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**FINAL REPORT ON THE EVALUATION OF INSTITUTIONAL STRENGTHENING
PROJECTS**

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Executive Summary

(a) Conclusions

1. Most Article 5 countries have achieved the ODS phase-out as scheduled, including the demanding 85% reductions of CFC and CTC consumption. There is sufficient evidence that this could not have been attained without the institutional strengthening (IS) projects although it is not possible to quantify the share of the IS projects in achieving the Montreal Protocol targets since such results are determined by several factors, activities, projects and stakeholders and their complex interrelationships. Taking into account the relatively low priority of ozone issues in many Article 5 countries, as well as the administrative constraints and limitations of government budgets, the IS projects in most countries provided the extra leverage needed by strengthening the national ozone units (NOUs) as focal points for mobilizing local stakeholders, initiating and following-up on legislation and ratifications, and coordinating the preparation and implementation of phase-out projects and plans with implementing agencies (IAs) and bilateral agencies.

2. Without funding for IS projects some governments might have assigned the functions of the NOU across the existing institutional infrastructure. However, this would have probably have resulted in most cases in significantly less capacity for phase-out activities than with the boost provided by the IS projects. The speed of action would have slowed down to the detriment of reaching timely compliance. The tight phase-out schedules constitute the main difference to other Multilateral Environmental Agreements (MEAs) which do not have such specific time bound targets and thus work under less pressure to achieve results. It is this urgency which made the non-Article 5 countries agree to funding national capacity building, which also covered salaries, and effectively created strong NOUs in many countries.

3. The most important conditions for good results in complying with the Montreal Protocol are political stability, sound economic circumstances, environmental protection taken as a priority area for government action, national political will and personal experience, dedication and maintaining the continuity of the NOU staff in the countries concerned. Problems arise generally in countries where these conditions are not fulfilled. Another important factor of success is networking and close cooperation with national stakeholders in the public and private sector. Also important is the level and position of the NOU within the hierarchy of the government structure. Sufficient backing from senior management and some flexibility in implementation are key conditions to achieving progress towards compliance. The variations between countries in terms of NOU staffing, institutional position and use of the IS budget for staff salaries, consultants, and activities are large; they reflect the situation and requirements in each country and the specific project modalities established in negotiations between the government authorities and the implementing agency.

4. In a few cases not all IS funding was needed as the government structure and priorities were and are already such that the goals of the Montreal Protocol would have been supported at a national level, as in Mauritius and to some extent Malaysia and Namibia. Many countries were also able to achieve the phase-out and compliance although they did not use all their IS funding available if all IS phases would have been completed and renewed on time. This resulted from not applying in time for the next phase, which has happened in a few cases by choice due to sufficient government support or more often as a result of delayed disbursements, reflecting delayed activities and/or late financial and progress reporting or funding transfer problems. In such situations, IS funding is stretched over a longer period than initially foreseen which sometimes created problems for paying the salaries of NOU staff and continuing activities. Some NOUs claimed that IS funding was not enough to take care of particular aspects like the travel required in a large country. It was also frequently said that the real purchasing power of IS funding had declined in recent years due to inflation in the country and exchange rate variations.

5. In IS terminal reports and extension requests relationships between objectives and actual accomplishments are often difficult to establish. The frequent lack of measurable performance indicators

makes monitoring and accounting of results obtained rather difficult. More concrete and quantitative planning of results would not impede the necessary flexibility if changes were to be explained by concrete reference to problems and constraints encountered. This would allow for a more profound assessment of real conditions and, therefore, a more realistic appraisal of the activities planned and performed. This is a challenge that can best be addressed through training on IS project design, monitoring and reporting.

6. In terms of future work load, the majority of NOUs expected a temporary increase of work in 2009 and 2010 when the final CFC, CTC and halon phase-out has to be achieved and in parallel HCFC phase-out management plans (HPMPs) and the related legislation, data collection, public awareness and monitoring mechanisms have to be prepared. For those countries with little or no remaining ODS consumption, existing NOU capacities with continued IS support are expected to be able to cope with these new tasks.

(b) Recommendations

7. The Executive Committee may wish to consider to:

- (a) Take note of the final report on the evaluation of institutional strengthening projects as presented in document UNEP/OzL.Pro/ExCom/56/8;
- (b) Request the Fund Secretariat to take into account the findings of this evaluation in its review of the funding for institutional strengthening as per decision 53/39;
- (c) Request the implementing agencies to review procedures for fund disbursement and reporting and administrative requirements with a view to minimizing project implementation delays of institutional strengthening projects while ensuring that accountability for institutional strengthening funds disbursed is maintained;
- (d) Request the implementing agencies and the bilateral agencies to ensure that terminal reports and action plans required for institutional strengthening extension requests are thoroughly reviewed for clarity of objectives and expected results prior to submission to the Fund Secretariat;
- (e) Request the implementing agencies to monitor implementation of institutional strengthening projects and to submit any requests for renewal up to six months in advance of expiry of the existing project in line with decision 19/29;
- (f) Request the Fund Secretariat to review the formats for terminal reports and extension requests for institutional strengthening projects with the aim of rationalizing reporting and project review;
- (g) Request UNEP, through the Compliance Assistance Programme (CAP) to provide time during network meetings to discuss institutional strengthening reporting and the importance of requesting renewals on time;
- (h) Request UNEP to develop a training module on policy and technical issues related to the reduction of HCFC with technical inputs from the other implementing agencies, for briefings of national ozone units during network meetings.

I. Background and evaluation issues

8. The Executive Committee requested an evaluation of past results and achievements of the institutional strengthening programme as part of the 2008 monitoring and evaluation work programme.

This evaluation will be followed by a review of possible funding arrangements and levels for capacity building beyond 2010 which is scheduled to be presented by the Fund Secretariat to the 57th Meeting of the Executive Committee (as per decision 53/39).

9. The desk study on the institutional strengthening projects (UNEP/OzL.Pro/ExCom/54/13) which was presented to the 54th Meeting of the Executive Committee identified important issues for a more detailed investigation during phase II. In line with the evaluation issues identified in the desk study and proposals resulting from the discussion of the Executive Committee on it, the following aspects were analyzed:

- (a) **Results and impact of IS projects:** investigating what has been planned and what has been achieved to date both in quantitative and qualitative terms. In so doing, attention is paid to the difficulties faced and subsequent lessons learned.
- (b) **Political and administrative context:** assessing how well decision 30/7 has been implemented to date, in particular how well the NOUs have managed to integrate their work plans into the internal planning and policy processes of national authorities. (See Annex II for a copy of this and other decisions of the Executive Committee relating to IS projects.)
- (c) **Planning and reporting of IS projects:** assessing how NOUs reported their activities according to the logical framework of objectives, activities and expected results, complied with timely reporting and provided substantive information on activities and achievements towards achieving and sustaining compliance.
- (d) **Implementation modalities:** reviewing implementation issues and identifying causes of problems, including delays and their reasons and implications on compliance and timely implementation of work plans.
- (e) **Future work:** analyzing the workloads and needs of the NOUs in view of the current and future challenges they might be facing, in particular the implications of the new focus on phase-out of HCFCs on the volume and composition of tasks for the NOU.
- (f) **Funding issues:** reviewing the current uses of IS funding and the value for money achieved. An assessment is also made of the availability of counterpart contributions.
- (g) **Comparison with other Multilateral Environmental Agreements:** comparing the capacity building efforts under the Multilateral Fund with those of other MEAs. However, this is limited to a description of such activities without evaluating them in the countries selected as sample as this would have broadened the scope of discussions too much.

II. Evaluation methodology

10. Institutional strengthening is an inherently qualitative endeavour, or a soft project, with deliverables that are often intangible and subject to complex cause and effect relations which complicate the impact analysis. Nevertheless, attempts were made to identify the results achieved by the NOUs and the role of the IS projects as precisely as possible, taking into account the main objectives of IS projects as elaborated in terminal reports and extension requests against which the impact of IS projects may be measured. These main objectives are:

- (a) Facilitating ratification of amendments to the Montreal Protocol;

- (b) Assisting countries to phase out ODS to achieve and sustain compliance with the Montreal Protocol;
- (c) Collecting and reporting data and generally ensuring compliance with data reporting requirements;
- (d) Serving as focal points for communicating with IAs and Secretariats and coordinating and/or facilitating implementation of approved projects;
- (e) Facilitating adoption of legislation and regulations for control and monitoring of ODS consumption;
- (f) Promoting and/or facilitating enforcement of regulations and monitoring of ODS consumption, mainly in collaboration with customs authorities and raising public awareness.

11. Phase II of the evaluation was implemented in a number of steps:

- (a) Further analyzing related documentations, including terminal reports and extension requests for projects and an analysis of statistics related to funding, activities, delays, and results for all IS projects;
- (b) Sending a questionnaire to all NOUs and holding a series of individual and group interviews with NOUs, IAs, and others at regional network meetings during 2008; these were conducted by consultants from the regions concerned;
- (c) The information collected was summarized in 8 regional studies, covering Europe and Central Asia , South East Asia and Pacific, South Asia, Latin America, the Caribbean, English- and French-speaking African countries and West Asia; in these reports the information received in the questionnaires has also been analyzed;
- (d) This was complemented by 14 country case studies carried out by several consultants in a sample of Article 5 countries in all regions, as much as possible in combination with the participation in regional network meetings. The draft case studies were sent for comments to the NOUs and implementing agencies concerned, and comments received were taken into account for the final versions; the case studies are like the regional reports available on request and on the intranet of the Fund Secretariat, in the section Executive Committee, evaluations;
- (e) Drafting the present synthesis report and consulting with implementing agencies and NOUs of countries visited. Comments received were taken into account for finalizing the document.

12. The countries selected provide a representative sample of large and small countries in all regions as well as countries with early and more recent IS projects, countries with phase-out ahead and behind schedule, working with different IAs, and with different modes of cooperation between NOUs and project management units (PMUs).

Table 1: Countries Selected for Case Studies

| Country | Agency | Date of phase I approval | Date of latest approval | Number of phases approved | Total funds approved (US \$) |
|---------------------|--------|--------------------------|-------------------------|---------------------------|------------------------------|
| Albania | UNEP | Dec-01 | Apr-08 | III | 369,600 |
| Bangladesh | UNDP | Sep-94 | Nov-07 | V | 610,000 |
| Cameroon | UNEP | Nov-93 | Nov-07 | VI | 793,596 |
| Egypt | UNIDO | Jun-93 | Mar-07 | VI | 1,289,626 |
| Lebanon | UNDP | May-96 | Nov-06 | V | 763,570 |
| Malaysia | UNDP | Mar-93 | Nov-07 | VII | 1,806,020 |
| Mauritania | UNEP | Sep-94 | Jul-06 | IV | 158,444 |
| Mauritius | UNEP | Jun-93 | Nov-07 | III | 170,000 |
| Morocco | UNEP | May-96 | Nov-07 | III | 490,000 |
| Namibia | UNEP | Nov-95 | Nov-07 | V | 276,472 |
| Nepal | UNEP | Nov-98 | Nov-06 | IV | 235,733 |
| Philippines | IBRD | Mar-93 | Apr-08 | VI | 1,072,865 |
| Trinidad and Tobago | UNDP | Oct-96 | Nov-06 | V | 287,200 |
| Venezuela | UNDP | Mar-93 | Jul-06 | VIII | 1,954,232 |

13. As UNEP implements the large majority of IS projects, mostly in low-volume-consuming (LVC) countries, seven or 50 % of the case studies concern UNEP, followed by UNDP (5) working mostly in larger Article 5 countries, UNIDO (1) and the World Bank (1).

Table 2: Number of IS Projects by Implementing Agency

| | Germany | IBRD | UNDP | UNEP | UNIDO | Total |
|-------------------------|---------|------|------|------|-------|------------------|
| Number of countries | 2 | 6 | 21 | 102 | 11 | 142 ¹ |
| Number of LVC countries | 2 | 1 | 5 | 89 | 4 | 101 |

¹Four Article 5 countries (Republic of Korea, Singapore, South Africa and United Arab Emirates) are not eligible for funding from the Multilateral Fund and therefore have no IS projects.

14. During the country case studies, feedback was obtained from various stakeholders, such as other government agencies that work with the NOUs, high-level officials supervising the NOUs within the same ministry, and private sector representatives from companies or industry associations, as well as from implementing agencies. For the interviews with NOUs and other stakeholders the checklist of evaluation questions developed during the desk study was used.

III. Compliance status

15. **Ratification of the Montreal Protocol Amendments:** Ratification of the London Amendment has been completed by 138 of the 142 Article 5 countries, the Copenhagen Amendment by 135, the Montreal Amendment by 119 and the Beijing Amendment by 96 countries (see details in Table 1 of Annex I). While a number of LVC countries have not ratified all amendments this is also the case for several larger countries, in particular for the Beijing Amendment. Thirty-five or 76 % of the 46 countries which still did not ratify all amendments had between two and five phases of their IS projects approved. This corresponds to the share of countries having two to five IS phases approved (105 of 142 or 74 %), hence there is no correlation between the number of ratified amendments and the number of IS phases approved. In other words, ratifications were delayed in most cases in spite of well established NOUs being in place.

Table 3: Ratification of Amendments and Number of IS Phases

| Number of IS phases | Number of countries | Article 5 countries that have not ratified all amendments |
|---------------------|---------------------|---|
| I | 9 | 3 |
| II | 29 | 9 |
| III | 24 | 9 |
| IV | 25 | 9 |
| V | 27 | 8 |
| VI | 15 | 6 |
| VII | 11 | 2 |
| VIII | 2 | |
| | 142 | 46 |

16. Seven of the 14 countries evaluated, namely Albania, Malaysia, Mauritius, Namibia, the Philippines, Trinidad and Tobago and Venezuela have ratified all amendments. Ratification of the Montreal Amendment is still outstanding in Cameroon, Morocco and Nepal. The Beijing Amendment is still due to be ratified by Bangladesh, Cameroon, Egypt, Lebanon, Mauritania, Morocco and Nepal. In Nepal ratification of the Copenhagen Amendment is still outstanding, too.

17. In interviews during the country case studies and in discussions at the regional networks meetings, the complex reasons for delays in ratifying the amendments became clearer. According to the NOUs which are generally actively pursuing the ratifications, there is rarely a political reservation against ratification of an amendment; delays are due mostly to long and complicated administrative procedures and, in some cases, problems of coordination with the various stakeholders involved. In Egypt, for instance, the Ministry of State for Environmental Affairs had submitted the ratification of the Beijing Amendment to the Ministry of Foreign Affairs which had in turn presented it to the People's Assembly for discussion; the Assembly's approval was being awaited. In Lebanon, the draft law of the ratification had been prepared and approved by the Council of Ministers but the approval of the Council of Deputies was delayed due to the critical political situation the country was passing through since July 2006. It was expected to be approved as soon as the Parliament resumed its work. In a number of Article 5 countries, the ratification of international agreements has to undergo a long and complicated political process and in the parliamentary agenda they have to compete with other issues considered to be of higher national priority. It was observed, however, that the latecomers or countries with two or more amendments not ratified, such as Sao Tome and Principe and Central African Republic usually ratified them all at the same time. It is to be expected that such pattern of ratification will be followed by the majority of the countries with ratification of more than one amendment still outstanding.

18. **Legislation:** ODS-related legislation including a licensing and quota system and a register of authorized imports has been introduced in most Article 5 countries. The few countries that have deficiencies in this area are all LVC countries and/or latecomers to the Montreal Protocol. The countries without a licensing system according to the Ozone Secretariat database are: Angola, Armenia, Botswana, Brunei Darussalam, Equatorial Guinea, Eritrea, Ethiopia, Haiti, Iraq, Lesotho, Mozambique, Nauru, Somalia, Tonga, and Vanuatu.

19. In all countries visited ODS-related legislation including the licensing and the quota system has been introduced as initiated and coordinated by the NOUs. A number of countries have amended existing legislation to include provisions for the monitoring of importation and consumption of ODSs and for promoting the use of substitutes as well as for banning the importation of equipment based on the use of ODSs. In some countries (e.g. Albania, Malaysia) the Government provides incentives for investment in ozone-friendly technologies and duty exemptions on import of ODS substitutes. Legislation, however, has

still to be amended in the majority of countries covered by the sample to include regulations and licensing requirements for the import and export of HCFC and HCFC-containing mixtures.

20. **Data reporting:** the number of Article 5 countries reporting to the Ozone Secretariat before the deadline of 30 September their ODS consumption and production data according to Article 7 of the Montreal Protocol has increased almost continuously from 39 in 1995 to more than 120 (86 %) since 2004, with a decline to 108 (74 %) in 2006. When looking at an extended deadline of 31 December the delivery rate increased to 95 % (90 % in 2006). All countries in some of the regional networks, notably the Caribbean Network and Europe and Central Asia Network reported their data by the 30 September deadline. However, data on country programme implementation have been submitted on time to the Fund Secretariat only by a minority of countries, with the exception of those in the Caribbean. No country in the South Asia Network reported the data by the due date although Nepal was close (May 2006) and on time the following year (April 2007). By 1 August 2008, three months after the deadline still only 91 (64 %) of 142 Article 5 countries eligible for funding under the Multilateral Fund had submitted their 2007 CP data, but by 9 October 2008 this number had increased to 109 (77 %). Some countries reported difficulties in using the web-based online reporting established by the Fund Secretariat for CP data reporting, for example by not being aware of the assigned passwords and the stipulation that reports were considered as being incomplete as long as the lead agencies for the IS project and the TPMP had not provided comments in section E. Nevertheless, the submissions by fax were also often late as well. Some large countries like China explained their difficulties to compile the data on ODS use by sector by 1 May, when national statistics are published only in the second half of each year. Smaller countries where the remaining ODS consumption is limited to a few sectors face less problems; regular reminders by UNEP CAP and in network meetings could be useful.

Table 4: Trends in A7 and CP Data Reporting by Article 5 Countries¹

| Year | Number of countries reporting A7 data by 30 September | Number of countries reporting A7 data by 31 December | Number of countries reporting CP data by 1 May | Number of countries reporting CP data by 1 August ² |
|------|---|--|--|--|
| 2007 | 121 | N/A | 43 | 91 |
| 2006 | 108 | 131 | 25 | 72 |
| 2005 | 122 | 139 | 32 | 92 |
| 2004 | 121 | 140 | | |
| 2003 | 107 | 137 | | |
| 2002 | 85 | 126 | | |
| 2001 | 68 | 99 | | |
| 2000 | 71 | 82 | | |
| 1999 | 65 | 91 | | |
| 1998 | 62 | 85 | | |
| 1997 | 51 | 73 | | |
| 1996 | 47 | 65 | | |
| 1995 | 39 | 49 | | |

¹One hundred and forty-six Article 5 countries have to report under Article 7 to the Ozone Secretariat and 142 countries eligible for funding have to report on country programme (CP) implementation to the Fund Secretariat. No aggregate numbers are available for CP reporting before 2005.

²One hundred and nine countries had reported by 9 October 2008.

Source: Ozone and Fund Secretariats

21. **ODS consumption:** The main objective of IS projects is to enable the NOUs to coordinate effectively all phase-out activities for achieving timely compliance with the ODS phase-out schedules under the Montreal Protocol. Although the NOUs do not have full control over all steps required to achieve compliance, as many stakeholders have to join in these efforts, the high compliance rate, in particular with the latest phase-out target, the 85 % reduction of CFC consumption by 2007 (see overview table 2 in Annex I) represents a great success both for the NOUs and the IS projects. It should be mentioned though that by 30 September 2008 twenty-five Article 5 countries had not yet reported their

2007 data and that 30 countries, with some large users among them, reported achieving the target by a very narrow margin of less than 1 ODP tonne and another 15 countries by 1 to 2 ODP tonnes.

22. Eleven countries in the sample have submitted ODS consumption data for 2007 in accordance with Article 7 and one only country programme data so far (Venezuela); all reported compliance with the phase-out targets for the respective controlled substances (see Table 5 below). By 3 October 2008, no consumption data for 2007 had been submitted yet by Bangladesh and the Philippines to the Ozone Secretariat. Information received from the NOU of Bangladesh during the evaluation mission indicated non-compliance with the 85 % reduction target for 2007, mainly due to an increase of CFC consumption for metered-dose inhaler (MDI) production. Similarly, the NOU in the Philippines advised that CFC consumption in 2007 was about 5 % of the baseline, which represents a level much below the official reduction target. An overview of the compliance status for the countries visited (as of 3 October 2008) is presented in the following table:

Table 5: Compliance Status of Countries Visited

| Country | Ratification (outstanding) | Legislation (licensing and quota system) | Licensing system operational | Importers registered | Reporting 2007 data | Compliance with 85 % CFC phase-out target for 2007 |
|---------------------|-------------------------------|--|------------------------------|----------------------|---------------------|--|
| Albania | x | x | x | x | A7 | x |
| Bangladesh | Beijing | x | x | x | - | Risk of non-compliance |
| Cameroon | Montreal, Beijing | x | x | x | A7 | x |
| Egypt | Beijing | x | x | x | A7 | x |
| Lebanon | Beijing | x | x | x | A7 | x |
| Malaysia | x | x | x | x | A7 | x |
| Mauritania | Beijing | x | x | x | A7 | x |
| Mauritius | x | x | x | x | A7 | x |
| Morocco | Montreal, Beijing | x | x | x | A7 | x |
| Namibia | x | x | x | x | A7 | x |
| Nepal | Copenhagen, Montreal, Beijing | x | x | x | A7 | x |
| Philippines | x | x | x | x | - | To be confirmed |
| Trinidad and Tobago | x | x | x | x | A7 | x |
| Venezuela | x | x | x | x | CP | x |

IV. IS project overview

23. **Number and extension of IS projects.** Due to the widely differing dates of accession to the Montreal Protocol, the length of time of IS project operations significantly varies among the individual countries. In consequence, the number of IS extensions approved varies from country to country. Some IS projects which were recently approved are still implementing the first phase (Equatorial Guinea, Iraq, Myanmar, Saudi Arabia). Libya and Uganda are also still in the first phase of the IS projects although the IS project was approved for Libya in 2000 and for Uganda in 1994. This is due to missing documentation required for previous expenses and planned activities (Libya) and protracted issues associated with the transfer of the IS funds (Uganda). On the other hand a number of countries are already implementing phase 7 or 8. Countries in the sample evaluated range from 8 phases in the case of Venezuela to 3 phases in Albania.

24. In cases where a country is declared to be officially in non-compliance with some provisions of the Protocol, the Executive Committee's current policy is to approve a renewal for a one year period only rather than the usual two years to allow the country to continue the institutional strengthening activities while working to return to compliance (in the sample, some IS phases were approved one year for Albania and the Philippines). There are in total 21 other countries where this was applied for one or two phases until compliance was re-established. The main reasons behind such problems of compliance were,

in many cases, internal difficulties relating to changes in government, weaknesses in legislation and enforcement, economic problems, lack of awareness among stakeholders, or administrative restructuring. In addition, for 35 other countries, most of them LVC countries, IS extensions were also approved for one year only, with the provision to solve outstanding issues with regard to delays in ratification or data reporting, licensing systems, non-availability of a full-time ozone officer or for establishing a national compliance centre in the context of the Pacific Island countries (PIC) strategy for Pacific Islands countries. Some countries pointed out that IS approval for one year only created problems of continuity for NOU staffing and activities.

25. **Follow-up to decision 30/7.** Regarding the changes in the position of the NOU since 2000 and the implementation of decision 30/7 of the Executive Committee, most of the NOUs in the countries and the regional networks covered reported that those recommendations have been implemented albeit to varying extent. The overwhelming majority claimed in the questionnaires received and in interviews that the NOU has increased its influence within the Government, is more able to drive changes in the country, has better access to decision-makers. The ozone work plan is better integrated into the Government's overall plan, and there are better links to private stakeholders. As different problems were mentioned by NOUs during the personal interviews, some doubts remain regarding the reliability of such a very positive response. In some cases (e.g. Egypt) it was indicated that although the NOU's influence on the Government remains the same as before decision 30/7, the NOU has now better access to decision-makers and private stakeholders. Mauritius reported that it did not undertake specific measures to implement some of the recommendations because it did not think it to be necessary in view of full compliance achieved by that country.

26. **Delays and reasons.** Many IS projects have had extensive delays, both in terms of increased duration of IS phases due to missed planned completion dates and also in terms of late submission of extension requests and consequently late approval of the following phase. Such delays might not necessarily signify delayed activities and compliance problems if Government sources compensated for stretched funding from the Multilateral Fund or if activities turned out to be less costly than planned. However, they certainly resulted in foregone Multilateral Fund funding for many NOUs. The following table shows that delays over all IS phases approved are rather the rule than the exception and common in all regions, particularly in Africa and Europe:

Table 6: Average Implementation Delays of IS Projects per Region

| Region | Number of countries with IS | Number of countries with IS delays | Average cumulative delays per country (months) ² |
|-----------------------------------|-----------------------------|------------------------------------|---|
| Africa | 52 | 49 | 17.97 |
| Asia and the Pacific ¹ | 45 | 40 | 15.02 |
| Europe and Central Asia | 12 | 11 | 16.68 |
| Latin America and the Caribbean | 33 | 30 | 12.86 |
| Total | 142 | 130 | 15.63 |

¹Including West Asia

²Adding up all months between planned completion dates of IS projects and dates of approval for the next phases.

27. The total funding foregone by delayed submission and approval of subsequent IS phases amounts to US \$21.7 million, which represents 33 % of all IS funding approved. The regions affected most were Africa and Europe and Central Asia. These are approximate figures as some delays might have been unavoidable and did not necessarily interrupt availability of funding for the NOUs concerned. Nevertheless the magnitude is significant. On the other side, there are rarely funds returned (in total only US \$349.903), and instead disbursements take place beyond the planned completion dates until funds are exhausted.

Table 7: Average IS Funding Foregone per Region

| Region | Cumulative approved durations of all IS phases (months) | Cumulative months foregone | Total IS funds approved (US \$) | Funding foregone (including 30 % increase for projects approved at the 35 th Meeting and after) | Funding foregone as per cent of approved funding |
|--|---|----------------------------|---------------------------------|--|--|
| Africa | 5,488 | 1,869 | 18,453,825 | 8,844,270 | 48% |
| Asia and the Pacific including West Asia | 4,643 | 1,126 | 23,294,631 | 5,760,227 | 25% |
| Europe and Central Asia | 1,123 | 270 | 4,316,240 | 1,922,237 | 45% |
| Latin America and the Caribbean | 4,187 | 990 | 19,443,961 | 5,246,906 | 27% |
| Grand Total | 15,441 | 4,255 | 65,508,657 | 21,773,640 | 33% |

28. Delays in completing phases under IS funding can be attributed to many different factors, the most relevant identified during the country case studies are the following:

- (a) Specific problems in countries of political instability or economic restructuring (e.g. Albania, phase I);
- (b) Long and complicated administrative and/or legislative procedures (e.g. Bangladesh, most phases);
- (c) Difficulties in achieving consensus among sectors involved or affected (e.g. the Philippines, phases I, II);
- (d) Changes in administrative structures and/or in NOU staff (e.g. Egypt, phases III, V, Malaysia, phases IV, V, VI, Cameroon, phase I, Trinidad and Tobago, phase I);
- (e) Difficulties in fulfilling reporting requirements and delayed transfer of funds (e.g. Trinidad and Tobago, phase I);
- (f) Delays in disbursing the funds approved, either because cost turned out to be less than projected or other sources of funding provided additional resources, like in Mauritius;
- (g) Delays in implementing the planned activities as in Mauritania where an important delay was caused by the fact that the NOU was not staffed for two years, thus hindering all follow-up and reporting activities. Moreover, the transfer of the IS project from the French GEF to UNEP as implementing agency took time.

29. All delays in completing IS projects in the countries covered by the sample can be attributed to one or more of these causes which in many cases cannot be fully controlled by the NOUs.

30. The average delays in submissions and approvals of IS projects have been diminishing significantly in 2006 and 2007 and the number of IS phases approved before actual completion of the previous phase has increased substantially showing that IS projects are adhering more than before to the planned schedules and work to assure uninterrupted funding. In order to avoid NOU staff instability and interruption of activities, preparation and submission of the IS extension request should be planned to take place at least three months, or better still six months before the ongoing IS phase is scheduled for completion.

Table 8: IS Projects Approved Before and After Completion of the Previous Phase

| Year approved | Total funds approved (US \$) | Total number of IS phases approved | Average delays of IS approvals (months after planned completion of the previous phase) | Number of IS phases approved before actual completion of the previous phase | Percentage of IS phases approved before actual completion of the previous phase |
|---------------|------------------------------|------------------------------------|--|---|---|
| 1992 | 2,758,548 | 10 | | | 0% |
| 1993 | 4,653,280 | 21 | | | 0% |
| 1994 | 2,464,996 | 19 | | | 0% |
| 1995 | 1,276,367 | 13 | 1.00 | 2 | 15% |
| 1996 | 2,707,990 | 22 | 10.92 | 6 | 27% |
| 1997 | 1,758,835 | 21 | 12.85 | 6 | 29% |
| 1998 | 3,338,064 | 30 | 17.50 | 10 | 33% |
| 1999 | 3,133,163 | 33 | 14.47 | 16 | 48% |
| 2000 | 3,766,520 | 37 | 15.19 | 13 | 35% |
| 2001 | 2,813,051 | 27 | 19.77 | 14 | 52% |
| 2002 | 5,618,919 | 54 | 11.93 | 23 | 43% |
| 2003 | 5,002,004 | 48 | 20.25 | 18 | 38% |
| 2004 | 5,700,642 | 62 | 20.53 | 26 | 42% |
| 2005 | 5,676,782 | 52 | 20.13 | 35 | 67% |
| 2006 | 5,724,339 | 68 | 11.46 | 45 | 66% |
| 2007 | 6,889,721 | 60 | 11.48 | 43 | 72% |
| 2008 | 2,225,436 | 21 | 8.12 | No information yet | N/A |
| Total | 65,508,657 | 598 | 15.63 | 257 | 43% |

31. **IS delays: the case of English-speaking African countries.** In view of the relatively high level of delays recorded for the African region a more detailed analysis was made for the member countries in the English-speaking African Network to determine the potential impact on the affected NOUs. Results of the analysis showed that the main cause of the delays was predominantly problems relating to financial transfers from the IAs to the recipient countries caused by initial difficulties in establishing fund transfer mechanism and failure of NOUs to meet IAs' reporting requirements. For instance, in Botswana initial efforts of the IA (UNEP) to transfer funds through UNDP did not succeed but caused further delay. In Uganda as at now the problems that arose from the transfer of funds from UNEP to the Government for the initial IS project approved at the 13th Meeting in July 1994 have still not been resolved causing the country to forgo US \$288,658 in IS support (over 80 % of the amount it should have received for IS during the subsequent years. Libya is the second country in the group that is still implementing phase 1 of the IS project approved at the 32nd Meeting in December 2000. Changes of the ozone officer and the institution hosting the NOU, lack or slow responses of the NOU to the implementing agency UNIDO, generally slow progress of phase-out activities and maybe limited importance of the funding for the country were the main reasons for the delays. However, as evidenced by the data in Table 3 in Annex I for most countries the delays in IS extensions did not necessarily imply delayed activities and phase-out results. According to various performance indicators such as Article 7 and country programme data reporting, etc. it appears that the countries generally met the performance criteria. More than 60-90 % of the various projects approved for these countries have been completed and, as of 2006, four of them (Lesotho, Namibia, Seychelles and Uganda) had fully phased out CFC consumption, followed in 2007 by Mauritius. The other countries continued to sustain compliance with the 2005 CFC reduction measures and to maintain NOU activities by stretching the disbursements over longer periods than initially planned.

V. Management structure and capacity

32. **NOU and PMU.** Regarding the links between NOUs and Project Management Units (PMUs), three model versions have been observed. Firstly, in most LVC countries (e.g. Namibia, Nepal, and Trinidad and Tobago) no PMU is operating. Secondly, in a few countries (e.g. Albania, Cameroon, Lebanon, Mauritania, and Mauritius) the NOU and PMU are constituted by the same team, with some staff paid by the phase-out plan. In case of specific tasks relating to project implementation part-time experts are being contracted and paid from IS, NPP or TPMP funds. Thirdly, in countries with a significant volume of ODS consumption (e.g. Bangladesh, Egypt, Malaysia, Philippines, and Venezuela) PMUs are charged with implementing the NPP under the supervision of or sometimes parallel to the NOU, cooperating in most cases closely and smoothly, strengthening significantly the capacities available for the implementation of phase-out activities. In Egypt, the PMU has been responsible for the projects in the refrigeration sector and now, after a restructuring, it continues to be the executing unit for the NPP but under close direction by the NOU. In Malaysia, the PMU is responsible for the implementation of the MAC and other refrigeration sector phase-out projects under the NPP, but it is additional staff of the NOU and not a distinct management unit. In the case of the Philippines, 2 PMUs are operating, one of them being responsible for the CFC phase-out plan, and the other for the methyl bromide phase-out strategy. Both are being supervised by the NOU that monitors their activities in accordance with the respective work plans. While in some countries occasional frictions between the NOU and PMU were reported, generally the NOU remains in charge and the division of labour is clearly defined.

33. **Cooperation within the ministry.** In most countries the NOUs are located within the Ministry of Environment or the Ministry of Natural Resources, with the NOU reporting to the Deputy Minister or another senior officer. In a few cases, they are part of the Ministry of Industry or the Department of Meteorological or Metrological Services as in Vietnam and Nepal. In the majority of countries, salaries of some or all the NOU staff including professional and support staff are partly or fully funded from the IS project either as topping up of government salaries or under temporary or consultant contracts. In some countries (e.g. Malaysia, Mauritius, Philippines) most of the NOU staff are permanent government officers who are fully paid by the government. In Nepal, Trinidad and Tobago, Botswana and Namibia the NOU coordinators or the professional staff are paid by the government and in some African countries (e.g. Cameroon, Mauritania, Morocco and Nigeria) the ozone officers are public servants being paid by the Government (basic salary) with a topping up from the IS funds. In the Caribbean region frequent turnover of NOU's staff is observed mostly due to a "brain drain", and several professionals left for international positions after their experience with the NOU provided them with better skills. In one of the countries covered by the sample (Albania) staff members of the NOU are not civil servants but professionals contracted by the ministry and paid from the IS budget. As staff members are specialists nominated for accomplishing a special task, they are not subject to regular rotation in the ministry, and so ensure continuity and have an increasing experience in issues related to ODS phase-out. Generally, it can be said that the capacity of the NOUs regarding staff, equipment and physical infrastructure is adequate for the performance of current tasks (see overview Table 4 in Annex I).

34. **Cooperation with other ministries and government agencies.** For all countries covered by the sample and also for most of those interviewed at the regional networks meetings, good cooperation between the NOU and the relevant Government Departments has been reported. Such a cooperation has proven to be a basic condition for the coordination with the Ministry of Trade and the Customs Authority for controlling imports and exports, or with the Ministry of Industry for the control of ODS consumption in the manufacturing sector. In most cases, the respective Government Departments involved in the ODS phase-out process are represented in a Steering Committee or an Advisory Group that meets regularly or in accordance with the issues to be decided upon. In some countries (e.g. Philippines) formal partnerships based on a Memorandum of Understanding (MOA) have been established, so for instance with the Customs Department, the Department of Trade and Industry, the Department of Transportation and the Technical Education and Skill Development Authority. In recent years, in many countries, MDI strategies and projects have been developed and implemented, which required close cooperation with the public

health authorities and the medical community. Cooperation for halon phase-out with the defence forces has been attempted also by many NOUs, with varying success.

35. **Cooperation with private stakeholders.** In most countries, the relevant institutions of the private sector such as associations of refrigeration, importers organizations, technical research and training centres and other related organizations are represented on the Steering Committees or Advisory Groups for which generally the NOU is the Secretary preparing and coordinating meetings. The main objective of establishing such committees was to create a sense of ownership, problem-solving partnerships and a collective dedication to remediation since such cooperation has proven to be one of the most important conditions for achieving compliance with the Montreal Protocol targets. However, the role and performance of networking between the NOU and the business sector varies in the individual countries. In some cases (e.g. Malaysia) informal stakeholder involvement is achieved through forums, trainings, workshops, consultations and other information outreach activities undertaken by the NOU and the PMU. In several countries, however, support from the industry was assessed by the NOUs with some reservation. In Lebanon at the early stages of the project importers were reluctant to share accurate information as they had concerns and fears related to fiscal declaration and tax implications; later the issue was resolved and the NOU created a good cooperation with those importers. It was also reported in Morocco and Venezuela that in the business community profit and productivity were the main concerns, which at times slowed down cooperation. Encouraging examples are information exchange and the two public-private partnerships (PPP) organized by CAP ROAP: one with CFC producers on illegal trade issues and two, the Langkawi Declaration on PPP with regard to MDI phase-out.

36. **Cooperation with IAs.** The questionnaires and the individual country reports do not say much about the cooperation between NOUs and IAs. Relations have been generally assessed as good or excellent. According to NOUs, assistance provided by the IAs is highly appreciated. In some countries where several IAs are implementing various projects and parts of phase-out plans (e.g. Egypt, Nepal, Philippines), better coordination among the procedures and activities of the agencies involved has been suggested. In a few cases (Cameroon, Trinidad and Tobago) delays in the transfer of funds via UNDP's country offices or in delivering customs clearance of equipment were reported. In Nepal UNDP's country office appeared not to give fast track treatment to processing project documents or prepare and evaluate bidding documents, in view of other overall priorities such as anti-poverty programmes, crisis prevention and disaster relief. In Bangladesh, long disputes developed between the Ministry of Environment and the UNDP country office on the best ways of implementing the IS project and the PMU, in particular with regard to incentive payments and temporary contracts.

VI. Terminal reports and extension requests

37. **General remarks.** Although the share of reporting in the work load of the NOUs is said to be moderate (most frequently reported was 5 % to 10 %), several ozone officers pointed to the great number of reports to be prepared and submitted to the different institutions and agencies. Besides terminal reports, extension requests and verification reports (where applicable), regular reports have to be delivered to the respective national government departments (quarterly, semi-annually and/or yearly), the Fund Secretariat (annual progress reports on CP implementation), the Ozone Secretariat on ODS consumption (annual report), the IAs on accomplishments and expenditures, and other multi- or bilateral agencies on progress if so required. Opinion of the NOUs on the formats of terminal reports and extension requests is generally positive. Most respondents find that they are easy to understand and to complete. More divided were the opinions regarding the question whether these formats are suitable to encourage the NOU to highlight problems and difficulties.

38. **Activities reported against objectives.** It was observed that in many extension requests the objectives, activities and expected results were not listed in concrete terms, making monitoring and evaluation difficult to undertake. The intended impact of activities for which funds are approved is either

to reduce or eliminate consumption and to ensure a country's compliance with the provisions of the Protocol. Therefore it would be useful if results reported in terminal reports would be quantifiable as much as possible and in a form that assures a high level of confidence and accountability. Lack of performance indicators in terminal reports and extension requests makes monitoring of cumulative progress and results achieved rather difficult. In reviewing a series of extension requests it was found that, for instance, under the objective "reduction of ODS consumption", the result expected is specified as "reduction of ODS consumption". Such general statements should be avoided and the targets be defined in more operational terms. Admittedly, not all results expected are exactly quantifiable, but stating an estimated target value would be useful for the planning, implementation and monitoring of related activities. In a number of cases, terminal reports and extension requests remain remarkably similar for several phases, hinting that copy and paste word processing takes place. This points to an expectation that IS funding will be approved anyway, and is seen as a periodic allowance to keep the NOU functioning rather than as a project with detailed planning and review.

39. **Cross references required.** The terminal reports relate in most cases all results achieved to activities conducted by the NOU, even in cases where the NOU would only have been a facilitator like for investment projects. There does not appear to be a common understanding of how progress or results should be presented and how the results attained in the country should be expressed so that roles of all players are discernible. It is difficult to identify and assess the activities performed by the NOU itself separate from those performed by others such as PMUs, implementing agencies or their contractors for which the NOU played the roles of promotion, supervision and/or monitoring. It is essential to make cross references to the responsible IAs or PMUs to clearly delineate responsibilities.

40. **Highlighting of problems.** Delays, failures, difficulties in project or programme implementation cannot be identified, assessed and interpreted without explicitly making reference to the underlying problems, adverse circumstances in the field of politics, economy, technology, or other areas of influence. Lacking such information, appraisal of the actual situation and, consequently, the approval of further activities proves to be less transparent and more uncertain. Specifically identifying constraints, risks and assumptions may significantly contribute to a realistic assessment of the chances and the feasibility of the activities envisaged, and should be encouraged in future submissions of reports.

41. **Using logical chains.** Most of the countries covered by the sample do not use the logical chain approach for the planning of activities. Generally, activities are planned according to the actual problems and the possibilities to resolve them. In Mauritius it is believed that such an approach is more appropriate, given zero CFC consumption in that country. Cameroon and Lebanon have used a sort of logical chain approach although linkages and differences between objectives, activities and results were not always clear. Mauritania reported that a logical approach for planning has been used during the first three phases of the IS project but to a lesser extent during the 4th phase. Some of the countries suggested that it would be useful to provide more training for the NOUs in the use of the logical chain approach, while others prefer less detailed planning which leaves ample room for adjusting to changing circumstances as needed. This would also mean a closer oversight by the agency responsible for the IS project to assist the country in identifying priorities and how these can be implemented in future phases, vis-à-vis their performance in the previous phase.

VII. Budget structure and funding allocations

42. **Budget structure.** The funds approved for the IS projects generally cover the following costs: staff salaries, equipment, public awareness, travel and other operational costs. Breakdown of these cost components in the individual countries covered by the sample shows that in most cases salaries for professional and support staff take the highest proportion of NOU expenditure, ranging generally between 40 % and 60 %. In addition, there are in some cases costs for consultants. In terms of activities, public awareness takes most funding, absorbing between 11% in Albania and 72 % in Nepal. The reminder is

spent on operational expenses, communication and contingency and other which covers travel, workshops, office space and other items. The budget structures are quite heterogeneous, not only in terms of main budget items but also in terms of categories used.

43. **Staff costs.** In many countries, Governments do not accept payment of salaries to civil servants from the IS funding. Therefore, it might be that 1 or 2 staff of the NOU are financed from the Ministry budget (co-funding in kind) and additional staff is hired on consultancy contracts. Other countries use only local consultants as NOU staff which gives them more flexibility and they do not need to commit funding in the long term. In such cases, the full salary of the consultants is usually paid from the IS funding. In other countries, the basic salary of the NOU staff is paid by the Ministry budget and they receive incremental salary incentives from the IS budget. However, this is not acceptable for all countries because it creates a distortion of the salary structure within the Ministry. In a few countries (Malaysia, Mauritius, Namibia, Nepal) the professional staff is on the Government's payroll though in Namibia the position of the ozone officer is currently vacant and his assistant is paid from IS funds. In some other cases (e.g. Cameroon) basic salaries are paid by the Government and topped up with some incentives from the IS funds. In Mauritius initial incentives paid from IS funds were abandoned during the later phases of the project.

44. In Bangladesh, the ozone officer advised that he has not been paid for months as the project document for the next IS phase circulated for many months within various departments for approval, and also that he was not able to hire staff without funding for salaries. No one wishes to join the NOU for a short-term assignment and the Government is refusing to commit to maintain NOU staff positions on a long term basis. At the same time, the Ministry of Environment does not easily accept that temporary staff paid by the IS project or NPP would receive higher salaries than equivalent civil servants, which would be a pre-requisite to finding and retaining well-qualified candidates. In Trinidad and Tobago, most of the activities under the IS project are being carried out by "local consultants" and "contractual services" including the National Ozone Assistant. Monitoring and servicing workshops are conducted by an independent consultant contracted under the terminal phase-out management plan (TPMP). Once the TPMP is closed no funds for such activities will be available. In Venezuela, the cost structure is such that there are no funds left to cover key activities. Public awareness activities, for instance, are funded from NPP funds.

45. **Sources of funding.** The main source of funding for the IS projects is the Multilateral Fund. In some cases, however, Governments have provided funding for staff and some other costs. Generally, Government contributions are in-kind such as office space, furniture, equipment, and communication facilities. Such contributions come mainly from the Ministries of Environment where most NOUs are situated, but also from other line ministries and government agencies involved in ODS phase-out activities. In a few countries the Government has contributed to activities such as raising of public awareness (e.g. Egypt and Mauritius), in Namibia about US \$18,000 is reported to have been contributed by the Government to cover professional staff costs. In the Philippines, some contributions to the implementation of projects from Sweden and the IAs have been reported. According to the country case studies and the questionnaires received from member countries of the regional networks, almost all NOUs stated that their Governments would not be able to provide full funding for the NOUs should the Multilateral Fund not continue funding of the IS projects. A small number of countries indicated that their governments might be able to partially support the NOU but availability of funds could not be guaranteed or would be erratic. The Lebanese NOU took the initiative to establishing partnerships with the private enterprises that injected additional funds to the awareness programme allowing for massive production of awareness material through which the campaigns were widely spread over the Lebanese territory. For every US dollar invested through the Multilateral Fund the NOU was able to mobilize funds of US \$1.2 from the private sector on the awareness and outreach programme. In some countries (e.g. Ghana) direct financial support from industry to the NOUs is not entertained due to concerns on compromising their independence of activity.

46. **Funding criteria.** Funding of IS projects has been calculated based on the level of baseline ODS consumption. Many NOUs interviewed are of the opinion that other criteria should be used in addition, such as taking into account the volume of activities undertaken by a country to phase out ODS and considering also the size of the population and the country which could have an impact on cost of travel and public awareness activities required. The current level of funding was reported to be sufficient to meet the needs of the majority of NOUs, but it was expected to become progressively insufficient as the programmes move beyond 2010. In countries with PMUs that will cease operation once the phase-out plans will be completed, NOU staff might still have to continue some monitoring and outreach work done now by the PMUs. In some of the countries, the falling exchange rate of the US dollar by 30 % to 40 % compared to local currencies has produced significant problems. In addition, several countries reported high inflation rates with important effects on prices of local materials and services as well as salaries. Many ozone officers argued that for maintaining the operative capacity of the NOUs until 2010 and beyond, all factors determining actual cost should be taken into consideration.

VIII. Future work and new challenges

47. **Changing demand for NOU capacity.** There are evidently new challenges and tasks for the NOUs during the next years to come. Until 2010 they will face the double challenge of ensuring sustainable compliance with the elimination of CFCs, halons and CTC and the preparation of strategies for the control and phase-out of HCFCs. After 2010 their work will have to focus on implementing the phase-out plans for HCFCs, monitoring and sustaining the final phase-out of CFCs, halons and CTC, and completing the phase-out of methyl bromide and TCA and, in some cases of CFCs used for MDI production. Tasks relating to the MDI sector may create additional problems since MDI work will require the involvement of new stakeholders in the health sector in case of continuous CFC consumption, and the preparation of essential use nominations. Monitoring of HCFC consumption is expected to be more complicated than it was for CFCs because blends are more difficult to identify by customs. Analysis of HCFC consumption done for Egypt and the countries of the English-speaking African Network showed that in most countries HCFCs, especially HCFC-22, are being consumed in much larger quantities than CFCs. In some countries such as Egypt, South Africa and some LVCs show very high growth in the consumption of HCFCs, mainly HCFC-22 and to some extent HCFC-141b and HCFC-142b has been observed in the past three to four years. In some cases, in physical terms (metric tonnes) HCFC current consumption is up to four times the country's peak demand for CFCs, signalling potential demand for considerable investment and non-investment projects in the future. It is also assumed by many NOUs that after 2010 the demand for recovered and recycled CFCs and halons might increase and some illegal trade might continue making additional measures of enforcement, monitoring and awareness raising necessary.

48. **Workload assessment.** Most countries responding to the questionnaire, and the majority of those visited expect that the implementation of the Montreal Protocol control measures for HCFCs would require larger efforts in terms of awareness raising, development of regulations, capacity building, import controls, monitoring, education and training. Some of the NOUs (e.g. Egypt, Cameroon, Malaysia, and Mauritania) emphasized the need to increase efforts for monitoring and enforcement. Some countries (e.g. Albania, Bangladesh) even requested additional funding (though no amount was mentioned) for technical assistance in developing strategies in the HCFC and MDI sector. In Egypt, halon banking has been mentioned as a long term project requiring the NOU's continuous involvement beyond 2010. The Lebanese NOU expects an increase of workload until 2010 for the complete phase-out of CFCs and preparation of the HCFC phase-out plan. Since the West Asian countries are important consumers of ODS due to the climate that requires air conditioning throughout most of the year, conversion of A/C equipment will remain a major challenge during the next years. In a few countries, however, no significant changes beyond 2010 are expected. Mauritius, for instance, has indicated that the NOU is self-sustaining and ready to cope with the phase-out of HCFCs. No significant changes are expected in Malaysia, Namibia and Nepal either, where the HCFC phase-out is considered to replace all activities undertaken for CFC phase-out in the past.

49. **Future funding needs.** There is a perception among the NOUs that current funding levels will become progressively insufficient as the programmes move towards 2011, 2015 and beyond. Reference is made in most cases to increasing efforts required in the areas of public awareness, development and enforcement of regulations for HCFC control, monitoring, and trade control. Some countries (e.g. Trinidad and Tobago) reported that HCFC baseline consumption in metric tonnes and the number of registered HFCF importers are significantly higher than was the case for CFCs. Cameroon pointed to the need for improving the outreach beyond the capital requiring frequent and costly travels by the NOU staff. Mauritania also claimed that more funds for increased mobility of the NOU staff are needed, especially to better monitor fishing ports where vessels and cold storage facilities generally still use CFCs for refrigeration. In the Caribbean region, the question whether IS funding at the same level will be enough to meet the NOUs' future need, has been negatively answered by all respondents. Some countries such as Ghana and Kenya indicated that current levels of funding are not adequate to cover all planned activities resulting in cutbacks in activities.

50. Besides in-kind support which is an essential component of most IS projects, it is only in exceptional cases that the Government's contribution could replace even partially Multilateral Fund support. Such special cases have been reported by Mauritius, for instance, where the NOU is organically integrated into the Ministry of Environment, expecting however, that some funding will continue to be available to pay incentives to the NOU staff. In Namibia it is assumed that awareness activities could be supplemented by Government resources. Malaysia is one of the countries where Government counterpart funding makes an important contribution to ODS-related activities, but even in this case continuation of Multilateral Fund support is seen as necessary.

IX. Overall assessment of IS projects evaluated as country case studies

51. A set of mainly qualitative indicators was defined and applied to all 14 IS projects evaluated in country case studies. The criteria used for defining the indicators are described in table 5 in annex I and the results of applying them are provided in table 6. Key factors like external conditions, support received from various stakeholders, the capacity of the NOU, the results achieved, and the reporting and planning were broken down into indicators and rated with (+1), (0) or (-1). The scores were then added by country and factor identified (see Table 6 in Annex I). While this methodology doesn't allow for a very refined analysis it provides some overview of issues, points to some weaknesses in summarizing the country case studies and complements the findings in the questionnaires and discussions in network meetings.

52. The main difficulty consisted in interpreting the scores provided by eight consultants who applied them in the case studies without interacting with each other and therefore probably not always in a uniform way. No attempt was therefore made to draw conclusions based on a comparison between the countries.

53. The aggregate scoring by evaluation criteria yielded some interesting results. The strongest scores with 12 out of 14 possible points was noted for compliance with phase-out targets, followed by clarity of the terminal reports (11), and compliance with financial reporting obligations (9). Continuity of operation of the NOU (9), support received from economic stakeholders (9) and preparation of ODS-related legislation (9) also showed strongly positive results, followed by data reporting under Article 7 and country programme (8).

54. The main weaknesses were noted with regard to disbursements (1), level of funding (1) and extensions of IS projects (1), followed by some problems with regard to political stability (5) and economic conditions (4). The main deficiency related to disbursements were delays in disbursing funds, either due to reasons under the control of the NOU, such as financial reporting requirements, or beyond, as for transfer modalities by implementing agencies. The level of funding was considered by some as limiting the current or the future operational capacity of the NOUs. Extension requests were rarely

submitted on time or before the planned completion of the on-going phase but often delayed due to reasons attributable to either the NOU or beyond its control.

55. Ratings in the middle range related to support received from the government (6) and the implementing agencies (6), staff capacity of the NOUs (7), counterpart funding (8) and the comparison of planned versus achieved results (6).

X. Comparison with capacity building efforts under other MEAs

56. The Global Environment Facility (GEF) serves as the financial mechanism of the Climate Change, Biodiversity and Stockholm/POPS Conventions, and as one of two financial mechanisms for the Desertification Convention (the other being the Global Mechanism, which has no funding assigned to it and has more of a broker role). None of these conventions have any compliance deadlines for developing countries at the present time. Hence, the GEF does not support national compliance efforts in the way the Multilateral Fund does and does not support the creation of specific national units by funding staff costs.

57. However, the GEF has provided and continues to provide capacity development assistance under a variety of programmes:

- (a) The National Capacity Needs Self Assessment (NCSA) programme has been in operation since 2001 and US \$200,000 was provided to 153 countries each to assist them in preparing self-assessments of their capacity needs and priorities to implement the major international environmental conventions. Once countries identified capacity gaps, they were encouraged to develop a plan of action to overcome those gaps. Almost all GEF participating countries have done so. This would be comparable to the preparation of country programmes for the implementation of the Montreal Protocol but would not necessarily be followed up by funding for further capacity building activities for all participating countries.
- (b) Under the GEF National Dialogue Initiative, countries were supported in organizing a consultation process with various stakeholders in each country. The objective was to raise awareness about the GEF among these stakeholders and to build the capacity of GEF national focal points. As countries became more aware of the GEF, the focus shifted to policy dissemination and discussion. Subregional consultations are also held to exchange experiences. These consultations focussed mostly on the new modus operandi of the GEF, namely the Resource Allocation Framework (RAF).
- (c) A GEF Country Support Programme was established in March 2006 to help countries fulfil their obligations under the four conventions.

58. The GEF also supports capacity building under convention-specific programmes:

- (a) Under the Climate Change Convention, GEF assistance has supported country preparation of the Initial, Second, Third – and in a few cases the Fourth – National Communications to the Convention, and capacity building elements are included in the approved budgets. Standard funding is US \$400,000; some larger countries like Brazil, China and India received several million US dollars.
- (b) Also under the Climate Change Convention, the preparation of National Adaptation Programmes of Action (NAPAs) for the Least Developed Countries (LDCs) are supported which specify capacity development requirements.

- (c) Under the Biodiversity Convention, Biodiversity Action Plans have been funded and capacity development needs have been specified.
- (d) Under the Desertification Convention, a global umbrella LDC and SIDS capacity building programme was funded.
- (e) Under the Stockholm POPs Convention, National Implementation Plans (NIPS) have been funded where countries also specified their capacity development needs.

59. In addition to the above, the GEF supports capacity building as part of approved projects – both investment projects and technical assistance projects.

Annex I

Table 1: Outstanding ratifications of amendments to the Montreal Protocol

| Party | London Amendment | Copenhagen Amendment | Montreal Amendment | Beijing Amendment |
|----------------------------------|------------------|----------------------|--------------------|-------------------|
| Angola | | | | |
| Antigua and Barbuda | 23.02.1993(Ac) | 19.07.1993(Ac) | 10.02.2000(R) | |
| Bahrain | 23.12.1992(At) | 13.03.2001(R) | 13.03.2001(R) | |
| Bangladesh | 18.03.1994(R) | 27.11.2000(At) | 27.07.2001(At) | |
| Bolivia | 03.10.1994(Ac) | 03.10.1994(Ac) | 12.04.1999(Ac) | |
| Bosnia and Herzegovina | 11.08.2003(Ac) | 11.08.2003(Ac) | 11.08.2003(Ac) | |
| Botswana | 13.05.1997(Ac) | 13.05.1997(Ac) | | |
| Brunei Darussalam | | | | |
| Cameroon | 08.06.1992(At) | 25.06.1996(At) | | |
| Cape Verde | 31.07.2001(Ac) | 31.07.2001(Ac) | 31.07.2001(Ac) | |
| Chad | 30.05.2001(R) | 30.05.2001(R) | 30.05.2001(R) | |
| China | 14.06.1991(Ac) | 22.04.2003(Ac) | | |
| Costa Rica | 11.11.1998(R) | 11.11.1998(R) | 01.12.2005(R) | |
| Côte d'Ivoire | 18.05.1994(R) | 08.10.2003(R) | | |
| Djibouti | 30.07.1999(Ac) | 30.07.1999(Ac) | 30.07.1999(Ac) | |
| Dominican Republic | 24.12.2001(Ac) | 24.12.2001(Ac) | | |
| Ecuador | 23.02.1993(R) | 24.11.1993(At) | 16.02.2007(Ac) | |
| Egypt | 13.01.1993(R) | 28.06.1994(R) | 20.07.2000(R) | |
| Ethiopia | | | | |
| Georgia | 12.07.2000(Ac) | 12.07.2000(Ac) | 12.07.2000(Ac) | |
| Guinea | 25.06.1992(Ac) | | | |
| Haiti | 29.03.2000(Ac) | 29.03.2000(Ac) | 29.03.2000(Ac) | |
| Iran (Islamic Republic of) | 04.08.1997(At) | 04.08.1997(At) | 17.10.2001(At) | |
| Kenya | 27.09.1994(R) | 27.09.1994(R) | 12.07.2000(R) | |
| Lebanon | 31.03.1993(Ac) | 31.07.2000(Ac) | 31.07.2000(Ac) | |
| Lesotho | | | | |
| Libyan Arab Jamahiriya | 12.07.2001(Ac) | 24.09.2004(Ac) | | |
| Malawi | 08.02.1994(At) | 28.02.1994(Ac) | | |
| Mauritania | 22.07.2005(At) | 22.07.2005(At) | 22.07.2005(At) | |
| Mongolia | 07.03.1996(Ac) | 07.03.1996(Ac) | 28.03.2002(R) | |
| Morocco | 28.12.1995(Ac) | 28.12.1995(Ac) | | |
| Mozambique | 09.09.1994(Ac) | 09.09.1994(Ac) | | |
| Myanmar | 24.11.1993(Ac) | | | |
| Nepal | 06.07.1994(Ac) | | | |
| Nicaragua | 13.12.1999(R) | 13.12.1999(R) | | |
| Papua New Guinea | 04.05.1993(Ac) | 07.10.2003(Ac) | | |
| Peru | 31.03.1993(Ac) | 07.06.1999(Ac) | 20.05.2008(Ac) | |
| Qatar | 22.01.1996(Ac) | 22.01.1996(Ac) | | |
| Saint Kitts and Nevis | 08.07.1998(Ac) | 08.07.1998(R) | 25.02.1999(R) | |
| Saint Vincent and the Grenadines | 02.12.1996(Ac) | 02.12.1996(Ac) | | |
| Saudi Arabia | 01.03.1993(Ac) | 01.03.1993(Ac) | | |
| Solomon Islands | 17.08.1999(Ac) | 17.08.1999(Ac) | 17.08.1999(Ac) | |
| Syrian Arab Republic | 30.11.1999(Ac) | 30.11.1999(Ac) | 30.11.1999(Ac) | |
| Vanuatu | 21.11.1994(At) | 21.11.1994(At) | | |
| Yemen | 23.04.2001(Ac) | 23.04.2001(Ac) | 23.04.2001(Ac) | |
| Zimbabwe | 03.06.1994(R) | 03.06.1994(R) | | |
| Total Not Ratified | 4 | 7 | 23 | 46 |

Not Ratified

Table 2: Overview of non-compliance of Article 5 countries with reduction targets for ODS consumption¹


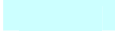
| Chemical | Country | In non-compliance with the freeze | In non-compliance with the 2005 reduction target | In non-compliance with the 2007 reduction target | Year of latest consumption data reported |
|----------------|-------------------------------------|-----------------------------------|--|--|--|
| CFC | Bosnia and Herzegovina ² | | | | 2007 |
| | Cote d'Ivoire | | | | 2007 |
| | Lao People's Democratic Republic | | | | 2007 |
| | Solomon Islands | | | | 2006 |
| Halon | Somalia | | | Not Applicable | 2006 |
| Methyl Bromide | Ecuador | | | Not Applicable | 2007 |
| | Honduras | | | Not Applicable | 2007 |
| CTC | Bolivia | Not Applicable | | Not Applicable | 2007 |
| | Chile | Not Applicable | | Not Applicable | 2007 |
| | Cuba | Not Applicable | | Not Applicable | 2007 |
| | Indonesia | Not Applicable | | Not Applicable | 2007 |
| | Mexico | Not Applicable | | Not Applicable | 2007 |
| | Paraguay | Not Applicable | | Not Applicable | 2007 |
| TCA | None | | | Not Applicable | |

¹Fields shaded in dark grey signify that compliance with the reduction step required has not been achieved and/or maintained, according to the latest data reported.

²Bosnia and Herzegovina was in compliance with its CFC plan of action in 2005 and was therefore regarded as a country in good standing. However, for 2007 the country reported 22.1 ODP tonnes which is far above the allowed amount of 3 ODS tonnes according to their CFC plan of action.

Table 3: Implementation profile of countries of the English-speaking Africa Regional Network with significant IS delays

| Country | ODS phase-out projects approved | ODS phase-out projects completed | Total amount approved for projects (US \$) | Total amount disbursed (US \$) | ODS approved to be phased out (ODP tonnes) | ODS phased out (ODP tonnes) | Baseline CFC consumption | 2006 CFC consumption | Total IS funds approved (US \$) | Cumulative months IS delays | Estimated IS funds foregone due to delays (US \$) |
|--------------|---------------------------------|----------------------------------|--|--------------------------------|--|-----------------------------|--------------------------|----------------------|---------------------------------|-----------------------------|---|
| Botswana | 11 | 7 | 646,686 | 421,954 | 7.3 | 1.7 | 6.9 | 0.7 | 246,546 | 101 | 423,182 |
| Egypt | 88 | 82 | 43,720,396 | 33,625,094 | 4,069.20 | 3,639.30 | 1,668.00 | 593.6 | 1,289,626 | 17 | 308,896 |
| Kenya | 34 | 28 | 4,078,637 | 3,002,057 | 533.9 | 237 | 239.5 | 57.7 | 711,667 | 71 | 985,945 |
| Lesotho | 12 | 9 | 416,691 | 320,721 | 6.2 | 5.4 | 5.1 | 0 | 136,000 | 49 | 79,998 |
| Libya | 28 | 21 | 6,011,198 | 4,021,639 | 1,527.30 | 654.8 | 716.7 | 115.7 | 157,000 | 59 | 320,832 ² |
| Mauritius | 19 | 16 | 1,295,081 | 1,116,194 | 57.7 | 55.6 | 29.1 | In 2007 0.0 | 170,000 | 115 | 367,530 |
| Mozambique | 12 | 9 | 615,123 | 456,492 | 22.4 | 7 | 18.2 | 2.7 | 253,280 | 84 | 360,165 |
| Namibia | 14 | 11 | 836,818 | 647,027 | 17.4 | 15.9 | 21.9 | 0 | 276,472 | 35 | 79,259 |
| Nigeria | 110 | 103 | 30,792,185 | 25,460,743 | 5,605.00 | 4,372.20 | 3,650.00 | 454 | 1,280,000 | 73 | 638,650 |
| Seychelles | 13 | 10 | 518,928 | 278,356 | 2.4 | 2.4 | 2.9 | 0 | 173,167 | 76 | 157,517 |
| Sudan | 21 | 18 | 2,937,455 | 2,233,264 | 564 | 542 | 456.8 | 120 | 538,560 | 36 | 188,831 |
| Swaziland | 11 | 7 | 477,026 | 343,933 | 24.9 | 1.5 | 24.6 | 0.2 | 185,664 | 84 | 264,155 |
| Tanzania | 18 | 12 | 1,614,327 | 1,109,921 | 345.1 | 190 | 253.9 | 54 | 183,200 | 62 | 192,317 |
| Uganda | 13 | 9 | 747,941 | 491,385 | 44.5 | 34 | 12.8 | 0 | 64,515 | 138 | 288,658 ² |
| Zambia | 18 | 13 | 952,071 | 596,764 | 30.5 | 24.7 | 27.4 | 6.6 | 191,520 | 78 | 189,570 |
| Zimbabwe | 36 | 30 | 8,113,684 | 5,607,623 | 495.9 | 275.7 | 451.4 | 63 | 695,600 | 39 | 230,108 |
| Total | 458 | 385 | 103,774,247 | 79,733,168 | 13,354 | 10,059 | 7,585 | 1,469 | 6,552,817 | 919 | 5,075,613 |

Legend  Advanced compliance with complete phase-out of CFC consumption
 Compliance with 50 % reduction in CFC consumption

¹ Delays calculated as months between planned date of completion of one phase and approval date for the following one.

² Assuming further IS phases would have been approved with continuous funding until November 2008.

Table 4: Status of the NOU in the Government

| Country | Status in Government | NOU Staff | Support from Government |
|----------------|---|--|---|
| Albania | Project Department of the Ministry of Environment, Forestry and Water Management | 2 professional staff members, 1 support staff member, paid from IS funds. For special tasks part-time experts contracted | Full support from Government, direct access to Minister's Cabinet |
| Bangladesh | Ministry of Environment and Forest, Department of Environment, located but not fully integrated in the Ministry | 1 professional expert and 4 support staff members paid from IS project | Good support from Government reported despite long and complicated approval procedures |
| Cameroon | Ministry of Environment and Nature Protection | Coordinator is civil servant on Government's payroll (basic salary), 1 professional expert and 3 support staff members paid from IS project | Full support from Government reported |
| Egypt | Ministry of State for Environmental Affairs | 6 professional and 4 supporting staff members funded from IS project | Plans well integrated into the Government's overall work plan. Full support from Government |
| Lebanon | Ministry of Environment | 2 professional staff members, 1 of them paid from IS funds and 1 from NPMP, and 1 support staff paid from IS project | Despite political and administrative problems during the last years, good support from Ministry |
| Malaysia | Ministry of Natural Resources and Environment, Ozone Protection Section | 8 permanent and 3 contractual staff members. Salaries of permanent staff members paid by Government | Full support from the Directorate General of Environment |
| Mauritania | Ministry of Environment | National Coordinator, secretary and part-time consultants are all members of civil service | Full support from the Ministry reported |
| Mauritius | Ministry of Environment | NOU staffed by officers from the Ministry on part-time basis. No external recruitment. Ozone officer and 4 environmental officers are members of different | Fully integrated in Government's structure; good support from Permanent Secretary of Ministry |

| Country | Status in Government | NOU Staff | Support from Government |
|---------------------|---|--|--|
| | | departments of the Ministry | |
| Morocco | Ministry of Industry, Trade and New Technologies | NOU staffed by two officers from the Ministry on a part-time basis (Division Chief and Chief of Unit). Receive topping up of salaries from IS. | NOU reports directly to and has the full support from the Secretary General of Ministry |
| Namibia | Ministry of Industry and Trade | Ozone Officer was paid by the Government but position is vacant. NOU is led by Assistant Coordinator paid from IS funds. Operations mostly handled by support staff and local consultants. | General support from the Government but Ozone Officer not yet replaced, lack of qualified personnel. |
| Nepal | Bureau of Standards and Metrology within the Ministry of Industry, Commerce and Supplies | Coordinator is high level Government officer paid by Government. 3 staff members paid from IS funds. | Full support from Government reported. |
| Philippines | Department of Environment and Natural Resources, Environmental Management Bureau | 8 staff members, 2 of them permanent members and 6 contracted staff funded from IS project. | Support from Government, direct access to senior decision-makers. |
| Trinidad and Tobago | Ministry of Housing, Planning and Environment, Environmental Management Authority | Coordinator is Government officer paid by the Government, 1 assistant funded under IS project. | NOU going through transition period due to reorganization at the Ministry where a new MEA unit is being created. |
| Venezuela | Ministry of Environment, Direction of Air Quality Control and FONDOIN, an autonomous Government body for technical operations | 6 professionals, 1 technician, 3 support staff members, salary cost partly paid by IS project. | Very well integrated within the different Government institutions. |

Table 5: Criteria for allocating scoring points to IS projects evaluated

1. External conditions

1.1 Political stability

- + = continuously stable political conditions, stable government
- 0 = changes in relevant ministries or departments, new elections, in a consolidated constitutional framework
- = frequent political changes, disruptions, conflictive developments

1.2 Economic conditions

- + = consolidated economic conditions, positive trend in economic development
- 0 = specific problems related to reforms and/or economic transition
- = serious economic problems, incalculable developments

2. Support received from

2.1 Government

- + = Government assigns high political priority to environmental issues
- 0 = low priority assigned to ozone issues but interest in fulfilling commitments with international obligations
- = conflicting interests between economic and environmental priorities in Government

2.2 Economic stakeholders

- + = active participation of economic stakeholders in ODS phase-out process
- 0 = formal but not clearly active cooperation of stakeholders with NOU
- = conflict of interest between NOU and economic stakeholders

2.3 Implementing agencies

- + = full and satisfactory cooperation between NOU and implementing agency
- 0 = besides some differing views, good cooperation
- = open disaccord between NOU or Government and implementing agency

3. Capacity of the NOU

3.1 Continuity of operation

- + = 1 or 2 ozone coordinator in office since the establishment of the NOU
- 0 = 3 or more ozone coordinators since the establishment of the NOU
- = frequent turnover in NOU's staff, or no designated ozone officer

3.2 Staff capacity

- + = NOU full operational regarding staff number, qualification and infrastructure
- 0 = capacity of NOU limited by insufficient personnel or technical endowment
- = NOU is not operational

3.3 Counterpart funding

- + = Government provides effective contribution to IS funding
- 0 = Government's contribution is limited to facilities in kind
- = no Government's contribution to the IS project

3.4 Disbursement

- + = MLF fund for IS project fully disbursed by the date approved for the project
- 0 = MLF funds only partly disbursed due to reasons beyond the NOU's competence
- = significant delay in disbursing MLF funds due, at least partly, to reasons under the country's responsibility

3.5 Level of funding

- + = current level of MLF funding is sufficient for covering activities under IS
- 0 = current level of MLF funding may restrict operational capacity of the NOU during the years to come
- = current level of MLF funding seriously impairs the NOU's operational capacity

3.6 Extensions of IS

- + = extensions requested and approved by the dates planned due to project completion as planned and in time
- 0 = delay of IS extension because of reasons not under the control of the NOU
- = significant delay due mainly to reasons attributable to the Government or the NOU

4. Results

4.1 Compliance with the ODS phase-out targets

- + = full and probably sustainable compliance with ODS phase-out plan
- 0 = risk of non-compliance in case of any of the controlled substances
- = non-compliance with phase-out targets

4.2 ODS-related legislation

- + = legislation in place covering all ODS-related regulations required
- 0 = legislation drafted under approval, or regulations needed to be completed
- = legislation not prepared yet

4.3 Ratification of Montreal Protocol Amendments

- + = all amendments of the Montreal Protocol ratified
- 0 = ratification of the outstanding amendments prepared and under approval
- = ratification of one or more amendments not prepared yet and outstanding

4.4 Completing planned activities and achieving planned results

- + = all planned activities completed and all planned results achieved
- 0 = majority of planned activities completed and planned results achieved
- = lesser part of planned activities completed and few planned results achieved

5. Reporting and planning

5.1 Terminal report (TR)

- + = TR contains clear and detailed results related to the objectives
- 0 = Relation between objectives and results is not evident in the TR
- = Scanty or vague information regarding results in the TR

5.2 Data reporting under Article 7 and country programme

- + = full compliance with data reporting obligations (Article 7 and CP)
- 0 = 2006 data reports submitted with delay and/or incomplete
- = data reports for 2005 not yet submitted

5.3 Financial reports

- + = full compliance with reporting obligations on financial expenses
- 0 = financial reports submitted with delay
- = financial reports not submitted

5.4 Extension request (ER)

- + = ER contains clear and detailed objectives related to the achievements of the previous phase
- 0 = Relation between objectives and previous results is not evident in the ER
- = Scanty or vague objectives

- - - -

Table 6: Overview of points scored by IS projects evaluated

| COUNTRY | Albania | Bangladesh | Cameroon | Egypt | Lebanon | Malaysia | Mauritania | Mauritius | Morocco | Namibia | Nepal | Philippines | Trinidad and Tobago | Venezuela | Total Max.+14 Min. -14 |
|---|------------|------------|------------|------------|-----------|------------|------------|------------|-----------|------------|-----------|-------------|---------------------|-----------|------------------------------|
| Evaluation scoring criteria | | | | | | | | | | | | | | | |
| External conditions | | | | | | | | | | | | | | | |
| Political stability | +1 | 0 | 0 | +1 | -1 | +1 | 0 | +1 | 0 | +1 | 0 | +1 | +1 | -1 | 5 |
| Economic conditions | 0 | 0 | 0 | +1 | -1 | +1 | 0 | +1 | +1 | +1 | -1 | +1 | +1 | -1 | 4 |
| | | | | | | | | | | | | | | | |
| Support received from | | | | | | | | | | | | | | | |
| Government | 0 | 0 | +1 | +1 | 0 | 0 | +1 | +1 | +1 | +1 | 0 | 0 | 0 | 0 | 6 |
| Economic stakeholders | +1 | 0 | 0 | +1 | +1 | +1 | 0 | +1 | +1 | +1 | 0 | +1 | +1 | 0 | 9 |
| Implementing agencies | +1 | -1 | +1 | +1 | +1 | 0 | +1 | 0 | +1 | 0 | 0 | 0 | +1 | 0 | 6 |
| | | | | | | | | | | | | | | | |
| Capacity of the NOU | | | | | | | | | | | | | | | |
| Continuity of operation | +1 | +1 | +1 | 0 | 0 | +1 | +1 | +1 | +1 | 0 | +1 | 0 | +1 | 0 | 9 |
| Staff capacity | +1 | 0 | 0 | +1 | +1 | +1 | 0 | +1 | 0 | 0 | +1 | 0 | 0 | +1 | 7 |
| Counterpart funding | 0 | 0 | +1 | 0 | 0 | +1 | +1 | +1 | +1 | +1 | +1 | 0 | 0 | +1 | 8 |
| Disbursement | 0 | -1 | 0 | +1 | +1 | -1 | 0 | -1 | 0 | 0 | +1 | 0 | 0 | +1 | 1 |
| Level of funding | 0 | 0 | 0 | +1 | -1 | 0 | 0 | +1 | -1 | 0 | +1 | 0 | 0 | 0 | 1 |
| Extensions of IS | 0 | -1 | +1 | +1 | +1 | -1 | 0 | -1 | -1 | +1 | +1 | -1 | 0 | +1 | 1 |
| | | | | | | | | | | | | | | | |
| Results | | | | | | | | | | | | | | | |
| Compliance with the ODS phase-out targets | +1 | 0 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | - | 12 |
| ODS-related legislation | 0 | +1 | 0 | +1 | 0 | +1 | 0 | +1 | 0 | +1 | +1 | +1 | +1 | +1 | 9 |
| Ratification MP Amendments | +1 | -1 | 0 | 0 | 0 | +1 | 0 | +1 | 0 | +1 | -1 | +1 | +1 | +1 | 5 |
| Completing planned activities and achieving planned results | +1 | 0 | +1 | 0 | 0 | 0 | 0 | +1 | 0 | +1 | 0 | 0 | +1 | +1 | 6 |
| | | | | | | | | | | | | | | | |
| Reporting and planning | | | | | | | | | | | | | | | |
| Terminal report (TR) | +1 | 0 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | 0 | +1 | 0 | +1 | 11 |
| Data reporting under Article 7 and Country Programme | +1 | 0 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | +1 | 0 | +1 | 0 | 9 |
| Financial reports | +1 | 0 | 0 | +1 | +1 | 0 | 0 | +1 | 0 | +1 | +1 | 0 | +1 | +1 | 8 |
| Extension request (ER) | 0 | 0 | +1 | +1 | +1 | +1 | +1 | +1 | 0 | +1 | 0 | +1 | 0 | +1 | 9 |
| | | | | | | | | | | | | | | | |
| Total (max. +19; min. -19) | +11 | -2 | +10 | +15 | +7 | +10 | +8 | +14 | +7 | +14 | +8 | +7 | +11 | +8 | 125 |

Annex II

SELECTED DECISIONS OF THE EXECUTIVE COMMITTEE ON INSTITUTIONAL STRENGTHENING

The Fifth Meeting of the Executive Committee decided:

Support for institutional strengthening within an Article 5 Party, though not explicitly contained in the guidelines on incremental costs adopted by the Parties, might, in exceptional cases, be an essential element in achieving the objectives of the Fund and the Montreal Protocol. As such, limited funding or assistance should be provided by the Fund for institutional strengthening. The level of such funding should be decided upon by the Executive Committee on the basis of a recommendation from the Secretariat taking into consideration the amount of controlled substances consumed in that country and the linkage between the institutional strengthening and specific implementation projects.

(UNEP/OzL.Pro/ExCom/5/16, para. 28d)
(Supporting document: UNEP/OzL.Pro/ExCom/7/20)
(UNEP/OzL.Pro/ExCom/7/Inf.3)

The Seventh Meeting of the Executive Committee decided:

The main objective of institutional strengthening is to provide necessary resources to an eligible country to enable it to strengthen a mechanism within the country to facilitate expeditious implementation of projects for speedy and effective phase-out of the controlled substances as well as to ensure the effective liaison between the country on the one hand, and the Executive Committee, the Fund Secretariat, and the Implementing Agencies on the other.

(UNEP/OzL.Pro/ExCom/7/30, para. 74.2)
(Supporting document: UNEP/OzL.Pro/ExCom/7/20)
(UNEP/OzL.Pro/ExCom/7/Inf.3)

The Nineteenth Meeting of the Executive Committee decided:

- (a) In the case of countries requesting institutional-strengthening projects for the first time, approval would be for three years;
- (b) Initial renewals would be at the same level of funding as the first approval; would be for two years; and would be conditional upon a report of progress and an articulated plan of future actions, this report to be submitted six months before the end of the three-year approval period; and
- (c) Any subsequent renewal would also be for two years; and would also be conditional upon a report of progress and an articulated plan of future actions.

(UNEP/OzL.Pro/ExCom/19/64, decision 19/29, para. 54)

The Twenty-fourth Meeting of the Executive Committee decided:

- (a) That some flexibility should be shown in how countries used the funds approved under projects for renewal of institutional strengthening and that, while slight variations in funds transferred between budget lines could be accepted, overall accountability was essential;

- (b) That, while a full copy of a progress report submitted under an institutional strengthening renewal should be made available to those members of the Executive Committee that requested one, provision of a summary in documentation for the meeting would suffice.

(UNEP/OzL.Pro/ExCom/24/47, decision 24/23, para. 46)

The Thirtieth Meeting of the Executive Committee decided:

- (a) To take note of the final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan;
- (b) To urge all Article 5 countries with institutional strengthening projects to ensure that:
 - (i) The National Ozone Unit is given a clear mandate and responsibility to carry out the day-to-day work in order to prepare, coordinate and, where relevant, implement the government's activities to meet its commitments under the Montreal Protocol; this also requires access to decision-makers and enforcement agencies;
 - (ii) The National Ozone Unit's position, capacities, and continuity of officers, resources and lines of command within the authority in charge of ozone issues are such that the National Ozone Unit can carry out its task satisfactorily;
 - (iii) A specified high-level officer or a post within the authority is given overall responsibility for supervising the work of the National Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol;
 - (iv) Necessary support structures, such as steering committees or advisory groups are established, involving other appropriate authorities, the private sector and non-governmental organizations, etc.;
 - (v) Personnel and financial resources and equipment provided by the Multilateral Fund are fully allocated to the task of eliminating ODS consumption and production and are made available to the National Ozone Unit;
 - (vi) Annual work plans for the National Ozone Unit are prepared and integrated in the authorities' internal planning processes;
 - (vii) A reliable system to collect and monitor data on ozone depleting substances imports, exports and production is established; and
 - (viii) Measures taken and problems encountered are reported to the Secretariat and/or the Implementing Agency in charge of the institutional strengthening project when required by the Executive Committee.
- (c) To request the Secretariat, in collaboration with interested Article 5 and non-Article 5 countries and the Implementing Agencies, to prepare general principles for agreements between governments and the Implementing Agencies on new and renewed institutional strengthening projects which incorporate the elements under (b), while recognizing that the agreements should be appropriate and adaptable to the specific situation in different countries. These principles should emphasize that action to be undertaken should be stated in general terms only in the institutional strengthening agreement;

- (d) To instruct the Implementing Agency in charge of the institutional strengthening project to follow up the phase-out status and problems encountered by the National Ozone Unit and discuss and propose possible solutions with them;
- (e) To instruct all Implementing Agencies to ensure that their project proposals are based on the current strategic planning of the Article 5 country government and ensure that the National Ozone Unit is fully involved in the planning and preparation of projects, regularly provide National Ozone Units with information on the progress of project implementation and assist them in improving their capacity to monitor and evaluate projects implemented and their impact at the country level;
- (f) To request the Implementing Agencies to define a procedure to justify reallocation of funds among the budget lines of institutional strengthening projects and report to the Thirty-first Meeting of the Executive Committee; and
- (g) To request UNEP and UNIDO to review whether quarterly progress reporting can be extended to six-month intervals and to report thereon to the Thirty-first Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/30/41, decision 30/7, para. 24)
(Supporting document: UNEP/OzL.Pro/ExCom/30/6 and Corr.1)*

The Thirty-fifth Meeting of the Executive Committee decided that all institutional strengthening projects and renewals shall be approved at a level that is 30 per cent higher than the historically agreed level. This will help countries carry out the new strategic framework agreed, and provide increased support for critical areas such as public awareness. The level of institutional strengthening funding noted above should prevail until 2005 when it should again be reviewed. This proposal would also include a clear commitment that this level of institutional strengthening or a level close to it should prevail for all Article 5 Parties until at least 2010, even if they should phase-out early. It should also be noted that, in addition to this direct increase in institutional strengthening funding, UNEP will, as agreed in 2000, be provided with US \$200,000/year to support public awareness, and countries will receive enhanced direct support on policy and substantive issues through UNEP's new Compliance Assistance Programme. Finally, it should be noted that countries undertaking national phase-out plans are likely to receive institutional strengthening funding at an even higher level than that anticipated above to facilitate national project implementation, as explicitly agreed in related phase-out agreements.

(UNEP/OzL.Pro/ExCom/35/67, decision 35/57, para. 112(a))

The Forty-third Meeting of the Executive Committee decided:

- (a) To supplement the lower ranges of annual funding levels for institutional strengthening for very low-volume-consuming countries and low volume consuming countries up to a threshold level of US \$30,000 per year, on the understanding that:
 - (i) This amount could be reviewed in the context of the review of institutional strengthening funding levels due to be considered in 2005 in accordance with decision 35/57 and the review of the requirement for further assistance for countries post-2007 also foreshadowed for 2005 under decision 31/48; and
 - (ii) The increase to the US \$30,000 threshold level would be provided on the condition that:
 - a. The relevant country duly assigned a full-time officer to manage the ozone unit; and

- b. A national licensing system controlling ODS imports was in place; and
- (b) To consider this matter, in the context of the review of institutional strengthening funding, in 2005 and to request the Secretariat to continue to collect relevant information in that respect.

(UNEP/OzL.Pro/ExCom/43/61, decision 43/37, para. 128)
(Supporting document: UNEP/OzL.Pro/ExCom/43/49)

The Forty-fifth Meeting of the Executive Committee decided to request the Secretariat to expand on the paper from China and to present to the 47th Meeting the preliminary results of an analysis of possible further action and policies required to assist compliance with the phase-out requirements for all the ODS covered by the Montreal Protocol, including the review of institutional strengthening projects envisaged under decision 35/57.

(UNEP/OzL.Pro/ExCom/45/55, decision 45/55, para. 176)
(Supporting document: UNEP/OzL.Pro/ExCom/45/48)

The Forty-seventh Meeting of the Executive Committee decided:

- (a) To note that in the compliance period specific measures had been taken to provide additional, and guaranteed institutional support and to re-focus the work of the Executive Committee on facilitating compliance;
- (b) To agree that the measures already taken constituted an appropriate response to meeting the needs of Article 5 countries in regard to their compliance obligations under the Montreal Protocol up to and including 1 January 2010;
- (c) To note that the anticipated actions required by Article 5 countries to meet compliance obligations after 2010 provided an indication that funding support for institutional strengthening might need to be continued after 2010;
- (d) That possible funding arrangements and levels for institutional strengthening support beyond 2010 should be examined at the end of 2007;
- (e) To explore the extent, nature and eligibility of any additional measures that might be considered for funding by the Executive Committee to address surveys, institutional measures and/or other preparatory activities for HCFC phase-out in the light of the results of the China policy study and the surveys carried out by UNDP;
- (f) To acknowledge that institutional strengthening support might need to be revised in accordance with the Executive Committee's guidelines when a country formally revised its baseline with the Parties to the Protocol; and
- (g) To request the Secretariat, in consultation with the implementing agencies, to prepare for the 49th Meeting a paper examining the relative merits of replacing the current requirements for submission of requests for renewal of an institutional strengthening project with a simplified arrangement that would make use of the report on progress on implementation of country programmes, which is now provided annually by all Article 5 countries receiving support from the Multilateral Fund, together with an annual cycle of funding renewals, but with no change to the annual levels of funding provided.

(UNEP/OzL.Pro/ExCom/47/61, decision 47/49, para. 186)
(Supporting document: UNEP/OzL.Pro/ExCom/47/53)