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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**COMPLIANCE ASSISTANCE PROGRAMME (CAP) BUDGET (FOLLOW-UP TO  
DECISION 41/38 (C)) AND WORK PROGRAMME FOR UNEP FOR THE YEAR 2005**

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## COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. The 2005 Work Programme for UNEP submitted to the 44<sup>th</sup> Meeting consists of the proposed budget for UNEP's Compliance Assistance Programme (CAP) valued at US \$7,197,544 plus agency support costs of 8 per cent amounting to US \$575,804.

2. In Decision 41/38 the Executive Committee approved UNEP's CAP budget for 2004 and also agreed:

- (a) To consider future programme support costs on the basis of a future Executive Committee decision taken after consideration of the investigation to be carried out by UNEP, as recommended in paragraph 74 below; and
- (b) To review the CAP budget in one year's time on the basis of the results achieved, including its contribution to the regional networks, in consultation with the countries in the region.

3. Programme support costs were discussed by the Executive Committee at its 43rd Meeting. The decision taken (Decision 43/40) did not affect the calculation of support costs for the CAP programme which remain at 8 percent, consistent with the first CAP budget approved in Decision 35/36.

4. In its submission (attached to this document) UNEP provided a brief summary of CAP achievements in the current year, including:

- significant reductions in the number of countries that have not fulfilled data reporting requirements under Article 7 of the Protocol
- the organization of country visits and specific meetings to address compliance issues.
- implementation of ODS licensing systems in an additional seven countries
- accession to the Protocol by an additional two countries
- facilitation of responses by a number of countries to issues raised by the implementation committee

5. UNEP indicated that it intended to provide more detailed reporting in the context of its annual progress report on 2004 activities.

### Changes in the CAP Budget

6. The proposed 2005 CAP budget including the 8 per cent agency fee (US \$7,773,348) exceeds the approved 2004 budget (US \$7,298,532) by 6.5 per cent. In the original CAP budget, approved in 2002, the budget for 2003 CAP was to be up to 4 per cent higher than the 2002 budget to account for inflation. In fact, both the 2003 and 2004 budgets exceeded the preceding year by more than 4 per cent because request for larger increases in specific areas were approved. However the figure of 4 percent was used in preparing the budget submissions each year as a "standard" increase in most line items to cover inflation. UNEP has taken the same approach in submitting the budget for 2005.

7. Thus, 4 per cent increases are proposed in all components of the budget apart from the following.

#### Staff costs

8. In the 2005 CAP budget, project personnel costs are proposed to increase by 2.4 per cent overall (equivalent to US \$76,062) and general service and temporary assistance personnel costs by 4.2 per cent (equivalent to US \$41,149). Any funds not used for these budget items would be returned to the Multilateral Fund for reprogramming pursuant to Decision 35/36(d).

9. Specific increases above 4 per cent for general service staff are sought to provide for a G-5 position in Paris reclassified to G-6 and for a new part-time position (50 percent) of assistant to the regional network co-ordinator for the Eastern European and Central Asian Network at the G-5 level. UNEP is seeking approval for the reclassification and the new part-time position.

10. UNEP proposes to continue its budget for temporary assistance in Mexico and Paris, but at a decreased level of US \$137,352 (US \$170,515 in 2004). The temporary assistance budget item was originally included to enable the operation of the programme in advance of the recruitment of staff. The CAP is now fully staffed.

#### Operational costs

11. Costs increases for UNEP staff travel for the African Networks and the East European/Central Asia Network are sought at 25 per cent and 20 per cent respectively on the basis that the budget in 2004 did not permit visits to a number of countries in these regions which had requested direct assistance related to data collection and compliance assessment.

12. An increase of US \$10,000 to 25,000 (67 per cent) is requested for travel of experts in the East European Central Asia Network region. UNEP indicated that the CAP team for this region consists of one professional only (the regional network co-ordinator) and thus the focus needs to be on facilitating direct country to country assistance, which requires long distance travel.

13. An increase of US \$20,000 to US \$240,000 (9 per cent) is sought for network meetings for the African networks, attributed to the high cost of travel in the African region.

14. Office rentals in Paris and the regions are requested at levels 11 per cent and 39 per cent above the 2004 levels of US \$300,000 and US \$84,774 respectively. UNEP indicates that the budget is based on real costs.

#### Programme expansion

15. Under the sub-contract heading, UNEP is requesting a total of US \$90,000, apportioned between the network regions, to provide focussed technical expertise in designated areas. UNEP recalled that in its 2004 CAP budget submission it forecast the need to assess whether a programme budget was necessary to support countries with specific compliance problems. The funds are to be used for targeted assistance to Article 5 countries with low levels of consumption for which a stand alone project would not be feasible.

16. A new line entitled exhibitions/outreach is requested at US \$20,000 to cover the costs of mounting exhibitions and displays at four meetings (the Montreal Protocol OEWG and MOP, the Earth Technologies Forum and Expo 2005).

### **Budget utilization in 2003**

17. UNEP returned US \$173,035 plus 8 per cent support costs of US \$13,843 to the 43<sup>rd</sup> Meeting as required by Decision 35/36(d). A breakdown of the funds returned by expenditure category, together with an estimate of possible returns for 2004 have been requested from UNEP but no additional information was available at the time of writing.

### **Comments**

18. Staff costs for Paris-based staff have been budgeted on the basis of actual cost increases (2004 levels plus a single step increment) which are substantially less than 4 per cent. Most positions outside Paris have been budgeted at a 4 per cent increase. UNEP explained that in an effort to keep the overall budget increase as low as possible it made only the minimum known increase in the budget level for Paris-based staff. UNEP indicated that it was more difficult to forecast cost increases in the regions and so the 4 per cent inflation factor was used. UNEP pointed out that unused funding from staff costs would be returned to the Fund.

19. The reclassified G-6 position is for the Information Clearing House assistant. UNEP indicated that the duties of the post had been identified following re-organisation of its operations after approval of the CAP. The job description for the position was subsequently classified by the UN office, Nairobi at the G-6 level.

20. In regard to funding for a post of "Halon Officer" for the West Asia region, the Secretariat notes that UNEP's proposal for a one year appointment followed by a review of needs is consistent with the Executive Committee's requirement to consult (Decision 41/38) and with the information provided to the Committee by UNEP at its 42nd Meeting. UNEP's proposal to proceed in this way and to provide the relevant budget allocation could therefore be considered for approval.

21. UNEP has also indicated that the West Asia network members have requested the establishment of a policy officer for compliance assistance. The total budgetary allocation for such a position would be about US \$140,000 per year. In response to the Secretariat's request UNEP indicated that if this request was to be accommodated by re-allocation from existing budget lines then it would have a negative impact on UNEP's ability to provide compliance assistance to countries. If this position was approved, UNEP would request additional financial resources.

22. One of the principles behind the Compliance Action Programme is that it provides an overall allocation within which UNEP can manage, reallocate, and rationalize according to the changing needs of the programme, allowing up to a 4 per cent increase in the programme for inflation. As similarly indicated by the Secretariat in comments last year on the proposed 2004 budget, the programme expansion increases proposed for 2005 resemble requests for increases to allowances to accomplish existing CAP objectives, for example, exhibitions/ outreach and

proposed programme funding, which is essentially funding for external consultants additional to UNEP staff resources.

23. UNEP suggested that the programmatic budget request is not a departure from the CAP, and is intended to provide additional flexibility to regional network coordinators so that appropriate support can be provided to Article 5 countries on specific technical issues as they arise, including compliance issues, and in situations where institutional strengthening funding is not enough to carry out the required surveys. UNEP opted for the programmatic approach rather than requesting funds through Work Programme Amendments because it gives UNEP the flexibility to provide rapid assistance. UNEP also indicated that this was not necessarily a once-off request and that future requests for programme funds for the CAP would be based on specific requests from Article 5 Parties.

24. With the staff cost increases as proposed, operational costs (mainly for travel) at the levels requested (mostly in excess of 4 per cent), and allowing for 4 per cent inflation of other budget lines as requested but without the proposed costs for programme expansion, the 2005 CAP budget would amount to US \$7,087,544 excluding agency fees, representing an increase of 4.9 per cent.

25. For comparison the 2003 CAP budget, including the new network (US \$5,830,885), was approved with a 9.0 per cent increase over the first CAP budget in 2002 (US \$5,351,450). The 2004 budget was approved at US \$6,757,900, an increase of 15.9 per cent above the 2003 level. At the level requested for 2005, CAP funding would have increased by a total of 34 per cent since its inception.

26. Additionally the Secretariat notes that the core unit budgets of the other implementing agencies do not include a provision for an annual 4 per cent increase.

### **Recommendation**

27. In the light of the information provided by UNEP and the comments above, the Executive Committee may wish to:

- (a) Consider a CAP budget for 2005 at the amount of US \$7,087,544 plus support costs of US \$567,004 on the following basis:
  - (i) an overall increase of 4.9 per cent to cover all requested costs other than the two items that constitute programme expansion (budget lines 2299 and 2304) for which no additional provision would be made;
  - (ii) approval of the half-time general service post as assistant to the Regional Network Coordinator for Europe and Central Asia;
  - (iii) provision within the budget allocation for a halon officer for the West Asia region;

- (iv) that any additional professional position for the West Asia region should be funded from within the CAP budget.
- (b) Provide initial guidance on how it wishes to proceed in relation to reviewing the CAP budget on the basis of the results achieved, including its contribution to the regional networks, in consultation with the countries in the region as indicated in Decision 41/38.

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# United Nations Environment Programme

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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

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## UNEP 2005 CAP BUDGET

Presented to the  
**44th Meeting of the Executive Committee  
of the Multilateral Fund for the Implementation  
of the Montreal Protocol**

**4<sup>th</sup> October 2004**

## **INTRODUCTION**

1. In accordance with the UNEP's budget cycle and administrative system, a core budget of the Compliance Assistance Programme (CAP) is to be approved prior to the following year (e.g. funds to cover staff salaries are to be approved prior to 1 January of each year). Hence, in keeping with the existing procedure, UNEP is submitting a 2005 CAP administrative budget to the 44th meeting of the Executive Committee for consideration.
2. UNEP is requesting a budget of **US \$7,197,544**, excluding programme support costs, for the operation of CAP in the year 2005. For comparison, the 2004 CAP budget approved by the 41st Meeting of the Executive Committee was US \$ 6,757,900.
3. Apart from inflation, the increase in the CAP budget is required to meet demand for direct assistance to countries operating under paragraph 1 of Article 5 of the Montreal Protocol, in particular with respect to 2005 and 2007 control measures for CFC, halon, methyl bromide, CTC and TCA.
4. The 2005 CAP budget being submitted for consideration is contained in Annex I.

## **METHODOLOGY USED FOR THE DEVELOPMENT OF 2005 CAP BUDGET**

5. In developing the CAP 2005 budget the following methodology has been used:
  - Experience in the implementation of the regionalized CAP during 2002 – 2004 has been analysed and evaluated. Highlights of 2004 CAP achievements to date are contained in Annex II. Full details of activities carried out and services provided by CAP in 2004 will be submitted to the Executive Committee as part of the regular Progress Reporting process.
  - Evolving needs of Article 5 countries and the regions have been assessed based on consultations during network meetings with countries, Implementing Agencies and bilateral partners and translated into budgetary requirements. A brief description of challenges ahead of CAP in 2005 is contained in Annex III. In compliance with established practice, UNEP will submit to the 45th meeting of the Executive Committee its 2005 Business Plan with full details of programme orientation, planned country-specific support for compliance, and planned activities of the Information Clearing-House.
  - For selected budget lines, a comparison has been made between the programmed funds in the approved CAP 2004 budget and the real expenditure to date plus planned expenditure till the end of 2004.



6. The limitations in the development of this budget have been as follows:

- Although the majority of the CAP staff have been on board since 2003, two posts approved at a later stage, namely Halon Phase-out Officer for West Asia and Regional Network Coordinator (RNC) for Europe and Central Asia (ECA), are still under recruitment. The duties of these two posts have been carried out using short term arrangements.
- The up-to-date expenditures for the year 2004 have not been fully available during the development of this budget. Therefore rough estimates have had to be made.

### **DETAILS OF THE CAP 2005 BUDGET**

7. For clarity, a text explaining the reason for adjustments to the budget has been added against respective budget lines in Annex I. Main changes introduced in the CAP 2005 budget are outlined below:

8. Staff salary lines: Professional staff salary lines have been adjusted to include step increment as per UN administrative rules.

9. Post of Regional Network Coordinator for Europe and Central Asia: The salary line for this post has been decreased to reflect the cost of P3 post in Paris as approved duty station. In the CAP 2004 budget the cost of this post was estimated on the basis of P3 salary in Geneva.

10. Post of Information Clearing-House Assistant: Duties of this post were upgraded following the introduction of CAP. The salary line has been increased to reflect re-classification of the post from G5 to G6.

11. Temporary assistance: The decrease in this line is due to partial re-allocation of funds to budget line 1318 to establish a half-time General Service post to support the operation of the European/Central Asian Network.

12. Half-time post to support the ECA Network: This post is required to ensure support in organisation of meetings and implementation of networking activities in Europe and Central Asia in an efficient and timely manner. Currently no General Service staff has been assigned to support the work in this region. The funds required for the establishment of this post have been re-allocated from existing budget line (1317).

13. Staff travel: Increase is requested for staff travel in Africa in order to provide direct assistance to a significant number of countries in the region in actual or potential non-compliance.

14. Programmatic budget lines: In its 2004 submission of the CAP budget UNEP indicated that it would assess the need to request a programmatic budget to support countries with specific compliance problems. Having thoroughly evaluated the situation, UNEP is introducing such programmatic budget lines for each region (lines 2201-2205). These funds are to be used for a

targeted assistance to Article 5 countries in those cases when, due to small amounts required, the development of a MLF project would not be feasible.

15. Exhibition/outreach: A new budget line is proposed to cover operational costs of the organization of exhibitions and outreach activities during major relevant events such as MOP, UNEP's Governing Council, OEWG, Expo 2005, Earth Technology Forum, etc.

16. South-South/North-South expert travel: An increase is required in line for expert travel in Europe and Central Asia. In the ECA region CAP team consists of one professional staff member and thus the focus of CAP services is placed on facilitating direct country-to-country assistance through South-South/North/South cooperation. Increase in South-South budget line is required to cover the cost of long distance travel of experts between countries of the region.

17. Network meetings: Network meetings budget line in the African region was overspent in 2003 and the forecast for 2004 shows some over expenditure. Corresponding budget line (3302) has thus been adjusted to reflect real expenditure.

18. Rental of premises: Increase in rental budget is required for Paris and the regions to reflect real office rental costs.

#### **DECISIONS/GUIDANCE REQUESTED FROM THE EXECUTIVE COMMITTEE**

19. UNEP requests decisions or guidance from the Executive Committee on the following matters:

- Approval of the upgrade of Information Clearing-House Assistant post from G5 to G6 in accordance with re-classification of this position by UNON.
- Approval of a half-time General Service post to assist the Regional Network Coordinator for Europe and Central Asia.
- The Main Meeting of the West Asia Network recommended (Section 1(a) and 1(b) of the report) to:
  - (a) Appoint a Halon Officer for a period of one year, after which, the needs of the region will be reassessed in the areas mentioned above during the next main network meeting.
  - (b) Request CAP to follow up on adding a new post of Policy Officer for Compliance Assistance to cover future needs of the countries in the region.

The recruitment of Halon Officer is underway as per recommendation 1(a). As regards recommendation 1(b), UNEP seeks guidance from the Executive Committee on the matter.

- Approval of the CAP 2005 Administrative budget.

**DRAFT CAP 2005 BUDGET (in USD)**

Annex I

						CAP 2002	CAP 2003	CAP 2004	CAP 2004 + 4%	CAP 2005 request	JUSTIFICATION FOR INCREASE/REDUCTION
						Approved ExCom 36	Approved ExCom 38	Approved ExCom 41			
<b>10</b>	<b>PROJECT PERSONNEL COMPONENT</b>										
	1100	<i>Project personnel</i>									
		Title	Location	Grade	m/y						
	1101	Head	Paris	D1	9	132,000	137,280	142,771	148,482	144,271	Salary level of 2004 plus USD 1,500 for step increment
	1102	Network & Policy Manager	Paris	P5	12	150,500	156,520	162,781	169,292	164,781	Salary level of 2004 plus USD 2,000 for step increment
	1103	Capacity Building Manager	Paris	P4	12	129,500	134,680	140,067	145,670	142,067	Salary level of 2004 plus USD 2,000 for step increment
	1104	Information Manager	Paris	P4	12	129,500	134,680	140,067	145,670	142,067	Salary level of 2004 plus USD 2,000 for step increment
	1105	Monitoring & Administration Officer	Paris	P3	12	108,500	112,840	117,354	122,048	119,354	Salary level of 2004 plus USD 2,000 for step increment
	1106	Information Officer	Paris	P3	12	108,500	112,840	117,354	122,048	119,354	Salary level of 2004 plus USD 2,000 for step increment
	1107	Helpdesk Officer	Paris	P2	12	87,500	91,000	94,640	98,426	96,640	Salary level of 2004 plus USD 2,000 for step increment
	1108	IS/RMP/CP Officer	Paris	P3	12	108,500	112,840	117,354	122,048	119,354	Salary level of 2004 plus USD 2,000 for step increment
	1109	IT Specialist	Paris	P3	6	54,250	56,420	58,677	61,024	59,677	Salary level of 2004 plus USD 1,000 for step increment
	1110	ROA RNC (English)	Nairobi	P4	12	118,400	123,136	135,825	141,258	141,258	Standard 4% increase
	1111	ROA Policy & Enforcement Officer	Nairobi	P4	12	118,400	123,136	135,825	141,258	141,258	Standard 4% increase
	1112	ROA RMP Officer	Nairobi	P3	12	92,200	95,888	101,640	105,706	105,706	Standard 4% increase
	1113	ROA MB Officer	Nairobi	P3	12	92,200	95,888	101,640	105,706	105,706	Standard 4% increase
	1114	ROLAC RNC	Mexico	P4	12	108,864	113,219	120,000	124,800	124,800	Standard 4% increase
	1115	ROLAC Policy & Enforcement Officer	Mexico	P4	12	108,864	113,219	120,000	124,800	124,800	Standard 4% increase
	1116	ROLAC RMP Officer	Mexico	P3	12	89,586	93,169	108,977	113,336	113,336	Standard 4% increase
	1117	ROLAC MB Officer	Mexico	P3	12	89,586	93,169	108,977	113,336	113,336	Standard 4% increase
	1118	ROAP-SA RNC	Bangkok	P4	12	110,000	114,400	130,000	135,200	135,200	Standard 4% increase
	1119	ROAP Policy & Enforcement Officer	Bangkok	P4	12	110,000	114,400	130,000	135,200	135,200	Standard 4% increase
	1120	ROAP RMP Officer	Bangkok	P3	12	85,000	88,400	106,000	110,240	110,000	Salary level in accordance with standard UN remuneration levels
	1121	ROAP MB Officer	Bangkok	P3	12	85,000	88,400	106,000	110,240	110,000	Salary level in accordance with standard UN remuneration levels
	1122	ROWA RNC	Bahrain	P4	12	109,000	113,360	135,000	140,400	140,400	Standard 4% increase
	1123	ROWA RMP Officer	Bahrain	P3	12	109,000	113,360	127,000	132,080	132,080	Standard 4% increase
	1124	ROWA Halon Officer	Bahrain	P3	12	89,500	93,080	127,000	132,080	132,080	Standard 4% increase
	1125	ROA RNC (French)	Nairobi	P4	12	118,400	123,136	135,825	141,258	141,258	Standard 4% increase
	1126	RNC Europe/Central Asia	Paris	P3	12	0	0	136,500	141,960	119,354	In CAP 2004 budget the salary of RNC ECA was estimated on the basis of P3 salary in Geneva. Reduced to reflect Paris as approved duty station.
	1199	<i>Sub-total</i>				2,642,750	2,748,460	3,157,274	3,283,565	3,233,336	
	1200	<i>Consultants (Description of activity/service)</i>									
	1201	Consultants (training of CAP staff)				0	60,000	0	0	0	
	1202	ROE Short-Term Experts	Geneva			0	0	0	0	0	
	1203	ROE Web Consultants	Geneva			0	0	0	0	0	
	1299	<i>Sub-total</i>				0	60,000	0	0	0	
	1300	<i>Programme Assistance (General Service staff)</i>									
		Title/Description	Location	Level	m/m						
	1301	Secretary Chief	Paris	G6	12	74,000	76,960	80,038	83,240	83,240	Standard 4% increase
	1302	Assistant Network Manager	Paris	G5	12	67,000	69,680	72,467	75,366	75,366	Standard 4% increase

						CAP 2002	CAP 2003	CAP 2004	CAP 2004 + 4%	CAP 2005 request	JUSTIFICATION FOR INCREASE/REDUCTION
						Approved ExCom 36	Approved ExCom 38	Approved ExCom 41			
	1303	Assistant Clearinghouse	Paris	G6	12	67,000	69,680	72,467	75,366	83,240	Duties of G staff changed following the introduction of the CAP. This post was reclassified in 2004 by UNON at a G-6 level.
	1304	Assistant Monitoring & Administration	Paris	G5	12	67,000	69,680	72,467	75,366	75,366	Standard 4% increase
	1305	Assistant IS/RMP/CP	Paris	G5	12	67,000	69,680	72,467	75,366	75,366	Standard 4% increase
	1306	Assistant Programme	Paris	G5	12	67,000	69,680	72,467	75,366	75,366	Standard 4% increase
	1307	Assistant Data & Documentation	Paris	G5	12	67,000	69,680	72,467	75,366	75,366	Standard 4% increase
	1308	Mailroom Clerk	Paris	G4	12	59,500	0	0	0	0	Standard 4% increase
	1309	ROA RNC Assistant	Nairobi	G5	12	21,600	22,464	23,820	24,773	24,773	Standard 4% increase
	1310	ROA Office Assistant	Nairobi	G5	12	21,600	22,464	23,810	24,762	24,762	Standard 4% increase
	1311	ROLAC RNC Assistant	Mexico	G5	12	40,500	42,120	45,000	46,800	46,800	Standard 4% increase
	1312	ROLAC Office Assistant	Mexico	G5	12	40,500	42,120	45,000	46,800	46,800	Standard 4% increase
	1313	ROAP-SA RNC Assistant	Bangkok	G5	12	23,000	23,920	39,000	40,560	39,000	Salary level in accordance with standard UN remuneration levels
	1314	ROAP Office Assistant	Bangkok	G5	12	23,000	23,920	39,000	40,560	39,000	Salary level in accordance with standard UN remuneration levels
	1315	ROWA RNC Assistant	Bahrain	G5	12	35,000	36,400	36,400	37,856	37,856	Standard 4% increase
	1316	ROWA Office Assistant	Bahrain		12	35,000	36,400	30,000	31,200	31,200	Standard 4% increase
	1317	Temporary assistance CAP	Mexico and Paris			100,000	115,880	170,515	177,336	137,352	USD 22,000 for the regions and USD 115,352 for Paris
	1318	Assistant to RNC ECA	Paris	G5	6	0	0	0	0	37,683	An assistant to RNC is required to ensure support in organisation of meetings and implementation of networking activities in the region in an efficient and timely manner.
1399	<i>Sub-total</i>					875,700	860,728	967,385	1,006,080	1,008,534	
1600	<i>Travel on official business (UNEP staff)</i>										
	1601	Paris staff travel				250,000	200,000	200,000	208,000	208,000	Standard 4% increase
	1602	ROA staff travel				50,000	90,000	120,000	124,800	150,000	Funds approved in 2003 and 2004 did not allow country visits for direct assistance to a number of countries that had made requests. Additional travel funds are required to assist country compile accurate data and assess their compliance status.
	1603	ROLAC staff travel				50,000	80,000	95,000	98,800	98,800	Standard 4% increase
	1605	ROAP-SA staff travel				40,000	75,000	78,000	81,120	81,120	Standard 4% increase
	1606	ROWA staff travel				20,000	70,000	90,000	93,600	93,600	Standard 4% increase
	1607	ECA staff travel				0	0	20,800	21,632	25,000	Increase in travel budget is required for country visits in order to provide direct and regular assistance to countries of the region.
1699	<i>Sub-total</i>					410,000	515,000	603,800	627,952	656,520	
1999	<b>COMPONENT TOTAL</b>					<b>3,928,450</b>	<b>4,184,188</b>	<b>4,728,459</b>	<b>4,917,597</b>	<b>4,898,390</b>	
20	<b>SUB CONTRACT COMPONENT</b>										
2200	<i>Sub-contracts (MOUs/LAs for supporting organizations)</i>										
	2201	Sub-contracts with supporting organizations ROA				0	0	0	0	50,000	To provide focused technical expertise in some designated areas
	2202	Sub-contracts with supporting organizations ROLAC				0	0	0	0	10,000	To provide focussed technical expertise in some designated areas
	2203	Sub-contracts with supporting organizations ROAP				0	0	0	0	10,000	To provide focused technical expertise in some designated areas
	2204	Sub-contracts with supporting organizations ROWA				0	0	0	0	5,000	To provide focused technical expertise in some designated areas

				CAP 2002	CAP 2003	CAP 2004	CAP 2004 + 4%	CAP 2005 request	JUSTIFICATION FOR INCREASE/REDUCTION
				Approved ExCom 36	Approved ExCom 38	Approved ExCom 41			
	2205	Sub-contracts with supporting organizations ECA		0	0	0	0	15,000	To provide focused technical expertise in some designated areas
2299	<i>Sub-total</i>			0	0	0	0	90,000	
2300	<i>Sub-contracts (for Commercial purposes)</i>								
	2301	Technical support for information systems		75,000	78,000	60,000	62,400	62,400	Standard 4% increase
	2302	OzonAction Newsletter		100,000	104,000	135,000	140,400	140,400	Standard 4% increase
	2303	Illustration/graphics/layout design		40,000	41,600	15,000	15,600	15,600	Standard 4% increase
	2304	Exhibition/outreach		0	0	0	0	20,000	OzonAction will organise 4 major exhibition/outreach booths at the MOP, OEWG, Earth Technology Forum, and Expo 2005 as part of its outreach activities. A budget line is needed to cover the costs of such exhibitions (rental of booth equipment, space, associated shipments of documents and material).
2399	<i>Sub-total</i>			215,000	223,600	210,000	218,400	238,400	
2999	<b>COMPONENT TOTAL</b>			<b>215,000</b>	<b>223,600</b>	<b>210,000</b>	<b>218,400</b>	<b>328,400</b>	
30	<b>TRAINING COMPONENT</b>								
3200	<i>Travel (South-South, North-South Experts)</i>								
	3202	ROA expert travel		0	20,000	30,000	31,200	31,200	Standard 4% increase
	3203	ROLAC expert travel		0	20,000	30,000	31,200	31,200	Standard 4% increase
	3204	ROAP expert travel		0	20,000	30,000	31,200	31,200	Standard 4% increase
	3205	ROWA expert travel		0	15,000	30,000	31,200	31,200	Standard 4% increase
	3207	ECA expert travel		0	0	15,000	15,600	25,000	In ECA region CAP team consists of one professional staff member and thus the focus of CAP services is placed on facilitating direct country-to-country assistance. Increase in South-South budget line is required to cover the cost of long distance travel of experts between countries of the region
3299	<i>Sub-total</i>			0	75,000	135,000	140,400	149,800	
3300	<i>Meetings/conferences</i>								
	3301	Advisory and Consultative Meetings - Paris		75,000	78,000	81,120	84,365	84,365	Standard 4% increase
	3302	ROA network meetings/thematic workshops		198,000	201,000	220,000	228,800	240,000	ROA Network workshop budget was overspent in 2003 and the forecast for 2004 shows some over expenditure. This is due to high travel cost in the region.
	3303	ROLAC network meetings/thematic workshops		145,000	145,800	160,000	166,400	166,400	Standard 4% increase
	3304	ROAP-SEAP network meetings/thematic workshops		0	0	0	0	0	
	3305	ROAP-SA network meetings/thematic workshops		56,000	60,000	80,000	83,200	83,200	Standard 4% increase
	3306	ROWA network meetings/thematic workshops		56,000	65,000	70,000	72,800	72,800	Standard 4% increase
	3307	ECA network meetings/thematic workshops		0	0	124,800	129,792	135,000	Slight increase to cover costs of contact group meetings
3399	<i>Sub-total</i>			530,000	549,800	735,920	765,357	781,765	
3999	<b>COMPONENT TOTAL</b>			<b>530,000</b>	<b>624,800</b>	<b>870,920</b>	<b>905,757</b>	<b>931,565</b>	
40	<b>EQUIPMENT AND PREMISES COMPONENT</b>								
4100	<i>Expendable equipment (items under \$1,500 each)</i>								
	4101	Office supplies - Paris		24,000	24,960	25,958	26,996	26,996	Standard 4% increase
	4102	Office supplies - Regions		20,000	36,000	40,560	42,182	41,367	
4199	<i>Sub-total</i>			44,000	60,960	66,518	69,179	68,363	
4200	<i>Non-expendable equipment</i>						0		
	4201	Office equipment / computer - Paris		30,000	31,200	32,448	33,746	33,746	Standard 4% increase
	4202	Office equipment / computer - Regions		26,000	37,000	50,200	52,208	51,808	
4299	<i>Sub-total</i>			56,000	68,200	82,648	85,954	85,554	

				CAP 2002	CAP 2003	CAP 2004	CAP 2004 + 4%	CAP 2005 request	JUSTIFICATION FOR INCREASE/REDUCTION
				Approved ExCom 36	Approved ExCom 38	Approved ExCom 41			
4300	<i>Rental of premises</i>								
	4301	Office rental - Paris		220,000	228,800	300,000	312,000	332,000	Office rental cost estimated on the basis of real costs in Paris
	4302	Office rental - Regions		50,000	76,817	84,774	88,165	118,228	Office rental cost estimated on the basis of real costs in the regions
4399	<i>Sub-total</i>			270,000	305,617	384,774	400,165	450,228	
4999	<b>COMPONENT TOTAL</b>			<b>370,000</b>	<b>434,777</b>	<b>533,940</b>	<b>555,298</b>	<b>604,145</b>	
<b>50</b>	<b>MISCELLANEOUS COMPONENT</b>								
5100	<i>Operation and maintenance of equipment</i>								
	5101	Rental and maintenance of office equipment - Paris		50,000	52,000	54,080	56,243	56,243	Standard 4% increase
	5102	Rental and maintenance of office equipment - Regions		30,000	37,000	33,400	34,736	34,336	Standard 4% increase
5199	<i>Sub-total</i>			80,000	89,000	87,480	90,979	90,579	
5200	<i>Reporting cost</i>								
	5201	Reporting costs		25,000	26,000	32,240	33,530	33,530	Standard 4% increase
	5202	Translation - Regions		0	20,000	30,200	31,408	36,608	
5299	<i>Sub-total</i>			25,000	46,000	62,440	64,938	70,138	
5300	<i>Sundry</i>								
	5301	Communication & dissemination - Paris		160,000	166,400	173,056	179,978	179,978	Standard 4% increase
	5302	Communication - Regions		40,000	59,000	88,360	91,894	90,974	
5399	<i>Sub-total</i>			200,000	225,400	261,416	271,873	270,952	
5400	<i>Hospitality</i>								
	5401	Hospitality		3,000	3,120	3,245	3,375	3,375	Standard 4% increase
5499	<i>Sub-total</i>			3,000	3,120	3,245	3,375	3,375	
5999	<b>COMPONENT TOTAL</b>			<b>308,000</b>	<b>363,520</b>	<b>414,581</b>	<b>431,164</b>	<b>435,044</b>	
99	<b>TOTAL DIRECT PROJECT COST</b>			<b>5,351,450</b>	<b>5,830,885</b>	<b>6,757,900</b>	<b>7,028,216</b>	<b>7,197,544</b>	
	<i>Programme support costs (8%)</i>			428,116	466,471	540,632	562,257	575,804	
	<b>GRAND TOTAL</b>			<b>5,779,566</b>	<b>6,297,356</b>	<b>7,298,532</b>	<b>7,590,473</b>	<b>7,773,348</b>	

## HIGHLIGHTS OF CAP ACHIEVEMENTS IN 2004

Selected achievements of the CAP in 2004 are given below for illustrative purposes. Full details of activities carried out and services provided by CAP in 2004 will be submitted to the Executive Committee as part of the regular Progress Reporting process..

### *Assistance with data reporting*

The CAP assists countries with understanding data reporting requirements under Article 7, including non-reported data, baselines, data collection, reporting methodologies and data submission procedures. The following trends have been noted for Article 5 countries since the 15th Meeting of the Parties to the Montreal Protocol:

- 8 out of 10 Article 5 countries reported their missing base year consumption data for 1986 (Annex A substances).
- 8 out of 10 Article 5 countries reported their missing base year consumption data for 1989 (Annex B substances).
- 8 out of 10 Article 5 countries reported their missing base year consumption data for 1991 (Annex E substances).
- 2 out of 4 Article 5 countries submitted their country programme to the Executive Committee and all required Article 7 data. Two countries are prepared to submit their country programme at the 44th Meeting of the Executive Committee in November-December and thus to submit their Article 7 data to the Ozone Secretariat.
- 3 out of 5 Article 5 countries submitted their missing data for establishment of Annex A baseline.
- 5 out of 7 Article 5 countries submitted their missing data for establishment of Annex B baseline.
- 6 out of 8 Article 5 countries submitted their missing data for establishment of Annex E baseline.

The countries mentioned above are now in a position of being declared in compliance with these data reporting requirements by MOP16.

Timeliness and accuracy of data reporting has improved significantly in all regions:

- Three regions, namely West Asia, Latin America/Caribbean and Europe/Central Asia, have achieved 100% reporting of baseline and 2002 annual data.

### *Organization of specific meetings to address compliance issues*

- All the regions: country visits and special bilateral meetings involving Implementing Agencies, the Ozone Secretariat and the Multilateral Fund Secretariat were held during 2004 to help bring countries back to compliance.
- Asia and Pacific: Small group meeting was held during the Asia and Pacific Network meeting in Agra (19-20 April 2004) to discuss the preparation and implementation of Compliance Action Plans following decisions of MOP15, for countries concerned (Malaysia, Nepal, Pakistan, Philippines, Thailand, Vietnam).

- Europe and Central Asia: Contact Groups were established to provide country-to-country assistance to those Parties in actual or potential non-compliance or with problems in the implementation of national ODS phase-out programmes. The first meeting of Contact Group “Georgia – Kyrgyzstan – Moldova – UNEP” was held in Bishkek, Kyrgyzstan on 27-30 July 2004. Meetings of Contact Groups formed in support of Albania, Armenia and Bosnia and Herzegovina are planned to be held in the last quarter of 2004.
- West Asia: A special meeting was organized on 14-15 September 2004 to assist countries of the region that were in actual non-compliance or faced a risk to be in non-compliance (Bahrain, Lebanon, Oman, Qatar and Yemen).

### ***Assistance in policy and legislation development and implementation***

The CAP assisted countries in implementing their commitments to establish policy instruments on ODS management:

- 129 Article 5 countries prepared, adopted or implemented licensing systems.
- Seven additional Article 5 countries can now be considered as having implemented their national licensing system to control ODS imports and exports.

### ***Assistance in ratification of the ozone treaties***

With support of the UNEP Regional Directors, the CAP closely worked with the Ozone Secretariat to facilitate the accession of two countries to the Vienna Convention and the Montreal Protocol (Afghanistan and Bhutan).

### ***Facilitation of communications with the Implementation Committee***

The CAP helped a number of Parties respond to requests of the Implementation Committee. The CAP also assisted countries in non-compliance to prepare their Plans of Action for return to compliance, for submission to the Implementation Committee.



## **CHALLENGES AHEAD**

Some priority areas for the CAP's intervention in 2005 are highlighted below. UNEP will submit to the 45th meeting of the Executive Committee its 2005 Business Plan with full details of programme orientation, planned country-specific support for compliance, and planned activities of the Information Clearing-House.

### ***Tackling the multiplicity of phase-out targets for Article 5 countries in 2005***

In 2005, the control measures set out for developing countries will become more challenging and NOUs will have to put in additional effort to achieve and maintain compliance. The CAP will have a key role to play in explaining these new challenges, helping carve country-specific solutions and remaining responsive to complex technical and policy needs of client countries.

### ***Reinforcing national capacity to phase out ODS***

Achieving and sustaining compliance requires strong capacity of National Ozone Units. The CAP will continue building such capacity through providing advice during country visits and facilitating experience transfer at regional network meetings.

### ***Helping overcome political barriers to the implementation of environmental treaties***

In several countries, the implementation of the Montreal Protocol as well as other multilateral environmental agreements is slowed down due to limited political support and overwhelming socio-economic difficulties. The CAP will continue and intensify building up high-level political support for the protection of the ozone layer through, *inter alia*, involvement of Regional Directors and high-level UNEP officials and integration of the Montreal Protocol objectives in agendas of relevant regional Ministerial processes.

### ***Supporting policy setting and enforcement of legislation***

The number of countries having ODS legislation in place is high, but further follow-up is needed to ensure that legislation is actually enforced. The CAP will continue supporting Parties through delivery of customs training and focused legal advice.

### ***Combating illegal trade***

This emerging issue will be addressed by the CAP through facilitation of intra-regional and inter-regional cooperation of customs and environmental authorities, assistance in introduction of trade regulations and enhanced exchange of information between producing and consuming countries.

### ***Advancing RMP implementation and follow up***

Apart from support in the implementation of RMP components in many countries, the CAP will help ensure that, once RMP is completed, national capacity built by the project will be maintained over the years thus helping to sustain compliance. As part of networking activities, the CAP will continue drawing lessons learned and best practices in RMP implementation with a view to sharing them at the regional level.