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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fourth Meeting
Montreal, 7-11 April 2008

PROJECT PROPOSAL: THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

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

Phase-out

- Implementation of the NPP: regulations, training programme and monitoring (fourth tranche)

UNEP/UNIDO

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PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
The Democratic People's Republic of Korea

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year:
CFC: 24.5	CTC: 0	Halons: 0	MB: 0	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					69							69	0.
CTC *						11	384					395	0.
Halons													0.
Methyl Bromide													0.
TCA													0.

* 44.9 ODP tonnes of CTC used as fumigant

(IV) PROJECT DATA			2005	2006	2007	2008	2009	Total
Maximum Allowable Consumption (ODP Tonnes)		CFC	220.9	220.9	66.3	66.3	66.3	
Project Costs (US\$)	UNEP	Project Costs	234,600.	163,400.	100,000.	20,000.	10,000.	528,000.
		Support Costs	30,498.	21,242.	13,000.	2,600.	1,300.	68,640.
	UNIDO	Project Costs	536,000.					536,000.
		Support Costs	40,200.					40,200.
Total Funds Approved in Principle (US\$)		Project Costs	770,600.	163,400.	100,000.	20,000.	10,000.	1,064,000.
		Support Costs	70,698.	21,242.	13,000.	2,600.	1,300.	108,840.
Total Funds Released by the ExCom (US\$)		Project Costs	770,600.	163,400.	100,000.	0.	0.	1,034,000.
		Support Costs	70,698.	21,242.	13,000.	0.	0.	104,940.
Total Funds Requested for Current Year (US\$)		Project Costs				20,000.		20,000.
		Support Costs				2,600.		2,600.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Democratic People's Republic of Korea (DPR Korea), UNEP, as the lead implementing agency, has submitted a progress report on the implementation of the 2007 work programme of the national CFC phase-out programme (NPP) together with the verification report required by the Agreement, for consideration by the Executive Committee at its 54th Meeting. UNEP has also submitted a request for funding for the 2008 work programme at a total cost of US \$20,000 plus agency support costs of US \$2,600. No funding is being requested for UNIDO.

Background

2. The NPP for DPR Korea was approved at the 47th Meeting of the Executive Committee at a total cost of US \$1,064,000 plus agency support costs of US \$68,640 for UNEP and US \$40,200 for UNIDO, to completely phase out CFC consumption in the country by 2009. Since then, the Executive Committee has approved US \$1,034,000, plus agency support costs of US \$64,740 for UNEP and US \$40,200 for UNIDO for the implementation of the first three work programmes.

Progress report and verification

3. During the implementation of the 2007 work programme of the NPP, 200 refrigeration technicians and 240 customs officers were trained. An additional 140 portable multi-refrigerant recovery machines, 15 recovery/recycling/recharge units and servicing tools were delivered to service workshops, and training on the use of the machines was also provided. ODS regulations concerning the use of ODS refrigerants have been put in place and several awareness activities were conducted. The project monitoring unit has been in operation since March 2006.

4. A verification report on the levels of CFC consumption has been prepared. The report concluded that the total amount of CFCs imported in 2006 by the three licensed companies was 24.5 ODP tonnes and the total amount of CFCs used was 68.9 ODP tonnes; and that CFCs were not produced in 2006. Also, it noted that no illegal trade was identified from the official files reviewed, and the regulations on ODS imports were comprehensive and had been enforced strictly by the relevant authorities.

2008 annual work programme

5. Work programme activities for 2008 include continued implementation of training programmes for refrigeration servicing technicians and customs officers, and of the refrigerant recovery and recycling scheme. They also cover development of a policy measure mandating all education institutions dealing with CFC/HCFC refrigerants and equipment to incorporate the protection of the ozone layer in their curriculum and promote the code of good practices, continued awareness activities, and monitoring and evaluation of the activities contained in the NPP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2006 CFC consumption of 24.5 ODP tonnes reported by the Government of DPR Korea under Article 7 of the Montreal Protocol is already 196.4 ODP tonnes below the allowable level of CFC for that year (220.9 ODP tonnes), and 41.8 ODP tonnes below the 2007 allowable level of consumption (66.3 ODP tonnes). Although CFC import quotas were issued for 65.1 ODP tonnes in 2006, only 24.5 ODP tonnes were actually imported. With regard to the 68.9 ODP tonnes of CFCs reported to be used in the same year, UNEP and UNIDO informed the Secretariat that the CFCs consumed in 2006 consisted of stockpiled material, recovered CFCs and new imports. Most CFC-based equipment is domestic and small commercial refrigerators, MAC systems and a small number of chillers. After 2010, the Government is planning to adopt drop-in alternatives which are currently available on the local market.

RECOMMENDATION

7. The Fund Secretariat recommends blanket approval of the fourth tranche of the project with associated support costs at the funding level shown in the table below.

	Project Title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	Implementation of the NPP: regulations, training programme and monitoring (fourth tranche)	20,000	2,600	UNEP
