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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-third Meeting
Montreal, 4-8 April 2011

PROJECT PROPOSAL: REPUBLIC OF MOLDOVA

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

Phase-out

- HCFC phase-out management plan (stage I)

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**Republic of Moldova**

(I) PROJECT TITLE	AGENCY
HCFC phase-out management plan (stage I)	UNDP (lead)

(II) LATEST ARTICLE 7 DATA	Year: 2009	1.2 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP)								Year: 2009	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC123									
HCFC124									
HCFC141b									
HCFC142b									
HCFC22					2.3				2.3

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline (estimate):	2.3	Starting point for sustained aggregate reductions:	2.3
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	0.2

(V) BUSINESS PLAN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNDP	ODS phase-out (ODP tonnes)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
	Funding (US \$)	86,328	0	0	9,592	0	0	0	0	0	0	95,920

(VI) PROJECT DATA				2011	2012	2013	2014	2015	Total
Montreal Protocol consumption limits (estimate)				n/a	n/a	2.3	2.3	2.0	
Maximum allowable consumption (ODP tonnes)				n/a	n/a	2.3	2.3	2.0	
Project Costs requested in principle(US\$)	UNDP	Project costs		79,200				8,800	88,000
		Support costs		7,128				792	7,920
Total project costs requested in principle (US \$)				79,200	0	0	0	8,800	88,000
Total support costs requested in principle (US \$)				7,128	0	0	0	792	7,920
Total funds requested in principle (US \$)				86,328	0	0	0	9,592	95,920

(VII) Request for funding for the first tranche (2011)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNDP	79,200	7,128

Funding request:	Approval of funding for the first tranche (2011) as indicated above
Secretariat's recommendation:	For individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of the Republic of Moldova UNDP, as the implementing agency, submitted to the 63rd Meeting of the Executive Committee a HCFC phase-out management plan (HPMP) at a total cost, as originally submitted of US \$88,000 plus agency support costs of US \$7,920 for UNDP, for the implementation of stage I of the HPMP. The HPMP covers strategy and activities to meet the freeze in consumption in 2013 and the 10 per cent reduction in consumption of HCFCs by 2015.
2. The first tranche for stage I being requested at this meeting amounts to US \$79,200 plus agency support costs of US \$7,128 for UNDP, as originally submitted.

Background

3. The Republic of Moldova became an independent country in 1991, having previously been part of the Soviet Union. Between 1999 and 2008, the country's economic performance has been commendable, in contrast to the earlier years of its independence. After a significant drop in gross domestic product (GDP) in 2009 by more than 6 per cent, a growth in GDP of 3.1 per cent could be achieved in 2010. The country has ratified the London, Copenhagen, Montreal and Beijing Amendments to the Montreal Protocol.

ODS regulations

4. An ODS licensing system was introduced in 2002, and the import of HCFCs into the country is subject to licensing: a quota is foreseen but not yet established. HCFCs are also separately included in the customs codes.

ODS consumption

5. All HCFC used in the country are imported, as the country does not have any production capacity. The survey undertaken during the HPMP preparation showed that HCFC-22 is the only HCFC being imported, and its use is only in the refrigeration and air conditioning (RAC) service sector. In 2009, the year in which the latest Article 7 data is available, consumption was 21.1 metric tonnes (mt) (1.16 ODP tonnes) of HCFC-22; this consumption is only 40 per cent of the consumption in 2008. The three-year average between 2007 and 2009 was 37.3 mt (2.05 ODP tonnes) or more than 75 per cent higher than the 2009 HCFC consumption.

Sectoral distribution of HCFCs

6. There is no HCFC consumption in the manufacturing sector. No use has been identified in the aerosol, fire extinguishers, foam and solvent sectors. In the servicing sector, it is estimated that around 37 per cent of the consumption is used for the servicing of stationery air conditioning equipment. About 24 per cent of the consumption is assumed to be related to mobile air conditioning and transport refrigeration equipment, while another 16 and 12 per cent of the consumption is related to the service of commercial and industrial refrigeration equipment, respectively. Eleven per cent of the HCFC consumption of the country is for the charging of new refrigeration equipment using HCFC-22 for equipment being assembled in the country. In the HPMP, it is pointed out that a large amount of the existing RAC equipment using HCFC-22 has been installed in the previous five years; consequently, it is assumed that the consumption of HCFC-22 for servicing of RAC equipment will increase significantly in the coming years with an ageing equipment base. It is forecasted that in 2010, the consumption of HCFC-22 will be 20 per cent higher than in 2008, which is more than the consumption required for making up for the significant reduction in 2009. For 2011 and 2012, increases of 12 and 13 per cent per

year are assumed. The HPMP did not include an estimate for the years beyond 2012. Table 1 contains the related forecast of HCFC consumption, which is a scenario based on constrained supply as per the Montreal Protocol.

Table 1. Constrained HCFC consumption

Year		2005	2006	2007	2008	2009	2010
HCFC-22 consumption	Mt	17.2	12.1	38.6	51.3	21.1	61.1
	ODP	0.9	0.7	2.12	2.88	1.16	3.36
Year		Baseline	2011	2012	2013	2014	2015
HCFC-22 consumption	Mt	41.1	68.4	75.1	41.5	41.5	37.3
	ODP	2.28	3.76	4.13	2.28	2.28	2.05

Note: -Reported consumption under Article 7 for 2005 to 2009
-Estimated / forecasted consumption for 2010 to 2015

HCFC consumption baseline

7. The estimated baseline for consumption is calculated at 41.5 mt (2.28 ODP tonnes) of HCFC-22, using the average of the 2009 reported consumption of 21.1 mt (1.2 ODP tonnes) and the estimated 2010 consumption of 61.1 mt (3.36 ODP tonnes). The country selected as a starting point the average of the actual consumption in 2009 and estimated consumption in 2010. However, since the Republic of Moldova is a LVC with no consumption other than the service sector, this selection will have no impact on its eligibility.

HCFC phase-out strategy and cost

8. The Government of the Republic of Moldova is proposing to follow the Montreal Protocol phase-out schedule for HCFCs. The activities included in the current submission are meant to support the country in achieving a 10 per cent reduction in HCFC consumption by 2015, and concentrate exclusively on the servicing sector as the sole consumption sector in the country.

9. In stage I of the HPMP, the country will establish a quota system to provide quantitative restrictions for HCFC imports, as soon as the baseline consumption level has been established. The Government considers banning the import of HCFC-containing equipment, both new and used, from 2013 onwards. The complete phase-out of consumption of HCFCs is presently intended for 2040.

10. The total cost of stage I of the HPMP for the Republic of Moldova has been established at US \$88,000. The activities in the HPMP will support the country to achieve a 10 per cent reduction in HCFCs by 2015, resulting in a phase-out of 4.15 mt (0.23 ODP tonnes) of HCFC-22. A detailed list of activities with a cost breakdown is shown in Table 2.

Table 2. Total cost of the HPMP

Activity	Fund per activity (US \$)	Total (US \$)
Vocational school project		2,000
Elaboration/update of training materials	2,000	
Training of technicians		55,000
Training of 50 technicians according to the legal requirements of the EC Regulation 842/2006 (commonly known as the F-Gas Regulation).	15,000	
Recovery equipment/service tools (20 sets a' US \$1,700) (recovery machines, vacuum pumps, cylinders, leak detectors, service tools)	34,000	
Preparation/up date of training materials	2,000	
Update of Code of Good Practices in Refrigeration and Air-conditioning/ Certification of the technicians Category I and II according to the legal requirements of the EC Regulation 842/2006	4,000	
Legislation		2,000
Legislation such as HCFC import quota system (2011/2012) and Ban of import of HCFCs containing equipment (new & second hand, especially air conditioners)	2,000	
Awareness raising activities		4,000
Broadcasting /video clips (production)/ pamphlets	3,000	
Commercials (newspapers, TV)	1,000	
Strengthening of the Public Association of the Refrigeration Technicians		4,000
Strengthening of the Public Association of the Refrigeration Technicians		
Web-site	250	
Workshops	1,000	
Service tools	2,750	
Customs officer training project		18,000
Multigas refrigerant identifier with autonomous electricity supply (battery) – 3 pieces.	11,000	
Update of Training materials	1,000	
Training of Customs officers (25 people)	6,000	
Monitoring of activities		3,000
National consultant(s)	3,000	
Total (US \$)		88,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

11. The Secretariat reviewed the HPMP for the Republic of Moldova in the context of the guidelines for the preparation of HPMPs (decision 54/39), the criteria for funding HCFC phase-out in the consumption sector agreed at the 60th Meeting (decision 60/44), subsequent decisions on HPMPs made at the 62nd Meeting and the 2011-2014 business plan of the Multilateral Fund.

Starting point for aggregate reduction in HCFC consumption and the baseline for compliance

12. The Government of the Republic of Moldova agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the average level of actual reported consumption in 2009 and estimated consumption in 2010, which has been estimated at 2.28 ODP tonnes. The business plan indicated a baseline of 1.2 ODP tonnes. The difference is related to the dramatic slump in HCFC consumption in 2009 by 60 per cent as compared with 2008 values due to significant but short-term economical problems in the country. The business plan assumes growth based on the low level in 2009, while the HPMP assumes that the consumption will rise back with no interruption to the assumed long-term growth tendency of 8 per cent per year, leading to a consumption in 2010 of 16.6 per cent higher than in 2008.

Impact on the climate

13. The proposed technical assistance activities in the HPMP, which include the introduction of better servicing practices and enforcement of HCFC import controls, will reduce the amount of HCFC-22 used for refrigeration servicing. Each kilogramme (kg) of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO₂-equivalent tonnes saved. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by the Republic of Moldova indicate that it is likely that the country will not achieve the reduction of 769 CO₂-equivalent in emissions to the atmosphere as estimated in the 2011-2014 business plan, since the replacement technologies do not include technologies with a low-global warming potential (GWP). Instead, the HPMP foresees the use of technologies with a similar or, in cases like HFC-404A, significantly higher GWP than HCFC-22. However, at this time, the Secretariat is not in a position to quantitatively estimate the impact on the climate. The impact might be established through an assessment of implementation reports by, *inter alia*, comparing the levels of refrigerants used annually from the commencement of the implementation of the HPMP, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22 based equipment being retrofitted.

Co-financing

14. In response to decision 54/39(h) on potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties, UNDP explained that the Ministry of Agriculture and Food Industry in the Government of the Republic of Moldova may contribute through its programmes, including assistance delivered by international organisations and different funds. The HPMP also included information about the non-financial support from Government agencies other than the National Ozone Unit.

2011-2014 business plan of the Multilateral Fund

15. UNDP is requesting US \$88,000 plus support costs for implementation of stage I of the HPMP. The total value requested for the period 2011-2014 of US \$86,328 including support cost is within the total amount in the business plan for that period.

16. Based on the estimated HCFC baseline consumption in the servicing sector of 41.5 mt, the Republic of Moldova's allocation up to the 2015 phase-out should be US \$88,000 in line with decision 60/44.

Draft Agreement

17. A draft Agreement between the Government of the Republic of Moldova and the Executive Committee for HCFCs phase-out is contained in Annex I to the present document.

RECOMMENDATION

18. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for the Republic of Moldova for the period 2011 to 2015, at the amount of US \$88,000 plus agency support costs of US \$7,920 for UNDP;
- (b) Noting that the Government of the Republic of Moldova had agreed at the 63rd Meeting to establish as its starting point for sustained aggregate reduction in HCFC consumption the estimated baseline of 2.28 ODP tonnes, calculated using actual consumption for 2009 of 1.2 ODP tonnes and estimated consumption for 2010 of 3.36 ODP tonnes;
- (c) Approving the draft Agreement between the Government of the Republic of Moldova and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (d) Requesting the Fund Secretariat, once the baseline data were known, to update draft Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed to being made when the next tranche was submitted; and
- (e) Approving the first tranche of stage I of the HPMP for the Republic of Moldova, and the corresponding implementation plan, at the amount of US \$86,328, comprising of US \$79,200 and agency support costs of US \$7,128 for UNDP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. This Agreement represents the understanding of the Government of the Republic of Moldova (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 2.05 ODP tonnes prior to 1 January 2015 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time in 2011, when the baseline consumption for compliance would be established based on Article 7 data, with the funding to be adjusted accordingly, as per decision 60/44.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (“maximum allowable total consumption of Annex C, Group I Substances”; the Target) as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (“Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) of this Agreement as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
 - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous tranche implementation plan in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country 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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to information necessary to verify compliance with this Agreement.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.28

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2011	2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	2.28	2.28	2.05	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	2.28	2.28	2.05	n/a
2.1	Lead IA UNDP agreed funding(US \$)	79,200	0	0	0	8,800	88,000
2.2	Support costs for Lead IA(US \$)	7,128	0	0	0	792	7,920
3.1	Total agreed funding (US \$)	79,200	0	0	0	8,800	88,000
3.2	Total support cost (US \$)	7,128	0	0	0	792	7,920
3.3	Total agreed costs (US \$)	86,328	0	0	0	9,592	95,920
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)						0.23
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						0.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						2.05

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval not earlier than the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
 - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the Country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
 - (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
 - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of

the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;

- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the Country and the Lead IA; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Ministry of Environment will be responsible for the implementation of the HPMP assisted by the National Ozone Unit (NOU). Experience gained so far shows that direct involvement of end-users, service companies and importers dealing with refrigeration and air-conditioning give the best results. In this context, the assistance of the Public Association of the Refrigeration Technicians from the Republic of Moldova will be rendered by its members taking into account their experience and collaboration with foreign partners. The Public Association of the Refrigeration Technicians will be responsible for development of a new certification system and collaboration with the Ministry of Construction and Regional Development and training institutions.

2. Harmonisation of some legal acts related to ODS with European Union legislation will be carried out involving the National Institute of Standardization and Metrology and other relevant governmental agencies. The Ministry of Environment and the NOU will continue close collaboration with Customs Service to ensure effective implementation of licensing system and import/export monitoring of HCFC and HCFC-based equipment/products. The State Ecological Inspectorate will give its support in the monitoring of environmental legislation implementation. The Ministry of Agriculture and Food Industry may also add valuable contribution through their programmes, including assistance delivered by international organisations and different funds. Mass-media and non-governmental organizations will be engaged in public awareness activities.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;

- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.
