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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-seventh Meeting
Bangkok, 16-20 July 2012

Addendum

PROJECT PROPOSAL: THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

This document is issued to:

Add paragraph 7 bis:

7 bis. Subsequent to issuing document UNEP/OzL.Pro/ExCom/67/31, the Secretariat was informed by the Ozone Secretariat that it has received a submission from the former Yugoslav Republic of Macedonia indicating that the data on imports of HCFC-141b reported under Article 7 of the Montreal Protocol for the years 2002 to 2011 were all in pre-blended polyols, and that no bulk imports took place. The Ozone Secretariat informed that it has therefore corrected the recorded data on its system to exclude the HCFC-141b polyol import component from the calculation of consumption for the years 2002 to 2008 and also for the year 2011. The Secretariat noted that no adjustment is required for the recorded data for the year 2010 since the polyols component is already excluded. However, the Ozone Secretariat cannot undertake the revision of data for the year 2009, since 2009 is a baseline year. Instead the request for a revision of the 2009 HCFC data has been communicated, in accordance with decision XIII/15, to the Implementation Committee for its consideration at its next meeting. As a result, it is probable that in the future the baseline of the country will not include consumption of HCFC-141b contained in imported pre-blended polyols.

Replace paragraphs 14 and 15 with the following:

Funding

14. The Secretariat discussed with UNIDO the different cost items, and agreed on a downward revised level of incremental cost of US \$136,955. This funding level leads to a cost effectiveness of US \$9.72/kg. The cost-effectiveness threshold for this project is determined taking into account the cost-effectiveness threshold for the polyurethane (PU) foam sector of US \$7.83/kg, as well as decision 60/44(f)(iv) allowing funding of up to a maximum of 25 per cent above the cost effectiveness threshold if needed for the introduction of low-GWP alternatives, leading to a cost-effectiveness threshold of US \$9.79/kg. The details of the cost calculation are provided in Table 3 below.

Table 3 -Agreed funding for the foam activity

Item	Company	Agreed costs (US \$)
Incremental capital cost (ICC)		
Retrofit of 1 high-pressure foam machine	Sileks AD Co.	9,000
Replacement of 1 low-pressure foam machine	Koper - Negotino	40,000
Retrofit of 1 low-pressure foam machine	Zlatna Raka	6,000
Anti-corrosion measures		7,000
Technology transfer support	4 enterprises	29,500
Trials and testing		2,000
Training		8,000
Technical workshop		2,500
Sub-total		104,000
Contingency		10,400
Total ICC		114,400
Incremental operating cost (IOC)		
IOC	on 2011 use of 14,097kg	22,555
Total incremental cost		136,955
Eligible tonnes		14.1
Cost effectiveness		9.72
Threshold (US \$/kg)		9.79
Eligible incremental cost		136,955

15. The Executive Committee had approved in principle US \$158,000 for the third tranche. However, funding for the complete phase-out in the foam sector at the agreed cost of US \$136,955 is now being requested for inclusion in the third tranche, thereby increasing that tranche to US \$294,955, plus agency support costs for UNIDO. The business plan does not contain funds for this activity since UNIDO did not include it in their business plan submission.

Replace paragraphs 20(c) and 20(d) **with** the following:

20. ...

- (c) Note the commitment of the Government of the former Yugoslav Republic of Macedonia to ban imports of HCFC-141b, both pure and contained in pre-blended polyols, as soon as the last foam manufacturing plant is converted to a non-HCFC technology, scheduled for the year 2015;
- (d) Approve the revised Agreement between the Government of the former Yugoslav Republic of Macedonia and the Executive Committee as contained in Annex I to the present document, the revision consisting of:
 - (i) An update of the Agreement according to decision 60/38(e) to reflect the established baseline for compliance, and associated changes in paragraphs 1 and 2, Appendix 1-A and Appendix 2-A of the Agreement;
 - (ii) An amendment of the Agreement for the phase-out of the use of HCFC-141b in pre-blended polyols according to decision 60/38(g)(i) and associated changes in Appendix 2-A of the Agreement, reflecting the associated costs of US \$136,955 plus agency support costs of US \$10,272, the cost for this activity added in full to the pre-existing cost level of the third tranche resulting in a third tranche of US \$294,955 plus agency support costs of US \$22,122; and
 - (iii) A new paragraph 16 to indicate that the updated Agreement supersedes the Agreement reached at the 60th meeting; and
- (e) Approve the third tranche of stage I of the HPMP of the former Yugoslav Republic of Macedonia, and the corresponding annual implementation plan, at the amount of US \$294,955 plus agency support costs of US \$22,122 for UNIDO.

Replace Appendix 2-A of Annex I with the following:

APPENDIX 2-A: THE TARGETS, AND FUNDING

(Relevant changes are in bold font for ease of reference)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	2.70	2.70	2.43	2.43	2.43	2.43	2.43	1.76	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	1.80	1.80	1.62	1.53	1.44	1.35	1.26	1.17	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	15,000	107,000	294,955	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,166,955
2.2	Support costs for Lead IA (US \$)	1,125	8,025	22,122	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	87,522
3.1	Total agreed funding (US \$)	15,000	107,000	294,955	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,166,955
3.2	Total support cost	1,125	8,025	22,122	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	87,522
3.3	Total agreed costs (US \$)	16,125	115,025	317,077	159,100	88,150	88,150	88,150	140,825	80,625	80,625	80,625	1,254,477
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.63
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												1.17
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyol agreed to be achieved under this agreement (ODP tonnes)												1.55
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyol to be achieved in previously approved projects (ODP tonnes)												0
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyol (ODP tonnes)												0
