



COVER PAGE

Country: Republic of Moldova

UNDAF Outcome(s)/Indicator(s): By 2011, public institutions with support of Civil Society organizations are better able to ensure good governance, rule of law and promotion of human rights

Expected Outcome(s)/Indicator (s): Management of environmental and natural resources is improved in compliance with international/EU standards

Expected Output(s)/Annual Targets: By 1st January 2010 the Republic of Moldova will fulfil its obligation under the Montreal Protocol on CFCs

Implementing partner: Ministry of Ecology and Natural Resources of the Republic of Moldova

Responsible parties: United Nations Development Programme

The Terminal Phase-out Management Plan (TPMP) will result in the complete phase-out of CFCs in the Republic of Moldova by 1st January 2010, as this obligation is taken by the Government of Moldova under the Montreal Protocol on the Substances that Deplete the Ozone Layer.

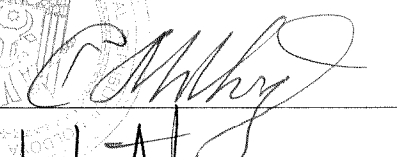

The Republic of Moldova has requested financial support from the Multilateral Fund to cover part of the cost of phasing-out the remaining 7.4 MT ODP of CFC consumption in accordance with the TPMP document. With these allocated funds the Republic of Moldova will undertake the phase out of all remaining CFC consumption. The requested funds will be allocated to the Republic of Moldova over two funding tranches, one of which was already approved and amounts to US\$ 152,500. The second and last funding tranche may amount to US\$ 152,500 potentially bringing the total for UNDP up to US\$ 305,000.

UNEP is the leading agency for this TPMP, while UNDP (cooperating agency) is involved into the implementation of the investment part of the TPMP project document.

Programme Period: 2007-2011
 Programme Component: _____
 Project Title: Terminal Phase-Out Management Plan
 Project ID: _____
 Project Duration: Three years
 Management Arrangement: NEX

Total Budget: US\$305,000
 Allocated resources:
 • Government N/A
 • Regular N/A
 • Other:
 ○ Donor: Montreal Protocol, US\$152,500 - first tranche
 ○ Donor _____
 • In kind contributions _____
 Unfunded budget:

Agreed by:
(Minister of Ecology and Natural Resources):

Agreed by (UNDP):

18/10/2007

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
SECTION I: ELABORATION OF NARRATIVE	
○ Situational Analysis	4
○ Strategy	4
○ Management Arrangement	5
SECTION II: STRATEGIC RESULTS FRAMEWORK	
○ Table 1: Indicative Outputs, Activities and Quarterly Work Plan	6
SECTION III: TOTAL BUDGET AND WORKPLAN	
○ Table 1: Total Project Work Plan and Budget	6
SECTION IV: ADDITIONAL INFORMATION	
○ Approved Proposal Document	
○ Project Organisation chart	
○ Terms of References	
○ Signature Page	

ACRONYMS

<i>CFC</i>	<i>Chlorofluorocarbon</i>
<i>HCFC</i>	<i>Hydrochlorofluorocarbon</i>
<i>HFC</i>	<i>Hydrofluorocarbon</i>
<i>IA</i>	<i>Implementing Agency</i>
<i>MAC</i>	<i>Mobile Air Conditioning (Systems)</i>
<i>MLF</i>	<i>Multilateral Fund</i>
<i>ODP</i>	<i>Ozone Depleting Potential</i>
<i>ODS</i>	<i>Ozone Depleting Substances</i>
<i>TPMP</i>	<i>Terminal Phase-Out Management Plan</i>

SECTION I : Narrative

PART I: Situational analysis

The Republic of Moldova ratified the Vienna Convention and Montreal Protocol in July 1996 and all its amendments in 2001, 2005 and 2006. The Government of Moldova, through the efforts of the NOU, has already made headway by putting in place legislative measures to control the import of ODS and equipment that contain them. The Regulation on trade regime and regulating the use of halogenated hydrocarbons that are depleting the ozone layer (Law nr. 852-XV from 14.02.2002) was approved; the London, Copenhagen, Montreal and Beijing Amendments to Montreal Protocol were ratified (Laws nr.111-XV from 27.04.2001, nr. 34-XVI from April 14, 2005 and nr. 119-XVI from 18.05.2006). This emphasizes the strong commitment of the Republic of Moldova to take necessary measures to protect the ozone layer.

The political and economical changes have affected the economy and the consumption of refrigerants. Economic improvements will increase the demand for refrigeration and air-conditioning even further. Segments with influx of new capital move to new non-CFC technologies with better reliability (if serviced correctly) and lower energy consumption whereas smaller users without the capacity to invest are stuck with old equipment with high failure rates and energy consumption. In spite of equipment becoming older and requiring more service many equipment owners are delaying investment in new equipment and major repairs as long as possible.

Without further measures to reduce the demand for CFCs, Republic of Moldova is not expected to meet the requirement in the Montreal Protocol without damage to perishable goods and equipment, or disturbance on the market due to illegal trade of ODS.

To improve the current situation the Government of the Republic of Moldova will undertake investment/demonstration projects to promote conversions/retrofits of commercial/industrial refrigeration equipment and build up competence of end-users and service technicians in retrofit methods and CFC-free technology. The UNDP part of TPMP will also aim at improving the handling of recovered refrigerants through a re-use scheme including training and providing equipment that can ensure that reclaimed refrigerant is of acceptable and verified quality before it is supplied back to the market.

A special approval condition of the TPMP is that UNDP was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP. More information on these decisions can be obtained from the Ozone Office in Chisinau.

PART II: Strategy

The objective of the Terminal Phase-out Management Plan (TPMP) is to ensure timely, sustainable and cost-effective CFC phase-out.

The rationale for the activities selected to be supported under the TPMP is based on consultations involving Moldova's NOU, a national consultant, and an international refrigeration expert, representatives from service workshops, end-users and involved government institutions. Through these consultations and analysis, it became evident that in order to facilitate the further phase-out of CFCs for the Republic of Moldova to be in compliance with the Montreal Protocol, a number of activities will need to be undertaken.

The phase-out of the remaining CFCs' consumption in the Republic of Moldova by 2010 will involve the provision of necessary support to the refrigeration service sector which is very diversified in nature and involves a large number of enterprises/technicians which need to change their daily equipment maintenance routine practice. In order to do so it is proposed to supply additional equipment that will help achieve better control over the quality of recovered CFC refrigerants which will be consequently supplied back to the refrigeration market as well as to provide end-user refrigeration companies with financial incentive, thus catalysing the change to proven non-CFC technologies .

The following activities will be implemented during the 1st year:

- upgrade of the existing infrastructure to control the quality of recovered CFCs and their reuse in the sector;
- provide financial incentives to end-user refrigeration enterprises to support retrofits/conversions to ozone-friendly substances.

These activities will continue during the second year of the TPMP operation given that the second tranche is successfully approved by the MLF.

The TPMP will provide the required technical guidance and will provide a favourable environment to the companies to strengthen the ongoing movement towards CFC-free technology and improved service practices in the industry.

The approved project document is attached to the present document (see Annex).

PART III: Management Arrangements

The project will be managed as nationally executed project (NEX) by the Government of the Republic of Moldova, Ministry of Ecology and Natural Resources through its Ozone Office.

The TPMP objectives will be achieved in a partnership with UNEP which is the lead agency responsible for non-investment components and overall reporting to the Multilateral Fund for the Implementation of the Montreal Protocol (MLF). UNDP, as a cooperating agency, will provide reports to the lead agency covering progress in the implementation of the UNDP's part of TPMP in order to request the subsequent tranche of funds which may be approved by the MLF.

The TPMP programme will be implemented by a TPMP team coordinated by the Ozone Office. The monitoring, management and evaluation support component is available in the section 3.4 of the project document.

The Ministry of Ecology and Natural Resources will be an implementing partner for the project. It will designate a National Project Director from the Ozone Office of Moldova who will be the liaising person between the Ministry and the UNDP. A project manager will be recruited who will be responsible for day-to-day management of the project with assistance from a small project support group.

The project PMU (Project Management Unit) will have a general oversight function, give guidance to the project and make key decisions for the project. It will meet at least once in a quarter.

The Project Manager will be responsible for day-to-day monitoring of project activities and experts work. She/he will provide brief progress reports to PMU and UNEP/UNDP. The manager will organize and coordinate the final review of the project outcomes by the PMU and, in cooperation with UNDP Country Office, prepare a final project review report, including lessons learned.

In accordance with standard UNDP procedures, all resources/equipment gained through project support remains the property of UNDP until project closure when a decision will be taken as to how to dispose of these resources. It is standard practice to leave resources with the project counterpart after closure as a contribution to the development of national capacity.

SECTION II: STRATEGIC RESULTS FRAMEWORK

The activities to be implemented by UNDP under this TPMP are presented in the table 3.6 of the project document (including the 2 tranches of funding).

SECTION III: TOTAL BUDGET AND WORKPLAN

The table below only covers the activities to be implemented by UNDP in 2007. In case of implementation delays, the concerned activities will automatically be transferred to 2008 and the corresponding funds incorporated in the second funding tranche.

MOL/PHA/52/INV/18 – Terminal Phase-out Management Plan for Moldova

MLF Outcome/Atlas Activity	Responsible Party	Source of Funds	ERP/ATLAS Budget Description	Amount 2007 (USD)	Dept. ID	Oper. Unit	Funds	Implementing Agency	Donor ID		
ACTIVITY I: Technical assistance component	Ministry of Ecology and Natural Resources	MLF	71200	International consultant	12,000	t.b.d.	63080	t.b.d.	10009		
			71300	Local consultants	12,000	t.b.d.	63080	t.b.d.	10009		
			72100	Update of documentation and information material/printing	5,000	t.b.d.	63080	t.b.d.	10009		
			72100	End-user projects Incentives to retrofit and replace projects	85,500	t.b.d.	63080	t.b.d.	10009		
			72100	Sub-contract with recycling center to upgrade analysing capability in re-use scheme including acquiring a GC and a moisture meter as well as executing appropriate activities to initiate and monitor the scheme	26,000	t.b.d.	63080	t.b.d.	10009		
			74500	Awareness and demonstration workshops	10,000	t.b.d.	63080	t.b.d.	10009		
			74500	Local travel	2,000	t.b.d.	63080	t.b.d.	10009		
							152,500				
							152,500				
							TOTAL UNDP 2007				

Note: All amounts are provided for in 2007 with the understanding that any unused balance will automatically be shifted to 2008.