



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/53/16
24 October 2007



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
African customs enforcement networks for preventing illegal trade of ODS in the African sub-regional trade organizations (CEMAC, COMESA, SACU and UEMOA) for the African region	France
Terminal phase-out management plan (second tranche) for Mongolia	Japan

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For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Note on the organization of the document

1. This document provides an overview of requests from bilateral agencies, and whether these are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2007. It also cross-references relevant meeting documents, which include a discussion on the bilateral requests. In this case, there is only one such project document containing the request of the Government of Japan, which is cross-referenced with another agenda item.

2. The only request that is fully addressed here is from the Government of France for an African Customs Enforcement Network. This document also contains the standard recommendation on the year of assignment of bilateral cooperation as a General Recommendation at the end of the document.

Introduction

3. A total of two requests for bilateral cooperation with a value of US \$231,650 (including agency fees) have been received by the Secretariat for approval at the 53rd Meeting. This document presents, by bilateral agency, those projects that are before the Executive Committee for its consideration.

4. Table 1 provides a summary of the value and number of requests by bilateral agency.

Table 1

VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY (including agency fees)

Bilateral Agency	Total Amount Requested (US \$)	Number of Projects
France	169,500	1
Japan	62,150	1
TOTAL	231,650	2

REQUEST FROM THE GOVERNMENT OF FRANCE

Introduction

5. Table 2 presents a summary of the request for bilateral co-operation from the Government of France. The value of this request (US \$169,500), including any projects approved at the 51st and 52nd Meetings (US \$754,500) does not exceed 20 per cent of France's contribution for 2007 (US \$2,015,159) and France also did not exceed its allocation for 2006.

Table 2

SUBMISSION FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
African customs enforcement networks for preventing illegal trade of ODS in the African sub-regional trade organizations (CEMAC, COMESA, SACU and UEMOA)	African region	150,000	75,000 ⁽¹⁾
Agency Fee		19,500	9,750
TOTAL		169,500	84,750

⁽¹⁾ UNEP component is included under UNEP/OzL.Pro/ExCom/53/18

AFRICAN REGION: Customs enforcement network (US \$150,000)

Project description

6. The Government of France is submitting, jointly with UNEP, a project to establish a regional customs enforcement network for Africa. This project will be implemented through UNEP's networking activity under the CAP, and will be linked with the Ozone Officers network for Africa.

7. The Secretariat notes that this project follows the concept of an earlier approved project to improve monitoring and control of ODS imports in the Asia and the Pacific region, funded through the Multilateral Fund as bilateral assistance from Sweden, as well as the enforcement network for Latin America approved at the 51st Meeting and funded under the Multilateral Fund. While the project concept aims to replicate networks that already exist, the approach taken for this proposal is different as it seeks to work very closely with sub-regional organisations in Africa to harmonise ODS regulations and prevent illegal trade.

8. The proposed network would cover only 38 of the 53 member countries of the Africa ODS Officers network. This is due to the fact that these 38 countries are members of the four sub-regional organisations that are included in the project. UNEP has indicated that the remaining fifteen countries will also benefit as they will participate in the meetings of the proposed network and will have the opportunity to discuss concerns relating to their own national regulations. This enforcement network would be operated by the UNEP CAP Programme through its regional CAP team in UNEP's Regional Office for Africa.

9. The project's main objective is to prevent illegal trade in ODS by strengthening cooperation between enforcement officers and the African sub-regional trade organisations (CEMAC, COMESA, SACU and UEMOA) within the framework of the ODSNET/Africa. The project also aims to encourage cooperation among customs officers, other enforcement officers, and the ozone focal points in the region. UNEP has proposed that the Africa Customs Enforcement Network (ACEN) should be a two-year initiative, and hold a total of four meetings of customs and ozone officers. The main features of this proposed network are the following:

- (a) Establishing a functional focal point in each of the four sub-regional organisations;
- (b) Organising joint meetings with customs officers and NOUs in the context of the Africa network meetings;
- (c) Developing two to three enforcement tools;
- (d) Raising awareness for implementing enforcement strategies at the national and regional levels and improving effective implementation of national import/export licenses; and
- (e) Establishing a system for regional information exchange with a view to improving data reporting and strengthening the monitoring of the cross-border movement of ODS.

10. The project is being submitted with a total proposed budget of US \$570,000, of which US \$420,000 would be managed by UNEP and US \$150,000 would be in bilateral assistance from the Government of France. The UNEP component would provide support for strengthening each of the four sub-regional organisations. It would also allow for the participation of 38 customs officers from the region in four meetings to be held over two years (including travel expenses and per diem). Finally, UNEP would support information sharing with costs divided throughout the region. The Government of France would assume the costs of other elements of the project including experts (such as resource persons and speakers) and the development of enforcement and other management tools.

Fund secretariat's comments

11. The project proposal provides an overview of the current situation in the region with respect to ODS trade, and provides examples of discussions and conclusions from past meetings where these issues have been considered. The Secretariat sought clarification on whether any informal consultations had been undertaken with customs and other enforcement officers in the region to establish the initial commitment to, and need for, such a network. UNEP informed the Secretariat that there had been network meetings in 2005, which included senior customs officers. UNEP mentioned that the customs officers at those meetings were not happy to be involved as secondary participants and suggested that provision be made for their full involvement through the creation of a customs officers network. UNEP confirmed that there was a clear commitment from the customs representatives in the region to initiate this project. However, it was unable to provide the Secretariat with endorsement letters for this project, as requested, from the customs officers in the region.

12. The Secretariat also raised a question on UNEP's approach to this network, which is to provide support for each of the sub-regional trade organisations. This is a new modality and has not been undertaken in previously approved networks. The concern here is in providing funds for a focal point (which imply salary costs) whose terms of reference are unclear, and where key roles and responsibilities are not fully developed and explained. Likewise, coordination between these sub-regional organisations should be the responsibility of the CAP team in the region. The Secretariat advised UNEP that this component of the budget is not eligible as an incremental cost. The Secretariat also noted that a better approach might be to bring representatives of the sub-regional organisations together to look at the possibility of achieving an informal agreement on one regional approach for monitoring ODS, from which all countries could benefit.

13. In response, UNEP informed the Secretariat that the reason that such focal points are needed is to encourage harmonization of legislation at the sub-regional level, and to follow-up with the countries engaged in developing legislation. UNEP indicated that most of the countries in Africa that have not yet established ODS regulations are just about to approve these but that the approval process takes a long time in most African countries. UNEP also stressed that for UEMOA and CEMAC in particular, these sub-regional organizations can adopt regulations that supersede national legislation, similar to the operation of the European Union.

14. In discussions with UNEP, the Secretariat noted that even if this project is being submitted as bilateral assistance, it would have to be considered in the context of UNEP's CAP budget, since networking is an activity under the CAP, and is already funded as such. In approving the CAP funding for 2007, the Executive Committee clearly encourages UNEP *to continue extending the prioritization of funding among CAP budget lines so as to accommodate changing priorities* (decision 50/26). In clarifying with UNEP whether such a change in priorities had occurred, the Secretariat was informed that if the current CAP budget were to be allocated to this project, it would not be sufficient to allow the participation of customs officers.

15. The Secretariat has compared the proposed costs associated with this project with the CAP network funding approved for the African region, and considers them to be reasonable with respect to meeting organisational, logistic and travel requirements. However, the Secretariat does not consider the funds for the focal points to be eligible costs, and cannot recommend them.

16. In light of these comments, and following discussions between the Secretariat and UNEP, it was agreed that funding could be recommended for the first year of the project only, without prejudice to the approval of the funding for the following year. This would allow the network to gather the commitment it needed and ensure the sustainability of its future operation. It should be noted that the request for UNEP is also addressed in the context of UNEP's Work Programme Amendment.

Secretariat's Recommendation

17. The Fund Secretariat recommends approval of this project for one year only, at the funding level of US \$75,000 plus agency support costs of US \$9,750 for France on the basis that:

- (a) This is without prejudice to future funding approvals for the remaining year proposed for this project;

- (b) That disbursement shall take place only when UNEP provides the Secretariat with letters from the 38 countries endorsing their interest and the commitment of their customs representatives to this network; and
- (c) In requesting funding for the second year, UNEP and the Government of France shall prepare a joint report on the outputs of the network's first year of operation.

REQUEST FROM THE GOVERNMENT OF JAPAN

Introduction

18. Table 3 presents a summary of the request for bilateral co-operation from the Government of Japan. The value of this request (US \$62,150), does not exceed 20 per cent of Japan's contribution for 2007 (US \$5,872,533) and Japan also did not exceed its allocation for 2006.

Table 3

SUBMISSION FROM THE GOVERNMENT OF JAPAN AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan (second tranche)	Mongolia	55,000	(1)
Agency Fee		7,150	
TOTAL		62,150	

(1) Under UNEP/OzL.Pro/ExCom/53/45

MONGOLIA: Terminal phase-out management plan (second tranche) (US \$55,000)

19. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/53/45.

GENERAL RECOMMENDATION

20. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 53rd Meeting as follows:

- (a) US \$84,750 against the balance of France's bilateral contribution for 2007; and
- (b) US \$62,150 against the balance of Japan's bilateral contribution for 2007.
