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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fourth Meeting
Montreal, 7-11 April 2008

PROJECT PROPOSAL: ALBANIA

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

Phase-out

- ODS phase-out management plan (fourth and fifth tranches)

UNIDO and UNEP

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PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Albania

(I) PROJECT TITLE	AGENCY
ODS phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2006	
CFC: 15.2	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2006			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					15.2								15.2
CTC													0
Halons													0
Methyl Bromide													0
TCA													0

(IV) PROJECT DATA			2003	2004	2005	2006	2007	2008	2009	Total
Maximum Allowable Consumption (ODP Tonnes)		CFC, CTC, MBR	68.	61.2	36.2	15.2	6.2	2.2	0.	
	Project Costs (US\$)	UNEP	Project Costs	118,125.						
Support Costs			15,356.							
UNIDO		Project Costs	181,068.	172,322.	72,322.	42,322.	22,322.	22,322.	22,322.	535,000.
		Support Costs	13,580.	12,924.	5,424.	3,174.	1,674.	1,674.	1,674.	40,124.
Total Funds Approved in Principle (US\$)		Project Costs	299,193.	172,322.	72,322.	42,322.	22,322.	22,322.	22,322.	653,125.
		Support Costs	28,936.	12,924.	5,424.	3,174.	1,674.	1,674.	1,674.	55,480.
Total Funds Released by the ExCom (US\$)		Project Costs	299,193.	0.	172,322.	72,322.	0.	0.	0.	543,837.
		Support Costs	28,936.	0.	12,924.	5,424.	0.	0.	0.	47,284.
Total Funds Requested for Current Year (US\$)		Project Costs						64,644.		64,644.
		Support Costs						4,848.		4,848.

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Albania, UNIDO, as the lead IA, has submitted a request for funding for the fourth and fifth tranches of the national ODS phase-out plan (NPP) for the consideration by the Executive Committee at its 54th Meeting. The level of funding requested is US \$64,644 plus agency support costs of US \$4,848 for UNIDO. There are no funds to be disbursed for UNEP, the cooperating agency, under any other but the first tranche of this phase-out plan.

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 that Albania had specifically committed itself to a reduction schedule with a consumption of up to 36.2 ODP tonnes in 2005 and to 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. At its 50th meeting in November 2006 the Executive Committee approved the third tranche.

Annual programme

5. UNIDO reported on the implementation of the 2006 annual programme. The Government of Albania enacted a system for licensing imports and exports of ODS in June 2005, with the quota system being in operation since the second half of 2005. Quotas for 2006 were approved by the Ministry of Environment, Forestry and Water Management.

6. Customs training, training of refrigeration technicians, activities in the solvent sector and the methyl bromide component have been completed before 2006. The implementation in 2006 focussed on the establishment of one recovery and recycling centre and on the equipment for one vocational training centre, instead of two as it was originally planned. A workshop relating to drop-in substitutes has taken place. In the first 11 months of 2007 covered by the report, two additional vocational schools were equipped and one recovery and recycling centre established, exactly in line with planned activities. For the 2008 annual implementation programme, it is

expected that the remaining vocational training centre will be equipped, and the last planned recovery and recycling centre established. With that, the objectives in comparison to the original plan will have been achieved.

7. Institutionally, significant progress has been achieved in Albania since the last report to the 50th Meeting. Apart from introducing and implementing the licensing system and import quotas, in February and March 2006, the Albanian Parliament approved the Amendments of London, Copenhagen, Montreal and Beijing. A ban on equipment containing ODS and enforcement of legislation bringing in penalties for ODS illegal trade was introduced. The Customs of Albania have started using a harmonized system of tariff codes. The customs authorities also plan to continue training sessions of customs officers on issues related to control of import and export of ODS.

Verification

8. The verification established that Albania has virtually fully utilised the imports allowed under the agreement with the Executive Committee; the imports allowed under the agreement were 15.2 ODP tonnes, Albania imported 15,191 kg of CFC-12. The imports were all on one license with one consignee and one shipment and could therefore be credibly verified, despite the extremely small margin between the allowed and the actual import. The verification provided also detailed insights into the implementation of the project. The import was sufficiently verified, the functioning of the licensing system was determined.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. UNIDO has submitted the report regarding the implementation of the third tranche. The implementation has adhered largely to the implementation plan submitted and shows good progress, with likely completion of the major activities in the next year. The regulatory activity of the Government of Albania seems to indicate a strong commitment to the objectives of the Montreal Protocol and the national plan. While the Secretariat has some concerns about the activities selected by the country in regards to the significant funding associated with recovery and recycling activities, both in the past and the forthcoming tranche, it remains up to the country to allocate resources according to their needs. The verification provided is satisfactory.

10. The requested approval of the funds associated with the fourth and fifth tranches of the national ODS phase-out plan (NPP) is related to the funding foreseen in the Agreement for the years 2006 and 2007. These tranches were not requested earlier due to delays in the implementation and establishment of a licensing system. Since approval of both tranches at the same time is within the limits of the funding schedule, and given the significant progress made since the last report, the Secretariat supports that both tranches be approved.

RECOMMENDATION

11. The Fund Secretariat recommends blanket approval of the fourth and fifth tranches 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)	ODS phase-out management plan (fourth and fifth tranches)	64,644	4,848	UNIDO
