

 20 November 2019

**UNEP’S COMPLIANCE ASSISTANCE PROGRAMME BUDGET FOR 2020**

 **Introduction**

# UNEP has submitted the budget for its Compliance Assistance Programme (CAP) for 2020 at a total cost of US $10,113,000, plus agency support costs of US $809,040.[[1]](#footnote-1) The submission contains the 2019 progress report[[2]](#footnote-2) and the 2020 work programme. The submission is attached to the present document.

# The proposed CAP 2020 work plan is submitted for the last year of the revised three-year 2018‑2020[[3]](#footnote-3) strategy for the CAP, noted at the 80th meeting during the approval of the 2018 budget to accommodate new priorities related to the Kigali Amendment.

# 2019 CAP progress report

# The following activities were implemented:

## Provided compliance assistance to Article 5 countries where required, including assistance for Article 7 and country programme (CP) data reporting to 62 countries; assistance to 40 countries with new national ozone officers (NOOs); and conducting demonstrations on data reporting in network meetings;

## Supported 104 countries in implementing, monitoring and reporting of institutional strengthening (IS) projects;

## Supported 72 countries as lead implementing agency and 31 countries as cooperating implementing agency, in the implementation of the HCFC phase-out management plans (HPMPs);

## Managed the operation of regional networks by organizing 36 network (one inter-regional) and thematic meetings to address issues related to *inter alia* HCFC reporting and phase-out commitments; licensing and quota systems, customs training including ODS trade control, informal prior informed consent (iPIC) mechanism, the refrigeration servicing sector and HFC phase‑down; developed and operated a network/thematic meeting portal which has facilitated access of documentation to network meetings;

## Introduced the refrigerants literacy e-learning course and sound management of refrigerants and offered to all stakeholders in Article 5 countries; in cooperation with international partners, developed the Universal Training Kit for technicians and the refrigerant management certification programme, being implemented in six countries; provided technical and policy assistance to NOUs in developing and enforcing national certification schemes; supported countries to develop a competency standard under National Qualification Frameworks (NQF) to include good practices competency; and supported RAC industry associations in seven countries to promote certification system with good practices requirements for servicing workshops;

## Disseminated information on safety standards, factsheets, mobile applications and publications relating to flammable and toxic alternative refrigerants; and assisted 13 countries to develop a national work plan for the cooperation with local standards bodies in updating/enforcing relevant standards;

## Developed new global and regional capacity building and information products and services, including guides and publications, factsheets and policy briefs; developed information tools (e.g., videos on how to use and maintain a refrigerant identifier, guidance on safety and best practice and testing procedures); distributed OzonAction newsletter, translated OzonAction publications; and regularly updated the OzonAction website;

## Provided assistance in the implementation of enabling activities for HFC phase-down in 94 countries; conducted missions to 32 countries to assist them with timely implementation, and facilitating multi-stakeholder consultations on the Kigali Amendment; in cooperation with Ozone Secretariat, provided support as needed to countries in the ratification process and, provided documentation and information to NOUs on implications of Kigali ratification; developed a modelling tool (HFC outlook) to assist in understanding of the impact of Kigali Amendment on technology selection and options in the air-conditioning industry; and

## Continued partnerships with industry associations[[4]](#footnote-4), *inter alia*, on the development and operation of e-learning modules for technicians and the refrigerant driving license (RDL) global refrigeration qualification programme; and developed a guide for laboratories for testing alternative refrigerants.

Fund disbursement

# Of the US $9,863,000 plus agency support costs of US $789,040 approved for the CAP budget for 2018, UNEP would return US $1,972,809, plus agency support costs of US $157,825 to the 84th meeting, in line with decision 35/36(d). The return is included in the report on balances and availability of resources.[[5]](#footnote-5)

2020 CAP work programme

# For 2020 UNEP will continue implementing the activities identified as part of the revised 2018‑2020 three-year rolling strategy and in line with the strategic programme objectives through those listed below:

## Provide over 400 country-specific compliance services to Article 5 countries targeting those at risk of compliance with their Montreal Protocol targets;

## Continue operation of the 10 regional networks of NOU officers, provide assistance for NOOs in the implementation of licensing and quota systems and the use of the online iPIC system;

## Assist NOUs in reviewing Customs and trade regulations and policies in cooperation with relevant national authorities; demonstrate and promote the UNEP-World Customs Organisation (WCO) Montreal Protocol Training for Customs Officers e-learning course, *WhatGas?* mobile application, and Refrigerant Identifier mobile application to NOUs and national Customs agencies;

## Strengthen the servicing sector by further providing training through the RDL, certification scheme for technicians, global training for service technicians; building capacity of regional and national master trainers, and promote gender mainstreaming of female technicians and experts in the RAC sector encouraging their participation in workshops and training organised by CAP and by Article 5 countries;

## Promote the development and implementation of certification programmes for the refrigeration servicing sector in Article 5 countries as part of HPMPs or through CAP services; encourage and assist NOUs to work with their technical and vocational education and training authorities to integrate good servicing practices and into national qualification frameworks;

## Promote the development and enforcement of standards for safe handling of flammable and toxic refrigerants in cooperation with international/regional partners; development of a model national refrigerant code that can be incorporated as stand‑alone or as part of local codes (e.g. RAC applications or buildings); and update and outreach of technical information on good practices;

## Provide assistance to Article 5 countries with high ambient temperature (HAT) through piloting the risk assessment model for the safe handling of flammable refrigerants produced under the PRAHA-II project to explore the technical feasibility of lower-GWP alternatives in the commercial and industrial refrigeration sectors;

## Continue implementation of enabling activities in 94 countries to facilitate and support the ratification of Kigali Amendment and build capacity of NOUs to address the HFC phase‑down as soon as possible; encourage and support Article 5 countries to ratify the Kigali Amendment through presentations at regional network meetings and other meetings in cooperation with the Ozone Secretariat, and identifying opportunities for joint implementation between HPMPs and HFC phase-down plans;

## Continue global clearinghouse activities through developing publications; organize thematic meetings at international, regional and national fora; facilitating country-to-country cooperation to address specific needs by NOUs; and assisting in the adoption of capacity building tools (i.e. iPIC and RDL); and

## Continue implementation of HPMPs for 103 and institutional strengthening projects for 104 Article 5 countries.

# Changes in the CAP 2020 budget

# The CAP budget for 2020 of US $10,113,000, plus agency support costs of US $809,040 is contained in Annex 1D of the submission. The overall CAP budget represented an increase of 1.39 per cent from the 2019 approved budget (i.e., US $9,974,000, plus support costs of US $797,920) with a 2 percent increase on staff costs (US $139,000) due to increases for existing posts in the system, and adjustments to some posts based on expanded roles and responsibilities.

#  *Changes in CAP staff [[6]](#footnote-6)*

# UNEP indicated that the post that was approved for the 2019 CAP budget as ROWA[[7]](#footnote-7) Montreal Protocol Coordinator for International Partnerships (BL 1132) located in Bahrain would be reassigned to Paris (BL 1112) with no financial implications.

# *Changes in the programmatic budget*:[[8]](#footnote-8)

# The following reallocations were proposed:

## Policy and technical assistance (BL 3211) at US $130,000 (an increase of US $30,000 compared to 2019) to provide for online/smartphone applications (national quotas and licenses, iPIC), a mobile air-conditioner training survey, and development of a model certification programme and a model refrigerant code;

## Outreach and translation (BL 3213) at US $110,000 (an increase of US $10,000 compared to 2019), translation of key documents, development of publications/factsheets, production of the OzonAction Scoop (a newsletter for special topics), and development of a publication on the Montreal Protocol and the UN Sustainable Development Goals;

## Legal framework post-Kigali (BL 3214) at no cost (a decrease of US $75,000 compared to 2019) since this assistance will be provided through CAP staff and during network meetings;

## RDL (BL 3215) at US $85,000 (an increase of US $5,000 compared to 2019) to provide for the evaluation of the outcomes of the pilot stage of RDL for small applications and to complete the documentation for the remaining applications; and

## Enforcement (BL 3216) at US $130,000 (an increase of US $30,000 compared to 2019) to provide for the development of the Montreal Protocol Enforcement and Guidebook on Setting Penalties, and the updating of the UNEP Customs Training Manual and the UNEP‑WCO Montreal Protocol Training for Customs Officers e-learning course.

# *Comparison of the budget for 2018-2020*

# In line with decision 82/57(c)(iv),[[9]](#footnote-9) UNEP had provided a comparison of the budget for the last three years as shown in Table 1:

**Table 1: CAP budget for 2018-2019**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **2018** | **2019** | **2020** |
| **Approved** | **Expenditure** | **Balance** | **Approved** | **Estimated expenditure** | **Estimated****balance** | **Proposed budget** |
| Staff personnel and consultants | 6,928,000 | 5,364,229 | 1,563,771 | 7,069,000 | 6,214,403 | 854,597 | 7,208,000 |
| Travel (staff and consultants) | 548,000 | 526,528 | 21,472 | 548,000 | 511,742 | 36,258 | 548,000 |
| Regional activities and meetings\* | 1,262,000 | 1,147,232 | 114,768 | 1,262,000 | 1,224,823 | 37,177 | 1,262,000 |
| Global services\*\* | 505,000 | 379,476 | 125,524 | 505,000 | 433,913 | 71,087 | 505,000 |
| Space and equipment (rent and common costs, computers, supplies) | 620,000 | 472,726 | 147,274 | 590,000 | 498,605 | 91,395 | 590,000 |
| **Sub-total CAP** | **9,863,000** | **7,890,191** | **1,972,809** | **9,974,000** | **8,883,486** | **1,090,514** | **10,113,000** |
| Programme support costs | 789,040 | 631,215 | 157,825 | 797,920 | 710,679 | 87,241 | 809,040 |
| **Grand total** | **10,652,040** | **8,521,406** | **2,130,634** | **10,771,920** | **9,594,165** | **1,177,755** | **10,922,040** |

\* Includes the expenditures on the advisory and consultative meetings budget line.

\*\*Includes outreach and translation, and advisory group meetings.

# The balances from the 2018 CAP were returned to the Fund.

**SECRETARIAT’S COMMENTS AND RECOMMENDATION**

**COMMENTS**

# The Secretariat reviewed the CAP submission and the changes in the programme and staffing in line with decisions 81/38(b)[[10]](#footnote-10) and 82/57(c)[[11]](#footnote-11) taking into account the overall structure of the CAP, its operations and regional structure; and other relevant decisions.

#  Clarifications were sought on the remaining activities for the global projects (i.e., RDL and NOO training), for which final reports were expected at the 82ndmeeting. With regard to the RDL programme, UNEP explained that is now gaining ground with training being completed in six pilot countries and other countries are interested in implementing the RDL. With regard to the NOO training, UNEP noted that such training is not only for new NOOs but also for those who have been with the NOU for some time. UNEP further indicated that the RDL provides a strong support to the servicing sector, and the NOO training is essential to strengthening capacity of the NOU; therefore, the continued implementation of these two activities is important to many Article 5 countries.

# With regard to the transfer of the post for the ROWA Montreal Protocol Coordinator for International Partnerships, the change in duty station for the post was due to the fact that the associated responsibilities were more global in nature therefore it had to be located at the CAP headquarters rather than the regional office. UNEP noted that this move will streamline the structure of the CAP team in West Asia with that of other regions, and will further optimize the provision of CAP services and project support in West Asia.

# In reviewing the 2020 CAP budget against the 2019 approved budget, the Secretariat noted changes only on line 1999 as shown in Table 2.

# **Table 2. Comparison of the 2019 approved CAP budget and the 2020 proposed budget (US$)**

| **Component****(BL)** | **2019 approved**  | **2020 proposal**  | **Difference**  | **Change**  |
| --- | --- | --- | --- | --- |
| 1999 (staff personnel) | 7,069,000 | 7,208,000 | 139,000 | 2.0 |
| 1600 (travel) | 548,000 | 548,000 | 0 | 0 |
| 2030 (regional activities) | 1,262,000 | 1,262,000 | 0 | 0 |
| 3200 (Global services/meetings) | 505,000 | 505,000 | 0 | 0 |
| 5220 (office operations/communication) | 590,000 | 590,000 | 0 | 0 |
| **Total** | **9,974,000** | **10,113,000** | **139,000** | **1.39** |

# The overall budget was below the allowable level of increase and the changes proposed of the staff are in line with increased responsibilities of the posts.

**RECOMMENDATION**

1. In the light of the information provided by UNEP and the comments above, the Executive Committee may wish:
	1. To note the UNEP Compliance Assistance Programme (CAP) 2020 workplan and budget proposal contained in document UNEP/OzL.Pro/ExCom/84/37;

## To approve the UNEP’s CAP activities and budget for 2020 in the amount of US $10,113,000, plus agency support costs of 8 per cent amounting to US $809,040 noting the adjustments proposed therein;

## To further request UNEP, in future submissions of the CAP budget, to continue:

### Providing detailed information on the activities for which the global funds would be used;

### Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and to provide details, pursuant to decisions 47/24 and 50/26, on the reallocations made;

### Reporting on the current post levels of staff and informing the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations; and

### Providing a budget for the year in question, and a report on the costs incurred in the year prior to the last year, noting sub-paragraphs (c)(ii) and (c)(iii) above.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

1. This submission is in line with decision 47/24, which limited the increase of UNEP’s CAP budget to 3 per cent per annum. [↑](#footnote-ref-1)
2. Covering the period September 2018 to August 2019. [↑](#footnote-ref-2)
3. The revised 2018-2020 three-year rolling strategy was based on three overarching objectives: assisting countries to comply with their HCFC phase-out commitments; strengthening the refrigeration servicing sector for ozone- and climate-friendly alternatives; and, building capacity to initiate enabling activities for the HFC phase-down. It was supported by a transversal objective on leveraging the clearinghouse mechanism, and included, inter alia the clearinghouse mechanism, regional networking and capacity building. [↑](#footnote-ref-3)
4. The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), Refrigerants Naturally, International Institute of Refrigeration (IIR), Air conditioning, Heating and Refrigeration Institute (AHRI), [↑](#footnote-ref-4)
5. UNEP/OzL.Pro/ExCom/84/4 [↑](#footnote-ref-5)
6. Decision 82/57(c)(iii): UNEP was requested in future submissions of the CAP budget, to continue reporting on the current post levels of CAP staff and inform the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations. [↑](#footnote-ref-6)
7. Regional Office for West Asia [↑](#footnote-ref-7)
8. Decision 82/57(c)(ii): Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities and providing details, pursuant to decisions 47/24 and 50/26, on the reallocations made; [↑](#footnote-ref-8)
9. Decision 82/57(c)(iv): UNEP was requested in future submissions of the CAP budget, to continue providing a budget for the year in question and a report on the costs incurred in the year prior to the last year, noting sub-paragraphs (c)(ii) and (c)(iii). [↑](#footnote-ref-9)
10. UNEP was requested, when submitting the CAP budget and work plan for 2019 at the 82nd meeting, to describe, for consideration by the Executive Committee, the operationalization of the proposed changes in the overall CAP structure, in line with relevant previous decisions on the CAP and its funding. [↑](#footnote-ref-10)
11. Decision 82/57(c)(i): Providing detailed information on the activities for which the global funds would be used; decision 82/57(c)(ii), (iii) and (iv): Ibid. [↑](#footnote-ref-11)