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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-third Meeting
Geneva, 5-9 July 2004

PROJECT PROPOSAL: CROATIA

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposal:

Halon

- Sector phase-out programme: Establishing a halon bank Germany

**PROJECT EVALUATION SHEET
CROATIA**

SECTOR: Halon ODS use in sector (2002): 3 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

Sector phase-out programme: Establishing a halon bank

Project Data	Banking
Enterprise consumption (ODP tonnes)	n/a
Project impact (ODP tonnes)	n/a
Project duration (months)	36
Initial amount requested (US \$)	60,000
Final project cost (US \$):	
Incremental capital cost (a)	60,000
Contingency cost (b)	0
Incremental operating cost (c)	0
Total project cost (a+b+c)	60,000
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	60,000
Cost effectiveness (US \$/kg.)	n/a
Counterpart funding confirmed?	Yes
National coordinating agency	MEPPPC
Implementing agency	Germany
Secretariat's Recommendations	
Amount recommended (US \$)	60,000
Project impact (ODP tonnes)	n/a
Cost effectiveness (US \$/kg)	n/a
Implementing agency support cost (US \$)	7,800
Total cost to Multilateral Fund (US \$)	67,800

PROJECT DESCRIPTION

1. Germany is requesting US \$60,000 plus agency fees of US \$7,800 for a halon sector phase-out programme in Croatia. This project aims at establishing a national halon bank management plan (HBMP) for Croatia which ensures the country will meet the obligations under the Montreal Protocol. The HBMP will support halon 1301 users in recovery and recycling of the halon stocks.
2. The project consists of two components: a halon management component and a technical assistance programme. The halon management component includes the establishment of a national halon bank and the set up of recycling and recovery equipment. The activities under the technical assistance programme include the creation of a Fire Protection Association, assistance in technical standards and information, and engineering support and training of national fire protection servicing companies.

Halon Consumption Background

3. In Croatia, halons are used to maintain fixed fire fighting systems and portable fire extinguishers at industrial facilities, cultural heritage and commercial buildings, Croatian armed forces and vehicles. The proposal indicated that Croatia did not produce halons and depended on imports as required. A survey was conducted to collect and verify the halon consumption in Croatia. The result of the survey identified the installed capacity of halons in the country is 539 ODP tonnes. Croatia's baseline and latest halon consumption as reported pursuant to Article 7 was 30.1 ODP tonnes and 26 ODP tonnes (year 2002), respectively.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

4. Croatia is a country with a low-volume of installed capacity of halon. Based on recent approvals for such countries, the requested amount is consistent with projects for such countries and halon banking guidelines (Decision 18/22).
5. The Government of Germany submitted this project to the 42nd Meeting but subsequently withdrew it until cost issues could be resolved. In response to questions from the Fund Secretariat, Germany indicated that a steering panel of major stakeholders has been established and one company has offered its facilities as the site of the reclamation equipment and stores. A final determination on the location of the equipment would be made by the Government. A proposal has been submitted to the European Union to finance, in 2005, the destruction of contaminated halon collected through the proposed halon banking project.
6. Germany indicated that Croatia would have the ban on imports of new halons in place within six months of installation of the equipment and would not seek any further assistance; however, it also indicated that the new Ozone officer would provide confirmation of this. As of the writing of this document, confirmation has not been received.

RECOMMENDATION

Blanket approval is recommended for the amount of US \$60,000 plus agency fees amounting to US \$7,800 on the condition that, with the approval of this project, the Government of Croatia agrees to ban the import of new halons six months after the installation of the halon equipment in accordance with the relevant guidelines and provide confirmation of the ban to the Executive Committee.
