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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Seventeenth Meeting
Montreal, 26-28 July 1995

COUNTRY PROGRAMME: ROMANIA

This document consists of:

- Comments and Recommendations of the Fund Secretariat
- Country Programme Evaluation Sheet (prepared by the Fund Secretariat)

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

COMMENTS

1. The Country Programme conforms to the format of the approved guidelines. In the sector dealing with industry structure, the document provides information on the major ODS producing and consuming industries. Boxes in the document provide background information on the enterprises including their annual turnover, product range, ODS production or consumption and existing equipment. Another innovation is that all the major industries described are shown on maps provided for each sector.

2. The total consumption of Romania in 1993 was 1,558 ODP tonnes, 39 per cent of which was satisfied through domestic production. In terms of individual ODS, domestic production satisfied 49 per cent of CFC-11 and 35 per cent of CFC-12 requirements. There are two ODS producing enterprises, one of which produces CFC-11 and CFC 12, while the other produces carbon tetrachloride (CCl4) and methyl chloroform. In 1993, over 8,000 tonnes of CCl4 was produced of which over 6,300 tonnes (about 80 per cent) was exported to non-Article 5 countries. The CFC production which started in about 1989 using Romanian equipment has been characterized by severe declines caused by the preference of the domestic market for imported CFCs and lack of access to the export market. These are factors which could influence the phase-out strategy in the CFC production sector, i.e. whether the phase-out will take the conversion or closure pathways.

3. ODS consumption is in five sectors - aerosol, foam, refrigeration, solvent applications and fire extinghishants. Nearly 60 per cent of the consumption is due to the aerosol sector which is dominated by one company (Farmec) accounting for 97 per cent of domestic aerosol production and controls 40 per cent of the domestic market. The aerosol industry has also had a severe decline in CFC use due to cutbacks in production engendered by competition from foreign products.

4. Influenced inter alia by external market pressures, ODS consumption has steeply declined from the base consumption of 3,000 tonnes in 1986 to about half this quantity in 1993. The Government will accelerate this trend through the use of a mix of institutional, administrative and regulatory measures and investment in ODS phase-out projects to eliminate the use of ODS within a period of six years. Critical to this strategy is the successful phase-out of the ODS use in the aerosol sector controlled by only one company. The production sector phase-out also poses social, economic and political challenge to the government. The phase-out action will, however, be contingent on the successful phase-out in the consuming sectors so as not to create any dislocation in the supply system.

5. Fourteen investment projects had been identified as of June 1995, four of which were ready for submission for consideration by the Executive Committee. They included a project for Farmec, the dominant aerosol producing enterprise, one project in the foam sector and two in the refrigeration sector. The four projects would account for 60 per cent of ODS consumption.

RECOMMENDATION

The Fund Secretariat recommends as follows:

6. To approve the Romania Country Programme. Approval does not denote approval of the projects therein or their funding levels.

7. To request the Government of Romania to present annually information to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para 135). Using the approved format, the initial report, covering the period 1 August 1995 to 31 December 1996, should be submitted to the Fund Secretariat not later than 31 March 1997.

ROMANIA COUNTRY PROGRAMME EVALUATION SHEET

National Implementing Agency: Ozone Secretariat, Ministry of Waters, Forests and Environmental Protection

Status of ratification of the Vienna Convention and the Montreal Protocol

	Signature	Ratification	Entry Force
Vienna Convention (1985)		27/Jan/93	27/Apr/93
Montreal Protocol (1987)		21/Jan/93	27/Apr/93
London Amendment (1990)		27/Jan/93	27/Apr/93
Copenhagen Amendment (1992)			

Production of controlled substances: 9,678 metric tonnes (mt)

Consumption of controlled substances (1993): 1,741.7 metric tonnes
(excluding methyl bromide) 1,556.4 weighted tonnes (ODP)

Substance	CFC						Halon			Solvents			M-Br
(ton)	11	12	113	114	115	Total	1211	1301	Total	CTC	MCF	Total	
ODS	267.0	1,103.0	76.0	0.5		1,446.5	1.2	2.6	3.8	66.4	225.0	291.4	
ODP	267.0	1,103.0	60.8	0.5		1,431.3	3.6	26.0	29.6	73.0	22.5	95.5	

Source: Country Programme (1995)

Distribution of ODP by substance:

CFC: 92.0% Halon: 1.9% CTC, MCF: 6.1%

Distribution of ODP by sector:

Sector:	Aerosol	Foam	Halon	Refrig.	Solvent
Consumption (tonnes):	927.0	267.0	29.6	176.0	157.0
Percent of total:	59.6%	17.2%	1.9%	11.3%	6.1%

Note: Total production is carbon tetrachloride

Country Programme

Duration of country programme: 5 years (1995-2000)

ODS phase-out target:

Complete phase out by 2000: in aerosol by 1998, flexible foam by 1995 and rigid foam by 1997, refrigeration by 1997 (except servicing) and solvents by 1998

Phase-out priority area:

Aerosol, foam and refrigeration sectors

Cost of activities in country programme:

Strategy:

The strategy will be through development of investment activities for funding, supported by administrative and regulatory measures which include improvement of customs classifications and import licensing system, introduction of production license and various bans, accreditation of servicing technicians and revision of industry standards. Voluntary agreement with industry is expected o further augment government's efforts.