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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

PROJECT PROPOSAL: TURKEY

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

Phase-out

- Total phase-out of CFCs plan: Implementation status of 2007 annual programme

World Bank

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PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Turkey

(I) PROJECT TITLE	AGENCY
Total phase-out of CFCs plan: Implementation status of 2007 annual programme	World Bank

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2006	
CFC: 0.2	CTC: 0.9	Halons: 30	MB: 20.4	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)							Year: 2006						
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC									0.3				0.3
CTC									0.9				0.9
Halons			30.										30
Methyl Bromide										12.6	20.4		33
TCA													0

(IV) PROJECT DATA			2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Maximum Allowable Consumption (ODP Tonnes)		CFC	977.	909.	534.	316.	150.	0.	0.	0.	0.	
Project Costs (US\$)	IBRD	Project Costs	3,500,000.	2,500,000.	1,000,000.	750,000.	750,000.	500,000.				9,000,000.
		Support Costs	295,000.	175,000.	150,000.	45,000.	30,000.	30,000.	30,000.	30,000.	30,000.	25,000.
Total Funds Approved in Principle (US\$)		Project Costs	3,500,000.	2,500,000.	1,000,000.	750,000.	750,000.	500,000.	0.	0.	0.	9,000,000.
		Support Costs	295,000.	175,000.	150,000.	45,000.	30,000.	30,000.	30,000.	30,000.	30,000.	25,000.
Total Funds Released by the ExCom (US\$)		Project Costs	3,500,000.	2,500,000.	1,000,000.	750,000.	750,000.	500,000.	0.	0.	0.	9,000,000.
		Support Costs	295,000.	175,000.	150,000.	45,000.	30,000.	30,000.	0.	0.	0.	725,000.
Total Funds Requested for Current Year (US\$)		Project Costs							n/a			n/a
		Support Costs							30,000			

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Turkey, the World Bank, as the lead agency, has submitted the report on the implementation status of 2007 annual programme of the National CFC phase-out plan (the NPP), including the 2006 verification report for consideration by the Executive Committee. As foreseen in the Agreement between the Government of Turkey and the Executive Committee, the World Bank is requesting approval only of the 2007 agency support costs of US \$30,000. The NPP proposed the complete phase-out of CFC-11, CFC-12 and CFC-115 in the country by 2006.

Background

2. The NPP and the related Agreement for the total phase-out of CFCs in Turkey was approved at the 35th 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

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

3. At the 35th Meeting, the Executive Committee approved the first tranche of this plan, and subsequent tranches at the 38th, 41st, 44th, 47th and 50th Meetings. The Agreement contains three major performance indicators: the maximum allowable CFC consumption, independent verification of CFC consumption in a particular year and the value of contracts signed. The 2006 CFC consumption was zero ODP tonnes as proved by the 2007 verification report. The cumulative value of contracts signed as the end of August 2007 was 98.4 % of the total allocated funding of US \$9 million. Three more contracts will be signed by the end of 2007 bringing the total committed resources to US \$9.4 million.

Progress report

4. The status report on the implementation of the 2007 annual programme covers the period between 31 December 2006 and end of August 2007. Activities undertaken in 2007 can be summarized as follows:

- (a) The study has been initiated for the development of a new regulation regarding recovery and recycling activities;
- (b) Monitoring activities on completed projects have been continued by the NOU;
- (c) A new contract for training of the refrigeration servicing technicians has been signed. In total, 1,996 technicians have been trained in the sector as of August 2007;
- (d) The distribution of refrigerant recovery equipment has continued. Three reclamation centres in Istanbul, Izmir and Ankara are fully operational. From the total of 24 recycling centres, 19 have started operating;
- (e) By August 2007, contracts have been signed for the replacement of 7 chillers. In total, contracts with 19 companies have been signed for the replacement of 37 chillers amounting to US \$4.24 million. As of August 2007, 18 ODP tonnes have been phased out and energy consumption reduced by 20% - 30% in the chiller sector; and
- (f) The retrofit of 941 Coca-Cola coolers has been completed. The project covered 60% of the retrofit costs, addressing the percentage of the local ownership. The retrofit of cold rooms, refrigerators and ice machines amounting to US \$29,372 has been completed in Sheraton Voyager Antalya Hotel resulting in phasing out of 1.0 ODP tonne of CFC and resulting in a reduction in energy consumption of about 20%. The information about retrofits has been disseminated between other enterprises stimulating similar activities.

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 stocks held by importing companies. The verification report indicates that the last quantities of CFC-12 amounting to 93.7 metric tonnes and CFC-11 of 41.5 metric tonnes had been imported in the country in 2005. Since then, the stock of CFCs accumulated by importers have been consistently diminishing and stands now at 4.2 metric tonnes of CFC-12 and 0.383 metric tonnes of CFC-11. No CFC imports were identified in 2006. The verification report concluded that the market adapted successfully to using alternative refrigerants and suggested that there was no indication of illegal imports. Thus, the verifier believes that there is no need for further verification studies in Turkey.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The Secretariat reviewed the documentation submitted by the World Bank and concluded that consumption of CFC-11, CFC-12 and CFC-115 had ceased in 2006. The Government of Turkey reported the 2006 consumption to be 0.3 ODP of CFC-113 for laboratory uses under Article 7 of the Montreal Protocol. However, CFC-113 is not covered under the Agreement. The consumption targets have therefore been fulfilled.

7. The implementation report submitted by the World Bank shows that all allocated funds will be committed through three additional contracts to be signed by the end of 2007 amounting to US \$618,559. Thus, the total contractual obligations will exceed the US \$9 million allocation approved by the Executive committee under the Agreement by about 0.4 million. The Bank clarified that any excess in the total contract value will be covered by the funding from the Turkey Revolving Fund.

8. The Secretariat requested the Bank to advise on any quantitative assessment of CFC demand for servicing and whether the persisting demand for CFC-12 in future years might create conditions for illegal trade in Turkey, and therefore the continuation of the verification of CFC consumption might be warranted. The Bank responded that there was no specific quantitative assessment of the future CFC demand. It was anticipated that future demand will be met from the stockpiled quantities and recovery/recycling/reclamation operations. It is the Bank's belief that there will be no need for future verification.

9. The Bank expressed its intention to request funding for support costs in 2008 and 2009 given its responsibilities for monitoring Turkey's compliance with the Agreement up to the end of 2009. It is the Secretariat's view that the verification report should be submitted annually to the Executive Committee in accordance with the Agreement, and in order to demonstrate that the CFC phase-out is sustained.

10. The World Bank emphasized that many valuable lessons can be learned from the implementation of the accelerated CFC phase-out plan in Turkey. The project completion report will be submitted in due time, and the evaluation of the results achieved might also be undertaken by the Senior Monitoring and Evaluation Officer.

11. The activities foreseen for Turkey for future years are exclusively related to monitoring. The Secretariat has therefore agreed not to request completion of tables 8 and 9 of the multi-year agreement overview tables contained in Annex I to this document.

RECOMMENDATION

12. The Fund Secretariat recommends blanket approval of 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: Implementation status of 2007 annual programme	n/a	30,000	World Bank

Annex I - Draft Overview Tables for Multi-Year Agreements

Turkey

(1) PROJECT TITLE: CFC phase out plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS

Code	Agency	Excom Provision	Fulfilled? (Yes/No)	Comments
TUR/PHA/35/INV/75	IBRD	Approved in accordance with the agreement between the Government of Turkey and the Executive Committee.		
TUR/PHA/38/INV/79	IBRD			
TUR/PHA/41/INV/81	IBRD			
TUR/PHA/44/INV/85	IBRD			
TUR/PHA/50/INV/89	IBRD			
TUR/REF/47/INV/87	IBRD	Approved subject to all future annual programme approvals being dependent on strict compliance with the established performance criteria established in the approved agreement.		

(3) ARTICLE 7 DATA (ODP TONNES)

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
CFC	3,805.7	3,788.8	3,758.8	3,869.6	3,985.	1,791.1	820.2	731.2	698.9	440.9	257.6	132.8	0.2
CTC	105.1	134.2	110.	70.4	168.3	90.1	56.9	16.	13.2	13.2	0.	2.2	0.9
Halons	141.	88.	226.	109.	203.	0.	10.	147.	13.	40.9	22.	30.	30.
Methyl Bromide	479.7	421.2	578.4	504.	415.2	342.6	342.6	43.8	280.8	185.4	90.6	28.8	20.4
TCA	37.4	113.6	172.2	8.7	45.8	44.	22.5	11.4	10.8	10.8	4.	5.9	0.

(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Year: 2006

Chemical	Aerosol	Foam	Fire Fighting	Refrigerating		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC									0.3				0.3
CTC									0.9				0.9
Halons			30.										30
Methyl Bromide										12.6	20.4		33
TCA													0

(5) PHASE-OUT (ODP TONNES)

Substances		2001	2002	2003	2004	2005	2006	2007	2008	2009	Total	Decision
CFC	Maximum Allowable Consumption (Agreement; per substance if valid)	977	909	534	316	150	0	0	0	0		
	Compliance Action Target (MOP)											
	Consumption Reported in Implementation Report											
	Consumption Reported in the Verification Report											
	IBRD											
	Reduction Under Plan		68	375	218	166	150					977
	Approved Phase-Out	97	375	218	150	150						990
	Actual Phase-Out	97	375	218	166	150						1006
Remaining Phase-Out to be Achieved												

(6a) PROJECT COSTS (US\$)											
Calendar year		2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
IBRD	Funding as per Agreement	3,500,000	2,500,000	1,000,000	750,000	750,000	500,000				9,000,000
	Support Costs as per Agreement	295,000	175,000	150,000	45,000	30,000	30,000	30,000	30,000	25,000	810,000
	Funds Approved (Inventory)	3,500,000	2,500,000	1,000,000	750,000	750,000	500,000				9,000,000
	Estimated Disbursement in Previous Progress Report		690,911	363,242	300,000	350,000					1,704,154
	Funds Disbursed in Current Progress Report	3,500,000	1,815,891	640,917	275,156	154,989					6,386,953
	Funds Obligated in Current Progress Report		684,109	359,083	474,844	595,011	500,000				2,613,047
	Estimated Disbursement in Current Progress Report		513,982	269,312	356,133	297,505	250,000				1,686,932
	Disbursement as per Annual Plan										
	Funds Requested										
	Support Costs Requested										
Comments											

(6b) SUBMISSION SCHEDULES (planned and actual)										
Submission Year as per Agreement		2001	2002	2003	2004	2005	2006	2007	2008	2009
IBRD	Planned Submission	Dec-2001	Nov-2002	Dec-2003	Dec-2004	Nov-2005	Nov-2006	Nov-2007	Nov-2008	Nov-2009
	Tranche Number	I	II	III	IV	V	VI			
	Revised Planned Submission									
	Date Approved	Dec-2001	Nov-2002	Dec-2003	Dec-2004	Nov-2005	Nov-2006			

(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS

TYPE OF ACTION / LEGISLATION		(Yes/No)	Since when (Date)	Verification Report(Yes/No)
1.	REGULATIONS:			
1.1	Establishing general guidelines to control import (production and export) of ODSs			
1.1.1	ODS import/export licensing or permit system in place for import of bulk ODSs			
1.1.1.1	ODS import licensing system in place for import of bulk ODSs			
1.1.1.2	ODS export licensing system in place for export of bulk ODSs			
1.1.1.3	Permit System in place for import of bulk ODSs			
1.1.1.4	Permit System in place for export of bulk ODSs			
1.1.2	Regulatory procedures for ODS data collection and reporting in place			
1.1.2.1	Regulatory procedures for ODS data collection in place			
1.1.2.2	Regulatory procedures for ODS data reporting in place			
1.1.3	Requiring permits for import or sale of bulk ODSs			
1.1.3.1	Requiring permits for import of bulk ODSs			
1.1.3.2	Requiring permits for sale of bulk ODSs			
1.1.4	Quota system in place for import of bulk ODSs			
1.2	Banning import or sale of bulk quantities of:			
1.2.1	Banning import of bulk quantities of:			
1.2.1.1	CFCs			
1.2.1.2	Halons			
1.2.1.3	CTC			
1.2.1.4	TCA			
1.2.1.5	Methyl Bromide			
1.2.2	Banning sale of bulk quantities of:			

1.2.2.1	CFCs			
1.2.2.2	Halons			
1.2.2.3	CTC			
1.2.2.4	TCA			
1.2.2.5	Methyl Bromide			
1.3	Banning import or sale of:			
1.3.1	Banning import of:			
1.3.1.1	Used domestic refrigerators using CFC			
1.3.1.2	Used freezers using CFC			
1.3.1.3	MAC systems using CFC			
1.3.1.4	Air conditioners using CFC			
1.3.1.5	Chillers using CFC			
1.3.1.6	CFC-containing aerosols except for metered dose inhalers			
1.3.1.7	Use of CFC in production of some or all types of foam			
1.3.2	Banning Sale of:			
1.3.2	MAC systems using CFC			
1.3.2.1	Used domestic refrigerators using CFC			
1.3.2.2	Used freezers using CFC			
1.3.2.3	MAC systems using CFC			
1.3.2.4	Air conditioners using CFC			
1.3.2.5	Chillers using CFC			
1.3.2.6	CFC-containing aerosols except for metered dose inhalers			
1.3.2.7	Use of CFC in production of some or all types of foam			
2.	ENFORCEMENT OF ODS IMPORT CONTROLS			
2.1	Registration of ODS importers (Yes/No)			
D:	Qualitative assessment of the operation of RMP			
	The ODS import licensing scheme functions:			
	The CFC recovery and recycling programme functions:			