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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixtieth Meeting  
Montreal, 12-15 April 2010

**UNEP BUSINESS PLAN FOR THE YEARS 2010-2012**

**COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT**

1. This document presents a summary of UNEP’s planned activities for the phase-out of ozone depleting substances (ODS) during the 2010-2012 triennium. It also contains UNEP’s business plan, performance indicators, general comments, and recommendations for consideration by the Executive Committee. UNEP’s 2010-2012 business plan is contained in Annex I.

2. Table 1 presents, by year, the value of activities included in the business plans according to categories “required for compliance” and “not required” according to the Model rolling three-year phase-out plan.

Table 1

**RESOURCE ALLOCATION IN THE BUSINESS PLAN OF UNEP (2010 to 2014) (US \$000)**

<b>Required/Not required by Model</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total (2010-2014)</b>
Required for compliance (MYAs and standard costs)	18,247	13,724	16,275	2,739	5,767	56,752
Required for compliance (HCFCs)	19,896	9,643	12,050	10,050	700	52,338
Not required for compliance (resource mobilization)	283					283
Not required for compliance (ODS disposal)	2,416					2,416
Not required for compliance (chiller, illegal trade, CTC, MBR, MDI, studies, workshops)	3,955	948	601			5,504
<b>Grand total</b>	<b>44,796</b>	<b>24,315</b>	<b>28,926</b>	<b>12,789</b>	<b>6,467</b>	<b>117,293</b>

3. UNEP had included activities valued at US \$44.8 million in 2010 and with a total value of US \$117.29 million over the period 2010 to 2014.

**MYAs and standard costs**

4. Table 2 presents information on UNEP’s multi-year agreements (MYAs), new methyl-bromide (MBR) activities, terminal phase-out management plans (TPMPs), institutional strengthening (IS), and Compliance Assistance Programme (CAP) activities that are considered required for compliance.

Table 2

**REQUIRED FOR COMPLIANCE FOR MYAS AND STANDARD COSTS (2010 to 2014)  
(US \$000s)**

<b>Required by Model</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total (2010-2014)</b>
Approved multi-year	1,951	634	100			2,685
New MBR activities	115					115
TPMP	538	193				731
IS	5,915	2,878	5,855	2,739	5,767	23,153
CAP	9,728	10,020	10,320			30,068
<b>Total (required for compliance for MYAs and standard costs)</b>	<b>18,247</b>	<b>13,724</b>	<b>16,275</b>	<b>2,739</b>	<b>5,767</b>	<b>56,752</b>

5. The Consolidated business plan (UNEP/OzL.Pro/ExCom/60/7) addresses several issues relevant to UNEP's activities required for compliance for MYAs and standard costs, including the following issues:

- (a) UNEP included MYA values that did not correspond to those for the MYAs in the Secretariat's records, which would result in increasing its allocation by US \$770,730;
- (b) UNEP plans to submit annual tranches for TPMPs valued at US \$193,000 after 2010 in the following countries: Angola and Barbados;
- (c) The total amount requested by UNEP and UNIDO for the TPMP in Somalia exceeds the maximum level allowed. UNEP and UNIDO are coordinating on this issue with the country but have not yet reached an agreement. UNEP indicated that it would inform the Secretariat at the earliest of the outcome.

6. No issues were raised with respect to the following activities, which are also considered to be required for compliance:

- (a) New methyl bromide activities are planned in Chile and Ecuador, which are required for compliance with the 2015 phase-out;
- (b) The Compliance Assistance Programme (CAP).

7. UNEP included an additional 10 per cent for IS to cover climate and energy efficiency activities in Mongolia and Nauru. UNEP explained that the funding was added based on the specific needs expressed by national Ozone Officers in Mongolia and Nauru. In addition, UNEP has included in its business plan, requests for IS tranches for those countries that have added 10 per cent to the regular IS budget to cover additional activities related to the promotion of ozone/climate co-benefits. These additional activities include capacity building of national stakeholders on the energy efficiency of equipment during the conversion to non-HCFC technologies.

8. Decision XIX/6 (9) reads "To encourage Parties to promote the selection of alternatives to HCFCs that minimize environmental impacts, in particular impacts on climate, as well as meeting other health, safety and economic considerations". Therefore, in UNEP's view, Article 5 Parties are obligated to extend their regular consultations with the relevant government departments other than those that were consulted during the CFC phase-out. Also, National Ozone Units (NOUs) would like to strengthen their own capacity to address climate and energy efficiency issues relevant to HCFC phase-out. During this transition period, the funds to support project management units (PMUs) under the national phase-out plans/terminal phase-out plans (NPPs/TPMPs) have been spent, while the NOUs need to manage and sustain compliance with respect to CFCs and halons. According to UNEP, NOUs also need to manage the HCFC phase-out in a short timeframe to be prepared to comply with HCFC control measures.

9. The Executive Committee's consideration of the issue of the costs for IS in the context of the Consolidated Business Plan might have an impact on UNEP's business plan.

## **HCFC activities**

### HCFC production phase-out

10. In its 2010 business plan UNEP has included a project preparation (US \$57,000) to develop an HCFC gradual production phase-out plan for India in cooperation with the World Bank. A further US \$2.61 million in 2011 and 2013 is related to the implementation of the technical assistance component

that will be prepared by UNEP as part of the HCFC production sector phase-out project. As mentioned in the Consolidated Business Plan, the eligibility of funding HCFC closure in CFC swing plants that have already received funding from the MLF remains an issue before the Committee. The Executive Committee's consideration of funding for the HCFC production sector might have an impact on UNEP's business plan.

#### HCFC consumption tonnage

11. Agencies were asked to indicate if they had included accelerated phase-out activities in their business plans. With respect to those countries for which HCFC phase-out activities covered volumes greater than 10 ODP tonnes, the implementing agencies included HCFC activities in their business plan whose combined tonnage was more than that required by the model for China (105.7 ODP tonnes); Colombia (34.2 ODP tonnes); Costa Rica (15.9 ODP tonnes); Indonesia (154.2 ODP tonnes); Jordan (39 ODP tonnes); Mongolia (26 ODP tonnes); Philippines (12.7 ODP tonnes); Seychelles (13.6 ODP tonnes); and Thailand (57.2 ODP tonnes). UNEP's business plan covers HCFC tonnage for some of these countries.

12. UNEP indicated that for the countries for which it is currently the sole implementing agency for the HPMP, it used the tonnage estimates provided by the Secretariat. For countries for which UNEP and other agencies are involved in the HPMP, it left the tonnage field undefined as it could not separate out the tonnage shares with the other agencies prior to discussions at the 60th meeting of the Executive Committee.

13. UNEP indicated that the only accelerated phase-out anticipated in its business plan is the HPMP in Maldives, which is brought forward from 2030 to 2020, but the tonnage in UNEP's business plan did not represent the acceleration. Mongolia was the only country in UNEP's business plan where HCFC phase-out representing more than 10 ODP tonnes above that required by the model was included (0.4 ODP tonnes). The Executive Committee may wish to consider maintaining the HCFC tonnage in UNEP's business plan for Mongolia as it represents an unavoidable phase-out acceleration

14. While the HCFC tonnage in UNEP's business plan does not indicate accelerated phase-out for Maldives, UNEP has advised that the HPMP is for accelerated phase-out. Therefore, the Executive Committee's consideration of this issue in the context of the Consolidated Business Plan might have an impact on UNEP's business plan tonnage.

#### HCFC demonstration projects

15. UNEP has two demonstration projects in its business plan that are to be submitted in 2010. None of UNEP's demonstration projects cover a level of phase-out, and none have received project preparation funds. However, UNEP is not requesting project preparation to prepare these projects. The Executive Committee consideration of HCFC demonstration projects might have an impact on UNEP's HCFC demonstration projects.

#### HCFC servicing sector in low-volume-consuming (LVC) countries

16. The total value of HCFC servicing sector activities in LVC countries in UNEP's business plans amounts to US \$27.14 million. This amount exceeds, by US \$21.65 million, the level under discussion. The Executive Committee's consideration of the levels of funding for HCFC activities might have an impact on UNEP's business plan.

17. The Secretariat enquired as to why UNEP had estimated the value of servicing sector activities at more than three times the amount that had been agreed to-date in discussions on HCFC guidelines. It also asked for the basis of these estimates. UNEP indicated that its estimates had been based on consultations

with NOUs. It noted that amounts under discussion for the servicing sector are insufficient to fund the activities that will likely be required for the phase-out of HCFCs in this sector. Accordingly, UNEP included values in its business plan which deviate from those amounts, but which the countries feel are required to perform the necessary work. UNEP noted that a number of countries have not concluded their surveys and the total amount is linked to projected consumption figures. The forecasted percentage itself varies from 6 per cent to 20 per cent and has been calculated according to gross domestic product (GDP), the economic situation, and market analysis. Additionally, there is a large degree of uncertainty in some of UNEP's forecasts, which arise from the lack of certain Executive Committee guidelines, according to UNEP.

#### *Pacific Island Countries HPMP*

18. UNEP has included a total of US \$339,000 in project preparation for HPMPs for Pacific Island Countries (PIC) that would phase out an estimated 4.4 ODP tonnes of HCFCs at a cost of US \$4.38 million. The actual request for project preparation submitted to the 60<sup>th</sup> Meeting was for US \$496,000. Of this, US \$1.68 million would be requested in 2010 and the balance of US \$2.7 million, after 2010. The PIC issue has been addressed in the context of UNEP's Work Programme Amendment (UNEP/OzL.Pro/ExCom/60/18).

#### HCFC for non-LVC countries

19. The total value of activities for non-LVC countries in UNEP's business plan amounts to US \$21.8 million for 6.61 ODP tonnes. Of this, US \$8.03 million is for China which represents zero ODP tonnes. The Committee's consideration of maximum cost-effectiveness levels and HCFC tonnage for business planning might have an impact on UNEP's business plan.

#### **ODS disposal activities**

20. UNEP has ODS disposal projects valued at US \$2.42 million in 2010 only (including project preparation). None of UNEP's ODS disposal projects received project preparation. All of UNEP's ODS disposal activities have a cost-effectiveness of below US \$13.2/kg of ODS to be destroyed in accordance with decision 58/19, paragraph (a) (i) c. Without ODS tonnage, cost-effectiveness cannot be determined. The Executive Committee's consideration of this issue in the context of the Consolidated Business plan might have an impact on UNEP's business plan.

#### **Other activities not required for compliance (resource mobilization, studies and workshops)**

21. UNEP included a resource mobilization activity to address climate co-benefits amounting to US \$282,500. This is the first indication of a resource mobilization activity for UNEP unlike the proposals of the other agencies that have previously been submitted to the Executive Committee. This resource mobilization effort would address climate co-benefits in LVC countries in cooperation with other implementing agencies. This activity would include *inter alia* collecting data, holding consultations with experts and producing a study on financing options with an assessment of their appropriateness. It should also be noted that UNEP has also included a regional workshop on co-financing options that is addressed below under "Workshops". The Executive Committee may wish to consider the issue of resource mobilization in the context of the paper on the Special Funding Facility (UNEP/OzL.Pro/ExCom/60/50).

22. UNEP included other activities (see Table 3) not required for compliance amounting to US \$3.96 million in 2010 and US \$5.5 million in its business plans for the period 2010 to 2012. No activities were indicated for 2013 or 2014.

Table 3

**OTHER ACTIVITIES NOT REQUIRED FOR COMPLIANCE (2010 to 2012)**  
(US \$000s)

Not required by Model	2010	2011	2012	Total (2010-2012)
Not required by Model - Chiller TAS	200			200
Not required by Model - Combating illegal trade	1,416	298	201	1,915
Not required by Model – CTC	200			200
Not required by Model – Guidelines	100	100	100	300
Not required by Model – MBR	30			30
Not required by Model - MBR - Non-Inv	1,177	150	150	1,477
Not required by Model - MDI	150			150
Not required by Model - Study	226			226
Not required by Model - Workshop	457	400	150	1,007
<b>Total</b>	<b>3,955</b>	<b>948</b>	<b>601</b>	<b>5,504</b>

23. UNEP's Work Programme (UNEP/OzL.Pro/ExCom/60/18) covered the following activities, where the Secretariat has provided detailed comments:

- (a) Regional enforcement networking to improve compliance with multilateral environment agreements (MEAs) in Asia and the Pacific;
- (b) Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia (second tranche);
- (c) Dates/Methyl bromide help desk for South Asia, Africa and West Asia;
- (d) Technical assistance to MDI production countries in Asia and the Pacific regions for CFC use for essential use nominations (EUNs) 2010-2012;
- (e) Techno-economic study on cost benefit for leapfrogging high GWP alternatives to HFCs to low-GWP or zero-GWP alternatives.

24. The remaining activities in Table 3 above are not addressed in UNEP's Work Programme.

Chiller activity

25. The proposed technical assistance to adopt low-GWP HCFC alternatives for air conditioning in West Asia plans *inter alia* to share information about demonstration projects, implemented by other bilateral and implementing agencies. The Committee may wish to consider if this is part of the CAP funding for information dissemination.

Combating illegal trade

26. UNEP has submitted two proposals on enforcement of control measures in its Work Programme (UNEP/OzL.Pro/ExCom/60/18), one of which was the first request for the Asia and Pacific region as well as the second tranche of the Europe and Central Asia regional activity. UNEP's business plan also includes second tranche activities for the Latin America as well as first time requests for the Caribbean and West Asia regions. The first tranche approvals were "decided without prejudice" to additional tranches based on the assessment of the outputs of the first year of the reports.

27. UNEP is also including additional funding for the Green Customs Initiative. The Committee may recall that, in approving the initial US \$62,000 for this activity at its 52<sup>nd</sup> Meeting, the Executive Committee decided “that in seeking future funding, UNEP would present a commitment in writing from Green Customs partners that they were assured counterpart funds for the year for which funds were being sought, and that an agreed work plan with specific cost contributions for each activity be provided for the Executive Committee’s consideration.” (decision 52/28 (a)). The Committee may wish to consider funding for the Green Customs Initiative (phase II) in light of this decision.

#### CTC activity

28. Funding for an international workshop with CTC producers and countries on post-2010 use of CTC as feedstock is included in UNEP’s business plan. The Committee may wish to consider if this activity might be considered as part of thematic workshops in association with regional network meetings.

#### Guidelines

29. An activity to develop guidelines and standards for use of natural refrigerants in cooperation with the international standards association is included in UNEP’s business plan. This activity would seem more appropriate for the international standards association instead of UNEP DTIE.

#### Methyl bromide activities

30. UNEP’s business plan has several methyl bromide activities including one for Trinidad and Tobago that is not required for compliance. Its proposed Dates/Methyl bromide help desk has been submitted to this meeting as a Work Programme. The other methyl bromide activities included in UNEP’s business plan are in response to decision 59/55 (b), which requests UNEP to incorporate projects that responded to the identified gaps [in regional methyl bromide projects in Africa] in its business plan to be submitted to the Committee at its 60<sup>th</sup> Meeting with the exception of the regional workshops on QPS alternatives that UNEP indicated arose from the discussion at the workshop on methyl bromide use for QPS at the 21<sup>st</sup> Meeting.

#### Workshops

31. UNEP has included three regional workshops in its business plan. The workshop on co-financing opportunities, mentioned in paragraph 21 above, is related to resource mobilization. The difference appears to be that the resource mobilization results in a study and this activity would provide a platform for UNEP, UNIDO and the World Bank to share their experiences in climate financing.

32. Another workshop would address available low-GWP alternatives supporting HPMP implementation. However, GWP alternatives should be considered in the context of the preparation of HPMPs and UNEP, as the other agencies, have received project preparation to develop HPMPs.

33. The remaining workshop in UNEP’s business plan would address ODS alternatives for laboratory and analytical uses.

34. The Executive Committee may wish to consider if these workshop should be maintained in the business plans or removed as they could be included as thematic topics in regional network meetings.

#### **Co-funding**

35. None of the values in UNEP’s business plan include co-funding. However, UNEP indicated that it will continue to seek such opportunities and will inform the Executive Committee of any co-funding secured.

**Performance indicators**

36. A summary of UNEP's 2010 targets for performance indicators pursuant to decisions 41/93, 47/51 and 49/4(d) that are applied to all implementing agencies is provided in Table 4.

Table 4**PERFORMANCE INDICATORS**

<b>Item</b>	<b>2010 Targets</b>
Number of annual programmes of multi-year agreements approved versus those planned	104 (23 tranches of approved MYA and 81 new MYA)
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	108
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	23
ODS phased-out for individual projects versus those planned per progress reports	0
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	33
Number of policy/regulatory assistance completed versus that planned	100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

37. Table 5 presents UNEP's performance indicators for its CAP, which were adopted in decision 48/7(e).

Table 5**PERFORMANCE INDICATORS FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME (CAP)**

<b>Performance Indicator</b>	<b>Data</b>	<b>Assessment</b>	<b>Target</b>
Efficient follow-up to regional network/ thematic meetings	List of recommendations emanating from 2008 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2010	90% implementation rate
Effective support to NOUs in their work, particularly guidance to new NOUs	List of innovative ways/means/products/services for supporting NOUs in their work, with specification of those destined for new NOUs	Number of innovative ways/means/products/services for supporting NOUs in their work, with specification of those destined for new NOUs	7 such ways/means/products/services; All new NOUs receive capacity building support
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries



<b>Performance Indicator</b>	<b>Data</b>	<b>Assessment</b>	<b>Target</b>
Innovations in production and delivery of global and regional information products and services	List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	7 such products and services
Close cooperation between CAP regional teams and IAs and BAs working in the regions	List of joint missions/undertakings of CAP regional staff with IAs and BAs	Number of joint missions/undertakings	5 in each region

## RECOMMENDATIONS

38. The Executive Committee may wish to consider:

- (a) Endorsing the 2010-2012 business plan of UNEP as contained in UNEP/OzL.Pro/ExCom/60/10 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels. The endorsement is with any modifications based on consideration of the following activities:
  - (i) Those activities associated with issues addressed in the Consolidated Business Plan including:
    - a. The value of multi-year agreements (MYAs);
    - b. Terminal phase-out management plan (TPMP) activities after 2010;
    - c. TPMP for Somalia;
    - d. Institutional strengthening (IS) values and the inclusion of a ten per cent increase for non-Montreal Protocol activities;
    - e. HCFC production sector;
    - f. HCFC tonnage;
    - g. HCFC demonstration projects;
    - h. HCFC servicing sector in low-volume-consuming (LVC) countries;
    - i. HCFC projects for non-LVC countries;
    - j. ODS disposal activities;
  - (ii) Maintaining the HCFC tonnage in UNEP's business plan for Mongolia as it represents an unavoidable phase-out acceleration;
  - (iii) Maintaining or removing the following activities not required for compliance:
    - a. Chiller activities in the light of information dissemination as part of CAP - Technical assistance to LVC countries for replacement of energy efficient chillers and large size equipment in the tourism, supermarket and the fishery sectors in Asia and the Pacific;

- b. Combating Illegal Trade in the light of decision 52/28 for Integrated enforcement training under the Montreal Protocol through Green Customs Initiative;
- c. Combating Illegal Trade in the light of its decisions to fund first tranches without prejudice to funding second tranches and the comments in UNEP's Work Programme, as appropriate:
  - i. First tranches:
    - (1) Combating Illegal Trade Regional enforcement networks - West Asia;
    - (2) Combating Illegal Trade Regional Enforcement networking to improve compliance with Multilateral Environmental Agreements that include trade restrictions (Montreal Protocol; Rotterdam, Stockholm and Basel Conventions) (Request funding for ozone component) in Asia and the Pacific;
    - (3) Combating Illegal Trade Regional: Caribbean Customs Enforcement Network;
  - ii. Second tranches:
    - (1) Combating Illegal Trade Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (second tranche);
    - (2) Combating Illegal Trade ODS Custom Enforcement Network in Latin America, (second year);
- d. CTC activity in the light of possible inclusion as a thematic workshop in association with regional network meetings for International workshop with CTC producers and countries on post-2010 use of CTC as feedstock;
- e. Guidelines activities appropriateness for UNEP for Developing guidelines, standards and good practices for use of natural refrigerants in room air conditioning and small refrigeration equipment in cooperation with international standard association;
- f. Methyl bromide (MBR) activities not required for compliance since activities have already been funded for the project Trinidad and Tobago MBR policy support;
- g. MBR - Non-investment activities in the light of decision 59/55, the MBR workshop at the 21<sup>st</sup> Meeting of the Parties, and comments in UNEP's Work Programme, as appropriate:
  - i. Regional technical workshop to share experience in identification, implementation and adoption of MBR alternatives in tobacco, cut-flower and vegetable sub-sectors in Africa;
  - ii. Case studies and related toolkits for MBR alternatives in tobacco, cut-flower and vegetable sub-sectors in Africa;

- iii. Technology transfer and MBR phase-out strategy through mainstreaming MBR alternatives in national university education in Africa;
  - iv. Regional workshops in Asia and the Pacific, West Asia, Latin America and the Caribbean, and Europe and Central Asia to inform stakeholders of the viability of MBR alternatives for QPS disseminating the EU experience of QPS use ban;
  - v. Dates/Methyl Bromide Help Desk for South Asia, Africa and West Asia;
  - h. Studies and MDI activities in the light of comments in the UNEP Work Programme for:
    - i. Techno-economic study on cost benefit of leapfrogging high-global warming potential (GWP) alternatives to HFCs to low-GWP or zero-GWP alternatives;
    - ii. Technical assistance to MDI producing countries in Asia and Pacific region for CFC use for EUNs 2010-2012;
  - i. Workshops in the light of possible inclusion as a thematic workshop in association with regional network meetings for:
    - i. Regional workshops on co-financing opportunities to get climate benefits engaging financial institutes, private sector and international development agencies in cooperation with the World Bank;
    - ii. Regional technology transfer workshops on available low-GWP, non-ODS alternatives in various sectors supporting HPMP implementation in cooperation with WB and implementing agencies;
    - iii. Regional workshop on ODS alternative for laboratory and analytical uses following decision XXI/8 in Asia and the Pacific;
- (b) Approving the 2010 performance indicators and targets for UNEP set out in Tables 4 and 5 as contained in document UNEP/OzL.Pro/ExCom/60/10.

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**UNEP 2010-2012 BUSINESS PLAN**

**PRESENTED TO THE**  
**60TH MEETING OF THE EXECUTIVE COMMITTEE**  
**OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION**  
**OF THE MONTREAL PROTOCOL**

1 March 2010

United Nations Environment Programme



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## UNEP 2010-2012 BUSINESS PLAN

### A. INTRODUCTION

This document, which is being submitted for consideration to the 60th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, represents a three-year rolling Business Plan of the Montreal Protocol-related activities of the United Nations Environment Programme (UNEP). It comprises the UNEP Business Plan for 2010 and a forecast for the years 2011 and 2012.

This document consists of a narrative and three annexes, namely:

- Annex I, Country-specific services provided by UNEP's Compliance Assistance Programme.
- Annex II, Projects planned for submission in 2010-2012.
- Annex III, Regional Logical Framework Analyses.

In 2010, UNEP is planning to prepare and submit for approval of the Executive Committee 224 new projects with the total value of US\$ 44,796,450 including the annual budget of the Compliance Assistance Programme (CAP) for the year 2011 and programme support costs (PSC). UNEP also plans to submit 26 annual tranches of approved multi-year agreements (MYAs) with the total value of US\$ 2,489,200.

Executive Committee decision 59/27 approved an annual budget of the CAP for the year 2010 amounting to US\$ 9,444,600 including PSC. The details of national, regional and global activities to be funded from the CAP budget in 2010 can be found in the Business Plan narrative and in the Annexes.

A current forecast for project submissions over the next two years is as follows: 88 projects with a total value of US\$ 24,314,890 are planned for submission in 2011; and 140 projects with a total value of US\$ 28,925, 890 are planned for submission in 2012. These amounts include the respective annual budgets of the CAP, tranches of approved MYAs and PSC. There is a major degree of uncertainty in some of these forecasts arising from the non-availability of certain Executive Committee guidelines.

### B. METHODOLOGY USED FOR THIS BUSINESS PLAN

UNEP has used the following methodology for developing its 2010-2012 Business Plan:

- The 2010-2012 Business Plan has been prepared on the basis the previous endorsed three-year rolling Business Plan taking into account approvals and experiences of the last year, as well as new trends and emerging developments.
- The 2010-2012 Model Rolling Three-year Phase-out Plan adopted by the 59th Executive Committee meeting (Decision 59/5) has been used as a guidance document for resource planning for the triennium and identification of countries requiring immediate assistance.
- Consultations on business planning with National Ozone Units (NOUs) held during country missions and meetings of Regional Networks of Ozone Officers that identified regional priorities and needs for country-specific compliance services.
- UNEP used the following decisions of the Executive Committee *inter alia* were used as guidance:
  - 42/7 on assistance in data reporting,
  - 48/4, 45/54 and 38/64 on Terminal Phase-out Management Plans (TPMPs),

- 49/32, 47/49, 43/37, 56/6, 57/36, 58/16, 59/17 and 59/47 on institutional strengthening (IS) projects,
- 54/8 on endorsement of UNEP's Business Plan 2008-2010 and CAP performance indicators,
- 55/13, 55/4, 56/16, 57/33, 57/34, 59/16, and 59/46 on cost issues related to HCFC Phase out Management Plans (HPMPs),
- 55/43, 58/37 and 59/48 on mobilizing co-financing related to the climate component of HPMPs,
- 56/3 and 56/4 on Business Plans,
- 57/9 on HPMP requests for Pacific Island countries,
- 58/19 on guidelines for ODS disposal projects, and
- 59/27 on approval of the CAP budget for 2010.
- UNEP used the following decisions of the Meetings of the Parties (MOPs) to the Montreal Protocol *inter alia* to inform this Business Plan:
  - XVIII/17 on treatment of stockpiled ozone-depleting substances (ODS),
  - XVIII/18 on illegal ODS trade;
  - XVIII/33 on non-compliance with data reporting requirements;
  - XVIII/35 on establishment of licensing systems;
  - XIX/6 on accelerated phase-out schedule for HCFCs,
  - XIX/9 and XX/5 on critical use exemptions for methyl bromide for 2008-2010,
  - XIX/12 on preventing illegal trade in ODS,
  - XX/7 on environmentally sound management of ODS banks,
  - XX/15 on difficulties faced in Iraq as a new Party,
  - XXI/8 on sources of opportunities for reductions of carbon tetrachloride (CTC) emissions,
  - XXI/24 on difficulties faced by Timor Leste as a new Party,
  - XXI/18, XXI/20, XXI/21, XXI/23, XXI/25 and XXI/26 on non-compliance, and
  - XXI/19 and XXI/22 on monitoring compliance progress.
- Consultations were held with the other Implementing Agencies and bilateral agencies to avoid duplication of effort and increase collaborative and mutually supportive initiatives. In compliance with the Executive Committee decision 43/4(a), Annex I, Country-specific services provided by UNEP CAP, was circulated to Implementing and Bilateral Agencies for their comments and input. Comments were provided by UNDP.
- Guidance provided by the CAP Advisory Group (CAG) meeting (Paris, 2-3 September 2009) and views expressed by National Ozone Officers in relation to CAP services were used as references during the preparation of this Business Plan.
- Guidance provided by the Multilateral Fund Secretariat during the Inter-agency Coordination Meeting (Montreal, 28-29 January 2010) and consultations with other Implementing Agencies and bilateral agencies before, during and after that forum.

## **C. MULTILATERAL FUND TARGETS**

### ***I. OBJECTIVES OF THE THREE-YEAR BUSINESS PLAN***

The focus and orientation of UNEP's work continues to be defined by the evolving needs of client countries operating under paragraph (1) of Article 5 of the Montreal Protocol, as they progress in their implementation of the Montreal Protocol, and as they meet and sustain compliance with specific obligations.

UNEP's vision and approach for CAP in the triennium<sup>1</sup>, which was endorsed by the Executive Committee through its approval of UNEP's Work Programme in Decision 59/27, identified three parallel tracks of assistance for Article 5 countries. Consistent with that vision, and in line with the guidance and policies of the Executive Committee, UNEP's overall objectives during the triennium will be to assist Article 5 countries to:

- Ensure 2010 compliance is achieved and maintained and enable compliance with the 2015 control measures for relevant ODS including methyl bromide;
- Strengthen the institutional capacity of Article 5 countries to ensure sustainable compliance beyond 2010;
- Enhance the capacity for implementing new responsibilities related to the HCFC phase out by taking other environmental advantages including climate change into account.

UNEP's objectives for 2010 will be to:

Objective 1: Assist specific Article 5 countries to avoid a situation of non-compliance with the 2010 control measures. This will be achieved by (a) identifying and monitoring such cases through the CAG table developed in consultation with the two Secretariats and Implementing Agencies (b) working with the Montreal Protocol family of institutions to provide collective assistance to countries in actual or potential non-compliance on an on-going and intensified basis until compliance with the 2010 deadline is confirmed, in close consultation with the NOUs of the concerned countries, and (c) reprioritizing and focusing CAP staff and resources on these cases.

Objective 2: Ensure that the phase out already achieved in Article 5 countries will sustain after 2010, in particular for CFCs in remaining refrigeration and air conditioning applications, the CFC metered dose inhaler (MDI) manufacturing sector, and halon and CTC consumption. This will be achieved by (a) using Networking, capacity building and information services to continue supporting Article 5 countries to sustain the 2010 achievements (b) raising awareness at NOU and other critical segments of society of the forthcoming deadlines and conditions (c) working with countries to strengthen their national strategies for internalizing the Montreal Protocol objectives into national policies, agendas and institutions to help ensure long-term sustainability (d) developing tools and services to promote CFC trading for servicing purposes and sustainable disposal of obsolete or excess ODS and developing information materials related to servicing.

Objective 3: Support Article 5 countries in progressively reducing their methyl bromide and TCA (1,1,1-trichloroethane) consumption towards the full phase out by 2015. This will be achieved by (a) using Networking, capacity building and information services to continue supporting Article 5 countries' authorities and private sector to replace progressively their methyl bromide and TCA remaining usages. (b) raising awareness of NOUs and other critical segments of society of the deadlines and conditions that are coming (c) working with countries to develop their own national strategies for internalizing the Montreal Protocol objectives into national policies, agendas and institutions to help ensure long-term sustainability (d) deploying tools and services to ensure implementation of sustainable alternatives to methyl bromide and TCA .

Objective 4: Help Article 5 countries make a quick start on the HCFC phase out. This will be achieved through (a) creating awareness at the NOU level and among high-level decision makers about the HPMP initiation, technology options and co-benefits for climate change mitigation (b) providing policy and technical assistance for the preparation and implementation of HCFC phase-out management plans in

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<sup>1</sup> As described in UNEP/OzL.Pro/ExCom/59/17.



cooperation with other Implementing Agencies (c) promoting information sharing and experience exchange about non-HCFC technologies and policies through the Regional Networks (d) providing information about direct and indirect climate change impact of non-HCFC alternative technologies.

Objective 5: Promote and enhance inter-regional and intra-region information exchange and cooperation in the implementation of the Montreal Protocol. This will be achieved by (a) using Networking, capacity building and information services to enlist the active involvement of regional stakeholders and bilateral partners (b) enhancing public awareness of the impact of the ozone layer depletion on human health and the environment and to encourage civil society action, and on the inter-relationship between ozone layer protection and climate change mitigation, particularly with regard to HCFCs.

Objective 6: Support the development of regional/sub-regional approaches to address problems of common concern related to refrigeration, illegal ODS trade and other priority subjects. This will be achieved through (a) supporting regional cooperation of customs and enforcement officers to monitor and control ODS trade including HCFCs and through, *inter alia*, the informal Prior Informed Consent (iPIC) mechanism (b) initiating cooperation of national refrigeration associations (c) improving the access of client countries to specific policy and technical information, expertise and knowledge; to promote innovative approaches and experiences in regional and sub-regional languages.

Objective 7: Pursue universal ratification of the Montreal Protocol Amendments, and comprehensive national ODS control policies. This will be achieved by working in partnership with the Ozone Secretariat and other agencies to encourage the remaining Article 5 Parties to ratify remaining Amendments and put in place and implement comprehensive national policies, strategies and programmes to control and reduce the use of ODS.

Objective 8: Assist countries to incorporate HCFCs into their national import/export licensing systems and to lay the foundations for quota systems. For many LVCs, such policy measures will be crucial for ensuring compliance with the initial HCFC commitments, i.e. the freeze and 10% reduction step. UNEP will work with NOUs to amend their existing licensing systems in parallel with the preparation of their HPMPs, to enable a timely introduction of HCFC controls.

Objective 9: Promote leapfrogging from high-global warming potential (GWP) and energy inefficient alternatives to CFCs to low- or zero-GWP energy efficient alternatives to HCFCs through dissemination and demonstration of such alternatives. UNEP will facilitate a study of the cost benefit analysis of such actions and disseminate the results of such a study backed by case studies through its Regional Networks.

The following compliance-oriented approach will continue to be used for UNEP operations:

- Prioritized assistance will be provided to those countries declared in non-compliance by the 21st MOP as well as those countries formulating and implementing their national action plans to return to compliance;
- Joint missions with other Implementing Agencies, Secretariats and other high level officials to targeted countries in non-compliance to address specific compliance issues;
- Countries at risk of non-compliance according to their reported Article 7 data will be consulted to identify problems and appropriate solutions, and to deliver required urgent assistance;
- Analysis of trends in reported data conducted by the Multilateral Fund Secretariat will be used as an early warning tool to help detect potential difficulties well in advance and to offer necessary advice;
- Continuous support will be provided to those countries that have recently returned to compliance to help maintain the achieved status;

- Technical and policy assistance will be offered to countries in good standing to help maintain a steady pace of phase-out;
- Support will be offered to countries with zero consumption levels and/or zero baselines to help prevent growth in consumption where relevant;
- Close coordination and collaboration will be promoted with the Implementing and Bilateral Agencies and the Ozone Secretariat to avoid duplication and maximize the impact of assistance provided.

Applying this approach, UNEP will offer assistance to a majority of Article 5 countries to achieve sustained compliance. Assistance will be prioritised and delivered on the basis of countries' differentiated needs and priorities.

In conformity with its mandate, UNEP will dedicate most of its resources to addressing specific problems of LVCs and VLVCs.

UNEP will complement, support and backstop the work of the other Implementing and Bilateral Agencies in areas of its comparative advantage and expertise whenever opportune and agreed upon with the agencies concerned.

In 2010, the objectives of the three-year Business Plan are to be accomplished through the combination of activities and projects at the national, regional and global levels as described below.

## ***II. PLANNED 2010 ACTIVITIES AT THE NATIONAL LEVEL***

### **Country-specific services**

Consistent with the Multilateral Fund emphasis on compliance and implementation in 2010, UNEP plans to deliver the following services at the national level:

- Assistance for extension and implementation of IS projects in 74 countries, including 64 LVCs and VLVCs;
- Support to complete activities of approved National Phase-out Plans (NPP) and TPMPs in 26 countries. This includes the organization of training in good practices in refrigeration, training of customs officers and monitoring of TPMP implementation. Extra effort will be made to expedite the implementation of delayed projects;
- Assistance for preparation and/or implementation of HPMPs in 77 countries and one regional HPMP preparation project for Pacific Island Countries (PICs) covering 12 countries;
- Policy assistance to Small Islands Developing States (SIDS);
- To develop, improve, adopt and enforce national ODS licensing systems and other legislation/policies;
- Support to public information, education and communication activities, including advice on the organization of celebrations of the International Day for the Preservation of the Ozone Layer;
- Advice on policy issues related to the methyl bromide phase-out;
- Advice on the ratification of pending Amendments to the Montreal Protocol;
- Assistance to countries with Article 7 data reporting requirements;
- Assistance in clarification of non-compliance procedures, implementation of MOP decisions and follow up on national action plans on compliance;
- Policy support to national efforts to prevent illegal trade in ODS;

- Country visits/joint compliance missions to provide technical and policy advice, especially to countries in non-compliance, at risk of non-compliance or implementing their agreed national compliance action plans. Whenever possible and appropriate such visits will be jointly arranged with other Implementing Agencies and bilateral agencies.

The above services will be provided by staff of the regional CAP teams (7 Regional Network Coordinators, 4 Policy and Enforcement Officers, 4 HPMP Officers; 2 Methyl Bromide Officers). Expertise of Paris CAP staff will be drawn on as necessary. A detailed list of country-specific services to be provided by the CAP staff in 2010 is contained in Annex I.

## **HPMPs**

In 2010 and 2011, UNEP will provide assistance to Article 5 countries for the preparation of national and regional HPMPs in accordance with Executive Committee policies and guidelines. Towards the end of this Business Planning cycle, UNEP is also planning to support the non-investment components of specific HPMP implementation projects, in cooperation with other Implementing Agencies and bilateral agencies.

### HPMP preparation

Including the new proposals in this Business Plan, UNEP is the Lead Agency for HPMP preparation projects for 74 countries, and the Cooperating Agency for another 16 countries. Out of the 74 countries where UNEP is the Lead Agency, UNEP is currently the sole agency for 38 of those projects. UNEP is currently partnering with UNDP on 25 HPMPs, followed by UNIDO on 18, World Bank on 7, GTZ and Germany on 1 each.

UNEP is requesting HPMP preparation funds for 7 additional countries at the 60th and 61st Executive Committee meetings.<sup>2</sup> The details of the activities are in Annex III.

As part of this HPMP preparation assistance, UNEP is focusing on data survey and reporting, capacity building of relevant stakeholders and training, targeted awareness raising, and information sharing. UNEP will place specific emphasis in 2010 on providing countries with expedited assistance to ensure that HCFCs controls are introduced into their legislation, notably import/export licensing systems and quota systems. UNEP will draw on the full range of the CAP Networking, Capacity Building and Information services to support and reinforce the HPMP preparation process.

During the HPMP preparation process, UNEP will work with the countries/partners to identify innovative approaches to obtain ozone and climate co-benefits, including (for example) promotion of market-based accelerated replacement of old equipment through Energy Service Company (ESCO) delivery mechanisms; exploiting synergies between the HCFC phase out, energy efficiency standards, and labeling programmes; and the development of financial and economic incentives/disincentives.

### Proposed activities related to mobilizing co-financing of the climate dimension of HPMPs

Several Executive Committee decisions (e.g. 55/43, 58/37 and 59/48) encourage the investigation of mobilizing co-financing related to the climate component of HPMPs. Accordingly, in this Business Plan

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<sup>2</sup> National HPMP preparation projects for Afghanistan, Iraq, Korea DPR, Somalia and Timor Leste; the Regional PIC project; and preparation of India HCFC production sector phase out - Technical Assistance component.

UNEP is proposing several global and regional activities related to co-financing (which are described in Section V, Special Initiatives):

- Regional workshops on co-financing opportunities to get climate benefits engaging financial institutes, private sector and international development agencies in cooperation with World Bank.
- Resource mobilization to address climate co-benefits in LVCs for HCFC phase-out in cooperation with other agencies.

#### UNEP and World Bank initiative in Africa

UNEP and the World Bank launched a novel initiative in Africa to demonstrate the feasibility of a comprehensive program that reduces both HCFCs and carbon emissions in the refrigeration and air conditioning sector. The initiative is assisting countries to tap into a varied group of financing mechanisms, such as the Carbon Partnership Facility within the Bank, the Voluntary Carbon Markets (VCMs) and the GEF, to complement Multilateral Fund assistance. The program will assist countries to introduce non-HCFC, energy-efficient appliances through incentive schemes; technical assistance laboratories and improving standards; and capacity building. It targets the sound management of refrigerants and seeks means to finance a sustainable recovery and recycling network. Experience with sector and national ODS phase-out plans is being applied to support African countries develop a flexible, programmatic approach. The partners launched this initiative with a meeting of ozone and climate focal points from 10 African countries in Nairobi on 18 February 2009, and it will be more fully developed in 2010. Currently the World Bank and UNEP are cooperating to organize special financing for climate co-benefits for the following countries: Burkina Faso, Cote d'Ivoire, Democratic Republic of the Congo, Madagascar, Malawi, Senegal, and Togo.

#### Proposed activities related to non-HCFC technology options

Feedback from countries, as well as MOP and Executive Committee decisions, identifies areas where actions are required to encourage and assist Article 5 countries to adopt non-HCFC technology that protect both the ozone layer and the climate system. Accordingly, in this Business Plan UNEP is proposing several technology related projects (which are described in Section V, Special Initiatives):

- Global HCFC campaign for all Parties in order to comply with gradual HCFC control measures.
- Techno-economic study on cost benefit of leapfrogging high-GWP alternatives to HFCs to low- or zero-GWP alternatives.
- Regional technology transfer workshops on available low-GWP, non-ODS alternatives in various sectors supporting HPMP implementation in cooperation with World Bank and Implementing Agencies.
- Developing guidelines, standards and good practices for use of natural refrigerants in room air conditioning and small refrigeration equipment in cooperation with international standard association.
- Testing of HCFC alternatives for the commercial refrigeration sector under high ambient temperature conditions in ECA countries
- Technical Assistance project to adopt low-GWP HCFC alternatives for air-conditioning sectors in high ambient-temperature countries (West Asia).

#### **Assistance to countries in non-compliance**

Placing compliance support at the core of the CAP operation, UNEP has assessed phase-out trends and needs for assistance of the XXX Parties declared to be in non-compliance by the 21st Meeting of the Parties to the Montreal Protocol and/or have potential non-compliance issues. Following the CAP

Advisory Group, UNEP is contributing to an initiative of coordinated assistance to countries in actual or potential non-compliance with the CFC and halon control measures. A resulting list of services to the non-compliant countries is contained in Annex I, Country-specific services provided by UNEP CAP. UNEP will provide unified assistance by “Delivering as One” by joining hands with other Implementing Agencies and bilateral agencies, under the guidance of the Secretariats.

### ***III. PLANNED 2010 ACTIVITIES AT THE REGIONAL LEVEL***

#### **Regional Networking**

Being a flagship activity of UNEP, Regional Networking continues to offer a forum for experience exchange and knowledge transfer between NOUs of Article 5 countries, while adopting innovative approaches and shifting to new thematic areas. UNEP currently facilitates the operation of 10 Regional/Sub-regional Networks involving 147 members from developing countries and countries with economies in transition as well as 14 developed countries and the European Commission. These include:

- Latin America-South (10 countries, with participation of USA and Canada);
- Latin America-Central (9 countries, with participation of USA and Canada);
- Caribbean (14 countries, with participation of USA and Canada);
- English-speaking Africa (26 countries, with participation of Germany);
- French-speaking Africa (27 countries, with participation of Canada, France, Switzerland);
- West Asia (11 countries, with participation of France);
- South Asia (13 countries, with participation of Japan);
- Southeast Asia and the Pacific (11 countries, with participation of Australia, and Sweden. This Network is funded by the Government of Sweden);
- Pacific Island Countries (14 countries, with participation of Australia and New Zealand. This Network is funded through an individual project);
- Europe and Central Asia (12 countries, with participation of Austria, Czech Republic, Hungary, Poland, Slovak Republic, Sweden and the European Commission).

The main activities of the Regional Networks include:

- Main Network Meetings;
- Thematic workshops;
- Contact Group meetings and Informal Compliance Advisory Groups;
- Direct country-specific assistance or South-South/North-South cooperation;
- Electronic discussion groups (e-fora);
- Cooperation with relevant regional Ministerial/intergovernmental processes and economic/trade fora on the ozone layer protection issues;
- Support for regional information, education and communication initiatives;
- Regional and sub-regional initiatives and mechanisms to prevent illegal trade in ODS;

The above activities will be provided by staff of the Regional CAP teams previously indicated, under the overall coordination of Network and Policy Manager. Relevant Paris CAP staff will be involved as necessary. The UNEP Regional Directors will provide overall guidance and political support.

Region-specific priorities, challenges, initiatives and selected planned activities are described below.

### **Africa: regional priorities and challenges**

In 2010 the CAP team in Africa will focus on assisting African countries in completing the implementation of their TPMPs that will allow the countries to ensure complete phase-out of their residual consumption of major ODS (CFCs, Halons, CTC, TCA) in accordance with the 1 January 2010 target. Guidance will also be provided to African countries for early assessment of their compliance status and necessary measures taken if the need arises.

The second focus area for the Africa CAP team in 2010 will be to assist countries in the region to develop and submit their HPMPs. This will be done through the facilitation of country visits by CAP staff members supported by experts specialized in refrigeration and other HCFC-related sectors. CAP will also facilitate participation of other Implementing Agencies as Cooperating Agency in the development of HPMPs where UNEP is the Lead Agency. In cases where UNEP is a Cooperating Agency, the CAP team will extend its support to the Lead Agency especially for the identification of non-investment activities and also providing policy support where needed.

As the success and sustainability of past and present phase-out activities will depend on policy measures being taken by countries, the CAP team in Africa will continue putting an emphasis on advising countries on ways and means to effectively enforce regulations that are in place at both national and sub-regional levels. For countries that are still in the process of setting up mechanisms for the enforcement of their policies and control measures, UNEP will facilitate enactment of ODS regulations and capacity building through country visits and South-South cooperation as well as collaboration with sub-regional economic and customs organizations. Guidance will be provided to countries especially to ensure national and sub-regional regulations include control measures to meet countries obligations on HCFC phase out schedule.

The Africa CAP team will work towards strengthening the collaboration between customs authorities and ozone officers in the regional trade blocks on exchange of information related to the Montreal Protocol and in control of illegal ODS trade through harmonization of regulations. Sustainable working relations will be developed with the Secretariat of major trade blocks such as the Economic Community of West African States (ECOWAS), the Central African Economic and Monetary Commission (CEMAC), the Common Market for Eastern and Southern Africa (COMESA), the Western African Economic and Monetary Union (UEMOA), and the Southern Africa Customs Union (SACU), as well as the World Customs Organization's Regional Intelligence Liaison Office for Eastern and Southern Africa (WCO-RILO).

In response to challenges of methyl bromide phase-out, the CAP team will work jointly with UNDP and UNIDO to assess the status of methyl bromide phase out in the region and develop a strategy to ensure no new uses of methyl bromide are introduced and countries with low consumption achieve total phase-out ahead of the schedule set by the Montreal Protocol.

The CAP team will continue working with the Ozone Secretariat and the Multilateral Fund Secretariat to ensure that new reporting formats are understood and adhered to by NOUs in the region. The team will ensure data and the progress report for 2009 are compiled and reported earlier in the year since these data will be required for early assessment of compliance with total phase out of some major groups of ODS and also for the preparation of the HPMPs.

### **Asia and the Pacific: regional priorities and challenges**

During the period 2010-2012, in the ROAP region, a "three track approach" will be followed – (i) maintaining the momentum of ODS phase out and achieving 2010 targets, (ii) sustaining ODS phase out

post 2010 and (iii) equipping countries in achieving HCFC phase out with priority for estimation of HCFC baseline and preparing for HCFC freeze in 2013. In line with this three track approach, the following are the priority activities for ROAP CAP team in 2010.

Track 1: Enabling Compliance with 2010 control measures

UNEP's approach will be to identify such cases early on and work with the Montreal Protocol family of institutions to provide collective assistance to Article 5 countries in actual or potential non-compliance on an on-going and intensified basis, in close consultation with the NOU of the concerned countries.

*Compliance Decisions from 20<sup>th</sup> and 21<sup>st</sup> MOP:*

- Bangladesh (MOP Decision XXI/17 on CFCs) – UNEP will assist the country in close consultation with UNDP on project implementation under the NPP and CFC MDI phase-out project following MOP Decision XXI/17.
- Federated States of Micronesia (MOP Decision XXI/19): the country returned to compliance in 2008 and has expressed its commitment to ban imports of CFCs from 2009 onward. CAP will monitor closely the progress of the Party with regard to the implementation of its obligations under the Protocol.
- Nauru Article 7 data reporting 2008 (MOP Decision XXI/4): UNEP will assist Nauru in reporting Article 7 data for 2008 to the Ozone Secretariat as a matter of urgency
- Solomon Islands (MOP Decision XX/12 and XX/18 on CFCs; MOP Decision XXI/22) – following the country's return to compliance in 2007 and its commitment to restrict imports of CFCs, which had taken effect from 2008, CAP shall monitor closely the progress of the Party with regard to its implementation of its obligations under the Protocol.
- Timor Leste (MOP Decision XXI/24): The country faces difficulties as a new Party, and special attention should be given to provide for technical assistance needs to prevent the country from falling into non-compliance. The assistance is required in areas such as: promotion of an informal prior informed consent process as referred to in decision XIX/12; preparation of project proposals to phase out ODS in Annexes A, B and E, and provision of assistance for institutional strengthening, capacity building, data collection, development of its country programme and national phase out plans and reporting to the Secretariat next year, and collection of data on ODS consumption in accordance with the Montreal Protocol requirements.
- Vanuatu (MOP Decision XXI/26 on CFCs): The country is in non-compliance after the consumptions reported in 2007 and 2008 that exceeded zero-consumption. The country is requested to submit to the Secretariat, no later than 31 March 2010, for consideration by the Implementation Committee at its next meeting, a plan of action with time-specific benchmarks to ensure the Party's prompt return to compliance.

*Follow up on Plans of Action:*

- Bangladesh for TCA (MOP Decision XVII/27 and Implementation Committee recommendation 41/3) and for CFCs (MOP Decision XXI/17);
- Iran for CTC (MOP Decision XIX/27 and Implementation Committee recommendation 41/9);
- Pakistan for CTC (MOP Decision XVIII/31) and for halons (MOP Decision XVI/29);
- Maldives for CFCs (MOP Decision XV/37 and Implementation Committee recommendation 41/14);
- Nepal for CFCs (MOP Decision XVI/27 and Implementation Committee recommendation 40/29)
- Fiji for methyl bromide (MOP Decision XVII/33 and Implementation Committee recommendation 41/7).

### *Policy setting*

- Lead the preparation and submission of HPMPs for: Afghanistan, Bhutan, Brunei, Cambodia, Lao PDR, Maldives, Mongolia, Myanmar, Nepal, Timor Leste and PICs, and work as cooperate agency with UNDP and UNIDO in HPMP preparation of Bangladesh, China, Fiji, India, Iran, Korea DPR, Pakistan and Sri Lanka.
- Use networks to review progress, identify and remove bottlenecks and learn from each other. Assist countries with zero-baseline consumption to formulate strategies for addressing CTC/TCA and methyl bromide. It could include activities like analysis of other ODS, identification of assistance needed, and preparation of a policy document. To this end, CAP is proposing to organise a regional workshop on alternatives to laboratory and analytical uses of CTC and a global workshop and CTC use beyond 1 January 2010.
- Strengthen the regional Informal Advisory Group on compliance comprising of Implementing Agencies, Secretariats and bilateral agencies to provide coordinated compliance advice and assistance to countries. Country Compliance Sheet formats have been developed based on consultations held in Paris in September 2008 and 2009 and these will be used for providing assistance to countries.

### *Enforcement*

- Provide secretariat assistance to regional enforcement networking initiatives, such as the Multilateral Environmental Agreements Regional Enforcement Network (MEA-REN) and the Regional Partner's Forum on Combating Environmental Crime (ARPEC), for controlling and monitoring illegal ODS trade.
- Explore options to ensure sustainability of the MEA-REN. Complete the expected outcomes and outputs of the project. Strengthen the ARPEC by: encouraging more active participation and responsibility-sharing among its members, and inviting new members to the forum to address all five areas of organized environmental crimes.
- Strengthen the mechanism of informal Prior Informed Consent (iPIC) in the region and beyond Asia and the Pacific region. Recruit new members to iPIC and promote inclusion of HCFCs and CFC for MDI use in the mechanism.

### *Awareness /communication*

- Undertake information exchange and communication activities for publicising ODS phase-out. This would include: (a) Production of "Success Story Booklet", an e-training module on ozone protection and national security for defense forces, a pamphlet on ozone-Millennium Development Goals, new factsheets and a template for a communication strategy for HCFC phase out for regional use; (b) Organization of a regional media workshop during the Asia Media Summit in Beijing, May 2010.

### *ODS Phase-out*

- Assist Brunei and Myanmar to implement approved refrigerant management plans. UNEP submitted to the 57th Executive Committee an action plan for 2009 and 2010 to complete approved activities by 2010.
- Assist countries to implement activities for phase-out of CFC MDIs, in addition to implementation of transition strategies for CFC MDI phase-out for Bangladesh, India, Iran and Pakistan as part of approved projects with UNDP and UNIDO respectively and assist in Essential Use Nomination (EUN) monitoring.



Track 2: Preparing to ensure sustainability beyond 2010

As a parallel priority, CAP will use its full range of networking, capacity building and information services to continue preparing Article 5 countries to sustain the 2010 achievements and prepare for their next compliance period, including raising awareness of NOU and other critical segments of society of the deadlines that are coming. CAP will work with countries to develop their own national strategies for internalizing the Montreal Protocol objectives into national policies, agendas and institutions to help ensure long-term sustainability.

- Work with Japan on addressing destruction and disposal issues in the region through disseminating Japan's policies on destruction and disposal to the network countries as the first step. Linkages with VCM would be examined as a part of this study and Executive Committee decisions.
- Identifying the climate benefits of ODS destruction, HCFC phase out and energy efficiency (EE) and bring these in line with the UNEP climate change strategy.

Track 3: Preparing the ground for implementing new responsibilities related to the HCFC adjustment

CAP will need to play an important role in HCFC phase-out especially in regard to gearing up the countries for this new challenge. As a first step, CAP would provide assistance to countries in preparation of HPMP, based on decisions taken in 53<sup>rd</sup>, 54<sup>th</sup>, 55<sup>th</sup>, 56<sup>th</sup>, 57<sup>th</sup>, and 59<sup>th</sup> Executive Committees, in close consultation with other Implementing Agencies and the Governments. Further, CAP proposes to work closely with the PIC through the recently established PIC Network as part of the restructured organisation to provide assistance for achieving 2010 compliance targets and moving forward with HCFC phase-out activities. Given the climatic conditions as well as market structure in PICs, the consumption of HCFCs is expected to rapidly increasing and needs to be addressed. The PIC coordinator in consultation with CAP team would handle PIC HPMP activities under the redefined structure.

Planned South-South and North-South activities in 2010:

- The Republic of Korea will assist Afghanistan in establishing three refrigeration technical training institutes (the first one in Kabul is already operational).
- DPR Korea will visit China or Thailand as part of a South-South cooperation mission on PMU management and servicing sector.
- Indonesia, Philippines, and Cape Verde will assist Timor Leste on by sharing of awareness materials in Bahasa. Those countries will also send their customs officers to Timor Leste for sharing experiences with Timor Leste customs authorities.
- Nepal will assist Bhutan to train their refrigeration servicing technicians.
- India will assist Bhutan to train their customs officers.
- Solomon Islands Ozone Officer will visit Vanuatu in August 2010 a South-South cooperation mission to help with data reporting and formulation and enforcement of ozone regulations.
- An expert peer Ozone Officer (possibly Fiji) will help build the capacity of new Ozone Officers in Samoa, Tuvalu, Vanuatu, Micronesia, and Tonga through will receive South-South cooperation missions and training.
- China will assist Vanuatu via organization of a technical study tour.
- Assistance will be arranged for Bangladesh to receive assistance for retrofits and CTC phase out in the garment industry.
- Assistance will be provided to Bhutan to facilitate the south-south cooperation on illegal trade targeted at CFCs and HCFCs through a border dialogue and custom training (India-Bhutan).

ODS destruction:

- Convene a roundtable for project partners/experts in either Paris or Bangkok.
- Implement approved Nepal destruction project.
- Prepare a regional ODS destruction project for ship breaking and airplane breaking industry.

Essential Use Nominations (EUN):

- Information exchange between importing and exporting countries who will seek EUNs in the next 1-2 years. This should be done with the Ozone Secretariat and Medical Technical Options Committee. CAP will provide backstopping and information to the countries to ensure that they submit quality EUNs.
- Finalise project proposal on EUN monitoring (2010-2012) for submission to the 60<sup>th</sup> Executive Committee meeting.

**Latin America and the Caribbean: regional priorities and challenges**

With entering the 2010, the Latin America and the Caribbean (LAC) region faces two-fold challenges: while maintaining the zero consumption levels in CFCs and ensuring methyl bromide phase-out in accordance with its phase-out schedule, the Parties in the region, will focus on initiating preparatory activities to address the first milestones in the phase-out of HCFCs, such as establishing the HCFC baselines, developing first stage measures which would enable the countries to meet the 2013 freeze and subsequently the 2015 10% reduction. This requires a strong commitment to the implementation of the ODS phase-out activities at the national level, along with expeditious and efficient policy support, technology transfer and capacity building.

The LAC region comprises countries that are producers, high volume consumers of ODS, LVCs and VLVCs. Furthermore, the region has five major languages (Spanish, Portuguese, English, French, and Dutch). Additionally, compliance approaches and commitments to the Montreal Protocol are not uniform across the region. Effective provision of compliance assistance therefore had to be tailored to meet these variations.

The ROLAC CAP team will continue employing multi-stranded approaches to bring all stakeholders and interested groups at regional, sub-regional and national levels into the folds of ozone layer protection and the Montreal Protocol on the phase-out of ODS.

Some of the principal actions are as follows:

- Raising the Montreal Protocol issues to the highest level of relevant authorities;
- Improving capacity building at the national level and promoting South/South cooperation activities;
- Networking and regional public awareness activities;
- Improving awareness at the national level on the needs for ODS illegal travel prevention;
- Streamlining UNEP administrative procedures to implement Multilateral Fund projects.

In 2010 and beyond, the highest priority for the CAP team in LAC will be to facilitate the preparation and implementation of national and regional projects as well as helping countries to strengthen the enforcement of its respective ODS licensing systems including HCFCs, where needed. Greater emphasis will be placed on completing approved projects and assisting countries with specific compliance challenges.

Therefore, the regional UNEP/ROLAC CAP team will focus on the following implementation issues:

- Continuing strengthening national institutional infrastructure to prepare the countries for new projects and activities and for the challenges ahead;
- Fostering intra-regional technical cooperation, particularly in the VLVC countries;
- Arranging needs based and intensive training in project management and technology alternatives for new national ozone officers and their assistants;
- Using country missions and Ministerial fora for thorough evaluation of the Montreal Protocol activities at the national level and seeking cooperation of high level ministerial officials;
- Improving internal funds disbursement mechanism and monitoring of resource allocation at the national level;
- Guiding NOUs in adjusting and streamlining work plans for each project to respond to the current country situation and demands;
- Promoting the ODS licensing system review and strengthening enforcement mechanisms;
- Providing support in development of HPMPs by means of:
  - Encouraging and growing national ownership with HCFC phase-out compliance strategy
  - Promotion of partnership initiatives at national level looking for synergies amongst HCFC phase-out, with climate change and energy saving programmes and policies.
  - Building capacities and environmental awareness of national private stakeholders in order to obtain its cooperation to long term alternative uses.
- Using South-South cooperation in capacity building and technology transfer. As far as possible, national, sub-regional and regional expertise are given to hire consultants and select resource persons for workshops.
- Establishing the ODS Customs Enforcement Network to prevent illegal ODS trade in the Caribbean sub-region as a North-South Cooperation activity.

#### Planned South-South and North-South activities in 2010:

- Costa Rica Custom laboratory to assist partners of Central America to adjust procedures and chemical analysis to identify components in ODS blends. Jamaica or Trinidad and Tobago National Laboratory to provide its facilities and support to the Caribbean region with ODS identification when required by NOUs.
- Colombia to host a Workshop on HCFC replacement in the refrigeration and air conditioning sector in South America, focus on recent technology developments, and the climate dimension of HCFC-replacement technologies, with concrete examples and case studies. This workshop is part of a project that UNEP is implementing with financial support by the European Commission outside of the activities supported by the Multilateral Fund (MLF) but aims to complement activities conducted through MLF projects.
- The Montreal Protocol focal points of Bolivia, El Salvador, and Paraguay were designated by the end of 2009. They will be attending to training workshop on Montreal Protocol background and potential links with UNFCCC organized by National Ozone Officer of Venezuela with CAP team technical support. In spite of the workshop was initially planned to update information and exchange ideas amongst of Venezuela government officers involved in Montreal Protocol negotiations.

#### **West Asia: regional priorities and challenges**

Expediting the development of HPMP strategies will be the first priority of CAP in West Asia during 2010. CAP/ROWA will work closely with NOUs to introduce all possible technical backstopping that might be needed through the West Asia network in coordination with all working bilateral and implementing agencies in the region. Special sessions, thematic meetings and institutions/experts visits

are examples of tools to be used for building national capacities and introducing state-of-art technologies for better development of HPMPs in the most feasible overarching scenarios.

CAP/ROWA will also closely monitor and promote the completion and continuation of ongoing CFC phase-out plans to ensure that 2010 terminal phase-out target is achieved. Special attention will be given to countries that started the CFC phase-out plans at late stages, i.e. Saudi Arabia and Iraq. CAP will exert all efforts to facilitate the appropriate execution of NPP in both countries including, but not limited to, exchange the experience and success stories with neighboring countries. Iraq, in particular, will be given special attention understanding its unique situation and difficulties as acknowledged by decision XX/15.

The review and update of local ODS legislations/regulations is another important challenge faced by most parties particularly after the Montreal Adjustment. CAP will work with NOUs to encourage, as a matter of urgency, actions to benefit of existing regulations in terms of registering and licensing the importers/exporters of HCFCs as well as quota system for HCFC. Meanwhile, work will continue to promote the introduction of new long-term regulatory measures that comprehensively address the control of substances, products, usages, bodies and individuals dealing HCFC in particular and ODS in general. The consideration of climate benefits and introduction of low-GWP alternatives will be another challenging task when reviewing and updating local regulations. CAP will ensure the promotion of new regulatory measures taking into account lessons learned from the enactment of existing relevant regulations; thematic and special activities will be offered by CAP during 2010 to achieve this goal.

The phase-out of methyl bromide is coming back to the surface after January 2010 as approaching the terminal phase-out date in five years time. Although methyl bromide use in West Asia was always limited to a few countries which use it soil fumigation and storage applications, its use in the date industry is becoming a major challenge taking into consideration the high-level of date production in this part of the world and escalation of demand on using methyl bromide as fumigant for storage and packing of dates. CAP tackled this problem over the last couple of years through organizing several regional thematic workshops, conducting experts meetings and using the service of international/regional experts to outlook the scale the problem. CAP/ROWA will continue its work in 2010 to start offering technical guidance and options to reduce dependency on methyl bromide in date industry benefiting of outcomes and networks built during the 2008 and 2009 with key national experts and regional institutions particularly King Faisal Date/Palm Center and the Date/Palm Center of Emirates University.

Strengthening the cooperation with regional organizations and institutionalizing the Montreal Protocol business within its programs will continue as main task under the CAP work program in 2010 through fostering the cooperation with different regional groups such as Gulf Cooperation Council (GCC) Ozone Group, Arab Team of Chemicals MEAs, RILO and ASHRAE. The cooperation with ASHRAE in West Asia will be expanded in light of activating of the global cooperation agreement between UNEP and ASHRAE.

CAP/ROWA will continue promoting the participation of West Asian parties to the iPIC system; CAP/ROWA will facilitate the communication of existing members with other regions and concerned parties. Additionally, the Green Customs Initiative (GCI) will be another tool to assist in curbing illegal trade and build capacities in different national and regional setups; several regional and national functions and activities are planned in West Asia in this regard.

Finally, CAP/ROWA recognizes the difficulties, currently, faced by many Article 5 Parties in terms of following up and digesting all Executive Committee decisions and guidelines particularly in relation with the phase-out of HCFC; therefore, CAP will ensure allocating adequate time in all network activities to update West Asian countries with relevant important decisions and guidelines.

Planned South-South and North-South activities in 2010:

- Through South-South cooperation, UNEP will exert all efforts to facilitate the proper implementation of Montreal Protocol projects and activities in both Iraq and Saudi Arabia including promoting exchange of experience and success stories with neighboring countries.
- CAP/ROWA will capitalize on the cooperation with ASHRAE to promote North-South cooperation in terms of facilitating the transfer of experience in developing national standards, codes and establishment of dedicated refrigeration/air-conditioning associations/societies.

**Europe & Central Asia: regional priorities and challenges**

Early phase-out of CFC, halon and carbon tetrachloride (CTC) consumption

CFC, halon and CTC consumption is supposed to be phased-out in Article 5 countries starting from 1 January 2010 and but actual data will only be available in 2011. A significant number of the 12 ECA network countries have achieved early phase-out:

- *CFC*: Six countries reported early phase-out including Albania (2008), Croatia (2006-2008), Georgia (2008), Moldova (2008), Macedonia FYR (2007-2008), Turkey (2007-2008).
- *Halon*: Eleven countries never used halon or reported early phase-out including Albania (zero baseline), Armenia (zero baseline), Bosnia & Herzegovina (2005-2008), Croatia (2005-2008), Georgia (2006-2008), Kyrgyzstan (zero baseline), Montenegro (2006-2008), Moldova (1997-2008), Macedonia FYR (1998-2008), Turkey (2008), Turkmenistan (zero baseline).
- *CTC*: Nine countries never used CTC or reported early phase-out including Albania (2004-2008), Armenia (zero baseline), Bosnia & Herzegovina (zero baseline), Georgia (zero baseline), Kyrgyzstan (zero baseline), Montenegro (2007-2008), Moldova (zero baseline), Macedonia FYR (2000-2008), Turkey (2007-2007).

Compliance challenges

Several countries have to double their efforts to comply with the 2010 phase-out targets:

- *Bosnia & Herzegovina*: A revised CFC plan of action was agreed by MOP aiming to achieve early CFC phase-out in 2009 by means of an import ban from 1 January 2009. There is an inherent risk that the remaining demand for CFC will trigger illegal ODS trade.
- *Turkmenistan*: The country has been requested to submit a CTC plan of action by 31 March 2010 and indicated that CTC bans would be banned in future. The country may require information on CTC alternatives for laboratory uses.
- *Serbia*: Country is in full compliance and reported 76.7 ODP tons of CFC consumption for 2008. This figure illustrates that there is still significant need for CFC which may trigger illegal trade once CFC imports are banned in 2010.
- *Armenia and Turkmenistan*: Both countries reported CFC consumption which had to be phased out without TPMP assistance. This may trigger illegal trade once CFC imports are banned in 2010.
- *Albania* needs to incorporate HCFCs into their ODS legislation and import / export licensing system. The new legislation has already been drafted but not yet adopted.
- *Croatia* is using CTC to analyze contamination of mineral oil in drinking water. The country may require information on CTC alternatives for laboratory uses.
- Some *Central Asian countries* and in particular bordering countries to China are facing problems of illegal trade with non-refillable cylinders containing ODS and mixtures of varying quality which are diverted from the domestic market in China.

- *Russia* still runs old CFC-based equipment and might require significant amount of CFCs for servicing sector and there is inherent risk of illegal trade of CFC from China.
- The customs union between *Russia, Belarus and Kazakhstan* will become operational in 2010 and customs controls between these countries will be abandoned. This might result in uncontrolled trade between countries concerned.
- In this context, it should be mentioned that *Kazakhstan* reported significant imports of HCFC and methyl bromide by far exceeding the allowed amounts if they would have ratified the Copenhagen, Montreal and Beijing amendments. There is an inherent risk that part of these imports is diverted to neighboring countries.

### Compliance assistance

Special compliance sessions will be organized in margins of network and thematic meetings with involvement of network members, implementing agencies, secretariats, bilateral partners and other stakeholders. Ad-hoc compliance missions can be organized as required and if requested by the countries concerned.

### Ratification

Continuous efforts will be undertaken to facilitate the ratification of the Montreal Protocol amendments e.g. in *Kazakhstan* (Copenhagen, Montreal, Beijing), *Bosnia & Herzegovina* (Beijing), *Georgia* (Beijing) and *Azerbaijan* (Beijing).

### Data reporting

Some countries need to review their consumption data concerning the use of halons in military and aviation and methyl bromide for quarantine and pre-shipment uses.

### HCFC phase-out and HPMP preparation

*HCFC consumption:* Overall HCFC consumption in the 12 network countries increased by 127% from 361.6 ODP tons in 2000 to 821.1 ODP tons in 2008. Turkey was the main HCFC consumer in 2008 with 762.6 ODP tons. None of other countries exceeded 10 ODP tons of HCFC consumption in 2008. The consumption trends show significant fluctuation and differ from country to country. Eight countries reported significant increases in HCFC consumption from 2007-2008 up-to 219% increase in Turkmenistan, 228% in Georgia and 363% in Kyrgyzstan. Four countries reported their peak consumption in-between 2005-2007 and reduced their HCFC consumption from 2007-2008 up-to -17% in Turkey, -20% in Serbia and -43% in Montenegro.

*HPMP preparation:* All ECA network countries got HPMP preparations approved with UNIDO and UNDP as lead agencies. Four countries expressed interest in involving UNEP in implementing HPMP non-investment activities.

*HPMP policy measures:* A number of sub-regional workshops on HCFC policy measures and alternative technologies took place as part of the ECA network activities e.g. in Macedonia FYR, Serbia and Turkmenistan. Many countries intend to adopt additional policy measures related to HCFCs and equipment relying on HCFCs and their experience in adopting such measures is shared among the network countries on a regular basis.

### Sustained compliance in 2010 and beyond

*Awareness:* Priorities of the ECA network for the year 2010 and beyond will include high-level awareness raising of Ministers and Government decision-makers on policy and technology options supporting HCFC phase-out and contributing co-benefits to climate protection.

*National RAC associations:* In order to facilitate HPMP implementation and to provide access to technology information, it is important to strengthen national refrigeration & air-conditioning (RAC) associations. This will be achieved by inviting managers of such association to regional network meetings, initiating regional cooperation between these organizations and to link them up with regional and international organizations like Air conditioning and Refrigeration European Association (AREA), ASHRAE, Centro Galileo, International Institute of Refrigeration (IIR), Shecco as well as technology providers.

*Customs cooperation:* The ECA enforcement network will continue its second year of operation in close cooperation with exporting countries like China and EU as well as enforcement bodies like WCO, RILO, Southeast European Co-operative Initiative (SECI) environment chapter, Environmental Investigation Agency, UN Office on Drugs and Crime (UNODC), Interpol, Green Customs partners etc. As part of this initiative, the iPIC mechanism is being promoted and a desk study analyzing ODS trade statistics has been conducted. There is a risk of illegal trade in those countries which banned import of CFC but where industry sectors still have need for CFC as well as in countries which have restricted trade in HCFCs and equipment relying on HCFCs.

*Private sector involvement:* Manufacturing companies will be invited to attend network countries to inform on their non-ODS and low-GWP alternative products in order to promote technology transfer and market penetration.

*Integrated chemicals management:* The need for an integrated and synergetic approach towards integrated chemicals management and MEA implementation was emphasized by several countries.

### Bilateral assistance

ECA countries refer to country-to-country assistance as bilateral assistance. The need for bilateral assistance in 2010 will be evaluated during the first network meeting in 2010 and such assistance can be provided on an ad-hoc basis. The newly designated Ozone Officer in Azerbaijan might benefit from NOU training. Experts from Georgia and Serbia might participate in ASHRAE conference. Bilateral partners and advanced Article 5 countries provide bilateral assistance in the margin of network meetings.

### Co-funding

ECA will continue to promote co-funding approaches e.g. through joint activities with the GEF-supported CEIT countries, co-funded regional Green Customs workshops and ECA enforcement network meetings.

## ***IV. PLANNED 2010 ACTIVITIES AT THE GLOBAL LEVEL***

The following services will be delivered by the Paris-based CAP team consisting of 5.5 Professional posts (Capacity Building Manager, an Information Manager, a Monitoring & Administration Officer, an Information Officer, a Programme Officer – HCFC, Programme Officer - Information Technology/50%) and five General Services staff (Assistant Clearinghouse, Assistant Monitoring & Administration, Assistant IS/RMP/CP, Assistant Programme, Assistant Data & Documentation).

## Capacity building and programme support

In support of the three parallel tracks outlined in this Business Plan, UNEP will develop, deliver and support capacity building services in 2010 to:

- Enable compliance with the 2010 and 2015 control measures for relevant ODS including methyl bromide;
- Strengthen the institutional capacity of Article 5 countries to ensure sustainable compliance beyond 2010;
- Enhance the capacity for implementing new responsibilities related to the HCFC phase out by taking other environmental advantages including climate change into account.

These will be delivered by the Paris-based CAP team which is funded from the CAP budget contained in the approved 2009 UNEP Work Programme.

UNEP will support compliance in Article 5 countries through development and delivery of two types of capacity building services: *direct* services through the development and delivery of discrete capacity building projects, and *indirect* services through support for UNEP's Business Planning, Work Programming, Progress Reporting and compliance tracking activities.

Specific services UNEP will deliver in 2010 are:

### *Support to programme management*

- Provide core support for the overall development of *Business Planning, Work Programme and Work Programme Amendments, CAP Budget, Progress Reporting and Implementation Delays*.
- Collect, monitor, review and submit on behalf of management the project proposals and other inputs from the Regional CAP teams related to *Executive Committee submissions*.
- Monitor and report on all *IS projects and MYAs (including HPMPs and TPMPs)* implemented by UNEP.
- Coordinate CAP's inputs to the *Implementation Committee and represent UNEP OzonAction* in those fora.
- Monitor and report on CAP actions to *support countries in actual or potential non-compliance*
- Support and monitor the *HPMP preparation process* across CAP to ensure steady speed of implementation and consistency across CAP teams.
- Provide internal review and coordinate external expert *review as required for HPMP proposals* to help ensure overall quality control of UNEP HPMP submissions.
- *Update internal UNEP OzonAction guidelines for HPMPs* and other HCFC-related issues.

### *Capacity building*

- Complete the joint UNEP-World Customs Organization *Customs Training e-learning module* and deliver this service through the WCO's dedicated web portal for customs officers.
- Complete the *Global technical assistance programme in the chiller sector* and disseminate information through a website.
- Develop a *strategy for sustainability of local training capacity* built in Article 5 countries to enable continued training of customs officers and refrigeration technicians, placing an emphasis on national and institutional ownership and securing access to appropriate know-how beyond 2010.



- Update the existing *Guide for National Ozone Officers* to reflect new developments related to HCFCs, data reporting, etc., translate it into French and Spanish, and disseminate it in PDF format.
- Implement previously-approved Montreal Protocol-related components to projects related to the *Green Customs Initiative*, including those for which counter-part funds have been secured.
- Provide information to NOUs about policies and technologies to avoid or replace HCFCs through the web-based *HCFC Help Centre*.
- Coordinate CAP inputs to a complementary project supported by the European Commission outside of the Multilateral Fund *to encourage developing countries to expedite their compliance with the HCFC phase-out obligations and adopt environmentally friendly alternatives to HCFCs*.
- Provide cross-Networking services to the countries from different regions, to transfer the best practices, information tools, and success stories from one region to another.
- Implement the global projects in close association with the regional needs.
- Facilitate programmatic activities for global partnerships to promote co-financing and engaging the private sector.-

### **Information, communication and education services**

In support of the overall objectives above, and consistent with the objectives outlined in the third year's Business Plan of this triennium, in 2010 UNEP will develop, deliver and support action-oriented information, communication and education (ICE) services to support national compliance objectives relative to the Montreal Protocol. These services will continue to be performed within the framework of the *Communication Strategy for Global Compliance with the Montreal Protocol* developed by UNEP, and wherever possible, in support of the *Information Strategy of the Multilateral Fund*. The Communication Strategy was updated in 2009 taking into consideration new challenges of the Montreal Protocol. It identified for ICE services eight priority action areas:

- *Consolidating inter-linkages* – investigate and promote scientific based linkages between ozone and other multilateral environmental agreements (MEAs) e.g. climate, hazardous waste, chemicals, biodiversity.
- *Promoting the Montreal Protocol HCFC phase-out* – campaign for and enhance ICE assistance to Montreal Protocol parties for complying to the for gradual HCFC control measures to be applied from January 2010 onwards;
- *Lobbying/Mobilising* – Advise governments and foster knowledge exchange for communicating the overall benefits of the Montreal Protocol, adding to the *Green Economy* and the *Climate Change* initiatives led by UNEP in conjunction with other organizations worldwide;
- *Facilitating information development and dissemination* – respond to the requests at regional level, support ICE local initiatives and re-orient the deployment, distribution and replication of materials to Montreal Protocol parties;
- *Strengthening capabilities*- enforce the role of ICE and build up capacities at regional and country levels for disseminating ozone related messages/materials and content through the use of governmental multiplying channels and media outlets;
- *Fostering partnerships* - enhance the use of strategic partnerships with the media groups, educational networks, NGOs, sector associations, governments, public/private institutions and industry in order to increase ICE outreach;
- *Defining educational objectives* – assess Article 5 needs and provision of education programmes to facilitate communication of key messages to different age groups in a way that promotes dialogue and action to support Montreal Protocol principles.
- *Sustaining the Montreal Protocol momentum* – improve channels for sustainable message delivery, granting access to the Montreal Protocol relevant information and securing compliance to ODS phase out.

This strategy serves as a blue print - a basis for action – primarily to OzonAction staff and CAP teams, but also to UNEP’s regional information officers who have very important role in promoting and acting in different regions for ICE efforts. All activities proposed below are linked to the blue print.

Both the staff and their outputs will be funded from the CAP budget contained in the approved 2010 UNEP Work Programme, which reflects a reorientation of its ICE activities and related budget allocations following advice provided to UNEP by the CAP Advisory Group meeting on September 2009.

UNEP will focus its *global* ICE activities on supporting national celebrations of 2010 International Day for the Preservation of the Ozone Layer by providing NOUs with adaptable media materials and guidance. Regarding *regional* ICE activities, the Paris-based staff will assist the Regional CAP teams with the conceptualization, production and outreach of the materials produced in the regions as part of the *Regional Awareness* budget lines controlled by the RNCs. Additionally, the Paris team will assist all CAP teams on an as needed basis with the ICE components of individual projects and activities reflected in this Business Plan including Annex I, Country-specific services provided by UNEP CAP.

Specific services UNEP will deliver in 2010 are:

#### Information

- Provide *information support to NOUs* and other stakeholders upon request in close coordination with the Regional CAP teams.
- Outreach an *Implementation Manual for Ozzy Ozone campaign* during the World Environment Day (WED) on 5 June 2010 both in Kigali, Rwanda and Paris, France together with UNESCO.
- Develop, disseminate and outreach *booklet on ozone and climate interlinkages* (e.g. as advised by the CAG to reorient existing services to address HCFCs).
- Update, disseminate and outreach *Twenty Five Steps on Awareness Raising* (e.g. as advised by the CAG to reorient existing services to address HCFCs).
- Update, disseminate and outreach *Guide for National Ozone Units* (e.g. as advised by the CAG to reorient existing services to address HCFCs).
- Reproduce and *disseminate* training manuals, guidelines and other information tools to (a) facilitate capacity building and training of new Ozone Officers and their assistants to ensure their quick understanding of Montreal Protocol requirements (b) service the national and regional workshops organized by the Regional CAP teams.
- *Encourage countries, organisations and companies to translate and adapt existing materials* produced under the Multilateral Fund into national languages at their own cost.
- Organise a *Global painting competition for children and publish a booklet of winning entries*.
- Continue developing an online *Montreal Protocol’s Who’s Who* directory.
- Develop, disseminate and outreach *Overview of OzonAction Programme*.
- Develop, disseminate and outreach *Publications Catalog 2010*.

#### Communication

- Produce and distribute in hardcopy and electronic format one large issue of the *OzonAction Special Issue* in Arabic, Chinese, English, French, Russian and Spanish.
- Develop and disseminate the *electronic news services* OzoNews (24 issues), Clío3 and RUMBA (4 issues respectively).
- Improve OzonAction web services in accordance with the proposals in Communication Strategy
- Outreach *Vital Ozone Graphics 2: Climate Link Resource Kit for Journalists* in English and launch it in one of the English speaking network meetings with press release and media event
- Translate *Vital Ozone Graphics 2: Climate Link Resource Kit for Journalists* into other UN languages and launch them accordingly in different network meetings with press release and media event

- Continue seeking partnerships and linkages with other international, regional, national and corporate initiatives to propagate or incorporate information and awareness messages related to the Montreal Protocol and ozone protection.
- Conduct *strategic outreach* at key international and regional fora and participate in regional or national workshops related to information, communication and education issues, as requested by the Regional CAP teams or other departments of UNEP. This includes participation of exhibitions in Montreal Protocol meetings and other events.

#### Education

- Continue developing a *global network of NGO's, teachers and schools* that will be developed in close cooperation with NOUs to ensure proper dissemination of the materials in the regions and to promote the global OzonAction education strategy.
- Help ensure the long-term sustainability of the Montreal Protocol compliance in Article 5 countries by providing guidance and materials that can be used by Ozone Officers and Ministries of Education to incorporate issues of the ozone layer protection into their *national educational curricula*.
- Conduct teacher's workshops on ozone layer protection. This activity is co-financed by UNESCO. This activity is very important for the long-term sustainability of the Montreal Protocol. The first teachers training will take place in Beirut, Lebanon for Arabic speaking countries.

Moreover, the global Information Clearinghouse is giving special assistance to the following countries:

- Timor Leste will receive south-south cooperation through Portuguese bilateral project in a form of legal and technical capacity building from the NOU of Cape Verde. The specific assistance includes also new partnership with IPAD to start educational activities in local schools in Portuguese language.
- Iraq will receive educational materials and activities will start with UNESCO for teacher training.
- Haiti will receive all information materials when the NOU will be re-established.
- Somalia will receive all information materials.

#### ***V. SPECIAL INITIATIVES***

The following provides a short summary of the objectives and activities for new global and regional projects of types that have not been previously proposed by UNEP for the consideration of the Executive Committee.<sup>3</sup>

##### **Global**

##### Global HCFC campaign for all Parties in order to comply with gradual HCFC control measures.

In the context of the Communication Strategy for Global Compliance with Montreal Protocol, this project will raise awareness in Article 5 countries about the HCFC phase out through a coordinated action-oriented awareness campaign by making materials available to National Ozone Officers and other national HCFC stakeholders. Activities will include *inter alia* generating a series of Public Service Announcements; establishing regional "ozone ambassadors" who would become global campaigners for the ozone protection; campaigning on the media about the green benefits arising with the HCFC compliance targets i.e. market trends, technology options, increasing trade threats, climate damages etc; engaging environmental pressure groups on the campaign for the replacement HCFC based equipment; creating an Ozone Award or an Ozone Label for fostering engagement on HCFC control measures by the

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<sup>3</sup> For example the Compliance Assistance Programme, Regional Enforcement Networks, and the Pacific Island Country HPMP.

industry, end-users and RAC sector; developing brochures and leaflets for global distribution in support of the campaign urging for immediate efforts needed for tackling HCFCs.

Techno-economic study on cost benefit of leapfrogging high GWP alternatives to HFCs to low-GWP or zero GWP alternatives. This project responds to the clause in Decision XIX/6 on ‘other environmental benefits including climate change’ in relation to the HCFC phase-out and takes into consideration the recommendations and suggestions arising from the workshop high-GWP alternatives at the 29th OEWG. This project will investigate the potential benefits of strong and early action in moving to low- or zero-GWP alternatives in the refrigeration, air conditioning and foam sectors, in outweighing any additional short-term economic costs of not doing so. Based on formal economic models and technology forecasting the project will provide estimates that indicate the costs and benefits of particular scenarios of adopting high GWP alternatives (considered at present in many countries as a business-as-usual scenario) and of adopting low or zero GWP alternatives. These estimates would take into account cost-benefits of the particular chemical and technology, the energy efficiency associated with these and corresponding direct and indirect climate implications as well as considering potential scenarios of future HCF controls including a potential HFC phase-out. The project will consider if long-term action can achieve greater benefits at costs that are low in comparison to actions taken with a view to the short-term. The availability of appropriate and viable alternative chemicals and technologies will be factored into the forecasting. Activities will include *inter alia* engaging an appropriate economist /technologist or team thereof, or institutes engaged in such studies, to develop an economic and technology study.

Regional technology transfer workshops on available low-GWP, non-ODS alternatives in various sectors supporting HPMP implementation in cooperation with World Bank and Implementing Agencies. This project will address some of the recommendations and suggestions which arose from the workshop high-global-warming-potential alternatives held at the 29th OEWG in Geneva. Activities will include *inter alia* organizing a series of regional technology transfer workshops in each of the following regions: Africa, Asia-Pacific, Europe and Central Asia, Latin America and the Caribbean, and West Asia. The workshops will be organised in cooperation with the World Bank and other Implementing Agencies to support HPMP implementation and to promote “ Substitutes and alternatives that minimize other impacts on the environment, including on the climate, taking into account global-warming potential, energy use and other relevant factors” as specified by Decision XIX/6.

Integrated enforcement training under the Montreal Protocol through Green Customs Initiative. This project will enhance the capacity of customs and other relevant enforcement personnel to monitor and facilitate the legal trade and to detect and prevent illegal trade in environmentally sensitive commodities covered by the Montreal Protocol and other relevant conventions. Activities will include *inter alia* regional/national Green Customs Initiative workshops, development of case studies of problems and challenges encountered in ODS trade, and production of a package of resource materials.

International workshop with CTC producers and countries on post-2010 use of CTC as feedstock. This project responds to XXI/8 on sources of opportunities for reductions of CTC emissions, and to the findings of the Scientific Assessment Panel, which has reported that concentration of CTC in the atmosphere is higher than that can be explained through the reported consumption and production. This project will help reduce emissions of CTC by building the awareness of CTC producers about available technical options. Feedstock applications for CTC can continue into the future under the Montreal Protocol. Since CTC is co-produced in a chloromethane facility, it is not possible to produce other three chemicals without producing CTC, though there is possibility of minimizing its co-production. CTC production is linked to chloroform production, a raw material for production of HCFCs, as they form co-products from chloromethane facilities. While CTC demand for consumption applications has almost fallen to nil, the consumption of feedstock applications as well as for consumption of CTC consequent to

HCFC production continues to a significant extent. Activities will include *inter alia* organizing an international workshop with relevant countries and stakeholders to create awareness on options to prevent emissions from unwanted CTCs.

Feasibility study on the costs of collection and transport for destruction of ODS in LVCs including identification of funding sources that could potentially be accessed for destruction. This project addresses some of the recommendations and suggestions which arose from the workshop on the management and destruction of ODS banks held at the 29th OEWG in Geneva. This project will develop a feasibility study to provide technical assistance/support at the global level to Article 5 countries on this issue. It will address the costs of collection of ODS for destruction in a number of Article 5 countries in different geographical regions; examine the costs of transport of ODS to destruction facilities outside the country (as appropriate) for number of Article 5 countries in different geographical regions; and identification of sources of bilateral funding that could potentially be accessed for destruction. The feasibility study will be based on cases of two or three contrasting Article 5 countries in each of following regions: Asia Pacific, Europe and Central Asia, Latin America and the Caribbean, and West Asia to give a global perspective. The case studies would focus on the costs of collection and transport to a suitable facility for destruction in another country. Relevant potential sources of bilateral funding which could potentially be used in each example would be examined.

Regional workshops on co-financing opportunities to get climate benefits engaging financial institutes, private sector and international development agencies in cooperation with World Bank

This project will build the capacity of National Ozone Units and other national HCFC stakeholders understanding of how to access non-Multilateral Fund financing for the climate component of the HCFC phase out, such as the Voluntary Carbon Markets and CDM. It will be developed and implemented by UNEP in cooperation with the World Bank, other Implementing Agencies and private sector organizations. Activities will include *inter alia* organizing a series of climate –ozone co-financing workshops in each of the following regions: Asia Pacific, Europe and Central Asia, Latin America and the Caribbean, and West Asia. The workshops will provide a platform for UNDP, UNIDO and the World Bank to sharing the outcomes and experiences of their climate financing studies, initiatives and programmes. The overall objective of this global project is to promote increased access to carbon financing that complement Montreal Protocol objectives, notably supporting the implementation of HPMPs and ODS destruction.

Resource mobilization to address climate co-benefits in LVCs for HCFC phase-out in cooperation with other agencies. This project will investigate and analyse the opportunities for financing for the climate component of the HCFC phase out in LVCs, with a goal of informing UNEP, the Executive Committee, and national HCFC stakeholders about feasible resource options for low volume and very low volume consuming countries. It will be developed and implemented by UNEP in cooperation with carbon finance experts in the private sector and the other Implementing Agencies and private sector organizations. Activities will include *inter alia* collecting data from NOUs and national HCFC stakeholders in LVCs; holding consultations with international experts; and producing a detailed study outlining specific financing options with pros and cons of each suitable for LVCs.

## **Regional**

Technology transfer and methyl bromide phase-out strategy through mainstreaming methyl bromide alternatives in national university education. This project responds to Executive Committee Decision 59/55 requesting UNEP to incorporate projects that responded to the (previously) identified gaps in its business plan to be submitted to the Committee at its 60<sup>th</sup> Meeting. This project will enhance national collaboration and capacity building in Africa for the development and adoption of sustainable methyl bromide alternatives. Activities will include *inter alia* technical capacity enhancement via pooling

together of existing local experts to facilitate compliance before and beyond the 2015 phase-out date; and organising training seminars and workshops using the newly documented TEC feasible methyl bromide alternative technology materials.

Documentation and Dissemination of Technically, Economically and Commercially Viable methyl bromide Alternative Technologies. This project also responds to Executive Committee Decision 59/55. This project will enhance the adoption of technically, economically and commercially (TEC) feasible methyl bromide alternatives in Africa and support compliance with the methyl bromide control measures. Activities will include *inter alia* compiling information into university-level reference books and teaching aids such as technology video documentaries and develop toolkits for use by growers, value-chain players among other major stakeholders and educational institutions.

Regional Technical Workshops for Identification, Adoption and Adaptation of Methyl Bromide Alternative Technologies. This project also responds to Executive Committee Decision 59/55. This project will disseminate and share information of successful TEC viable alternatives to methyl bromide suited to African region from successful case studies and lessons learned, and increase awareness and provide training on the application of learning toolkits to major stakeholders as well as facilitate mainstreaming of methyl bromide issues in learning institutions. Activities will include *inter alia* organizing consultative workshops to share the findings of newly-identified methyl bromide technologies and/or refinement of technique; launching and conducting training on utilization of newly created toolkits and other materials for facilitating technology transfer to key stakeholders; and establishing technology-based working groups consisting of existing local experts and trainee local experts to spearhead various methyl bromide alternative technology search and dissemination.

Technical assistance to MDI producing countries in ASP region for CFC use for EUNs 2010-2012. This project will strengthen EUN monitoring and management and set up processes for establishment of essentiality of CFC MDIs in importing countries. Activities will include *inter alia* training for data to demonstrate essentiality of CFC MDI use in importing countries undertaken through a two day regional consultative workshop back to back with the network meetings, and consultative meetings with CFC MDI producing countries on monitoring and reporting mechanism for CFCs approved through EUN process

Regional project preparation for ODS destruction in LVC countries of Asia and Pacific. This project preparation will design a feasible option and operationalize ODS destruction to destroy the stocks collected from replacement of old refrigeration systems based also on lessons learnt from the approved Nepal destruction project. Activities will include *inter alia* evaluating the options of business models for the ODS collection, transportation and destroy, and develop a feasible option in consultation of participating countries; establishing an institutional framework at the regional and national level for the operation of the business model with consideration of the current national and regional infrastructure, on-going programme; exploring financial opportunities through the carbon credit market, GEF, as well national/regional energy programme to co-finance the ODS collection/destroy activities; developing a implementation plan including financial cost/funding source, and project implementation proposal for Multilateral Fund support.

Disposal project for ODS from aircraft dismantling industry. Halons are used on civil aircraft in lavatory trash receptacles, handheld extinguishers, engine nacelle/auxiliary power unit protection systems, and cargo compartments. The average total amount of halon contained on each aircraft is about 87 kg for mainline aircraft and about 30 kg for regional aircraft. Once the halon systems in obsolete aircraft are decommissioned, they are a potential source of recovered halons that could feed supply into halon banks. The GRID-Arendal/Basel Convention Secretariat estimated that there are 25,000 large civil aircraft (airliners, freighters and private jets) worldwide, with 7,000 or 8,000 of them probably being dismantled over the next 10 to 15 years. There are two major consortia that define the industry's best practices for

recycling of aircraft: Aircraft Fleet Recycling Association and TARMAC AEROSAVE, both of which promote best practices for dismantling operations, but neither of which is very active in developing countries. The executive director of AFRA estimated that as many as 8,000 aircraft may be retired in the next decade. The estimated upper limit of halon in these aircraft is 614 MT of halon-1301 and 79 MT of halon 1211. An unknown percentage of global aircraft dismantling is done in Article 5 countries. In cooperation with the HTOC and one or more of these associations, this project will assess the status of aircraft dismantling operations in Article 5 countries (including small scale dismantling of one or several aircraft done in situ at specific airports or airfields; and large scale dismantling operations at a centralized recycling platform), develop and disseminate guidance about best practices to recover and properly dispose of the halon. It will provide dismantling operators with options for the recovered halon including transfer to a halon bank, selling it on the commercial market or sending it for destruction.

Regional workshop on ODS alternative for laboratory and analytical uses following XXI/8. This project helps respond to Decision XXI/8. It will assist the countries in the Asia and the Pacific region to comply with this decision by promoting the elimination of the use of ODS for which procedures that alternatives are available. Activities will include *inter alia* organizing a technical workshop in cooperation with TEAP experts to identify and explain alternatives available for these uses.

Dates/Methyl Bromide Help Desk. This project will help reduce the dependence of date producing Article 5 countries on methyl bromide for disinfestations purposes, and thereby assist those countries to meet their phase out commitments to the Montreal Protocol. Activities will include *inter alia* providing information related to methyl bromide alternatives in this sector and data to all date producing countries, providing hands-on training sessions on alternate technologies and substitutes for methyl bromide, and establishment of a virtual global network to coordinate information sharing about alternatives.

Regional workshops in ROAP, ROWA, ROLAC and ECA to inform stakeholders of the viability of methyl bromide alternatives for QPS disseminating the EU experience of QPS use ban. This project will address some of the recommendations and suggestions which arose from the discussions at the workshop on methyl bromide use for QPS at the 21<sup>st</sup> Meeting of the Parties. It will provide technical assistance/support at the regional level to inform stakeholders about the options and alternatives available to replace methyl bromide in QPS usage and provide a platform to disseminate the EU experiences and mechanisms in relation to the March 2010 methyl bromide QPS ban. Activities will include *inter alia* organizing a series of regional workshops in cooperation with TEAP and IPPC experts in each of the following regions: Asia Pacific, Europe and Central Asia, Latin America and the Caribbean, and West Asia.

Technical Assistance project to adopt low-GWP HCFC alternatives for air-conditioning sectors in high ambient-temperature countries (West Asia). This project helps respond to Decision XIX/8 related to HCFC alternatives and specific climatic conditions in consequence to the Montreal Adjustment accelerating the phase-out of HCFC, and to concerns raised by several parties about the availability of viable HCFC alternative in high-ambient temperature regions. This project aims to facilitate the technology transfer and experience exchange of low-GWP alternatives for the air-conditioning sector in high-ambient temperature countries, promote the decision making to move towards such alternatives, encourage the development of local/regional standards that ease the introduction of hazard alternatives and ensure the share of information about demonstration projects, implemented by other bilateral and implementing agencies, amongst the concerned parties.

Destruction of CFCs in Ship-breaking yards in Bangladesh, India and Pakistan.<sup>4</sup> This project will design a feasible option at Alang, Chittagong and Karachi ship-breaking clusters and synergise with the ODS destruction approach being proposed by UNDP in India for ship-breaking. Activities will include *inter alia* demonstrate the feasibility of transferring know how on appropriate technologies for destruction of ODS; successfully using the technology in sync with UNDP duly complying with performance standards; integrating environmental benefits with systems for deriving carbon – credits within the overall approach being developed by UNDP; developing institutional mechanisms for accessing other ODS wastes like HCFC and HFC wastes; implementation of institutional mechanisms integrated with the mechanisms implemented for other hazardous chemicals / wastes management and disposal in the shipbreaking facility; and dissemination of information on good practices and learning from implementation of the destruction facilities.

## **VI. EXPECTED RESULTS FROM UNEP'S INTERVENTION**

It is expected that the implementation of the above projects and activities will result in the following:

- Improved capabilities and technical skills of NOUs staff to effectively carry out approved phase-out programmes and thus ensure sustained compliance;
- Countries in non-compliance received necessary support enabling swift return to compliance;
- Increased high level political commitment to the ozone agreements;
- ODS phase-out obligations mainstreamed into national environmental strategies/policies;
- Early action taken by countries on the HCFC phase out due to HPMP preparation and information services.
- Increased number of Parties to the Montreal Protocol Amendments;
- Enhanced awareness of users and other relevant stakeholders of forthcoming reductions in ODS supply and availability of viable alternatives;
- All client countries reported Article 7 data by established deadlines and quality of reported data improved;
- Majority of client countries submitted outstanding reports on implementation of their Country Programmes to the Multilateral Fund Secretariat;
- Improved and enforced ODS related legal instruments particularly the addition of HCFCs to licensing systems and initiation of HCFC quota systems;
- NOUs provided with best available information that enable them to make decisions on alternative technologies, sound approaches and methodologies;
- Broadened and strengthened regional cooperation in the implementation of the ozone treaties;
- Increased number of countries benefiting from direct country-to-country assistance;
- Concerted actions taken at national and regional levels to combat illegal trade in ODS;
- Improved access to ODS-related technical information and enhanced experience exchange;
- Indirect support provided for the implementation of investment projects through strengthened institutional and legal frameworks.

Qualitative results are covered in Performance Indicators section.

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<sup>4</sup> This regional project has been split into three country-specific projects (Bangladesh, India, and Pakistan) for the purposes of Annex 2.



## VII. RESOURCE ALLOCATION

The annual budget of the UNEP Compliance Assistance Programme for 2010 was approved by 59th meeting of the Executive Committee at the amount of **US\$ 9,444,600** including programme support costs.

The 2010 CAP budget is to be used for salaries of 46 CAP staff members, more than 367 country-specific compliance services, operation of 9 Regional/sub-regional Networks and the Information Clearinghouse.

## IX. PLANNED BUSINESS PLAN ACTIVITIES

UNEP plans to prepare and submit for approval during 2010-2012 224 non-investment projects as indicated in Annex II, Planned projects.

## IX. PERFORMANCE INDICATORS

As per Decisions 48/7, 48/45, 49/4, 54/8 and 57/9 UNEP will use the following indicators in 2010:

Table 1: 2009 Business Plan Indicators for UNEP

Item	2010 Target
Number of annual programmes of multi-year agreements approved versus those planned	104 (23 tranches of approved MYA and 81 new MYA)
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	108
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	23
ODS phased-out for individual projects versus those planned per progress Reports	0
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	33
Number of policy/regulatory assistance completed versus that planned 100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered	100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Table 2: Performance Indicators for UNEP's Compliance Assistance Programme (CAP)

Performance Indicator	Data	Assessment	Target
Efficient follow-up to regional network/thematic meetings	List of recommendations emanating from 2008 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2010	90 % implementation rate
Effective support to NOUs in their work, particularly guidance to	List of innovative ways/means/products/services for supporting NOUs	Number of innovative ways/means/products/services for supporting NOUs in their	7 such ways/means/products/services; All new NOUs receive

Performance Indicator	Data	Assessment	Target
new NOUs	in their work, with specification of those destined for new NOUs	work, with specification of those destined for new NOUs	capacity building support
Assistance to countries in actual or potential noncompliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential noncompliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries
Innovations in production and delivery of global and regional information products and services	List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	7 such products and services
Close cooperation between CAP regional teams and IAs and BAs working in the regions	List of joint missions/undertakings of CAP regional staff with IAs and BAs	Number of joint missions/undertakings	5 in each region

## ***X. POLICY ISSUES***

### **Policy Issues**

#### Strengthening the Ozone Cell for promotion of ozone climate co-benefits

Based on the specific needs expressed by national Ozone Officers in Mongolia and Nauru, UNEP has included in this Business Plan requests for IS tranches for those countries that add 10% on top of the regular IS budget to cover additional activities related to the promotion of ozone-climate co-benefits, including capacity building of national stakeholders on energy efficiency of equipment during the conversion to non-HCFC technologies. The Executive Committee may wish to consider these individual requests and whether such a provision should be made for all IS projects in the future.

### **Administrative and Financial Issues**

None.