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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6-10 November 2006

PROJECT PROPOSAL: ALBANIA

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

Phase-out

- National ODS phase-out plan (third tranche) UNEP and UNIDO

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
ALBANIA**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

National ODS phase-out plan (third tranche)	UNEP and UNIDO
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NATIONAL CO-ORDINATING AGENCY:

National Ozone Unit Implementation Project (NOPIU)

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

Annex A, Group I, CFCs	14.34		
Annex B, Group II, CTC	0.00		
Annex E, Methyl bromide	0.00		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

ODS	Aerosol	Foam	Ref.	ODS	Solvents	Process agent	Fumigant
CFC-11				CFC-115			
CFC-12			14.34	CTC			
CFC-113				Methyl bromide			
CFC-114							

CFC consumption remaining eligible for funding (ODP tonnes)

0

CURRENT YEAR BUSINESS PLAN: Total funding US \$78,000: total phase-out 9.2 ODP tonnes.

PROJECT DATA		2003	2004	2005	2006	2007	2008	2009	Total
(ODP tonnes)	Montreal Protocol limit, CFC	40.8	40.8	20.4	20.4	6.1	6.1	6.1	n.a.
	Montreal Protocol limit, CTC	3.1	3.1	0.46	0.46	0.46	0.46	0.46	n.a.
	Montreal Protocol limit, methyl bromide	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
	Montreal Protocol limit, Total	43.9	43.9	20.86	20.86	6.56	6.56	6.56	n.a.
	Annual consumption limit	68.0	61.2	36.2	15.2	6.2	2.2	0.0	n.a.
	Annual phase-out from ongoing projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Annual phase-out newly addressed	0.0	6.8	25.0	21.0	9.0	4.0	2.2	68.0
Annual unfunded phase-out	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL ODS CONSUMPTION TO BE PHASED OUT		0.0	6.8	25.0	21.0	9.0	4.0	2.2	68.0
Total ODS consumption to be phased-in (HCFCs)									
Project cost as originally submitted (US \$)									
Final project costs (US \$):									
	Funding for UNIDO	181,068	172,322	72,322	42,322	22,322	22,322	22,322	535,000
	Funding for UNEP	118,125	0	0	0	0	0	0	118,125
	Total project funding	299,193	172,322	72,322	42,322	22,322	22,322	22,322	653,125
Final support costs (US \$):									
	Support cost for UNIDO	13,580	12,924	5,424	3,174	1,674	1,674	1,674	40,124
	Support cost for UNEP	15,356	0	0	0	0	0	0	15,356
	Total support costs	28,936	12,924	5,424	3,174	1,674	1,674	1,674	55,480
TOTAL COST TO MULTILATERAL FUND (US \$)		328,129	185,246	77,746	45,496	23,996	23,996	23,996	708,605
Final project cost effectiveness (US \$/kg)									9.6

FUNDING REQUEST: Approval of funding for the third tranche (2006) as indicated above.**SECRETARIAT'S RECOMMENDATION**

Blanket approval

PROJECT DESCRIPTION

1. On behalf of the Government of Albania UNIDO, as the lead IA, has submitted a request for funding for the third tranche of the national ODS phase-out plan (NPP) for the consideration by the Executive Committee at its 50th Meeting. Level of funding requested is US \$72,322 plus agency support costs of US \$5,424.

Background

2. The NPP for Albania was approved in April 2003 at the 39th Meeting of the Executive Committee. The total funds approved in principle amount to US \$653,125 plus US \$55,480 in support costs. The implementation of this NPP supports the Government of Albania in meeting its Montreal Protocol obligations and in completely phasing out all ODSs under Annex A Group I, Annex B Group II, and Annex E by 1 January 2009. In order to achieve these targets, a series of investment, non-investment, technical assistance and capacity building activities will be and are being implemented by UNIDO and UNEP.

3. In decision XIV/18, the Meeting of the Parties decided that for the July 2000 to June 2001 control period, Albania was in non-compliance with its obligations under Article 2A of the Montreal Protocol regarding CFC consumption. The 15th Meeting of the Parties noted, in decision XV/26, Albania's submission of a plan of action, and further that Albania specifically committed itself to a reduction schedule with a consumption of up to 36.2 ODP tonnes in 2005 and phasing out CFC consumption by the 1 January 2009, save for essential uses that may be authorized by the Parties. In addition, Albania committed to establishing a system for licensing imports and exports of ODS including quotas, and to banning imports of ODS-using equipment.

4. At its 46th meeting in July 2005, the Executive Committee endorsed, through decision 46/28, the 2005 annual implementation programme, on the understanding that the licensing and quota system, at that time foreseen to be in place in 2005, would be implemented with the utmost urgency. It also approved the requested tranche for 2005.

Annual programme

5. UNIDO reported on the implementation of the 2005 annual programme. The Government of Albania enacted a system for licensing imports and exports of ODS in June 2005. The licensing and quota system has been put in operation since the second half of 2005. Quotas for 2006 were approved by the Ministry of Environment, Forestry and Water Management. The verified ODS imports in the previous year 2005 were 14.342 ODP tonnes, as compared to the annual target set in the national ODS phase-out plan of 36.2 ODP tonnes.

6. An activity to phase out the total CTC consumption of 2.3 ODP tonnes in Albania has been completed. In the refrigeration servicing sector activities, 271 technicians have been trained out of the 300 planned. Preparatory work for the strengthening of technician courses in vocational training centres has been carried out, and four schools were selected for the train-the-trainers programme. The implementation of the first phase of a recovery and recycling (R&R) scheme is in progress, but behind schedule. A planned workshop relating to drop-in substitutes has not yet been taken place.

7. The annual implementation programme for 2006 foresees the strengthening of vocational schools through updating of materials and hardware as well as training of trainers. A workshop on the use of alternative drop-in refrigerants has been rescheduled for 2006, so has phase I of the recovery and recycling project. Finally, the strengthening of the ODS monitoring and reporting system is ongoing throughout the implementation of the project. The Government plans to ban production and import of ODS-containing equipment by January 2007, enforce penalties for illegal trade, and strengthen both the co-operation between the NOU and customs authorities as well as between the NOU and those of neighbouring countries.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. UNIDO has submitted the report regarding the implementation of the second tranche. UNIDO has been able to accelerate significantly the implementation of activities in Albania, which in the first year had commenced slowly. The legislation introducing a licensing system was implemented, and quotas for 2006 set during the year 2005. Even before an effective licensing system was enacted in 2005, the consumption had dropped only below the level required for 2006. Some activities originally planned for 2005 have been rescheduled for 2006/2007, namely the workshop for drop-in substitutes and some R&R activities. The Senior Monitoring and Evaluation Officer visited Albania this year and found that previous compliance problems have been overcome and that the implementation of the national phase-out plan is progressing well. He noted however that the phase-out in the service sector is likely to be challenging.

RECOMMENDATION

9. The Fund Secretariat recommends blanket approval of the third tranche of the phase-out plan with associated support costs at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National ODS phase-out plan (third tranche)	0	0	UNEP
(b)	National ODS phase-out plan (third tranche)	72,322	5,424	UNIDO