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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-sixth Meeting
Doha, 8-12 November 2008

PROJECT PROPOSAL: SERBIA

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

Solvents

- Terminal CTC phase-out project

Italy

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT
SERBIA**

PROJECT TITLE(S)	BILATERAL/IMPLEMENTING AGENCY
(a) Terminal CTC phase-out project	Italy

NATIONAL CO-ORDINATING AGENCY	Ministry of Environment Protection, Department for Air Protection
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2007, AS OF OCTOBER 2008)

CTC	1.1		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2007, AS OF OCTOBER 2008)

ODS	Subsector/quantity	Subsector/quantity	Subsector/quantity	Subsector/quantity
CTC	1.1			

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$	Phase-out ODP tonnes
	(a)	40,000	0

PROJECT TITLE:	(a)
ODS use at enterprise (ODP tonnes):	n/a
ODS to be phased out (ODP tonnes):	0.9
ODS to be phased in (ODP tonnes):	0
Project duration (months):	12
Initial amount requested (US \$):	49,324
Final project costs (US \$):	
Incremental Capital Cost:	44,840
Contingency (10 %):	4,484
Incremental Operating Cost:	0
Total Project Cost:	49,324
Local ownership (%):	100%
Export component (%):	0%
Requested grant (US \$):	49,324
Cost-effectiveness (US \$/kg):	n/a
Implementing agency support cost (US \$):	6,412
Total cost of project to Multilateral Fund (US \$):	55,736
Status of counterpart funding (Y/N):	Y
Project monitoring milestones included (Y/N):	Y

SECRETARIAT'S RECOMMENDATION	For blanket approval
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PROJECT DESCRIPTION

1. The Government of Italy, as bilateral contribution and on behalf of the Government of Serbia, submitted to the 56th Meeting of the Executive Committee a technical assistance project with an associated funding request of US \$49,324 plus agency support costs of US \$6,412, to achieve the complete phase-out of CTC consumption in Serbia except for 200 kg or less of consumption necessary to satisfy essential uses of CTC for those laboratory and analytical uses which are currently covered by the illustrative list of laboratory uses as per decision VII/11 of the Meeting of the Parties and the subsequent modifications of that list.

Background

2. The Meeting of the Parties discussed several times laboratory and analytical uses. The Sixth Meeting of the Parties decided through decision VI/9 “that for 1996 and 1997, for Parties not operating under paragraph 1 of Article 5 of the Montreal Protocol, production or consumption necessary to satisfy essential uses of ozone-depleting substances for laboratory and analytical uses are authorized as specified in Annex II to the report of the Sixth Meeting of the Parties”. The period mentioned in that decision has been prolonged several times by more recent decisions. The Seventh Meeting of the Parties decided through decision VII/11 to encourage national standards organizations to identify and review those standards which mandate the use of ozone-depleting substances in order to adopt where possible ODS-free solvents and technologies, and also to adopt an illustrative list of laboratory uses.

3. During the preparation of this project the Government of Italy has learned that in several cases the existing, legally binding test standards in the country prescribe the use of CTC for certain analytical purposes. The Government of Italy found a number of such cases when visiting a Serbian laboratory in preparation for this project, these were (e.g.):

- (a) Solubility of bitumen;
- (b) Lead content measurement in gasoline;
- (c) Contents of lead in the final products; and
- (d) Measuring phenol in waste water.

4. The list established in decision VII/11 has been repeatedly modified, in particular by decision XI/15 of the Eleventh Meeting of the Parties, which eliminated the following uses from the global exemption for laboratory and analytical uses for controlled substances:

- (a) Testing of oil, grease and total petroleum hydrocarbons in water; and
- (b) Testing of tar in road-paving materials.

These are the prevalent laboratory and analytical uses of CTC in Serbia.

5. When adopting decision XVII/13, the Parties were bearing in mind that those Parties operating under paragraph 1 of Article 5 of the Montreal Protocol must reduce consumption of CTC by 85 per cent with respect to their baseline by 2005 and by 100 per cent by 2010, but that CTC has an important use in laboratory and analytical processes, and that alternatives are not yet available for some of them. Additionally, decision XVII/13 urged “Parties operating under paragraph 1 of Article 5 to minimize the consumption of carbon tetrachloride in laboratory and analytical uses by applying the criteria and procedures of global exemption for carbon tetrachloride in laboratory and analytical uses that are currently established for Parties not operating under paragraph 1 of Article 5”.

Scope and activities

6. CTC represents the bulk of ozone depleting (OD) solvent used currently in laboratory and analytical applications in Serbia, and continues to be used in laboratories for a variety of purposes. No specific CTC projects have been proposed or implemented in Serbia so far, since the consumption of CTC is too low, now only being used in analytical methods.

7. The country's 2007 CTC consumption was reported under Article 7 to be 1.1 ODP tonne, i.e. 1.0 metric tonne, and the Government of Italy reports it is related solely to laboratory and analytical uses. The technical assistance project aims at phasing out the use of CTC in such analytical and laboratory uses in Serbia, which are presently not part of the global laboratory and analytical use exemption of the Meeting of the Parties.

8. In order to achieve this objective, the Government of Italy intends to undertake a number of activities. It plans to investigate further the laboratory use of CTC in Serbia. The project will assess the amounts of CTC used for various use purposes in laboratories, identify possible substitute methods, especially for oil-in-water assays and investigate obstacles to the substitution of CTC in such laboratory uses. In addition, background information on the future policies regarding CTC will be assembled. In a second step, the laboratories will be informed about the possibilities of substituting CTC with new viable alternatives. Also making use of the national distribution supply chain, some trading companies will be approached to provide information on CTC end-users.

9. The activities under this project have the side-effect of increasing awareness of the need for change as well as of alternatives among the users and, therefore, simplifying and accelerating the necessary change in mandatory testing standards.

Main funding components

10. The project will extend the survey started already as part of the project preparation, based on the work of a local consultant. An international consultant will undertake two visits to the country; the first one will last two weeks to visit laboratories, discuss their CTC use and advise on alternatives.

11. A national workshop is planned to be organized for about 50 participants from the laboratory and analytical institutes in the country. This workshop will also be attended by international experts. The Government of Italy wants to ensure that the activities undertaken towards phase-out are not only technically sound but also sustainable and consistent with the priorities of the Government. The activities funded by the Multilateral Fund under this project will be complemented by the users of CTC, that will have to undertake the necessary investments to affect the changes in testing.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

12. This project is the first one for the Multilateral Fund related only to laboratory and analytical uses of ozone depleting solvents. The Meeting of the Parties has recognized for several years the challenge to phasing out of ODS for such uses. The project proposed for Serbia undertakes a number of targeted activities to phase out that part of the CTC consumption in the sector where alternatives presently exist.

RECOMMENDATION

13. The Fund Secretariat recommends blanket approval of the terminal CTC/CFC phase-out project at the funding levels shown in the table below, on the understanding that this project will phase out all consumption of CTC in Serbia with the sole exception of up to 0.2 ODP tonne for uses specified in decision VII/11 and the related annex.

	Project title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	Terminal CTC/CFC-113 phase-out project	49,324	6,412	Italy
