



**United Nations
Environment
Programme**



Distr.
GENERAL

UNEP/OzL.Pro/ExCom/49/36
9 June 2006

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-ninth Meeting
Montreal, 10-14 July 2006

PROJECT PROPOSAL: VIET NAM

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

Phase-out

- National CFC and halon phase-out plan (second tranche)

World Bank

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
VIET NAM**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

(a)	National CFC and halon phase-out plan (second tranche)	World Bank
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NATIONAL CO-ORDINATING AGENCY:

Ministry of Environment and Natural Resources,
Project Management Unit

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2004, AS OF MAY 2006)**

Annex A Group I CFCs:	241.0	Annex A Group II halon:	0
Annex B Group II CTC	0	Annex B Group III TCA	0

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2004, AS OF MAY 2005)

ODS	Foam	Fire fighting	Ref. Manuf.	Ref. Servicing	solvent	Process agent	Fumigant
CFC-11	10.0			1.0			
CFC-12			10.0	220.0			
Halon		0					
CTC						0	
TCA					0		

CFC consumption remaining eligible for funding (ODP tonnes)

0

CURRENT YEAR BUSINESS PLAN: Total funding: US \$630,000: total phase-out 120.0 ODP tonnes.

PROJECT DATA		2004	2005	2006	2007	2008	2009	2010	Total
Annex A Group I (ODP tonnes)	Montreal Protocol limits	500	250	250	75	75	75	0	n.a
	Annual consumption limit	(243.2)*	240	200	75	40	10	0	n.a
	Annual phase-out from ongoing projects	0	0	0	0	0	0	0	0
	Annual phase-out newly addressed	n.a.	40	125	35	30	10	n.a.	240
	Annual unfunded phase-out	0	0	0	0	0	0	0	0
Annex A Group II (ODP tonnes)	Montreal Protocol limit	37	18.5	18.5	18.5	18.5	18.5	0	n.a
	Annual consumption limit	(0)*	18.5	18.5	18.5	18.5	18.5	0	n.a
	Annual phase-out from ongoing projects	0	0	0	0	0	0	0	0
	Annual phase-out newly addressed	0	0	0	0	0	18.5	n.a.	18.5
	Annual unfunded phase-out	0	0	0	0	0	0	0	0
Annex B Group II (ODP tonnes)	Montreal Protocol limit	n.a.	0.24	0.24	0.24	0.24	0.24	0	n.a.
	Annual consumption limit	0	0.19	0.19	0.19	0.19	0.19	0	n.a.
	Annual phase-out from ongoing projects	0	0	0	0	0	0	0	0
	Annual phase-out newly addressed	0	0	0	0	0	0.19	n.a.	0.19
	Annual unfunded phase-out	0	0	0	0	0	0	0	0
TOTAL ODS CONSUMPTION TO BE PHASED OUT		0	40	125	35	30	28.69	n.a.	258.69
Total ODS consumption to be phased-in (HCFCs)		0	1	0	0	0	0	0	1
Project cost as originally submitted (US \$)			1,232,500		1,232,387				2,464,887
Final Project costs (US \$):									
	Funding for World Bank	-	495,537	586,000	0	178,463	0	0	1,260,000
	Total project funding	-	495,537	586,000	0	178,463	0	0	1,260,000
Final Support costs (US \$)									
	Support cost for World Bank	-	37,165	43,950	0	13,385	0	0	94,500
	Total support costs	-	37,165	43,950	0	13,385	0	0	94,500
TOTAL COST TO MULTILATERAL FUND (US \$)		-	532,702	629,950	0	191,848	0	0	1,354,500
Final project cost effectiveness (US \$/kg)									4.89

Notes: Maximum allowable total consumption of TCA (Annex B Group III substance) is zero.

*Last reported consumption (2003)

FUNDING REQUEST: Approval of funding for the second tranche (2006) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Viet Nam the World Bank has submitted a request for approval of the second tranche of the "Viet Nam National CFC and Halon Phase-out Plan" (NCHP) amounting to US \$586,000 plus agency support cost of US \$43,950. The request is accompanied by the report on the implementation of the first tranche, the annual implementation programme for the second tranche, and a verification report.
2. The Viet Nam NCHP was approved at the 44th meeting with associated funding of US \$1,260,000. It was to be implemented by the World Bank, and aimed at phasing out a total of 243.1 ODP tonnes of CFC consumption and sustain halon phase out in all sectors. Viet Nam is classified as a high-volume-consuming country, with CFC exports to other countries in the region.
3. The submission included verified consumption data for 2005. The verification report was thorough and complete. The 2005 data showed a consumption of 234.804 ODP tonnes of CFC (97.85% of the agreed maximum) and zero consumption of halons (compared to 18.5 ODP tonnes agreed maximum). The 2006 CFC consumption needs to decrease from the 2005 value by 34.8 ODP tonnes in order to reach the agreed limits for 2006.
4. Significant progress was achieved in 2005, the first year of implementation. The licensing system has been established, and important institutional arrangements have been completed, such as the signing of a grant agreement between the World Bank and Vietnam and the establishment of a Project Management Unit.
5. The planned activities for 2006 cover a number of sectors:
 - (a) Technical Assistance for the MDI sector;
 - (b) Supply of replacement equipment, as well as retrofit of equipment in the foam sector;
 - (c) Halon fire protection workshops, technical assistance programmes and training of service technicians, establishment of a recovery and recycling facility for halon, development of a halon bank;
 - (d) Increasing the capacity of 20 Training Centres in the refrigeration and MAC sectors (equipment, certification of technicians), implementation of a voucher scheme to supply refrigeration workshops with tools to handle alternative refrigerants, support for refrigerant identification in MAC systems;
 - (e) Implementation and monitoring of the activities above.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The World Bank has submitted the report regarding the implementation of the first year of the NCHP. In general, the first year of most national plans is characteristically focussed on institutional issues and establishment of the implementation infrastructure. Viet Nam has achieved in the first year a major step: the import/export control system was established in July 2005 and became fully operational in August 2005. A small number of activities was originally planned for 2005 but was rescheduled for 2006/2007, namely in the foam sector. In comparison to the majority of similar plans in their first year of implementation, the NCHP is well advanced.

RECOMMENDATION

7. The Fund Secretariat recommends blanket approval of the second tranche of the phase-out plan with associated support costs at the funding levels shown in the table below:

Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
Viet Nam national CFC and halon phase-out plan (second tranche)	586,000	43,950	The World Bank