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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-ninth Meeting  
Montreal, 2-4 April 2003

Corrigendum and Addendum\*

**PROJECT PROPOSALS: ALBANIA**

This document is being issued to:

- **Replace** UNEP **with** UNIDO for the following projects on page 1:  
National ozone depleting substances phase-out plan: awareness workshop to prevent the introduction of methyl bromide and National ozone depleting substances phase-out plan: end users sector retrofitting/replacement programme
- **Replace** the project evaluation sheet on page 2 **with** the following page
- **Add** the draft Agreement for the National Phase-out Plan for Albania as mentioned in paragraph 27 of UNEP/OzL.Pro/ExCom/39/26
- **Replace** paragraphs 28 and 29 **with** the following:

28. Taking into consideration that the implementation of the activities proposed in the plan will enable Albania to achieve compliance with the Montreal Protocol freeze target by the end of 2005 and the 50 per cent reduction by the end of 2006, the Executive Committee might consider whether it wishes to approve the Albania ozone depleting substances phase-out plan, without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

\*Please note that the revised text is shaded.

## PROJECT EVALUATION SHEET ALBANIA

SECTOR: All ODS use in sector (2001): 70.5 ODP tonnes

Sub-sector cost-effectiveness thresholds: N/A

**Project Titles:**

- (a) National ozone depleting substances phase-out plan: development of regulatory framework for acceleration of compliance with the Montreal Protocol
- (b) National ozone depleting substances phase-out plan: training of customs officers in monitoring of ODS
- (c) National ozone depleting substances phase-out plan: training of trainers in good practices of refrigeration
- (d) National ozone depleting substances phase-out plan: end users sector retrofitting/replacement programme
- (e) National ozone depleting substances phase-out plan: national project for refrigerant recovery and recycling (first tranche)
- (f) National ozone depleting substances phase-out plan: programme management and auditing (first tranche)
- (g) National ozone depleting substances phase-out plan: awareness workshop to prevent the introduction of methyl bromide
- (h) National ozone depleting substances phase-out plan: conversion of cleaning installations from carbon tetrachloride (CTC) to tetrachloroethylene (PER) at Energy Combinat Ltd., Elbasan

Project Data	Regulatory frame-work	Training of customs officers	Training of trainers	End users programme	Recovery and recycling	Programme management and auditing	MB awareness workshop	Energy Combinat
Enterprise consumption (ODP tonnes)								
Project impact (ODP tonnes)				5	21			2.3
Project duration (months)	12	12	12	24	36	96	12	24
Initial amount requested (US \$)	23,150	35,700	82,425	150,000	448,000	324,000	30,000	50,000
Final project cost (US \$):								
Incremental capital cost (a)	23,150	34,000	78,500	120,000	181,800	150,000	20,000	40,910
Contingency cost (b)		1,700	3,925		18,200			4,090
Incremental operating cost (c)								
Total project cost (a+b+c)	23,150	35,700	82,425	120,000	200,000	150,000	20,000	45,000
Local ownership (%)	100%	100%	100%	100%	100%	100%	100%	100%
Export component (%)	0%	0%	0%	0%	0%	0%	0%	0%
<b>Amount requested (US \$)</b>	0	35,700	82,425	*	100,000	16,068	20,000	45,000
Cost effectiveness (US \$/kg.)					9.52			21.74
Counterpart funding confirmed?								
National coordinating agency	Ministry of Environment (Ozone Unit)							
Implementing agency	UNEP				UNIDO			

<b>Secretariat's Recommendations</b>								
Amount recommended (US \$)								
Project impact (ODP tonnes)								
Cost effectiveness (US \$/kg)								
Implementing agency support cost (US \$)								
Total cost to Multilateral Fund (US \$)								

\*To be requested in 2004

**Agreement for the National Phase-out Plan for Albania (Draft)**

1. The Executive Committee has noted that the Parties decided at their 14<sup>th</sup> Meeting (Decision XIV/18 – non-compliance with the Montreal Protocol by Albania), *inter alia*:

(a) "To request that Albania submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance..."; and

(b) "...to the degree that Albania is working towards meeting the specific control measures, it should continue to be treated in the same manner as a Party in good standing and should continue to receive international assistance to enable it to return to compliance...".

2. The Executive Committee has also noted that pursuant to Decision XIV/18, Albania has submitted to the Ozone Secretariat for the consideration by the Implementation Committee a terminal phase-out plan that would achieve compliance CFC freeze in 2005 and the 50% reduction in 2006.

3. In order to provide immediate assistance to facilitate a return to compliance; and without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance, on an exceptional basis, the Executive Committee has entered into an Agreement with the Government of Albania with respect to the complete phase-out of the ozone depleting substances (ODSs) of Annex A Group I, Annex B Group II and Annex E used in Albania.

4. Albania agrees to phase out the controlled use of all ODSs in accordance with the annual consumption limits set out in Table 1, and this Agreement. Albania accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it will not apply for or receive further funding from the Multilateral Fund in respect to all controlled ODSs.

Table 1: Annual consumption limits for ODSs in Albania

<b>Year</b>	<b>ODP tonnes</b>
2003	68.0
2004	61.2
2005	36.2
2006	15.2
2007	6.2
2008	2.2
2009	0

5. Subject to compliance by Albania with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide a total of US \$653,125, excluding agency support costs and funding for institutional strengthening, as the total funding for Albania for the complete phase out of ODSs, in accordance with the funding disbursement schedule presented in Table 2. The funding for 2003 will be provided at the time of approval of this Agreement; thereafter, the Executive Committee will endeavour to provide the indicated funds at the first meeting of the year.

Table 2: Funding disbursement schedule (US\$)

<b>Funding</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Component I (UNEP)	118,125	0	0	0	0	0	0
Component II (UNIDO)	181,068	172,322	72,322	42,322	22,322	22,322	22,322
Agency fees (UNEP)	15,356	0	0	0	0	0	0
Agency fees UNIDO)	13,580	12,924	5,424	3,174	1,674	1,674	1,674
Total (UNEP)	133,482	0	0	0	0	0	0
Total (UNIDO)	194,648	185,246	77,746	45,496	23,996	23,996	23,996
<b>Total cost to the MF</b>	<b>328,130</b>	<b>185,246</b>	<b>77,746</b>	<b>45,496</b>	<b>23,996</b>	<b>23,996</b>	<b>23,996</b>

6. Albania will meet the consumption limits for all ODSs as indicated in Table 1. It will also accept independent verification of achievement of these consumption limits by UNIDO, as the lead implementing agency, as described in paragraph 11 of this Agreement.

7. The Executive Committee will not provide the funding in accordance with the funding disbursement schedule indicated in Table 2 unless Albania satisfies the following conditions prior to the Executive Committee Meeting where funding is requested for the subsequent implementation programme:

- (a) Albania has met the phase-out targets for the applicable year as indicated in Table 1, and these targets have been independently verified as described in paragraph 11;
- (b) Albania has substantially completed all actions set out in the last annual implementation programme; and
- (c) Albania has submitted and received approval from the Executive Committee for an annual implementation programme in respect of the year for which funding is being requested.

8. Albania will ensure that it conducts accurate monitoring of its activities under this Agreement. The Steering Committee of the National Phase-out Plan of Albania, chaired by the National Ozone Unit will monitor and report on that monitoring in accordance with the following roles and responsibilities set out in the National Phase-out Plan. This monitoring will also be subject to independent verification as described in paragraph 11:

- (a) Administration matters relating to the National Phase-out Plan;
- (b) Preparation of annual implementation programmes, based on the regional national phase-out plan to be prepared by the regional inspectors;
- (c) Co-ordination of all activities and actions identified in the National Phase-out Plan and the monitor of their implementation; and
- (d) Co-ordination with the National Ozone Unit concerning the preparation and submission of annual reports to the Multilateral Fund Secretariat on the progress of implementation of the National Phase-out Plan and to the Ozone Secretariat on ODS consumption in Albania under Article 7 of the Montreal Protocol.

9. While the funding was determined on the basis of estimates of the needs of Albania to carry out its obligations under this Agreement, the Executive Committee agrees that Albania may have the flexibility to reallocate the funds agreed in principle, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be identified in annual implementation programmes, reviewed by the Executive Committee, and accounted for in the verification report.

10. Albania agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency and UNEP has agreed to be the co-operating implementing agency under the lead of UNIDO.

11. Specifically, UNIDO will be responsible for carrying out the following activities:

- (a) Ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the National Phase-out Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNIDO are carried-out by appropriate independent technical experts;
- (e) Assisting Albania in the preparation of annual implementation programmes, which will incorporate achievements of previous annual programmes;
- (f) Carrying-out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (h) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

12. UNEP, as co-operating implementing agency, will be responsible for carrying out the following activities:

- (a) Assisting Albania in the implementation and verification of the activities under UNEP's responsibility;
- (b) Providing reports to UNIDO on these activities, for inclusion in consolidated reports;
- (c) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and

(d) Providing policy development assistance when required.

13. The Executive Committee agrees, in principle, to provide UNIDO and UNEP with the agency support costs set out in Table 2.

14. Albania also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. Should Albania, for any reason, not meet the targets for the elimination of all ODSs or otherwise does not comply with this Agreement, then Albania agrees that it will not be entitled to the funding in accordance with the funding disbursement schedule indicated in Table 2. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding disbursement schedule determined by the Executive Committee after Albania has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of funding under the funding disbursement schedule.

15. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect any other related activities in Albania.

16. Albania will comply with any reasonable request of the Executive Committee and UNIDO to facilitate implementation of this Agreement. In particular, it will provide access by UNIDO and UNEP to information necessary to verify compliance with this Agreement.

17. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

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