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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-fourth Meeting  
Montreal, 25-29 July 2011

**PROJECT PROPOSAL: THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

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, remainder of second tranche)

UNIDO

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**  
**the former Yugoslav Republic of Macedonia**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HPMP	UNIDO (lead)

<b>(II) LATEST ARTICLE 7 DATA</b>	Year: 2009	4.0 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2010</b>	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC123									
HCFC124									
HCFC141b									
HCFC141b in		1.7							1.7
HCFC142b									
HCFC22					1.3				1.3

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	3.8	Starting point for sustained aggregate reductions:	3.8

<b>(V) BUSINESS PLAN</b>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	Funding (US \$)	115,025	169,850	159,100	88,150	88,150	88,150	140,825	80,625	80,625	80,625	1,091,125

\* to be determined once the baseline has been established based on submitted Article 7 data for 2009 and 2010

## CONTINUATION OF PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

<b>(VI) PROJECT DATA</b>		<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	None			Baseline		Baseline -10%					Baseline -35%	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	Unrestricted			HCFC-22 Baseline*		HCFC-22 Base-line* -10%	HCFC-22 Base-line* -15%	HCFC-22 Base-line* -20%	HCFC-22 Base-line* -25%	HCFC-22 Base-line* -30%	HCFC-22 Base-line* -35%	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	15,000	107,000	158,000	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,030,000
2.2	Support costs for Lead IA (US \$)	1,125	8,025	11,850	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	77,250
3.1	Total agreed funding (US \$)	15,000	107,000	158,000	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,030,000
3.2	Total support cost (US \$)	1,125	8,025	11,850	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	77,250
3.3	Total agreed costs (US \$)	16,125	115,025	169,850	159,100	88,150	88,150	88,150	140,825	80,625	80,625	80,625	1,107,250

\* refers to the average consumption of HCFC-22 reported under Article 7 of the years 2009 and 2010.

<b>(VII) Request for funding for the remainder of the second tranche (2011)*</b>		
<b>Agency</b>	<b>Funds requested (US \$)</b>	<b>Support costs (US \$)</b>
UNIDO	81,000	6,075

\* US \$26,000 plus agency costs were advanced at the 63<sup>rd</sup> Meeting; the remaining amount being requested is US \$81,000 plus agency support costs

<b>Funding request:</b>	Approval of funding for the remainder of the second tranche (2011) as indicated above
<b>Secretariat's recommendation:</b>	For blanket approval

## PROJECT DESCRIPTION

1. On behalf of the Government of the former Yugoslav Republic of Macedonia, UNIDO has submitted the remainder of the second tranche of the HCFC phase-out management plan (HPMP) for consideration by the Executive Committee at its 64<sup>th</sup> Meeting. The total amount requested is US \$81,000 plus agency support costs of US \$6,075.

### Background

2. The HPMP for the former Yugoslav Republic of Macedonia was approved in April 2010 at the 60<sup>th</sup> Meeting of the Executive Committee. The total funds approved in principle amount to US \$1,030,000 plus US \$77,250 in support costs. The objective of the plan is to enable the Government to meet its obligations for HCFC phase-out in line with the Montreal Protocol's control measures. The objective of the HPMP stage I is to reduce the consumption of the HCFCs in the country by 35 per cent as compared to the baseline by the year 2020. The HPMP, which includes the institutional strengthening, is for the period until 2020 and covers activities related to legislation, enforcement and the service sector; in addition, decision 60/38 approving the HPMP specified the country could submit at a future meeting, for subsequent inclusion in the HPMP, funding requests for, *inter alia*, phase-out of the use of HCFC-141b in pre-blended polyols.

3. UNIDO, on behalf of the former Yugoslav Republic of Macedonia, had already submitted to the 63<sup>rd</sup> Meeting a request for release of this second tranche of the HPMP. The Secretariat advised the Committee at that time in document UNEP/OzL.Pro/ExCom/63/16 that this request had not been put before the 63<sup>rd</sup> Meeting because it had been submitted earlier than established in the funding approval schedule contained in the country's agreement with the Executive Committee. The Committee noted, in decision 63/64 that the Government of the former Yugoslav Republic of Macedonia had not only submitted the very first HPMP, but had also included funding for institutional strengthening as part of the HPMP, which was an innovative concept at that time. The Executive Committee noted also that due to the lengthy discussions leading up to the HPMP, the funding remaining under the previously approved institutional strengthening had been depleted more rapidly than anticipated. Taking into consideration these facts, the Executive Committee decided to provide, on an exceptional basis, advance funding for the institutional strengthening component of the HPMP at the amount of US \$26,000 plus agency support costs of US \$1,950 for UNIDO, and to deduct this amount from the funding for the second tranche of the HPMP.

### Annual report

4. A number of ministerial orders were published, among them an order limiting the import of HCFC air conditioners to 20,000 units in 2011; an order prohibiting import and export of equipment containing HCFCs as of 1 January 2012; and an order reducing the acceptable amount of HCFC imports from 2013 to 2020 by 5 per cent each year as compared to the baseline. National consultants had been contracted to develop training materials for trainers, service technicians and end users. Three workshops to promote the HPMP were arranged targeting service technicians and end users, importers/exporters representatives as well as customs officers. The first tranche had consisted of US \$15,000, of which US \$14,800 have been spent. Deviating from the original plan, the country had used its flexibility to allocate US \$3,200 of the total for awareness raising, being able to do so by achieving savings in its support for the legislative process.

Plan for the second tranche

5. The activities in the second year will include activities in legislation, training of technicians, awareness raising, institutional strengthening and monitoring. In particular, mandatory logbooks for refrigeration equipment and a ban on the import of non-refillable HCFC containers from 2015 onwards is being prepared. The training materials will be printed and seven workshops for trainers from vocational schools, service technicians and end users will be carried out, targeting almost 100 participants. The awareness campaign will continue with arranging a further three workshops for stakeholders in order to promote the HCFC phase-out management. The institutional strengthening funding will be utilized to ensure the coordination of the various activities.

**SECRETARIAT'S COMMENTS AND RECOMMENDATION****COMMENTS**

6. The submission of the tranche request reflects excellent progress in the implementation of the HPMP for the former Yugoslav Republic of Macedonia. In the first year, a number of very important legislative initiatives have already been completed and published in the official gazette. In particular, the ban on the import of HCFC-dependent refrigeration equipment is likely to benefit the country very significantly in the future when the HCFC consumption in the servicing sector needs to be reduced.

7. The implementation plan for 2011 foresees the continuation of the activities as planned in the original submission of the HPMP. The funding request is reduced by the amount of funding approved at the 63<sup>rd</sup> Meeting in decision 63/64. The funding level foreseen in the agreement for the second tranche had been US \$107,000 plus support costs of US \$8,025 for UNIDO, of which the 63<sup>rd</sup> Meeting approved US \$26,000 plus agency support costs of US \$1,950, resulting in a funding request for the 64<sup>th</sup> Meeting of US \$81,000 plus support costs for UNIDO of US \$6,075.

**RECOMMENDATION**

8. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the 2010 annual implementation report of the HCFC phase-out management plan (HPMP) for the former Yugoslav Republic of Macedonia; and
- (b) Approves the 2011 annual implementation programme.

9. The Secretariat further recommends blanket approval of the remaining amount of the second tranche of the HPMP for the former Yugoslav Republic of Macedonia, with associated support costs at the funding level shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	HCFC phase-out management plan (stage I, remainder of second tranche)	81,000	6,075	UNIDO

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