

Annex X

AGREEMENT FOR THE NATIONAL PHASE-OUT PLAN FOR ALBANIA

1. The Executive Committee has noted that the Parties decided at their 14th Meeting (Decision XIV/18 – non-compliance with the Montreal Protocol by Albania), *inter alia*:
 - (a) "To request that Albania submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance...."; and
 - (b) "...to the degree that Albania is working towards meeting the specific control measures, it should continue to be treated in the same manner as a Party in good standing and should continue to receive international assistance to enable it to return to compliance...".
2. The Executive Committee has also noted that pursuant to Decision XIV/18, Albania has submitted to the Ozone Secretariat for the consideration by the Implementation Committee a terminal phase-out plan that would achieve compliance CFC freeze in 2005 and the 50% reduction in 2006.
3. In order to provide immediate assistance to facilitate a return to compliance; and without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance, on an exceptional basis, the Executive Committee has entered into an Agreement with the Government of Albania with respect to the complete phase-out of the ozone depleting substances (ODSs) of Annex A Group I, Annex B Group II and Annex E used in Albania.
4. Albania agrees to phase out the production and consumption of all controlled uses of all ODSs in accordance with the annual consumption limits set out in Table 1, and this Agreement. Albania accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it will not apply for or receive further funding from the Multilateral Fund in respect to all controlled ODSs.

Table 1: Annual consumption limits for ODSs in Albania

Year	ODP tonnes
2003	68.0
2004	61.2
2005	36.2
2006	15.2
2007	6.2
2008	2.2
2009	0

5. Subject to compliance by Albania with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide a total of US \$653,125, excluding agency support costs and funding for institutional strengthening, as the total funding for Albania for the complete phase out of production and consumption of all ODSs, in accordance with the funding disbursement schedule presented in Table 2. The funding for 2003 will be provided at the time of

approval of this Agreement; thereafter, the Executive Committee will endeavour to provide the indicated funds at the first meeting of the year.

Table 2: Funding disbursement schedule (US\$)

Funding	2003	2004	2005	2006	2007	2008	2009
Component I (UNEP)	118,125	0	0	0	0	0	0
Component II (UNIDO)	181,068	172,322	72,322	42,322	22,322	22,322	22,322
Agency fees (UNEP)	15,356	0	0	0	0	0	0
Agency fees UNIDO)	13,580	12,924	5,424	3,174	1,674	1,674	1,674
Total (UNEP)	133,482	0	0	0	0	0	0
Total (UNIDO)	194,648	185,246	77,746	45,496	23,996	23,996	23,996
Total cost to the MF	328,130	185,246	77,746	45,496	23,996	23,996	23,996

6. Albania will meet the consumption limits for all ODSs as indicated in Table 1. It will also accept independent verification of achievement of these consumption limits by UNIDO, as the lead implementing agency, as described in paragraph 11 of this Agreement.

7. The Executive Committee will not provide the funding in accordance with the funding disbursement schedule indicated in Table 2 unless Albania satisfies the following conditions prior to the Executive Committee Meeting where funding is requested for the subsequent implementation programme:

- (a) Albania has met the phase-out targets for the applicable year as indicated in Table 1, and these targets have been independently verified as described in paragraph 11;
- (b) Albania has substantially completed all actions set out in the last annual implementation programme; and
- (c) Albania has submitted and received approval from the Executive Committee for an annual implementation programme in respect of the year for which funding is being requested.

8. Albania will ensure that it conducts accurate monitoring of its activities under this Agreement. The Steering Committee of the National Phase-out Plan of Albania, chaired by the National Ozone Unit will monitor and report on that monitoring in accordance with the following roles and responsibilities set out in the National Phase-out Plan. This monitoring will also be subject to independent verification as described in paragraph 11:

- (a) Administration matters relating to the National Phase-out Plan;
- (b) Preparation of annual implementation programmes, based on the regional national phase-out plan to be prepared by the regional inspectors;
- (c) Co-ordination of all activities and actions identified in the National Phase-out Plan and the monitor of their implementation; and
- (d) Co-ordination with the National Ozone Unit concerning the preparation and submission of annual reports to the Multilateral Fund Secretariat on the progress

of implementation of the National Phase-out Plan and to the Ozone Secretariat on ODS consumption in Albania under Article 7 of the Montreal Protocol.

9. While the funding was determined on the basis of estimates of the needs of Albania to carry out its obligations under this Agreement, the Executive Committee agrees that Albania may have the flexibility to reallocate the funds agreed in principle, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be identified in annual implementation programmes, reviewed by the Executive Committee, and accounted for in the verification report.

10. Albania agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency and UNEP has agreed to be the co-operating implementing agency under the lead of UNIDO.

11. Specifically, UNIDO will be responsible for carrying out the following activities:

- (a) Ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the National Phase-out Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNIDO are carried-out by appropriate independent technical experts;
- (e) Assisting Albania in the preparation of annual implementation programmes, which will incorporate achievements of previous annual programmes;
- (f) Carrying-out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (h) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

12. UNEP, as co-operating implementing agency, will be responsible for carrying out the following activities:

- (a) Assisting Albania in the implementation and verification of the activities under UNEP's responsibility;
- (b) Providing reports to UNIDO on these activities, for inclusion in consolidated reports;

- (c) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (d) Providing policy development assistance when required.

13. The Executive Committee agrees, in principle, to provide UNIDO and UNEP with the agency support costs set out in Table 2.

14. Albania also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. Should Albania, for any reason, not meet the targets for the elimination of all ODSs or otherwise does not comply with this Agreement, then Albania agrees that it will not be entitled to the funding in accordance with the funding disbursement schedule indicated in Table 2. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding disbursement schedule determined by the Executive Committee after Albania has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of funding under the funding disbursement schedule.

15. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect any other related activities in Albania.

16. Albania will comply with any reasonable request of the Executive Committee and UNIDO to facilitate implementation of this Agreement. In particular, it will provide access by UNIDO and UNEP to information necessary to verify compliance with this Agreement.

17. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.
