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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Twenty-eighth Meeting  
Montreal, 14-16 July 1999

**Addendum**

**PROJECT PROPOSALS: INDIA**

Page 22: (Excel Industries – Secretariat’s comments). After paragraph 9, *add* the following:

10. A major part of the overall project costs arises solely from the provision of increased processing capacity. The process itself does not change. For this reason the Secretariat conducted an analysis of alternative options for providing the additional capacity, other than modifying the two existing production trains.
11. A more cost-effective option would be to provide a single additional production train of the necessary capacity and not to alter the existing two productions trains. The budgetary cost of this option was estimated by the consultant process engineer retained by the Secretariat.
12. The cost of each of the various ancillary items was examined and discussed with the World Bank and agreement reached on the proportion of each which could be considered eligible for funding as incremental costs.
13. The World Bank noted that the enterprise would wish to modify the existing production trains rather than build an additional production train as per the most cost-effective approach. However, the World Bank agreed with the Secretariat that the more cost-effective option should form the basis for determining the eligible incremental cost of the project. The World Bank also noted that this approach was equivalent to funding the modification of the two existing production trains with an allowance of some 41 per cent for technical upgrade and new-for-old replacement.

## **RECOMMENDATION**

1. The Executive Committee might consider approving the project at a funding level of US 366,000, with agency support costs of US 47,580.

Page 26: (BPL, Maharaja, Videocon, Whirlpool, Sarkar). *Insert* the following at the bottom of the page:

## **RECOMMENDATION**

1. The Secretariat recommends that the Executive Committee consider the approval of US \$1,237,521 as compensation for incremental operating cost for compressors in five domestic refrigeration enterprises (BPL, Maharaja, Videocon, Whirlpool, Sarkar) and agency support cost of US \$146,127.