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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fifth Meeting
Bangkok, 14-18 July 2008

PROJECT PROPOSAL: KYRGYZSTAN

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

Phase-out

- Terminal CFC phase-out management plan (second tranche) UNEP and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Kyrgyzstan

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNDP, UNEP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2006	
CFC: 5.3	CTC: 0	Halons: 0	MB: 2.7	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					4.2								4.2
CTC													0
Halons													0
Methyl Bromide													0
TCA													0

(IV) PROJECT DATA			2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	36.4	10.9	10.9	10.9	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	7.	6.	5.	3.	0.	
Project Costs (US\$)	UNDP	Project Costs	194,000.	63,000.	60,000.			317,000.
		Support Costs	14,550.	4,725.	4,500.			23,775.
	UNEP	Project Costs	142,600.	65,100.	25,300.			233,000.
		Support Costs	18,538.	8,463.	3,289.			30,290.
Total Funds Approved in Principle (US\$)		Project Costs	336,600.	128,100.	85,300.			550,000.
		Support Costs	33,088.	13,188.	7,789.			54,065.
Total Funds Released by the ExCom (US\$)		Project Costs	336,600.	0.	0.			336,600.
		Support Costs	33,088.	0.	0.			33,088.
Total Funds Requested for Current Year (US\$)		Project Costs			128,100.			128,100.
		Support Costs			13,188.			13,188.

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

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1. On behalf of the Government of Kyrgyzstan, UNEP as leading agency and UNDP as co-operating agency have submitted to the 55th Meeting of the Executive Committee a request for the second tranche of the Terminal CFC phase-out management plan (TPMP), amounting to US \$128,100 plus agency support cost of US \$13,188. The request is accompanied by a report on the implementation of the first tranche, the annual implementation programme for the second tranche, and a verification report.

Background

2. The Executive Committee approved the TPMP for Kyrgyzstan at its 50th Meeting with associated funding of US \$317,000 plus agency support cost of US \$23,775 for UNDP, and US \$233,000 plus agency support cost of US \$30,290 for UNEP. A first tranche of US \$336,600 was released at the 50th Meeting, at the time of approval of the plan. The TPMP aimed at phasing out a total of 8.1 ODP tonnes of CFC consumption.

3. Decision 45/54 requires, on an annual basis, verification of a randomly selected sample of approved TPMPs for low-volume-consuming countries under implementation (i.e., 10 per cent of approved TPMPs). The costs associated with verification would be added to the relevant work programme of the lead implementing agency. The TPMP in Kyrgyzstan has been selected for such verification, and UNEP has been advised by the Secretariat in the margins of the 54th Meeting to submit a related funding request. Consequently, UNEP has included in its work programme amendments for this Meeting of the Executive Committee an amount of US \$30,000 for that purpose.

Verification of the consumption for the year 2007

4. In light of the above information it is obvious that UNEP could not have submitted verification in time for the 55th Meeting. On the other hand, the submission schedule and the status of implementation both require the tranche submission to this Meeting. UNEP therefore proposed to submit the verification with the third tranche of the TPMP, which has associated costs of US \$85,300, or 15.5 percent of the total costs of the TPMP. UNEP provided with this submission a verification of the activities and expenses to date.

5. The data reported by Kyrgyzstan under Article 7 for 2006 showed a consumption of 5.3 ODP tonnes of CFC (75.7 percent of the maximum allowable consumption under the Agreement), while the 2007 Country Programme data showed a consumption of 4.2 ODP tonnes of CFC (70 percent of the maximum allowable consumption under the Agreement). The 2007 CFC consumption is already 0.8 ODP tonnes (16 percent) lower than the maximum allowable consumption for 2008.

Annual implementation report for the year 2007

6. The progress report indicates that there were initial delays in implementation, and that activities did not commence until approximately seven months after approval of the project. Beginning in July 2007 however, a number of activities were initiated in rapid succession. By

the time of submission of the report, more than 170 technicians had been trained in good refrigeration services, and more than 120 technicians in MAC servicing. A further 80 customs officers received training in ODS-related regulation of exports and imports of ODS and ODS-based equipment. The MDI transition strategy has almost completed the stakeholder involvement with the holding of two working meetings and a workshop on implementation of alternatives to CFC-MDIs, and is in the process of finalisation.

2008 implementation programme

7. The planned activities for 2008 are as follows:
 - (a) Continued training of refrigeration technicians in good practices and establishment of a national refrigeration association;
 - (b) Continued training of MAC technicians in good working practices, repair and retrofit of MAC units, and recovery and recycling and supply of spare parts;
 - (c) Continued training of customs officers in regulation of refrigerants and prevention of illegal CFC trade;
 - (d) A programme to promote the use of and servicing with HC and drop-in blend refrigerants; and
 - (e) Implementation and monitoring of the above activities.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The TPMP in Kyrgyzstan has achieved significant progress during the previous six months after some initial delay in commencing implementation. Such a delay is not however uncommon in the first year of a TPMP, when institutional arrangements and implementing infrastructure are still being set up. Activities related to all the main components of the project have now commenced, with several workshops having been held for the refrigeration and enforcement components, in addition to a number of consultations with respect to the MDI transition strategy. It is the view of the Secretariat that the TPMP is progressing at a pace that suggests a return to timely implementation in the near future.

9. Kyrgyzstan has, according to the information available, fully complied so far with the provisions of the agreement. Decision 45/54 led to the selection of the TPMP in Kyrgyzstan for subsequent verification. The decision of the Executive Committee does not specifically call for the next tranche to be associated with such a verification, and in this particular case, the linking of the verification to this tranche request would lead to a delay in approval due to circumstances outside the responsibility of the country. Since there is still a subsequent tranche of substantial funding to come, the submission of the verification with the next tranche request will probably not interfere with the provisions of the Agreement to withhold funding in case of any non-compliance with it.

RECOMMENDATION

10. In light of these circumstances, the Fund Secretariat recommends blanket approval of the second 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)	Terminal CFC phase-out management plan (second tranche)	63,000	4,725	UNDP
(b)	Terminal CFC phase-out management plan (second tranche)	65,100	8,463	UNEP
