



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/75/35
28 October 2015

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fifth Meeting
Montreal, 16-20 November 2015

PROJECT PROPOSAL: ALBANIA

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

Phase-out

- HCFC phase-out management plan (stage I, third tranche) UNIDO and UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Albania

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (Stage I)	UNEP, UNIDO (lead)	64th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2014	1.64 (ODP tonnes)
--	------------	-------------------

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2014	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.6				1.6

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	6.0	Starting point for sustained aggregate reductions:	6.0
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.1	Remaining:	3.9

(V) BUSINESS PLAN		2015	2016	2017	2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)	0.3	0.0	0.0	0.2	0.0	0.2	0.6
	Funding (US \$)	43,600	0	0	32,700	0	25,070	101,370
UNEP	ODS phase-out (ODP tonnes)	0.2			0.1		0.1	0.3
	Funding (US \$)	25,990			9,605		9,605	45,200

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	6.0	6.0	5.4	5.4	5.4	5.4	5.4	3.9	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	6.0	6.0	5.4	5.4	5.4	5.4	5.4	3.9	n/a
Agreed funding (US \$)	UNEP	Project costs	25,000	0	20,000	0	23,000	0	0	8,500	0	8,500	85,000
		Support costs	3,250	0	2,600	0	2,990	0	0	1,105	0	1,105	11,050
	UNIDO	Project costs	45,000	0	92,000	0	40,000	0	0	30,000	0	23,000	230,000
		Support costs	4,050	0	8,280	0	3,600	0	0	2,700	0	2,070	20,700
Funds approved by ExCom (US \$)		Project costs	70,000	0	112,000	0	0						182,000
		Support costs	7,300	0	10,880	0	0						
Total funds requested for approval at this meeting (US \$)		Project costs					63,000						63,000
		Support costs					6,590						6,590

Secretariat's recommendation:	For blanket approval
--------------------------------------	----------------------

PROJECT DESCRIPTION

1. On behalf of the Government of Albania, UNIDO as the lead implementing agency, has submitted to the 75th meeting a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$69,590, consisting of US \$40,000, plus agency support costs of US \$3,600 for UNIDO, and US \$23,000, plus agency support costs of US \$2,990 for UNEP. The submission includes a progress report on the implementation of the second tranche, a verification report on 2013 and 2014 consumption, and the tranche implementation plan for 2015 to 2018.

Report on HCFC consumption

HCFC consumption

2. The Government of Albania reported a consumption of 1.64 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Albania (2010-2014 Article 7 data)

HCFC	2010	2011	2012	2013	2014	Baseline
Metric tonnes						
HCFC-22	107.1	102.52	119.83	103.12	29.90	102.3
HCFC-124	1.1	0.00	0.00	0.00	0.00	0.6
HCFC-142b	9.1	13.12	0.00	0.00	0.00	4.6
Total (metric tonnes)	117.3	115.64	119.83	103.12	29.90	107.4
ODP tonnes						
HCFC-22	5.9	5.64	6.59	5.67	1.64	5.6
HCFC-124	0.0	0.00	0.00	0.00	0.00	0.01
HCFC-142b	0.6	0.85	0.00	0.00	0.00	0.3
Total (ODP tonnes)	6.5	6.49	6.59	5.67	1.64	6.0

3. The consumption in Albania increased from 2010 to 2012, then decreased from 2012 and 2014. The implementation of the HPMP has curbed the growth of HCFC consumption. The very low consumption in 2014 was due to the economic crises and the election of a new Government. The imports of HCFCs in 2015 have returned to normal, as the import quota has been established at 5.6 ODP tonnes.

4. The commonly used substitutes in Albania include HFC-410A, HFC-134a, HFC-407 and HFC-404.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2014 was 1.64 ODP tonnes. The verification concluded that Albania is in compliance with the Montreal Protocol and the Agreement between the Government of Albania and the Executive Committee.

Country programme (CP) implementation report

6. The Government of Albania reported HCFC sector consumption data under the 2014 CP implementation report which is consistent with the data reported under Article 7.

Progress report on the implementation of the second tranche of the HPMP

Legal framework

7. Albania has established a legal framework to support a licensing and quota system for control of import/export of HCFCs, which is effectively enforced.

8. During the second tranche, the Montreal Protocol-related policies and legislation were reviewed with European Union (EU) regulations in order to further strengthen and harmonize them with EU regulations in view of the possible future accession of Albania to the EU. Based on the review, a new legislation has been proposed which includes guidelines for training and certification of technicians and end-users, and a legal framework for record keeping and data transmission. The implementation of certification programme will ensure that technicians and end-users are properly trained, and that refrigerant recovery, reuse and reclamation are practiced. The new legislation is in the process of consultation with other Ministries and is expected to enter into force in 2016. The licensing and quota system in Albania has been extended to cover HFCs and HFC-containing mixtures.

Refrigeration-servicing sector

9. The following activities were implemented:

- (a) Training to 20 customs officers in regulations, the identification of HCFCs and HCFC-containing equipment, enforcing quotas, monitoring imports and the prevention of illegal trade; implementation of the certification programme for service technicians which requires mandatory training of servicing technicians and ensures good practices are exercised;
- (b) Three training workshops through which 87 technicians were trained in good servicing practices; refrigerant recovery, recycling and reclamation; refrigerant containment; and servicing equipment using alternative technologies, including natural refrigerants and HFCs. A total of 70 technicians received certificates;
- (c) Procurement of equipment for the recovery and recycling network has been initiated. Equipment specifications were developed and the evaluation of bids is ongoing. The contract is expected to be awarded in November 2015; and
- (d) Refrigerant recovery and recycling by servicing workshops with 17 recovery machines and 55 recycling machines provided. A total of 6.1 metric tonnes of HCFC-22 were recovered each in 2013 and 2014.

Project implementation and monitoring unit (PMU)

10. Monitoring and coordination of activities in the HPMP were undertaken by the national ozone unit to ensure efficient implementation.

Level of fund disbursement

11. As of September 2015, of the US \$182,000 so far approved, US \$114,116 had been disbursed (US \$75,749 for UNIDO and US \$38,367 for UNEP). The balance of US \$64,352 will be disbursed in 2016 (Table 2).

Table 2. Financial report of stage I of the HPMP for Albania (US \$)

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNIDO	45,000	43,968	92,000	31,781	137,000	75,749
UNEP	25,000	22,500	20,000	15,867	45,000	38,367
Total	70,000	66,468	112,000	47,648	182,000	114,116
Disbursement rate (%)	95.0		42.5		62.7	

Implementation plan for the third tranche of the HPMP

12. The third funding tranche of the HPMP will be implemented between November 2015 and November 2018, and the following activities will be undertaken:

- (a) Continue the consultation process for final adoption of the new legislation and assist in its implementation after it enters into force in 2016 (UNIDO) (US \$10,000);
- (b) Training of 30 enforcement officers and environmental inspectors in control of HCFCs (UNEP) (US \$10,000);
- (c) Updating training materials and training of 40 technicians in good servicing practices; refrigerant recovery, recycling and reclamation; and the use of natural refrigerants (UNEP) (US \$13,000);
- (d) Implementing the technician certification programme following the new legislation, supporting training institutions, and enhancing refrigerant recovery following the EU model (UNIDO) (US \$20,000); and
- (e) Monitoring and coordination of activities in the HPMP to ensure efficient implementation (UNIDO) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Progress report on the implementation of the second tranche of the HPMP*Refrigeration-servicing sector*

13. The Secretariat queried how the implementation of future tranches of the HPMP would take into consideration the climate aspect given that the alternative refrigerants currently used are mostly HFCs. UNIDO advised that the implementation of the certification scheme would directly contribute to emissions reduction through the effective enforcement of good practices. The new certification system also includes specific requirements for servicing equipment with hydrocarbons and ammonia. Hydrocarbon refrigerants are already present in Albania. Two refrigeration associations in Albania actively involved in the HPMP implementation are facilitating the access of servicing companies and end-users to low-GWP alternatives, including natural refrigerants.

Conclusion

14. Albania has been in compliance with the Montreal Protocol control targets and its Agreement with the Executive Committee. A new legislation is under consideration which includes guidelines for training and certification of technicians. The licensing and quota system is being effectively enforced and customs officers have been trained in monitoring imports and preventing illegal trade of ODS. Training has been provided to technicians, the certification programme to be implemented in the coming tranche will enforce good practices and contribute to emission reduction. In view of the progress achieved in implementation, and the 42.5 per cent disbursement of the second tranche, the Secretariat recommends approval of the third tranche.

RECOMMENDATION

15. The Fund Secretariat recommends that the Executive Committee take note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Albania, and further recommends blanket approval of the third tranche of stage I of the HPMP for Albania, and the corresponding 2015-2018 tranche implementation plan, at the funding levels shown in the table below:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, third tranche)	40,000	3,600	UNIDO
(b)	HCFC phase-out management plan (stage I, third tranche)	23,000	2,990	UNEP