workshops to raise awareness on low-GWP alternatives; collect and report data to the Fund and Ozone Secretariats; start preparatory activities to facilitate Kigali Amendment ratification; facilitate the verification of HCFC consumption targets to

Country	Meeting	Description
		expedite the submission of the second tranche of stage I; and ensure timely reporting of country programme data.
Oman	82	Submit CP and Article 7 data reports; monitor the licensing system and allocation of quotas on HCFC imports; assist in further developing appropriate activities for HPMP implementation; enforce regulatory controls on HCFC-based equipment; cooperate with custom authorities including customs training and distribution of refrigerant identifiers; update national regulations to include HFCs and facilitate the Kigali Amendment ratification through enabling activities; celebrate International Ozone Day; and participate in regional network and Montreal Protocol meetings.
Qatar	79	Follow up on policies and regulations for improvements with a view to moving forward the administrative procedures for the ratification of the Kigali Amendment; cooperate with ministries and inter-ministerial bodies and with advisory groups (NGOs and those in the refrigeration and air-conditioning and other sectors).
Senegal	80	Disseminate information and raise awareness; coordinate HPMP implementation; promote and enforce the licensing and quota system; provide information on annual quotas to importers; set up the technician certification programme; continue monitoring and evaluation; organize stakeholder workshops to raise awareness on low-GWP alternatives; collect and report data to the Ozone and Fund Secretariats in a timely manner; and start preparatory activities to facilitate Kigali Amendment ratification.
Serbia	80	Support NOU liaison with the HCFC consumption sector; coordinate the submission of the subsequent tranche of the HPMP and ensure timely implementation of HPMP according to schedule; implement enabling activities and discuss the Kigali Amendment with relevant Government officials; update ODS regulations to introduce the ban on the import of HCFC equipment; and revise legislation in line with European Union F-gas legislation.
Somalia	77	Approve and adopt the legal instruments necessary to support the implementation of the ODS legislation; develop national capacity to allow for the implementation of the Montreal Protocol provisions; monitor and control HCFC imports and facilitate access to and use of new alternative substances and technologies; train technicians in the RAC servicing sector and customs officers, and foster partnerships with public and private sector stakeholders; submit CP and Article 7 data to the Fund and Ozone Secretariats; coordinate HPMP activities and completion of the project on ODS alternative survey; engage in regional and international meetings, workshops and events supporting the work of the Montreal Protocol.
Sudan	81	Enforce import regulations for HCFCs and the quota system, and ensure that import quotas are gradually reduced; coordinate HPMP implementation, monitoring and reporting; facilitate the Kigali Amendment ratification process through enabling activities; promote ozone and climate friendly alternative technologies; and encourage HCFC recovery, recycling and reclamation through the introducing of appropriate training and equipment; submit CP and Article 7 data; disseminate information on new technologies and policy developments related to the Montreal Protocol; expand training and equipment for customs officers and RAC technicians; organize celebrations of International Ozone Day; and participate in regional network and Montreal Protocol meetings.
Turkmenistan	61	Continue monitoring activities to sustain phase-out of CFCs; promote the recovery, recycling and reclamation scheme and organize training in the refrigerating sector; train customs officers and maintain co-operation with customs authorities; implement the methyl bromide phase-out project; finalize the legal system and regulatory acts; complete the preparation of its HPMP; and ensure data reporting.
Uruguay	80	Strengthen the legal framework through additional support from the Legal Office; allocate resources from stage II of the HPMP to support the IS project in terms of technical training, and revision and strengthening of the legal framework; work with entities to enforce HCFC consumption control measures and coordinate activities including investment projects, a training programme on good refrigeration practices, and continuous public awareness activities; initiate the internal process for Kigali Amendment ratification; continue to participate in regional network and international Montreal Protocol meetings.

Country	Meeting	Description
Zambia	77	Coordinate the implementation and monitoring of the HPMP; train technicians in the refrigeration sector; train customs officers to support the implementation and enforcement of ODS controls; conduct an awareness-raising programme through the mass media, non-governmental organizations, workshops, and information materials for stakeholders; report ODS data; and participate in regional network and Montreal Protocol meetings.
Zimbabwe	79	Implement IS and coordinate the implementation of stage I of the HPMP; train refrigeration technicians and customs officers; raise awareness; submit CP and ARTICLE 7 data; prepare the fourth tranche of stage I of the HPMP; engage in regional and international meetings; initiate and lead the administrative procedure to ratify the Kigali Amendment by raising the awareness of key policy makers.