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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

PROJECT PROPOSALS: MOLDOVA

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

Refrigeration

- Implementation of the refrigerant management plan: monitoring the activities in the RMP UNEP
- Implementation of the refrigerant management plan: technical assistance UNDP

PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECTS
COUNTRY: MOLDOVA

PROJECT TITLES **BILATERAL/IMPLEMENTING AGENCY**

(a) Implementation of the refrigerant management plan: monitoring the activities in the RMP	UNEP
(b) Implementation of the refrigerant management plan: technical assistance	UNDP

NATIONAL CO-ORDINATING AGENCY	National Ozone Unit
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2003, AS OF 28 APRIL 2004)

Annex AI, CFC	18.9		
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B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2003, AS OF 28 APRIL 2004)

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity.
CFC-12	Refrigeration Service 17.43			

CFC consumption remaining eligible for funding (ODP tonnes)	n/a – LVC
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$ million	Phase-out ODP tonnes
	(a)	--	--
	(b)	0.211	14.1

PROJECT TITLE:	Monitoring	Technical assistance
ODS use at enterprise (ODP tonnes):	17.43	
ODS to be phased out (ODP tonnes):	*	
ODS to be phased in (ODP tonnes):	n/a	
Project duration (months):	24	24
Initial amount requested (US \$):	19,885	173,495
Final project cost:		
Incremental Capital Cost (US \$)	18,050	170,705
Contingency (10%) (US \$)	1,805	2,790
Incremental Operating Cost (US \$)		
Total Project Cost (US \$)	19,885	173,495
Local ownership (%):	100%	100%
Export component (%):	0%	0%
Requested grant (US \$):	19,885	173,495
Cost-effectiveness (US \$/kg):	n/a	n/a
Implementing agency support cost (US \$):	2,585	15,615
Total cost of project to Multilateral Fund (US \$):	22,470	189,110
Status of counterpart funding (Y/N):	n/a	n/a
Project monitoring milestones included (Y/N):		Y

*to achieve compliance with the 2005 and 2007 Montreal Protocol limits (CFC baseline is 73.30 ODP tonnes)

SECRETARIAT'S RECOMMENDATION	Blanket approval at the costs indicated above
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PROJECT DESCRIPTION

Refrigerant Management Plan Update for Moldova

1. On behalf of the Government of Moldova, UNDP has submitted to the 44th Meeting of the Executive Committee an "Update of the Refrigerant Management Plan (RMP update)". The RMP update will lead to the reduction of consumption from the 2003 level of 18.90 ODP tonnes to 11.0 ODP tonnes in 2007, meeting Moldova's compliance targets for CFC consumption in both 2005 and 2007. Moldova had a baseline consumption of 73.30 ODP tonnes.

Background Information

2. Moldova's reported consumption of CFCs for the year 2003 was 18.9 ODP tonnes, a figure already well below the 2005 compliance obligation of 36.65 ODP tonnes (50% of the baseline consumption level of 73.30 ODP tonnes). CFC consumption is distributed between several segments of the refrigeration service sector. There is no CFC consumption in manufacturing sectors in Moldova.

3. So far, the Executive Committee has approved several components for a RMP at the level of US \$386,396, with no prior funding for its preparation. The Secretariat took into account these projects while reviewing the activities proposed in the national phase-out plan.

4. Moldova acceded to the Vienna Convention and the Montreal Protocol in 1996, and to the London and Copenhagen Amendments in 2001. The Montreal and Beijing Amendments have not yet been ratified.

5. The Country Programme for the Phase out of ODS in Moldova was approved by the Executive Committee of the Multilateral Fund at its 25th Meeting in 1998. The Executive Committee of the Multilateral Fund approved also at its 25th Meeting a Refrigerant Management Plan.

6. Moldova does not manufacture CFCs, and therefore, the difference between imports and exports correspond to the total consumption in the country. No exports have been reported. Legislation concerning the control of imports and the use of ODS has been in place since 2002, enforcing Moldova's commitments under the Montreal Protocol and its subsequent amendments. Regarding CFC imports, the legislation established a license/permit system, with permits counted against diminishing annual quotas.

Eligibility

7. Moldova is a LVC. The country received funding for a Refrigerant Management Plan at the 25th meeting of the Executive Committee; the decision of the Executive Committee that RMPs should achieve, without further requests for funding, at least the 85% reduction step in 2007 is only valid for RMPs approved at or after the 31st Meeting.

Content

8. The only CFC consumption remaining in Moldova is related to servicing of refrigeration equipment. The RMP update provides a detailed description about the characteristics of the refrigeration service sector, and the remaining consumption in various sub-sectors.

9. The previous RMP, approved in 1998, supported the country in the enforcement of import controls, training of technicians (301 technicians and 27 trainers trained) and supplied, from 1999 onwards, a total of 90 Recovery and 8 Recovery and Recycling systems. UNDP, as the lead implementing agency, informed the Secretariat that 11.8 tonnes of CFCs had been recovered and 7.1 ODP tonnes recycled. The consumption between approval of the RMP and the time of writing has decreased from the level of 40.5 ODP tonnes by 21.6 ODP tonnes. The cost of CFC-12 today is US \$5/kg, which is 62% of the cost of HFC-134a.

10. The RMP update for Moldova consists of two main operational components:

- (a) Technical assistance project – incentive programme for conversion. Incentive funding is offered to industrial and commercial companies that consume CFC refrigerant in the servicing of their facilities to convert or retrofit these installations to employ non-CFC refrigerant.
- (b) Technical assistance project – support in Recovery and Recycling for MAC. This component upgrades the equipment of six of the largest MAC service enterprises with recovery, recycling and retrofit capacities. This includes a general offer of training in recovery, recycling and retrofit in the MAC sector.

11. An additional component “Monitoring of activities in the RMP and RMP-Update” is meant to cover the management efforts of the implementation.

12. The components complement and extend activities started under the previously approved RMP. UNDP is the lead agency implementing the majority of the RMP update, while UNEP is responsible exclusively for the component “Monitoring of activities in the RMP and RMP-Update”.

SECRETARIAT’S COMMENTS AND RECOMMENDATIONS

COMMENTS

13. Moldova’s latest reported consumption for 2003 is 18.90 ODP tonnes. Moldova asks for funding to achieve a reduction in consumption of 85% compared to its baseline. Based on the above considerations, Moldova is fully eligible to receive the requested support.

14. Extensive discussions between the country, UNDP, UNEP and the Secretariat have led to adjustments in the planned activities, in terms of schedule and content. There are no policy and eligibility issues.

RECOMMENDATIONS

15. The Fund Secretariat recommends blanket approval of the projects with associated support costs at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the refrigerant management plan: monitoring the activities in the RMP	19,885	2,585	UNEP
(b)	Implementation of the refrigerant management plan: technical assistance	173,495	15,615	UNDP
