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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-first Meeting
Montreal, 19-23 March 2007

PROJECT PROPOSAL: ROMANIA

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

Phase-out

- National CFC phase-out plan (third tranche) Sweden and UNIDO

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
ROMANIA**

PROJECT TITLE	BILATERAL/IMPLEMENTING AGENCY
National CFC phase-out plan (third tranche)	Sweden and UNIDO

NATIONAL CO-ORDINATING AGENCY:	Ministry of Environment and Water Management (MEWM)
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF FEBRUARY 2007)

CFC	180.2		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2003, AS OF FEBRUARY 2007)

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant
CFC-11				2.56			
CFC-12	36.00			322.80			
CFC-115			0.71				

CFC consumption remaining eligible for funding (ODP tonnes)	
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CURRENT YEAR BUSINESS PLAN: Total funding US \$32,000: total phase-out 7.0 ODP tonnes.

PROJECT DATA		2005	2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	Montreal Protocol limit	337.9	337.9	101.4	101.4	101.4	0	-
	Annual consumption limit	220	146.8	69.7	33.2	16.0	0	-
	Annual phase-out from ongoing projects	0	0	46.54	0	0	0	46.54
	Annual phase-out newly addressed	14.6	35.8	14.9	17.8	8.4	7.8	99.3
	Annual unfunded phase-out	15.4	37.4	15.6	18.7	8.8	8.2	104.2
TOTAL ODS CONSUMPTION TO BE PHASED OUT		30.0	73.2	77.04	36.5	17.2	16.0	250.0
Total ODS consumption to be phased-in (HCFCs)		0	0	0	0	0	0	0
Final project costs (US \$):								
Funding for Lead IA: UNIDO		159,050	236,750	30,000	0	0	0	425,800
Funding for Cooperating IA: Sweden		119,500	0	0	0	0	0	119,500
Total project funding		278,550	236,750	30,000	0	0	0	545,300
Final support costs (US \$):								
Support cost for Lead IA: UNIDO		11,929	17,756	2,250	0	0	0	31,935
Support cost for Cooperating IA: Sweden		15,535	0	0	0	0	0	15,535
Total support costs		27,464	17,756	2,250	0	0	0	47,470
TOTAL COST TO MULTILATERAL FUND (US \$)		306,014	254,506	32,250	0	0	0	592,770
Final project cost effectiveness (US \$/kg)								5.49

FUNDING REQUEST: Approval of funding for the third tranche (2007) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Romania, UNIDO has submitted to the 51st Meeting of the Executive Committee, a funding request for the third and final tranche of the national CFC phase-out plan (NCP) for Romania, at a total cost of US \$30,000 plus agency support costs of US \$2,250.

Background

2. The NCP for Romania was approved at the 45th Meeting of the Executive Committee, with UNIDO as lead implementing agency and Sweden as cooperating bilateral agency. The implementation of this NCP supports the Government of Romania in meeting its Montreal Protocol obligations, including the complete phase-out of the controlled use of CFCs prior to 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 Romania with the assistance of UNIDO. The total funds approved in principle for the NCP amounted to US \$545,300 plus agency support costs of US \$47,470.

3. In the refrigeration servicing sector, consumption of CFC-12 in the servicing and maintenance of refrigeration and air-conditioning equipment was reduced by 39 per cent, from 138.9 ODP tonnes in 2005 to 85.3 ODP tonnes in 2006. This was supported through the activities funded under the NCP, such as establishment of a code of practice, strengthening of vocational schools, and further training of the existing work force. The refrigeration servicing sector is the last sector in which Romania consumes CFCs. Consequently, the (preliminary) 2006 consumption is 85.3 ODP tonnes. The NCP allows a consumption of up to 146.8 ODP tonnes for 2006, 69.7 ODP tonnes for 2007.

2007 annual implementation programme

4. The annual implementation programme for 2007 is the last annual implementation programme under this NCP. The consumption reduction by a further 15.6 ODP tonnes will be supported by a number of technical assistance activities, namely continuation of the strengthening of vocational schools, establishment of a code of practice, additional customs officer training, and updating of a technician licensing system through harmonizing it with EU requirements. Romania is a member of the European Union from 1 January 2007.

5. From 1 January 2007, all national regulations related to ODS and relevant sectors have been modified according to the EU regulations. UNIDO and the Government of Romania advised that the activities related to "Training of existing workforce", "Strengthening of vocational schools", "Customs training of trainers", "Support to upgrade infrastructure to re-use ODS" have been rescheduled for 2007 and later years, as the national legislation has been changed and implementation of these activities are directly connected to the new legislation.

6. The verification of the 2005 consumption showed that the consumption is at or below 204.512 ODP tonnes, which is under the agreed target of 220 ODP tonnes specified in the agreement between the Government of Romania and the Executive Committee. The verification investigated three separate sets of data for each CFC, which showed a high level of consistency.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. Implementation of several components has been slow, but the explanation provided by UNIDO, namely the rescheduling in line with the associated legislative and administrative changes due to the entry of Romania into the European Union, is sufficient. Further, the membership of Romania in the European Union provides further assurance of diligence in the phase-out efforts.

8. The progress in phasing-out CFCs has been good, as in 2006 the targets for 2007 were almost reached and the legislative and administrative set-up for import control has proven to be very stable. The implementation focuses strongly on long-term sustainability through specific regulatory activities and establishment of standards, which appears to be a successful way forward.

9. A number of minor issues raised by the Secretariat have been settled.

RECOMMENDATION

10. The Fund Secretariat recommends blanket approval of the third 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)	National CFC phase-out plan (third tranche)	30,000	2,250	UNIDO