



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/57/40
27 February 2009

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March-3 April 2009

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 (fifth tranche)

UNEP/UNIDO

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

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

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2007	
CFC: 40.7	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Serviceing					QPS	Non QPS		
CFC					59.2								59.2
CTC							55						55
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA			2005	2006	2007	2008	2009	Total
Montreal Protocol Consumption Limits		CFC	220.9	220.9	66.3	66.3	66.3	
Maximum Allowable Consumption (ODP Tonnes)		CFC	177	120	66	48	30	
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	20,000	0	1,054,000
		Support Costs	70,698	21,242	13,000	2,600	0	107,540
Total Funds Requested for Current Year (US\$)		Project Costs					10,000	10,000
		Support Costs					1,300	1,300

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
--	-------------------------

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 2008 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 57th Meeting. UNEP has also submitted a request for funding for the 2009 work programme at a total cost of US \$10,000 plus agency support costs of US \$1,300. 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 \$1,054,000, plus agency support costs of US \$67,340 for UNEP and US \$40,200 for UNIDO for the implementation of the first four work programmes.

Progress report and verification

3. During the implementation of the 2008 work programme of the NPP, 200 refrigeration technicians and 200 customs officers were trained. Additional servicing tool kits were delivered to service workshops. Several public awareness activities were implemented and the project monitoring unit continued to function.

4. A verification report on the levels of CFC consumption has been prepared. The report concluded that the total amount of CFCs imported in 2007 by the three licensed companies was 40.7 ODP tonnes (18 ODP tonnes of CFC-11 and 22.7 ODP tonnes of CFC-12). This amount was 22.3 ODP tonnes lower than the CFC quotas issued by the Government. The report also indicated that CFCs have not been produced since 2004 and that no illegal trade had been identified from the official files reviewed.

2009 annual work programme

5. Work programme activities for 2009 include continued implementation of training programmes for 100 refrigeration servicing technicians and 50 customs officers, and completion of purchasing and distributing servicing tool kits. They also cover the monitoring of ODS recovery and recycling centres, providing technical assistance to service workshops for CFC needs post 2009, organizing the verification of ODS import and actual use in 2008, and monitoring and evaluation of the activities contained in the NPP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2007 CFC consumption of 40.7 ODP tonnes reported by the Government of DPR Korea under Article 7 of the Montreal Protocol was already 25.6 ODP tonnes below the allowable level of 66.3 ODP tonnes for that year. Although CFC import quotas were issued for 63.0 ODP tonnes in 2007, only 40.7 ODP tonnes were actually imported.

7. Upon a request from the Secretariat, UNIDO reported that of the total funding approved of US \$536,000 for equipment and tools, US \$357,000 has already been disbursed. The last procurement of supplementary tools and spare parts for the recovery and recycling network has been planned during the first quarter of 2009. The recovery units that have been procured can also be used for recovery of HCFCs. Due to frequent electric power interruptions, the compressor damage rate is very high. To address this

problem, service workshops will be equipped with small power generators to ensure sustainable operations.

RECOMMENDATION

8. The Secretariat recommends that the Executive Committee:
- (a) Takes note of the progress report on the implementation of the 2008 work programme (fourth tranche) of the national CFC phase-out programme in DPR Korea;
 - (b) Takes note of the verification report of the 2007 CFC consumption; and
 - (c) Approves the 2009 annual implementation programme (fifth tranche).

9. The Secretariat further recommends blanket approval of the 2009 annual plan (fifth tranche) 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 (fifth tranche)	10,000	1,300	UNEP
