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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: TURKEY**

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

Phase-out

- Total phase-out of CFCs plan: 2007 annual programme World Bank

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS  
TURKEY**

**PROJECT TITLE** **BILATERAL/IMPLEMENTING AGENCY**

Total phase-out of CFCs plan: 2007 annual programme	World Bank
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<b>NATIONAL CO-ORDINATING AGENCY:</b>	Ministry of Environment and Forests (MoEF) and Technology Development Foundation of Turkey (TTGV)
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**

**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

CFC	132.80		
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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-11			41.00				
CFC-12			91.00				

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	<b>0</b>
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**CURRENT YEAR BUSINESS PLAN:** Total funding US \$530,000: total phase-out 54.3 ODP tonnes.

PROJECT DATA		2004	2005	2006	2007	2008	2009	2010	Total
CFCs  (ODP tonnes)	Montreal Protocol limits	3,805.7	1,903	<b>1,903</b>	571	571	571	0	
	Annual consumption limit	316	150	<b>0</b>	0	0	0	0	
	Annual phase-out from ongoing projects	0	0	<b>0</b>	0	0	0	0	
	Annual phase-out newly addressed	166	150	<b>0</b>	0	0	0	0	
	Annual unfunded phase-out	0	0	<b>0</b>	0	0	0	0	
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		<b>166</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1009</b>
Project cost as originally submitted (US \$)									
<b>Final project costs (US \$):</b>									
Funding for World Bank		750,000	750,000	<b>500,000</b>	0	0	0		9,000,000
<b>Total project funding</b>		<b>750,000</b>	<b>750,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>9,000,000</b>
<b>Final support costs (US \$):</b>									
Support cost for World Bank		45,000	30,000	<b>30,000</b>	30,000	30,000	30,000	25,000	810,000
<b>Total support costs</b>		<b>45,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>25,000</b>	<b>810,000</b>
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		<b>795,000</b>	<b>780,000</b>	<b>530,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>25,000</b>	<b>9,810,000</b>
<b>Final project cost effectiveness (US \$/kg)</b>		n/a							

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

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

1. On behalf of the Government of Turkey, the World Bank has submitted to the 50<sup>th</sup> Meeting of the Executive Committee the request for a sixth and final tranche of the National Plan for Total Phase-out of CFCs at a total cost of US \$500,000 plus agency support costs of US \$30,000. The national plan for Turkey was approved at the 35<sup>th</sup> Meeting. The National Plan will lead to the early final phase-out of CFCs in the country by this year and will assist the Government of Turkey to meet and sustain its 2007 and 2010 compliance targets for CFC consumption.

### Background

2. The Agreement on phase-out of CFCs in Turkey was approved at the 35<sup>th</sup> Meeting of the Executive Committee in December 2001, at a total cost of US \$9.0 million. Under the National CFC Phase-out Plan, the following control targets have been agreed between the Executive Committee and the Government of Turkey.

#### National Control Targets for Turkey for CFC-11, CFC-12 and CFC-115 consumption in ODP tonnes

	<b>1999 Baseline</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Maximum allowable CFC-12 consumption (ODP tonnes)	736	700	650	334	166	100	0	0	0	0
Maximum allowable CFC-11 consumption (ODP tonnes)	1,049	300	250	200	150	50	0	0	0	0
Maximum allowable CFC-115 consumption (ODP tonnes)	9	9	9	0	0	0	0	0	0	0
Max allowable total ODP (ODP tonnes)		977	909	534	316	150	0	0	0	0

3. At the 35<sup>th</sup> Meeting, the Executive Committee approved the first tranche of this plan, and subsequent tranches at the 38<sup>th</sup>, 41<sup>st</sup>, 44<sup>th</sup> and 47<sup>th</sup> Meeting. The World Bank has submitted for consideration by the Executive Committee a progress report on the implementation of the National Plan for Total Phase-out of CFCs in Turkey for the period September 2005 to August 2006. It submitted also a verification report as well as an annual implementation programme for 2007, combined with the request for release of the sixth and final tranche of US \$500,000.

### Progress report

4. The 2006 progress report describes the implementation activities between August 2005 and July 2006 and can be summarized as follows:

- (a) After larger manufacturers had received support in previous years, the activities began to focus on small- and medium-sized enterprises (SME). In total, SMEs have signed contracts for a total amount of US \$1.88 million. As of August 2006, US \$1.7 million has been disbursed to SME's. All SME's have completed the

projects. The verification of all the sub-projects will be completed by the end of 2006.

- (b) In the refrigeration sector, a training program for servicing technicians, additional to training already undertaken, is under preparation and is planned to be implemented in the coming year. The installation of one reclaim center had already been completed, and two more were almost completed by July 2006. It is planned that 19 recycling centers would be ready by end of 2006, but as of submission of the documentation to the Secretariat the necessary contracts had not yet been signed. Recovery equipment has been distributed to the refrigeration servicing sector since April 2005, and finalization of distribution is planned for the end of 2006. Contracts for the replacement of two chillers were signed in late 2005, and for another 2 chillers in the first months of 2006. Discussion with 2 more chiller owners are ongoing and expected to be concluded later this year. Since the beginning of the project, 12 companies have signed contracts for the replacement of 24 chillers with a total amount of US \$2.56 million. A contract for the end-user retrofit of 1,500 commercial refrigerators was signed with Coca-Cola in December 2005. The project covers 60% of the retrofit costs, reflecting the local ownership.
- (c) A new regulation was published in May 2006 which bans import of CFC's from 1 January 2006 and halons from 1 January 2008 onwards. The regulation covers also statements on recovery and recycling. No CFC import licenses have been issued for 2006. There was no request from the Custom Department to repeat the customs training courses in 2006, consequently no courses have been held.
- (d) In accordance with the Agreement between Turkey and the Executive Committee of the Multilateral Fund, one performance indicator for tranche release refers to the value of contracts signed. The requirement for the release of the sixth tranche is that the value of contracts signed should amount to at least US \$ 6.8 million. As of July 2006, the amount for which contracts have been signed stood at US \$7.853 million, the condition being therefore fulfilled.

### Verification report

5. The verification report on CFC consumption in Turkey was prepared by a national consulting company, which interviewed officials in the Ministry of Environment and Forestry as well as importers, reviewed import licensing and customs records, and checked data on sales and stock in importing companies. For 2005, the consumption targets were set in the agreement at a level of 150 ODP tonnes. According to the verification report, actual imports in 2005 were 132.490 ODP tonnes, representing 88% of the target consumption. The consumption target has therefore been fulfilled.

### 2007 annual plan

- 6. The annual plan for 2007 consists of the following components:
  - (a) Review and further strengthening of existing phase-out policies and regulations;

- (b) Follow up and control of illegal imports of CFC's in 2007, which includes implementation of further customs training if required;
- (c) Continuation of the training for the refrigeration servicing sector;
- (d) Continuation of the implementation of the recovery/recycling/reclaim program;
- (e) Signature of contracts with eligible chiller companies as identified since 2003; and
- (f) Continuation of the implementation of the end user retrofit programme.

## SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

### COMMENTS

7. The phase-out in Turkey was completed at the end of 2005, and no further consumption is anticipated in 2006. The 2005 consumption in Turkey was already 132.490 ODP tonnes, representing only 7% of the baseline consumption of 1,794 ODP tonnes. The necessary institutional set-up is in place and well functioning. Phase-out in the manufacturing sectors has been achieved. In several cases, the remaining end-users are receiving support for conversion before end-of-life of the equipment.

8. The allocation of US \$500,000 for the 2007 implementation programme is in line with the Agreement. The activities planned for the previous year have been verified as undertaken in accordance with the related plans.

### RECOMMENDATION

9. The Fund Secretariat recommends blanket approval of the sixth tranche of the project with associated support costs at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Total phase-out of CFCs plan: 2006 annual programme	500,000	30,000	World Bank