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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-sixth Meeting
Montreal, 4-8 July 2005

PROJECT PROPOSAL: CROATIA

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 (third tranche)

UNIDO and
Sweden

**PROJECT EVALUATION SHEET
(MULTI-YEAR PROJECTS)
CROATIA**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

Terminal CFC phase-out management plan (third tranche)	UNIDO and Sweden
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NATIONAL CO-ORDINATING AGENCY:

Ministry of Environmental Protection, Physical Planning and Construction (MEPPPC)

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP tonnes)**

2003 Data as at 12 May 2005	Annex A Group I, CFCs	88.7
2004 Data*	Annex A Group I, CFCs	78.2

*not yet submitted to the Ozone Secretariat.

B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2004, as at 25 April 2005)

ODS	Aerosol	Foam	Ref. mfg.	Ref. Service	Total
CFC-11	0	0	0	3.00	3.00
CFC-12	0	0	0	74.16	74.16
CFC-115			0.0	1.00	1.00
CFC Total	0.0	0.0	0.0	78.16	78.16

CFC consumption remaining eligible for funding (ODP tonnes)

n.a.

CURRENT YEAR BUSINESS PLAN: Total funding US \$60,738 : total phase-out 11.9 ODP tonnes

PROJECT DATA		2003	2004	2005	2006	2007	2008	2009	2010	Total
CFCs (ODP tonnes)	Montreal Protocol limits	219.3	219.3	109.6	109.6	32.9	32.9	32.9	0	n.a.
	Annual consumption limit	98.0	98.0	65.0	21.9*	21.9*	21.9*	21.9*	0.0	n.a.
	Annual phase-out from ongoing projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	Annual phase-out newly addressed	0.0	0.0	33.0	43.1	0.0	0.0	0.0	21.9	98
	Annual unfunded phase-out	-	-	-	-	-	-	-	-	-
TOTAL ODS CONSUMPTION TO BE PHASED OUT		-	-	33.0	43.1	0.0	0.0	0.0	21.9	98
Total ODS consumption to be phased in (HCFCs)		-	-	-	-	-	-	-	-	-
Final Project costs (US\$):										
Funding for UNIDO		184,000	48,300	35,000	10,200	5,000	5,000	0	0	287,500
Funding for Sweden		46,000	24,700	21,500	0	0	0	0	0	92,200
Total project funding		230,000	73,000	56,500	10,200	5,000	5,000	0	0	379,700
Final Support costs (US\$):										
Support cost for UNIDO		13,800	3,623	2,625	765	375	375	0	0	21,563
Support cost for Sweden		3,450	1,853	1,613	0	0	0	0	0	6,916
Total support costs:		17,250	5,476	4,238	765	375	375	0	0	28,479
TOTAL COST TO MULTILATERAL FUND (US\$)		247,250	78,476	60,738	10,965	5,375	5,375	0	0	408,179
Final Project cost effectiveness (US\$/kg)										3.87

* Import on exceptional basis as specified in the agreement

FUNDING REQUEST: Approval of funding for 3rd tranche (2005) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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PROJECT DESCRIPTION

1. The Terminal CFC Phase-out Management Plan (TPMP) for Croatia was approved in April 2003 at the 39th Meeting of the Executive Committee. The total funds approved in principle amounted to US \$379,700 plus US \$28,478 in support costs. The implementation of this TPMP supports the Government of Croatia in meeting its Montreal Protocol obligations including the complete phasing-out of CFCs by 1 January 2010. 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 Croatia with the assistance of UNIDO and Sweden. The 2003 and 2004 Annual Implementation Programmes (AIPs) of this TPMP were approved, and related funds were released at the 39th and 42nd Meetings of the Executive Committee, respectively.
2. The Government of Croatia has submitted for consideration of the Executive Committee at its 46th Meeting a request for the third tranche of the TPMP project at the amount of US \$56,500.
3. The 2004 milestones of the Croatia TPMP as specified in the request for the 2004 tranche were: CFC consumption to be no greater than 98 ODP tonnes; participation of at least 350 technicians in a two-day training course; reclamation capacity to be established and in operation.
4. The verification of the consumption figures has been carried out by the Government, showing consumption well below the target amount of 98 ODP tonnes for 2004. In addition, UNIDO verified through the report "2004 Annual Programme Accomplishments" that the activities planned for 2004 were actually largely performed. The agreement with Croatia specifies only the need for confirmation that the agreed phase-out targets for the previous year have been achieved, and verification that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan.
5. Six training courses were conducted at the University of Zagreb through which 74 service technicians were trained and certified. In November 2004, equipment for three reclamation centres was imported and delivered to two of the planned three centres; the affiliation of the third centre still needs to be determined.
6. The Government designated a consulting firm, APO Ltd., to act as the national implementing institution. An implementation support unit is fully operational. Existing training materials for vocational training schools have been updated. The same firm is also responsible for the development of information pamphlets on good refrigeration practices, reuse of refrigerants as well as legal requirements related to refrigerants.
7. The Air Protection Act has been adopted and published. One of its Articles stipulates the reduction and phase out of consumption of ozone depleting substances. The Act lists the need for Government permission to handle ODS, the educational requirements for servicing of refrigeration equipment, gradual reductions of ODS and other operational procedures. In 2003 and 2004, a total of 160 company licenses were granted by the Government of Croatia for the handling of ODS.

8. The milestones proposed for 2005 are:

- (a) CFC consumption of no more than 65 ODP tonnes between 1 January and 31 December 2005;
- (b) Acceptance of new ODS-regulation by-law;
- (c) Development of pamphlets under the information activities; Code of Practice prepared and agreed with the relevant stakeholders
- (d) Purchase of training equipment for vocational schools, completion of train the trainers programme in eight schools; additional training of (existing) refrigeration servicing technicians; and
- (e) Putting in operation the reclamation centres, and obtaining an agreement on the reuse scheme.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The Secretariat noted that the original project document, submitted to the 39th Meeting, estimates the need to train up to 100 technicians not previously trained under the RMP. The annual implementation programme for 2004, approved by the 42nd Meeting, modified the objective by planning for the training of 350 technicians. The report regarding the 2004 implementation states that 74 technicians have been trained. Consequently, the 2004 implementation has largely delivered the activities foreseen under the original project document, but had not extended the objectives that the country specified in the 2004 annual programme.

10. Since the approval of the TPMP project, the CFC consumption in Croatia has been reduced from 113.8 ODP tonnes in 2001 to 88.7 ODP tonnes in 2003 and 78.2 ODP tonnes in 2004.

RECOMMENDATION

11. Since Croatia has in 2004 consumed 20% less CFC than the agreed consumption limit, the deviations from planned activities seem relatively minor, and the reporting and planning requirements have been fulfilled. The Fund Secretariat recommends blanket approval of the third tranche of the terminal CFC phase-out management 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 phase-out management plan (third tranche) – Component I	21,500	1,613	Sweden
(b)	Terminal phase-out management plan (third tranche) – Component II	35,000	2,625	UNIDO

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