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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-first Meeting
Montreal, 5-9 July 2010

PROJECT PROPOSAL: THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

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

Phase-out

- Terminal phase-out management plan (second tranche)

France

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Lao People's Democratic Republic

(I) PROJECT TITLE	AGENCY
CFC phase out plan	France

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)			Year: 2008	
CFC: 2	CTC: 0	Halons: 0	MB: 0	TCA: 0

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)						Year: 2008							
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					2.								2
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA			2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	6.5	6.5	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	6.5	6.5	0.	
Project Costs (US\$)	France	Project Costs	181,500.	138,500.		320,000.
		Support Costs	23,595.	18,005.		41,600.
Total Funds Approved in Principle (US\$)		Project Costs	181,500.	138,500.		320,000.
		Support Costs	23,595.	18,005.		41,600.
Total Funds Released by the ExCom (US\$)		Project Costs	181,500.	0.		181,500.
		Support Costs	23,595.	0.		23,595.
Total Funds Requested for Current Year (US\$)		Project Costs			138,500.	138,500.
		Support Costs			18,005.	18,005.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Lao People's Democratic Republic, France as the lead implementing agency, has submitted to the 61st Meeting of the Executive Committee a progress report on the implementation of the first work programme of the terminal phase-out management plan for CFCs (TPMP). France has also submitted a request for funding for the second and final tranche at a total cost of US \$138,500, plus agency support costs of US \$18,005.

Background

2. The TPMP for Lao People's Democratic Republic (the) was approved in principle by the Executive Committee at its 54th Meeting at the amount of US \$320,000 plus agency support costs of US \$41,600 for France to completely phase-out CFC consumption in the country by 2010. At the same meeting, the Executive Committee approved the first tranche of US \$181,500 plus agency support costs of US \$23,595 for France for the implementation of the first work programme.

Progress report on the implementation of the first tranche of the TPMP

3. Following the approval of the TPMP by the Executive Committee, implementation of the activities under the TPMP was delayed due to administrative problems associated with the financing agreement between the Government of France and the Government of Lao People's Democratic Republic. This was because of the restructuring that occurred at the Water Resources and Environment Administration (WREA), the National Ozone Unit (NOU) and change in designated focal point for the project, as well as a change in responsibility for the project in the Agence Française de Développement (AFD), the bilateral arm of France. During this implementation period, only one training workshop for refrigeration technicians was carried out with 90 participants, and specifications for the recovery and recycling machines that needed to be procured had been finalised. Awareness activities continued during this period.

4. As of April 2010, of the US \$181,500 approved for the first tranche, US \$90,750 had been disbursed or committed. The balance will be disbursed in 2010.

Plan of action for the second tranche of the TPMP

5. The Government of the Lao People's Democratic Republic commits to an expedited implementation of the remaining activities in the TPMP, and has provided a detailed work plan giving specific disbursement schedules to ensure the completion of the activities in their submitted work programme. These include: completion of the training courses for enforcement officers to ensure that the ODS regulations are effectively implemented and included in the customs training curriculum. Priority will be given to purchasing the equipment necessary for technical assistance in the servicing sector to strengthen the capacity of several refrigeration workshops located throughout the country and complete the technician certification and the remaining technician training programmes. The NOU will also continue to carry out project monitoring to ensure that that project milestones are met and completed.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2008 CFC consumption reported by the Government of Lao People's Democratic Republic under Article 7 of the Montreal Protocol of 2.0 ODP tonnes was already below the 6.5 ODP tonnes allowed for that year. There is zero consumption reported of all other ODS in the country, except HCFCs. France had indicated that this reduction in CFC consumption could be attributed largely to the

strict enforcement of the licensing system in the country. The Secretariat also noted that this submission meets the requirements of decision 60/11(a) and includes activities to sustain zero consumption of CFCs and other activities to facilitate the phase-out of HCFCs described in paragraph 8 below.

7. France also explained that the delays in the disbursement subsequently led to the low level of implementation of most of the activities and maintained the country's commitment to ensuring their substantial completion by the end of 2010. It also indicated that France would work more closely with the NOU to ensure that the work programme proposed would be completed as planned.

8. The Secretariat also sought clarification from France on how the Government of the Lao People's Democratic Republic will be able to maintain zero consumption of CFCs in 2010 and beyond through the activities proposed in the final tranche of the TPMP. France reported that with this expedited implementation, the completion of the activities will lead to sustaining zero consumption of CFCs, and that most of the activities planned, in particular, the equipment component will also facilitate the phase-out of HCFCs.

RECOMMENDATION

9. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of the terminal phase-out management plan (TPMP) in Lao People's Democratic Republic;
- (b) Approves the 2010 annual implementation programme associated with the second tranche; and
- (c) Requests the Government of Lao People's Democratic Republic with the assistance from France, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 64th Meeting of the Executive Committee.

10. The Secretariat further recommends blanket approval of the 2010 plan associated with the second and final tranche of the TPMP in Lao People's Democratic Republic with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan (second tranche)	138,500	18,005	France

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