

**Memorandum of Understanding
between the
South Pacific Regional Environment Programme
and the
Government of [XX]**

regarding the

**Regional Strategy to Comply with the Montreal Protocol in Pacific Island
Countries**

Project Number:

**Financed by the Multilateral Fund of the Montreal Protocol, through the Government
of Australia and the United Nations Environment Programme-Division of Technology,
Industry and Economics (UNEP-DTIE))
Executed by the South Pacific Regional Environment Programme (SPREP)**

Regional Strategy to Comply with the Montreal Protocol on Substances that Deplete the Ozone Layer in Pacific Island Countries

MEMORANDUM OF UNDERSTANDING

BETWEEN:

1. The **South Pacific Regional Environment Programme (SPREP)** which is executing the *Regional Strategy to Comply with the Montreal Protocol in Pacific Island Countries* and represented herein by the Director of SPREP, Tamari'i Tutangata.

AND

2. The **Government of [XX]**, duly represented herein by [XX], its Minister for [XX].

3.

Background

4. At its meeting in March 2002 the Executive Committee (ExCom) of the Montreal Protocol's Multilateral Fund approved the Regional Strategy to Comply with the Montreal Protocol in Pacific Island Countries (the Regional Strategy (RS)). The ExCom agreed to provide US\$788,000 over three years to implement the Strategy in the eight core countries (the Federated States of Micronesia (FSM), Kiribati, the Marshall Islands, Palau, the Solomon Islands, Tonga, Tuvalu and Vanuatu) and to carry out a limited range of activities in PNG. Of the remaining countries, Fiji, PNG and Samoa are ahead in getting national support and three are not Parties (the Cook Islands and Niue) or had not requested assistance at the time the Strategy was submitted (Nauru).

5. In approving the Strategy, the ExCom specifically noted:

(a) With appreciation the political commitment of the Governments of the Pacific Island countries to the protection of the ozone layer, in spite of the fact that other environmental issues were higher in their national agendas, such as climate change;

(b) With satisfaction that those Governments were committing themselves to total ODS phase-out in advance of their obligations under the Montreal Protocol;

(c) That this project represented the first time that a regional ODS phase-out strategy had been proposed under the Multilateral Fund by UNEP playing a proactive facilitative role in co-ordination with Australia, New Zealand and the South Pacific Regional Environment Programme (SPREP).

6. They also noted positively in other communications that this was the first time an entire region had agreed to an early phase-out.

7. The Regional Strategy was developed by SPREP as a joint proposal for the eight core countries and with the limited involvement of PNG. It was based on the existing National Compliance Action Plans (NCAPs) that all of the core countries involved had agreed to. By pooling the individual projects into one proposal it was possible to receive a higher level of funding than would have been possible if the countries had made individual submissions. In particular, the ExCom acknowledged the early phase-out date of 2005 as being a motivating factor in allocating a relatively large budget, given the very small consumption of ODS.

Programme Objectives

8. The objectives of the Pacific Regional Strategy are to
 - ?? Assist with an accelerated and sustained CFC phase out in the Region (including a complete CFC phase out in eight of the fourteen PICs by end 2005);
 - ?? Ensure complete phase out of all other ozone depleting substances (ODS) consumption except for HCFCs and methyl bromide used for "quarantine and pre-shipment (QPS) applications" by 2005; and
 - ?? Achieve this in the most cost-effective manner.
9. To achieve these objectives, the Regional Strategy will provide:
 - ?? Direct support for the national actions to assist with the monitoring of accelerated phase out;
 - ?? Regional facilitation through SPREP for policy setting, training and public awareness;
 - ?? Active collaboration with bilateral donors i.e. Australia, New Zealand and Germany (limited to PNG);
 - ?? An overall advisory role by UNEP DTIE through their re-oriented compliance assistance programme monitored through Regional Office of Asia and the Pacific

The Programme and [Country XX]

10. To accomplish the above-stated objectives in [Country XX], primary responsibility for completion of the National Compliance Action Plan (NCAP) agreed by the Government and given effect through the RS for [Country XX] will reside with the [SPREP Focal Point, Lead Agency, national Department of Environment, another national agency?].
11. The designated [SPREP Focal Point or Head of Department or Lead Agency] is the primary contact in respect of all communications relating to the RS for [Country XX].
12. The [SPREP Focal Point, Lead Agency, Department of XX] may delegate the execution of all or parts of national responsibilities for the RS to another government agency or a non-government organisation, by a Letter of Agreement.
13. The [SPREP Focal Point, Lead Agency, Department of XX] will establish, manage and administer a National Compliance Centre [for the Montreal Protocol] (NCC) or National Ozone Unit in accordance with their NCAP appended at Annex I.
14. The NCC may establish working groups, sub-committees or advisory groups to support the work of the NCC and the implementation of national components of the RS. The Terms of Reference for each working group, sub-committee or advisory group, including reporting responsibilities and a schedule of work, must be agreed by the NCC.
15. If the [SPREP Focal Point, Lead Agency, Department of XX] elects to delegate responsibilities for execution of all or parts of the pilot project for [Country XX], the terms and conditions for management, administration, financial arrangements and delivery of the NCAPs outputs will be detailed in the Letter of Agreement, signed between SPREP, the [SPREP Focal Point, Lead Agency, Department of XX] and the delegated agency or organisation.
16. The [SPREP Focal Point, Lead Agency, Department of XX, or the delegated agency] will recruit and manage a National Compliance Officer (Ozone Officer) who will be responsible for the implementation of the country's NCAP and the national components of the RS.
17. The National Compliance Officer will be appointed on the basis of a competitive selection process.

18. Unless otherwise agreed through sub-contractual arrangements, the National Compliance Officer will report to the [SPREP Focal Point or Head of Department or Agency or delegated agency]. The duties of the National Compliance Officer are set out in the attached NCAP and include the activities discussed in para 20 below.

19. The National Compliance Officer is not an employee of SPREP.

20. Upon agreement on the processes and procedures for the management and administration of the national component of the RS for [Country XX], the [SPREP Focal Point or Head of Department or Agency or the delegated agency or organisation] will be provided with financial resources, technical advice and information by the Assistant Project Officer (APO), Ozone Depleting Substances based at SPREP in Apia, Samoa. SPREP will also provide technical assistance through other international consultants as required. These financial resources and services will be in support of the following national activities in relation to the RS:

- ?? Management and administration of national components of the RS;
- ?? National and local community consultations on the selection and subsequent implementation of the national legislation required to implement the Montreal Protocol in the country;
- ?? Collection of data on consumption of ozone depleting substances (ODS) for submission to the Montreal Protocol Ozone Secretariat and the Montreal Protocol Multilateral Fund Secretariat.
- ?? Co-ordination of education and training for refrigeration and air-conditioning service technicians that will be carried out in co-operation with SPREP -contracted training body
- ?? Education and training for Customs Service and other enforcement officers on the Montreal Protocol carried out in co-operation with SPREP's contracted trainer .
- ?? Dissemination of information relating to the Montreal Protocol and the RS in each participating country and other activities related to the phase-out of ODS.

Commitments of Government of Country [XX]

21. In order to facilitate the implementation of each country's NCAP, the Government of [XX] will authorise the NCC and the National Compliance Officer to:

- ?? access information relevant to national components of the RS for [Country XX] in accordance with relevant national laws and regulations on confidentiality;
- ?? collaborate with other local, regional or global programmes and projects relating to the protection of the ozone layer;
- invite and encourage government ministries, agencies and departments to engage in consultations for the implementation, monitoring and evaluation of national components of the RS and, where appropriate, facilitate their active involvement in RS -and NCAP-related activities and includes co-ordination the functioning of the national ozone committee and other interested groups;
- invite and encourage non-government organisations, other inter-governmental agencies, community groups and the private sector to engage in consultations to facilitate the implementation, monitoring and evaluation of national components of the RS and, where desirable, facilitate their active involvement in RS -related activities;
- ?? employ national experts specifically to assist with the implementation of national components of the RS , provided this can be accomplished within the funds provided; and

?? participate in regional or global workshops and meetings relating to the RS and the Montreal Protocol with the financial assistance of SPREP or other Montreal Protocol agencies and funding bodies.

22. In support of the implementation of the national component of the RS, the Government of [XX] agrees to provide the NCC and the National Compliance Officer, through the Ministry of [XX], with the following resources and support services:

?? logistical support in the form of office space, communications equipment, office furniture and administrative support;

?? quarterly financial reports, in an agreed format, be furnished to SPREP by the 15th day following the last day of the quarter. Copies of all invoices for expenses incurred must be attached to the financial report for SPREP's internal audit purposes. SPREP reserves the right to carry out an audit in the host country XX or request that an audit be carried out by an independent auditor from the host country XX if the need arises. The host country XX must also ensure all original supporting documentations are stored safely and be readily available upon request.

?? The first financial report to be submitted three months after the receipt of the first instalment and disbursement of funds or no later than 15 April 2003, whichever is the earlier. Where activities have involved multiple funding sources, reports will describe such complimentary or counterpart funding applied to activities related to the RS;

?? annual audits, by a certified and registered auditor, or an approved national audit authority.

?? on request, provide support for the preparation of any Progress Reports to the Montreal Protocol Multilateral Fund through the APOODS that are to be submitted by SPREP,

?? provide quarterly reports on progress made towards the achievement of the proposed outputs, in the relevant format, to SPREP together with the financial report. The first report should be submitted to SPREP no later than 15 April 2003;

?? ensure that the Montreal Protocol Multilateral Fund is appropriately acknowledged in any reports produced with the assistance of staff supported under the RS, or with RS resources;

?? communicate regularly with the APO-ODS at SPREP on matters relating to the RS.

?? provide technical and administrative staff, as required, to assist support the implementation of the national component of the RS;

?? provide facilities to organise local, national or regional meetings, workshops, conferences, and to publish and disseminate the work of the national component of the RS;

?? establish inter-Government department or agency collaboration and consultation for the implementation of national components of the RS, and

?? in relation to the flexibility on the use of funding approved as per Decision 36/26 from the Thirty-Sixth Meeting of the Executive Committee of the Multilateral Fund Secretariat, SPREP must receive full disclosure providing reasons for the reallocation of funds prior to expending these funds. It is only after SPREP has given their approval for such transfers that the country can therefore proceed to utilise the funds as per the approved revisions.

Commitments of SPREP

23. In order to effectively implement the NCAP of [Country Name], SPREP, with the cooperation of the UNEP DTIE and the Regional Office for Asia and the Pacific in Bangkok (UNEP

ROAP), will provide financial resources to support the work of the NCAP, as detailed in the Regional Strategy to Comply with the Montreal Protocol in Pacific Island Countries Budget attached at Annex II. Programme funds will be disbursed and monitored by the APO at SPREP in Apia, Samoa, in accordance with the modalities set forth in Annex III.

24. Not all participating countries will have the same funding requirements for activities in support of their respective NCAPs. Expenditure by participating countries will be monitored by the APO as implementation proceeds. This will be done to ensure that, within the three-year time frame for the RS, total RS financial resources are used effectively and efficiently.

25. The support and obligations of SPREP, through the APO-ODS, will include:

?? Regular communication with UNEP DTIE, UNEP ROAP, the Montreal Protocol Multilateral Fund Secretariat and other partners to provide timely information to [Country XX] on matters relating to the RS;

?? the review and provision of a consolidated report on a six monthly basis and request for advance for given period to UNEP DTIE and the Multilateral Fund Secretariat four weeks prior to the disbursement of funds to the Government of XX, upon receipt of six monthly financial reports and requests for advance;

?? disbursement of funds to [Country XX], to be executed in three instalments over the project life, as set out in Annex II and to make every endeavour to ensure [Country XX] is not placed in a position of deficit financing to support the activities it is responsible for under the RS;

?? Provision of copies of relevant Ozone Secretariat and Montreal Protocol Multilateral Fund formats and reporting requirements;

?? Consultation with [Country XX] on any programme revisions;

?? Assistance with resources to support consultative arrangements associated with the implementation of national components of the RS, such as those established through the National Task Force;

?? Funding permitting, to provide technical advice, either through the APO or from other national or alternative sources, on request;

?? assistance with the provision of education and training assistance in respect of issues directly related to the implementation of the pilot project in [Country XX]; and

?? Assistance with the provision of information materials related to global, regional and local activities of relevance to the Montreal Protocol.

Performance Indicators

26. At the end of the three-year Programme (mid-2005), it is expected that the following will have been achieved:

?? Government agencies have established a part time National Compliance Centre to implement country's NCAP.

?? Implemented national legislation to control consumption of ODS according to the commitments set out in the NCAP attached as Annex I.

?? Assisted with provision of training to refrigeration and air-conditioning technicians and to customs and other enforcement officers.

?? The Government of the [Country XX] participated, on a regular basis, in regional meetings to discuss Montreal Protocol affairs, particularly in respect of issues associated with implementing the Regional Strategy;

?? Increased national understanding of Montreal Protocol and ozone depletion, particularly in relation to phase-out of ODS through public awareness activities.

Entry in to Force

27. This Memorandum of Understanding shall enter into force upon last date of signature of the Parties.

Amendment

28. This Memorandum of Understanding may be amended by an Exchange of Letters duly signed by officials representing both parties. Any such Letters of Agreement will form part of this Memorandum.

Signatures

29. This Memorandum of Understanding and Terms of Reference has been agreed to by the following:

For and on behalf of the Government of [Country XX]

on this _____ day of _____ 2002:

The Hon. [XX]
Minister for [XX]
Government of [Country XX]

For and on behalf of the South Pacific Regional Environment Programme:

on this _____ day of _____ 2002:

Mr Tamari' i Tutangata
Director
South Pacific Regional Environment Programme

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Annex I

**Regional Strategy to Comply with the Montreal Protocol in Pacific Island
Countries**

Copy of NCAP for country [XX]

Regional Strategy to Comply with the Montreal Protocol in Pacific Island Countries

**Budget for the National Component of the Regional Strategy to Comply with the Montreal Protocol in Pacific Island Countries
For [Country XX]**

Summary of disbursements over three years of Regional Strategy

| Country | Total funds received directly over three years | 60% of funds received on signing | 30% upon completion of most tasks | 10% received upon completion |
|-------------------------|--|----------------------------------|-----------------------------------|------------------------------|
| FSM | \$ 50,000 | \$30,000 | \$15,000 | \$ 5,000 |
| Kiribati | \$ 31,000 | \$18,600 | \$9,300 | \$ 3,100 |
| Palau | \$ 50,000 | \$30,000 | \$15,000 | \$ 5,000 |
| Marshall Islands | \$ 54,000 | \$32,400 | \$16,200 | \$ 5,400 |
| Solomon Islands | \$ 44,250 | \$26,550 | \$13,275 | \$ 4,425 |
| Tonga | \$ 39,700 | \$23,820 | \$11,910 | \$ 3,970 |
| Tuvalu | \$ 25,500 | \$15,300 | \$7,650 | \$ 2,550 |
| Vanuatu | \$ 36,250 | \$21,750 | \$10,875 | \$ 3,625 |

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ANNEX III

**Regional Strategy to Comply with the Montreal Protocol in Pacific Island
Countries**

Financial Reporting format