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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fiftieth Meeting  
New Delhi, 6-10 November 2006

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

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

Phase-out

- Terminal phase-out management plan for CFCs (second tranche)

UNIDO

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS  
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

<b>PROJECT TITLE</b>	<b>BILATERAL/IMPLEMENTING AGENCY</b>
Terminal phase-out management plan for CFCs (second tranche)	UNIDO

<b>NATIONAL CO-ORDINATING AGENCY:</b>	Ministry of Environment and Physical Planning
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

Annex A, Group I, CFCs	11.83		
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**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

ODS	Aerosol	Foam	Ref. Servicing	ODS	Solvents	Process agent	Fumigant
CFC-12			11.832				

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	0
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**CURRENT YEAR BUSINESS PLAN:** Total funding US \$86,000: total phase-out 14.1 ODP tonnes.

<b>PROJECT DATA</b>		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Total</b>
<b>CFC</b> (ODP tonnes)	Montreal Protocol limits	492.53	246.26	246.26	73.88	73.88	73.88	0.00	n.a.
	Annual consumption limit	49.34	25.00	15.00	10.00	5.00	0.00	0.00	n.a.
	Annual phase-out from ongoing projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Annual phase-out newly addressed	24.34	10.00	5.00	5.00	5.00	0.00	0.00	49.34
	Annual unfunded phase-out	-	-	-	-	-	-	-	-
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		24.34	<b>10.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>49.34</b>
Total ODS consumption to be phased-in (HCFCs)									
Project cost as originally submitted (US \$)		-	154,210	79,871	15,000	15,000	15,000	-	279,081
<b>Final project costs (US \$):</b>		-							
Funding for UNIDO		-	154,210	79,871	15,000	15,000	15,000	-	279,081
<b>Total project funding</b>		-	<b>154,210</b>	<b>79,871</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	-	<b>279,081</b>
<b>Final support costs (US \$):</b>		-							
Support cost for UNIDO		-	11,566	5,990	1,125	1,125	1,125	-	20,931
<b>Total support costs</b>		-	<b>11,566</b>	<b>5,990</b>	<b>1,125</b>	<b>1,125</b>	<b>1,125</b>	-	<b>20,931</b>
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		-	<b>165,776</b>	<b>85,861</b>	<b>16,125</b>	<b>16,125</b>	<b>16,125</b>	-	<b>300,012</b>
Final project cost effectiveness (US \$/kg)									5.66

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

<b>SECRETARIAT'S RECOMMENDATIONS</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of the Former Yugoslav Republic of Macedonia, UNIDO has submitted the second tranche of the terminal phase-out management plan for CFCs for the consideration by the Executive Committee at its 50<sup>th</sup> Meeting. The total amount requested is US \$79,871 plus agency support costs of US \$5,990.

### Background

2. The Terminal CFC Phase-Out Management Plan (TPMP) for the Former Yugoslav Republic of Macedonia (Macedonia) was approved in April 2005 at the 45th Meeting of the Executive Committee. The total funds approved in principle amount to US \$279,081 plus US \$20,931 in support costs. The implementation of this NPP supports the Government of Macedonia in meeting its Montreal Protocol obligations and in completely phasing out all ODSs under Annex A Group I (CFC) by 31 December 2008. In order to achieve these targets, a series of investment, non-investment, technical assistance and capacity building activities will be and are being implemented by UNIDO.

### Annual programmes

3. UNIDO reported on the implementation of the 2005 annual programme. The Government of Macedonia has a long standing licensing system, and has for years established a tax on the import of goods containing CFCs. The Government initiated in January a procedure for adoption of an import ban. A train the trainer course for vocational school teachers was carried out. A manual for customs officers was prepared. The first technicians training course took place shortly before this report was prepared. Recovery and recycling equipment has been purchased and is in storage in the country, awaiting distribution. With these activities, all activities foreseen for the first tranche have been completed, and the funding has almost completely been used.

4. The annual consumption limit for 2005, as determined in the agreement between the Government of Macedonia and the Executive Committee, is 25 ODP tonnes. UNIDO has submitted a verification report for 2005, which describes the institutional and legal set-up for the import control and licensing system. According to the audit report, the Government issued licences for 15.92 ODP tonnes, which led to imports of 11.832 ODP tonnes of CFC. The reported consumption of Macedonia, which is consistent with the country's Article 7 reporting, is less than 50% of the target consumption in the agreement.

5. For the next tranche, the annual implementation programme foresees the issuing of an ordinance banning the import of CFC containing equipment, training of technicians and customs officers, and purchasing of equipment.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

6. UNIDO, on behalf of the Government of the Former Yugoslav Republic of Macedonia, has submitted a report detailing the activities during implementation of the first tranche. In comparison to the average start-up time for multi-year agreements, the implementation has started fast, and has progressed well. The verification shows full compliance with the conditions of the agreement. The planned activities for the next tranche are substantive and in line with the original phase-out plan.

### RECOMMENDATIONS

7. The Fund Secretariat recommends blanket approval of the second tranche of the TPMP for Macedonia with associated support costs at the funding levels shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	Terminal phase-out management plan for CFCs (second tranche)	79,871	5,990	UNIDO