



**United Nations
Environment
Programme**

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/42/27
25 February 2004

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-second Meeting
Montreal, 29 March - 2 April 2004

PROJECT PROPOSAL: BOSNIA AND HERZEGOVINA

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

Halon

- Phase-out of halon consumption

UNIDO

**PROJECT EVALUATION SHEET
BOSNIA AND HERZEGOVINA**

SECTOR: Halon ODS use in sector (2002): 4.14 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

Phase-out of halon consumption

Project Data	Banking
Enterprise consumption (ODP tonnes)	n/a
Project impact (ODP tonnes)	n/a
Project duration (months)	24
Initial amount requested (US \$)	64,600
Final project cost (US \$):	
Incremental capital cost (a)	61,000
Contingency cost (b)	3,600
Incremental operating cost (c)	0
Total project cost (a+b+c)	64,600
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	64,600
Cost effectiveness (US \$/kg.)	n/a
Counterpart funding confirmed?	TBD
National coordinating agency	Ministry of Foreign Trade & Economic Relations, NOU
Implementing agency	UNIDO

Secretariat's Recommendations	
Amount recommended (US \$)	
Project impact (ODP tonnes)	
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	
Total cost to Multilateral Fund (US \$)	

PROJECT DESCRIPTION

1. UNIDO is requesting US \$64,600 plus agency fees of US \$5,814 for a halon banking project in Bosnia and Herzegovina. The project consists of two main components: a technical assistance programme and a halon management component. The activities under the technical assistance programme include two halon and fire protection workshops, assistance in technical standards and information, and technical assistance for training of service technicians. The halon management component includes the set up of recycling and recovery equipment.

2. This project aims at promoting the use of non-ODS and non-halon fire protection technology, preventing any safety impact, and reducing the phase-out costs by developing national capacity and implementing a halon management programme in Bosnia and Herzegovina. This project will cooperate with the regional halon management programme.

Halon Consumption Background

3. In Bosnia and Herzegovina, halons are mostly used in fixed fire protection assembling and fire extinguishers at public electrical utilities, power plants and stations, telecommunication companies, military facilities, court and administrative buildings and banks. The proposal indicated that Bosnia and Herzegovina did not produce halons and fully depended on the import from other countries. A survey to collect information on the halon sector was carried out within the framework of national ODS phase-out plan preparation and identified an import/consumption of 0.38 MT halon 1211 and 0.3 MT halon 1301 for the year 2002. The project indicated that there was only one fire protection equipment manufacturer in the country. The estimated installed capacity of halons in the country is between 60 and 70MT, and this data will be verified during the early stage of project implementation.

4. The Government of Bosnia and Herzegovina agrees to ban the import of new halons six months after the installation of the halon equipment, and that it will not seek any further assistance from the Multilateral Fund for the halon and fire protection sector upon approval of this project.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

Secretariat's comments

5. UNIDO in close cooperation with the National Ozone Unit will be responsible for the implementation of the projects but various activities will be subcontracted. Fire protection authorities will assist UNIDO and the National Ozone Unit in implementing the halon phase-out by supporting the introduction of alternatives and ensuring the international standards are applied.

6. The halon bank will be operated by one of the major fire protection companies that is currently performing halon servicing and refilling operations. The company will be selected by UNIDO upon recommendation of the main project stakeholders.
7. The equipment provided in this project will enable the recovery and recycling of both halon 1211 and 1301 and a halon alternative HFC-227.
8. Recovered and recycled halon will be stored and reused within the country, but in the event that the demand for recycled halon is low, the surplus halon would be made available to other halon banks operating in the region.
9. The total capital costs are US \$36,000, plus US \$20,000 for technical assistance, US \$5,000 for programme management costs, and there is a contingency fund of US \$3,600.
10. The latest reported consumption of Bosnia and Herzegovina indicates a zero consumption of halons in 2002 against a baseline of zero ODP tonnes. Therefore, this project is not required to enable compliance with the freeze or 50 per cent reduction in 2005, and funding might be provided in the context of the window for accelerated phase-out/maintaining momentum pursuant to Decision 40/7, para. (b)(ii), "countries with low levels of consumption of methyl bromide, halon, CTC and TCA."

RECOMMENDATIONS

11. This project is recommended for approval pursuant to Decision 40/7 para. (b)(ii) pending the availability of funds amounting to US \$64,600 plus agency fees of US \$5,814 on the condition that, with the approval of this project, the Government of Bosnia and Herzegovina agrees to ban the import of new halons six months after the installation of the halon equipment and that it will not seek any further assistance from the Multilateral Fund for halon and fire protection sector.
