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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-first Meeting
Geneva, 5-7 July 2000

**REPORT OF THE TWENTIETH MEETING OF THE
SUB-COMMITTEE ON PROJECT REVIEW**

INTRODUCTION

The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Geneva on 3 and 4 July 2000.

The meeting was attended by representatives of Brazil, Germany, India, Japan, Slovakia, Tunisia (Chair) and the United States of America, as well as by representatives of the implementing agencies and of the Ozone Secretariat.

The meeting was also attended by the representatives of Australia and Dominican Republic as observers, as well as by an observer from a non-governmental organization representing the industries group.

AGENDA ITEM 1: OPENING OF THE MEETING

1. The meeting was opened by the Chairman of the Sub-Committee, Mr. Hassan Hannachi (Tunisia), at 10 a.m. on Monday, 3 July 2000.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

2. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/20/1:

1. Opening of the meeting.
2. Adoption of the agenda.
3. Introductory remarks by the Chief Officer.
4. Organization of work.
5. Issues identified during project review.
6. Bilateral cooperation.
7. Work Programme amendments, UNDP.
8. Work Programme amendments, UNEP.
9. Work Programme amendments, UNIDO.
10. Work Programme amendments, World Bank.
11. Investment projects.
12. Policy Papers:
 - (a) Historical data on relevant decisions and methodologies used to establish incremental operating costs or savings arising from the replacement of CFCs by substitute chemicals in projects funded by the Multilateral Fund;
 - (b) Technical study on foam density;
 - (c) New sub-sector for the assembly, installation and servicing of refrigeration equipment: status report.
13. Other matters.
14. Adoption of the report.
15. Closure of the meeting.

AGENDA ITEM 3: INTRODUCTORY REMARKS BY THE CHIEF OFFICER

3. The Chief Officer welcomed the members of the Sub-Committee on Project Review and noted that 136 projects and activities had been submitted for review by the Sub-Committee. Of those, 99 proposals with a total value of over US\$16 million were recommended for blanket approval.

4. He recalled that, at its 29th meeting, the Executive Committee had provisionally approved 20 investment projects on the understanding that no funds should be disbursed pending the determination of the incremental operating costs associated with foam density. A further 20 projects involving the foam density issue had been submitted to the current meeting. A paper on foam density had also been submitted for consideration by the current meeting (UNEP/OzL.Pro/ExCom/31/53). If the draft conclusions and recommendations of that document were approved, the Sub-Committee might wish to recommend approval of the 40 projects, with costs adjusted according to the results of the study.

5. Additionally, there were 10 projects for individual consideration, three of them involving methyl bromide.

6. Pointing out that the Treasurer's report (UNEP/OzL.Pro/ExCom/31/3) stated that the Fund currently stood at only US \$13 million, he said that the total had increased to about US \$14.1 million since that report had been written. If the recommendations of the Secretariat for blanket approval were taken up and projects and activities for individual consideration were to be approved with their costings as submitted, there would be a considerable shortfall.

AGENDA ITEM 4: ORGANIZATION OF WORK

7. Following the suggestion of the Chair, the Sub-Committee decided that it would organize its work in accordance with the provisional annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/20/1/Add.1.

AGENDA ITEM 5: ISSUES IDENTIFIED DURING PROJECT REVIEWProject duration

8. The representative of the Fund Secretariat referred to paragraph 4 of the overview paper (UNEP/OzL.Pro/ExCom/31/22) which outlined the concerns relating to the duration of many of the more straightforward investment projects submitted by the implementing agencies for approval. He stated that

the trend towards a minimum three-year duration had been evident from the time that the Executive Committee had decided on performance criteria which included penalties for late completion of projects.

9. In the light of the urgency of assisting countries to meet or sustain their compliance requirements, and of the need for project durations to provide a realistic means of measuring agencies' implementation performance, the Sub-Committee recommended that the Executive Committee request the Secretariat and the implementing agencies to work together in defining more precisely the estimated durations of projects and, in particular, distinguishing between the physical completion of the project and other outstanding activities, such as equipment destruction and project completion reports.

AGENDA ITEM 6: BILATERAL COOPERATION

10. Introducing document UNEP/OzL.Pro/ExCom/31/23 on bilateral cooperation, the representative of the Secretariat reported that four requests for approval of bilateral cooperation had been submitted, from the Governments of Germany and Japan.

11. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for approval of bilateral cooperation as contained in document UNEP/OzL.Pro/ExCom/31/23 at the level of funding indicated in annex 1 to the present report, with the following amendment.

Development of a strategy for the refrigeration servicing sector in China (Japan)
(UNEP/OzL.Pro/ExCom/31/23)

12. The representative of the Secretariat referred to paragraphs 15 to 21 of document UNEP/OzL.Pro/ExCom/31/23, concerning the request of the Government of Japan for the development of a strategy for the refrigeration servicing sector in China.

13. Following a discussion, the Sub-Committee recommended that the Executive Committee consider the above project in the light of the outcome of the discussion in the contact group on refrigerant management plans during the current session.

AGENDA ITEM 7: UNDP WORK PROGRAMME AMENDMENTS

14. The Secretariat introduced document UNEP/OzL.Pro/ExCom/31/24, containing the UNDP work programme amendments.

15. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/31/24, with the amendments below, at the level of funding indicated in annex 1 to the present report.

Lebanon: renewal of institutional strengthening

Mexico: renewal of institutional strengthening

Uruguay: renewal of institutional strengthening

Venezuela: renewal of institutional strengthening

16. The Sub-Committee recommended that the Executive Committee approve the above four project proposals at the level of funding indicated in annex 1 to the present report.

17. The Sub-Committee also invited the Executive Committee to express the following views to the Governments of the countries concerned:

Lebanon

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Lebanon. The Executive Committee takes note, with appreciation, of the fact that the most recent data available to the Secretariat suggest that Lebanon will meet its freeze requirement and, with the projects already approved by the Fund, appears to be in a good position to meet the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Lebanon reported on a number of important initiatives it has undertaken over the last few years, including the establishment of liaison with local institutions and the private sector, institution of a ban on halon imports, and the preparation of draft legislation for implementing a system to regulate the import and export of equipment bearing ozone-depleting substances, and the licencing of imports and exports of ozone-depleting substances. These and other activities reported are very encouraging, and the Executive Committee greatly appreciates the efforts of Lebanon. The Executive Committee also expresses the expectation that, during the two years covered by the institutional strengthening renewal, Lebanon will move forward to finalize its regulations and implement its import/export licencing programmes to help ensure compliance with the Protocol's reduction requirements.

Mexico

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Mexico. The Executive Committee takes note, with appreciation, of the fact that the most recent data available to the Secretariat suggest that Mexico will meet its freeze requirement and, with the projects already approved by the Fund, appears to be in a good position to meet the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Mexico reported on a number of important initiatives it has undertaken over the last few years, including the establishment of national regulations, a ban on the import of commercial and domestic refrigeration equipment using CFCs, reductions amounting to 370 tonnes of methyl bromide, and institution of a licencing system. These and other activities reported are very encouraging, and the Executive Committee greatly appreciates the efforts of Mexico. Along with the data submitted to this meeting of the Executive Committee were data that raised issues about the level of consumption of halons in Mexico. The Executive Committee wishes to express appreciation for the statements of Mexico that it continues to work hard on this issue, and feels certain that it will comply in a timely fashion with related Protocol requirements. The Executive Committee also notes with appreciation that over the next two years Mexico intends to work on a strategy to deal with CFC production, and establish methyl bromide quotas designed to ensure that it will meet the requirements of the Montreal Protocol.

Uruguay

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Uruguay. The Executive Committee takes note with appreciation of the fact that the most recent data available to the Secretariat suggest that Uruguay will meet its freeze obligation under the Protocol and, with the projects already approved by the Fund, appears to be making good progress toward meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Uruguay reported on a number of important initiatives it has undertaken over the last few years, including the implementation of a project for a refrigerant management plan, the establishment of a clear implementation agreement with the World Bank, and the execution of agreements with 13 enterprises using ozone-depleting substances to execute projects to reduce use of ozone-depleting substances. These and other activities reported are very encouraging, and the Executive Committee greatly appreciates the efforts of Uruguay. In its plan for the next two years, Uruguay notes its intent to undertake a number of activities at the national level, including gaining approval of a decree to ban production, import and

export of equipment using CFCs, and coordinating with the national customs office to implement an import/export licencing system. The Executive Committee expresses the expectation that during the two years covered by the institutional strengthening renewal, Uruguay will move forward with these planned initiatives which are critical to helping ensure compliance with the Protocol's reduction requirements.

Venezuela

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Venezuela. The Executive Committee takes note, with appreciation, of the fact that the most recent data available to the Secretariat suggest that Venezuela will meet its freeze requirement, and, with the projects already approved by the Fund, appears to be well on its way to meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Venezuela reported on a number of important initiatives it has undertaken over the last few years, including implementation of national regulations regarding gathering and reporting of data on ozone-depleting substances, operation of a national halon bank, and implementation of a new decree establishing maximum allowable levels of production and import of ozone-depleting substances. The Executive Committee greatly appreciates these activities which should help to ensure compliance with Protocol obligations. The Executive Committee also appreciates Venezuela's intent to work toward early phase-out of all ozone-depleting substances to achieve early compliance with the Protocol's requirements.

India: preparation of a refrigerant management plan

18. The representative of the Secretariat explained that the above project proposal had been deferred, as it was associated with a bilateral proposal from the Government of Germany which had been withdrawn earlier from submission to the current meeting, but would be considered intersessionally, pending the outcome of the discussions in the contact groups on refrigerant management plans.

Indonesia: Project preparation in the rigid foam sector

Indonesia: Project preparation in the commercial refrigeration sector

19. The representative of the Secretariat referred to paragraphs 6 and 7 of document UNEP/OzL.Pro/ExCom/31/24. The Secretariat had received preliminary data that gave rise to additional

questions about the delineation of remaining consumption in all sectors. It had requested UNDP to provide official data from the Government of Indonesia. UNDP had indicated that there appeared to be continued difficulty in obtaining consistent data on the remaining consumption in the country in part owing to the fact that Indonesia was currently updating its country programme. Without the information required by decision 30/23, the Secretariat could not make a positive recommendation at the current time on those requests. The Chief Officer informed the Sub-Committee that preparations were being initiated for the Chair, Vice-Chair and the Chief Officer to undertake a mission to Indonesia to, inter alia, clarify the problems associated with that country's data submission.

20. The Sub-Committee recommended that the Executive Committee not approve the above two proposals.

Libya: Preparation of a project in the foam sector

21. The above proposal had been deferred by UNDP, since the proposal had not been included in UNDP's 2000 business plan.

AGENDA ITEM 8: UNEP WORK PROGRAMME AMENDMENTS

22. The Secretariat introduced document UNEP/OzL.Pro/ExCom/31/25, containing the UNEP work programme amendments.

Bahrain: renewal of institutional strengthening

Malawi: renewal of institutional strengthening

Namibia: renewal of institutional strengthening

Nicaragua: renewal of institutional strengthening

Panama: renewal of institutional strengthening

Seychelles: renewal of institutional strengthening

23. The Sub-Committee recommended that the Executive Committee approve the UNEP work programme amendments, comprising the above six project proposals, at the level of funding indicated in annex 1 to the present report.

24. The representative of UNEP informed the Sub-Committee that Nicaragua had requested additional funding for its renewal of institutional strengthening to cater for new activities.

25. The Sub-Committee also invited the Executive Committee to express the following views to the Governments of the countries concerned:

Bahrain

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Bahrain. The Executive Committee takes note of the fact that data provided to the Committee at its 31st meeting suggest that CFC consumption in Bahrain for 1999 was 4.2 per cent less than its compliance baseline. While, with projects already approved by the Fund, consumption would be further reduced, full implementation of already approved projects is not scheduled for completion until after the year 2000. The Executive Committee notes with appreciation the communication of Bahrain with UNEP that has indicated that Bahrain will be in a position to meet the CFC freeze. The Executive Committee also notes the fact that Bahrain has undertaken significant staff training designed to regulate imports of ozone-depleting substances and equipment using ozone-depleting substances, and has implemented a recycling effort that is resulting in the reuse of CFC representing almost 7 per cent of national demand. Further, over the next two years, Bahrain intends to focus on the control and import of ozone-depleting substances. The Executive Committee expresses the importance it places on Bahrain's meeting its first control obligation, and expresses the expectation that, over the coming months, Bahrain will move forward with enforcement of national regulations, and that its efforts to control imports of ozone-depleting substances and recycle CFCs will result in ensured and sustained compliance with the freeze provision of the Montreal Protocol.

Malawi

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Malawi. The Executive Committee takes note with appreciation of the fact that the most recent data available to the Secretariat suggest that Malawi will meet its freeze obligation under the Protocol, and, with the projects already approved by the Fund, appears to be making good progress toward meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Malawi reported on a number of important initiatives it has undertaken over the last few years, including the approval of regulations on management of ozone-depleting substances, enforcement of regulatory requirements including a ban on imports of equipment containing CFCs, and introduction of national import permits. These and other activities reported are very encouraging, and the Executive Committee greatly appreciates the efforts of Malawi. Over the next two years, Malawi intends to focus on a number of areas, including phasing out the use of methyl bromide in tobacco seedlings. The Executive Committee notes that the most recent data available to the Secretariat suggest that Malawi's methyl bromide consumption may be up to 10 per cent over the compliance baseline. It is hoped that the methyl bromide workshop held in 1999 in Malawi has provided an important boost to the efforts to control methyl bromide consumption. The Executive Committee agrees with the desire of Malawi to prioritize methyl bromide work for the next two years, and looks forward to working with Malawi to help ensure compliance with the upcoming methyl bromide freeze.

Namibia

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Namibia. The Executive Committee takes note with appreciation of the fact that, since the signing of the Montreal Protocol, Namibia has reduced its national consumption by over one half. This is a significant achievement, and we congratulate Namibia for its efforts. However, the Executive Committee must express some concern that the most recent data available to the Secretariat suggest that Namibia is very close to the level of CFC consumption needed to ensure that it meets the upcoming freeze obligation. That said, the Executive Committee notes that with timely implementation of projects already approved by the Fund, it appears that Namibia can safely meet that requirement and take a first step towards meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Namibia noted that it has identified as a priority the development and adoption of legislation and a licencing system. The Executive Committee expresses the expectation that in the next two years, Namibia

will be able to finalize the drafting and secure the adoption of the legislation and licencing system that it has determined to be a priority. These activities will surely help Namibia to ensure sustained compliance with the obligations of the Montreal Protocol.

Nicaragua

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Nicaragua. The Executive Committee takes note, with appreciation, of the fact that the most recent data available to the Secretariat suggest that Nicaragua will meet its freeze obligation under the Protocol and, with the projects already approved by the Fund, appears to be making good progress toward meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Nicaragua reported on a number of important initiatives it has undertaken over the last few years, including the implementation of a project for a refrigerant management plan, and the framing of legal measures to address the use of ozone-depleting substances on a sector basis. These and other activities reported are encouraging, and the Executive Committee greatly appreciates the efforts of Nicaragua. In its plan for the next two years, Nicaragua notes its intent to undertake a number of activities at the national level, including establishing appropriate legislation to control the consumption of ozone-depleting substances. The Executive Committee expresses the expectation that, during the two years covered by the institutional strengthening renewal, Nicaragua will move forward with its priority initiatives which are critical to helping ensure compliance with the Protocol's reduction requirements.

Panama

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Panama. The Executive Committee takes note with appreciation of the fact that the most recent data available to the Secretariat suggest that Panama will meet its freeze obligation under the Protocol and, with the projects already approved by the Fund, appears to be making good progress toward meeting the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Panama reported on a number of important initiatives it has undertaken over the last few years, including the establishment of a framework for regulations to control import of ozone-depleting substances and equipment based on ozone-depleting substances, implementation of legal measures including tax rebates for users of non-ozone-depleting substances, and developing systems to certify service technicians and ensure licencing of imports through Customs. These and other activities reported are encouraging, and the

Executive Committee greatly appreciates the efforts of Panama. In its plan for the next two years, Panama expresses its intent to undertake a number of key activities including the implementation of regulations controlling the import of CFC using equipment. The Executive Committee expresses the expectation that during the two years covered by the institutional strengthening renewal Panama will move forward with these initiatives, as planned, as they are critical to helping ensure compliance with the Protocol's reduction requirements.

Seychelles

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Seychelles. The Executive Committee takes note with appreciation of the fact that the most recent data available to the Secretariat suggest that Seychelles will meet its freeze obligation under the Protocol and, taking into account the significant national initiatives it has undertaken, it appears to be well-positioned to ensure that it will meet the 2005, 50 per cent reduction required by the Montreal Protocol. In its submission, Seychelles reported on a number of important initiatives it has undertaken over the last few years, including preparing regulations on the import and disposal of ozone-depleting substances (to be enforced as of last month) and implementing a system to monitor sectoral use of ozone-depleting substances. These and other activities reported are encouraging, and the Executive Committee greatly appreciates the efforts of Seychelles. In the next two years, Seychelles intends to focus on implementation of these regulations. The Executive Committee expresses appreciation for the strong work of the Seychelles and expresses the expectation that during the two years covered by the institutional strengthening renewal, that Seychelles will move forward with these initiatives, as planned, as they are critical to helping ensure compliance with the upcoming controls of the Montreal Protocol.

AGENDA ITEM 9: UNIDO WORK PROGRAMME AMENDMENTS

26. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/31/26, containing the UNIDO work programme amendments.
27. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNIDO's work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/31/26, with the amendments below, at the level of funding indicated in annex 1 to the present report.

Algeria: Strategy for the preparation of a refrigerant management plan

Iran: Preparation of a refrigerant management plan

Mexico: Strategy for the preparation of a refrigerant management plan

Venezuela: Strategy for the preparation of a refrigerant management plan

28. The representative of the Secretariat drew attention to paragraph 4 of document UNEP/OzL.Pro/ExCom/31/26, covering three activities for the preparation of refrigerant management plans in three large-volume-consuming countries. He indicated that the request for Venezuela should be also considered within the context of past approvals for the country in recovery, recycling and reclamation, and training amounting to US\$2.32 million.

29. Following a discussion, the Sub-Committee recommended that the Executive Committee defer the above four projects, pending the outcome of the discussions in the Contact Group on refrigerant management plans.

30. The Sub-Committee also recommended that the Executive Committee approve the request by UNIDO that the funds approved at the 30th meeting for project preparation in the foam sector in Libya be reallocated to project preparation for the refrigeration sector in the country.

Democratic People's Republic of Korea: Preparation of projects in the CFC production sector

31. The representative of the Secretariat reported that the agency had agreed to defer the above proposal, pending completion of the technical audits of the facilities to produce ozone-depleting substances.

AGENDA ITEM 10: WORLD BANK WORK PROGRAMME AMENDMENTS

32. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/31/27, containing the World Bank work programme amendments.

33. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the World Bank's work programme amendments, as contained in document

UNEP/OzL.Pro/ExCom/31/27, with the amendment below, at the level of funding indicated in annex 1 to the present report.

Jordan: Country programme update

34. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report.

35. The Sub-Committee also recommended that the Executive Committee:

(a) Request the Secretariat, in cooperation with the implementing agencies, to prepare for the Executive Committee at its thirty-second meeting a document containing draft guidelines for the preparation of country programme updates, including conditions for the justification for such updates, as well as the specific consideration that needed to be taken into account to ensure that such updates serve not only the national needs, but also the information and planning needs of the Executive Committee;

(b) Require that all future requests for country programme updates be in conformity with the guidelines to be agreed by the Executive Committee on the basis of the above-mentioned document.

Uruguay: Country programme update

36. The Sub-Committee recommended that the Executive Committee defer the above project, since Uruguay already had a refrigerant management plan project under implementation and it had funds approved for the preparation of a terminal phase-out project.

AGENDA ITEM 11: INVESTMENT PROJECTS

(a) Projects recommended for blanket approval

37. The representative of the Secretariat introduced the list of projects recommended for blanket approval (UNEP/OzL.Pro/ExCom/SCPR/20/2) and notified the Sub-Committee of the following four amendments to the list which would be reflected in annex 1 of the report of the meeting:

China: Conversion of PU slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Qujing Plastic No. 2 Plant (World Bank) (UNEP/OzL.Pro/ExCom/31/30) (transferred to blanket approval list from Annex I of the overview paper)

Colombia: Conversion from CFC-11 to HCFC-141b and water-based technology in the manufacture of various polyurethane foam applications at 25 small enterprises and 7 distributors centered around their systems house at Espumlatex System House Group Project (UNDP) (UNEP/OzL.Pro/ExCom/31/31) (withdrawn by UNDP)

Colombia: Retroactive funding for the conversion from CFC-11 to water-based technology in the manufacture of flexible molded polyurethane foam at Espumlatex-Promicolda (UNDP) (UNEP/OzL.Pro/ExCom/31/31) (withdrawn by UNDP)

Iran: Phase-out of CFC-11 by conversion to pentane technology in the manufacture of integral skin foam at Iran Polyurethane Manufacturing Co. (UNDP) (UNEP/OzL.Pro/ExCom/31/35) (withdrawn by UNDP)

38. One representative observed that, in spite of considerable assistance from the Multilateral Fund to the Islamic Republic of Iran, Nigeria and Turkey, their consumption of ozone-depleting substances appeared to be still growing.

39. Following the discussion, the Sub-Committee recommended that the Executive Committee approve the projects recommended for blanket approval at the level of funding indicated in annex 1 to the present report, subject to any conditions appearing in the Secretariat's recommendations in the project evaluation sheets.

(b) Projects for individual consideration

Projects with foam density issues

40. The representative of the Secretariat referred to paragraphs 5 and 6 of document UNEP/OzL.Pro/ExCom/31/22. He explained that 20 projects in the foam sector were listed for individual consideration in Annex I to the overview paper. Foam density was the only outstanding issue; all other cost and eligibility issues had been agreed with the implementing agencies. He also indicated that 20 foam projects (Annex II to the overview paper) had been provisionally approved at the 29th meeting and, according to decision 29/52, funding would not be disbursed pending determination of incremental

operating costs associated with foam density. He pointed out that a paper on foam density was included in the agenda for the current meeting.

41. The representative of the World Bank reported that, on the basis of further discussions with the Secretariat, a project for Indonesia, entitled “Phase-out of CFC-11 by conversion to water-based technology and LCD technology in the manufacture of flexible moulded foam and to HCFC-141b in the manufacture of moulded integrale skin polyurethane foam at Anto Indo Foam”, originally listed in Annex I to the overview paper, did not have a foam density issue. The Secretariat confirmed that costs had been agreed with the World Bank and the project would be included in the list of projects recommended for approval, at a level of funding indicated in annex 1 to the present report.

42. [Following the discussion and the discussion under item 12(b) (see paragraphs 64-66 below), the Sub-Committee recommended that the above project proposals be approved at a level of funding calculated using the foam density increases indicated in the paper on foam density (UNEP/OzL.Pro/ExCom/31/53), as contained in annexes 1 and 2 to the present report.]

Other projects in the foam sector

Mexico: Manufacture of rigid polyurethane spray foam and integral skin foam at Comsisa (UNDP)
(UNEP/OzL.Pro/ExCom/31/39)

43. The representative of the Secretariat referred to paragraphs 4 to 9 of document UNEP/OzL.Pro/ExCom/31/39 regarding the foam project for Comsisa, which had been first submitted to the Executive Committee at its 29th meeting. He stated that the project was now being presented for consideration on the basis of a proposal from the Secretariat which was accepted by both the Government of Mexico and UNDP. In order to enable this group of small-scale enterprises to receive adequate financial assistance to convert to the new technology, the Secretariat proposed that the incremental operational savings might be offset against Comsisa’s incremental costs. This would result in zero grant to Comsisa but a grant of US\$424,050 to the 21 downstream enterprises for their capital costs. Given the link between Comsisa and the downstream users of its systems, UNDP might be given flexibility in allocation of the project’s cost budget in order to maintain the technical cooperation between Comsisa and the downstream users.

44. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report, on the understanding that:

(a) UNDP and the Government of Mexico would have flexibility in the application of the approved funds during the project's implementation and;

(b) Approval was being granted on an exceptional basis in recognition of the unique situation of the project arising from the measures taken by the Government of Mexico, and in no way represented a precedent for future funding decisions.

Projects in the fumigant sector

Peru: Phase-out of methyl bromide in soil fumigation in Peru (UNDP)
(UNEP/OzL.Pro/ExCom/31/41)

45. The representative of the Secretariat referred to document UNEP/OzL.Pro/ExCom/31/41 regarding a project to phase out four ODP tonnes of methyl bromide used in nursery beds for paprika, onions, potatoes and tobacco, representing all of the use of methyl bromide in soil applications in Peru. He pointed out that the Secretariat and UNDP had agreed on the total cost of the project.

46. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report, on the understanding that:

(a) UNDP would disburse the funds approved in tranches according to the proposed methyl bromide phase-out schedule indicated in the project proposal;

(b) If Peru did not meet the reduction requirements outlined in the proposal, UNDP would withhold funding for the subsequent tranche of funding until such time as the required reduction had been met;

(c) UNDP would submit an annual progress report on the implementation of the project to the Fund Secretariat;

(d) A package of policy measures would be developed to ensure that, by the end of 2002, methyl bromide consumption for soil fumigation would be reduced to the baseline level, and would be completely phased out by the end of 2005. Such measures would also ensure that methyl bromide was not re-introduced after users had stopped using it.

Turkey: Phase-out of methyl bromide in the dried fig sector in Turkey (World Bank)
(UNEP/OzL.Pro/ExCom/31/47/Add.1)

47. The representative of the Secretariat referred to document UNEP/OzL.Pro/ExCom/31/47/Add.1, regarding a project to demonstrate the use of carbon dioxide under pressure (modified atmosphere) and magnesium phosphide as alternative technologies for methyl bromide used for the fumigation of dried figs in Turkey. He indicated that most of the fig production was exported, mainly to Europe, and that that component had not been considered in the calculation of the eligible cost of the project. He also reported that the Government of Turkey was committed to the complete phase-out of methyl bromide in dry fig fumigation by 2003 with no additional request for funding.

48. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report, on the understanding that:

(a) The Government of Turkey would ensure that the total national aggregate methyl bromide consumption in the sector would be permanently reduced to a level no higher than its 1999 national aggregate consumption, less the phase-out proposed in the project (an agreement similar to that of Argentina on methyl bromide would be annexed to the final report of the Executive Committee);

(b) The Government of Turkey, through the World Bank, would provide to the Fund Secretariat an annual progress report on the implementation of the project, including data on aggregate methyl bromide consumption phased out by the project.

49. On the basis of that understanding, the Project Review Sub-Committee recommended that the level of exports not be taken into account in determining the eligible incremental costs.

Zimbabwe: Phase-out of methyl bromide in cut flowers (UNIDO) (UNEP/OzL.Pro/ExCom/31//51)

50. The representative of the Secretariat referred to document UNEP/OzL.Pro/ExCom/31/51 regarding a project to phase out the entire consumption of methyl bromide used for soil disinfection in cut flowers in Zimbabwe. He pointed out that Zimbabwe was the second largest exporter of cut flowers in Africa, with 72 per cent of total production being exported to Article 2 countries.

51. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report, on the understanding that:

(a) UNIDO would disburse the funds approved in tranches according to the proposed methyl bromide phase-out schedule indicated in the project proposal;

(b) If Zimbabwe did not meet the reduction requirements outlined in the proposal, UNIDO would withhold the subsequent tranche of funding until such time as the required reduction had been met;

(c) The Government of Zimbabwe would ensure that the total national aggregate methyl bromide consumption in the sector would be permanently reduced to a level no higher than its 1999 national aggregate consumption, less the phase-out proposed in the project (an agreement similar to that of Argentina on methyl bromide would be annexed to the final report of the Executive Committee);

(d) The Government of Zimbabwe, through UNIDO, would provide to the Fund Secretariat an annual progress report on the implementation of the project, including data on aggregate methyl bromide consumption phased out by the project.

52. On the basis of that understanding, the Project Review Sub-Committee recommended that the level of exports not be taken into account in determining the eligible incremental costs.

Projects in the process agent sector

India: Conversion of carbon tetrachloride (CTC) as process solvent to trichloromethane at M/S Alpha Drugs India Ltd., Patiala (UNIDO)(UNEP/OzL.Pro/ExCom/31/33)

India: Conversion of carbon tetrachloride (CTC) as process solvent to ethylene dichloride at Svis Labs Ltd., Ranipet (UNIDO)(UNEP/OzL.Pro/ExCom/31/33)

India: Conversion of carbon tetrachloride (CTC) as process solvent to ethylene dichloride at Satya Deeptha Pharmaceuticals Ltd., Humnabad (UNIDO)(UNEP/OzL.Pro/ExCom/31/33)

53. The representative of the Secretariat referred to pages 14 to 19 of document UNEP/OzL.Pro/ExCom/31/33 regarding three process agent projects which had been referred for individual consideration, as they were the first to be submitted in which process agents were used for manufacture of pharmaceutical chemicals. He noted that the Executive Committee had not considered the issue of the duration of incremental operating costs for process agent projects and indicated that the Secretariat was advising the Committee to consider a one-year period. He pointed out that Svis Labs also had an issue associated with retroactive phase-out.

54. Following a discussion, the Sub-Committee recommended that the projects be deferred until a subsequent meeting, pending provision of additional data.

Production sector

India: CFC production sector gradual phase-out project - 2000 Annual Programme (World Bank)
(UNEP/OzL.Pro/ExCom/31/33)

55. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/31/33, which included the 1999 Production Verification Mission Report submitted by the World Bank pursuant to decision 30/51 as a condition for the approval of the year 2000 Annual Programme for the gradual CFC production sector phase-out project in India.

56. He pointed out that, since it was the first time a verification had been carried out for a gradual CFC production phase-out programme, and that this would serve as a standard for future monitoring of similar programmes, the Secretariat had requested clarifications and additional information from the World Bank relating to CFC production and monthly consumption of the raw materials needed for this production. He noted that, subsequent to document dispatch, the Secretariat had received from the World Bank the daily CFC production data of the four plants in India, which were found to be consistent with the monthly CFC production table included in the verification report. However, data on the monthly consumption of raw materials, which were needed to substantiate the CFC production data, were provided by the World Bank just prior to the current meeting of the Sub-Committee and had therefore not been examined by the Secretariat. Both sets of data could be made available to the Sub-Committee, if requested.

57. Following the discussion, the Sub-Committee recommended that the Executive Committee approve the 2000 Annual Programme for India's CFC production sector and gradual phase-out project at the level of funding indicated in annex 1 to the present report, and that:

- (a) The data referred to above be made available to the Sub-Committee; and
- (b) The Secretariat, in consultation with implementing agencies, develop transparent and clear methodologies for reporting formats to facilitate the modality of verification and the decision-making process of the Executive Committee.

Refrigeration sector

China: Replacement of CFC-11 and CFC-12 with cyclopentane and HFC-134a in the production of refrigerators at Banshen Electric Appliances Co (UNIDO) (UNEP/OzL.Pro/ExCom/31/30)

58. The representative of the Secretariat referred to pages 6 to 8 of document UNEP/OzL.Pro/ExCom/31/30 and Add.1, regarding a domestic refrigeration project in China. The updated country programme of China, which had been considered at the 30th meeting of the Executive Committee, had indicated that the remaining consumption to be phased out in the refrigeration sector in China was 620 ODP tonnes. In response to the Secretariat's request for clarification of data on remaining consumption of ozone-depleting substances in China's domestic refrigeration sector, based on information provided by the Government of China, UNIDO had informed the Secretariat that there was an arithmetic error in the 1997 residual consumption of 620 ODP tonnes that had been reported in the country programme update. The corrected figure was 1,525 ODP tonnes. The residual consumption in 1999 was 1,536 ODP tonnes.

59. He observed that the Secretariat had also requested UNIDO and the Government of China to provide an explanation for the very high increase (38.3 per cent) in the ODP consumption for 1998 compared with 1997. UNIDO had advised the Sub-Committee that the increase in consumption in 1998 had been market-related. There was one remaining large project, with a consumption of about 200 tonnes, the balance of consumption lay in a number of smaller enterprises, for which funds had been provided to UNIDO for the preparation of an umbrella project.

60. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in annex 1 to the present report, on the understanding that:

(a) The Government of China would provide information on the specific consumption in the remaining enterprises for the manufacture of domestic refrigerators; and

(b) In view of the discrepancies in the data received, a careful examination would be made of the country programme updating procedure.

AGENDA ITEM 12: POLICY PAPERS**(a) Historical data on relevant decisions and methodologies used to establish incremental operating costs or savings arising from the replacement of CFCs by substitute chemicals in projects funded by the Multilateral Fund**

61. The representative of the Secretariat drew the attention of the meeting to document UNEP/OzL.Pro/ExCom/31/52, prepared by the Secretariat in accordance with decision 30/52.

62. One representative noted that some Article 5 countries had expressed their concern on the future of the implementation of projects, given the decreases in incremental operating costs which arose from movements in the prices of chemicals.

63. Following a discussion, the Sub-Committee took note of the document prepared by the Secretariat.

(b) Technical study on foam density

64. The representative of the Secretariat drew the attention of the meeting to document UNEP/OzL.Pro/ExCom/31/53 and recalled that, in decision 29/22, the Committee had requested the Fund Secretariat and the implementing agencies to resolve the technical issues on foam density by jointly undertaking a technical study based on the information from implemented projects, and to report back to the Sub-Committee at the time of the 30th meeting.

65. He reported that, in January 2000, detailed terms of reference had been agreed between the Secretariat and the implementing agencies as a basis for the study. It had also been agreed that the Foam Sector Working Group of the World Bank's Ozone Operations Resource Group should be requested to undertake the study.

66. [Following the discussion, the Sub-Committee recommended that the Executive Committee agree to the conclusions and the recommendations contained in annex I to the document UNEP/OzL.Pro/ExCom/31/53 for a period of one year and resume the work on the subject, in order to improve the conclusions.]

(c) New sub-sector for the assembly, installation and servicing of refrigeration equipment: status report

67. The representative of the Secretariat drew the attention of the meeting to document UNEP/OzL.Pro/ExCom/31/54 and recalled that, at its 27th meeting, the Executive Committee took decision 27/74 which established a new sector for assembly, installation and charging of refrigeration systems that overlapped with the commercial refrigeration sub-sector and had yet to be fully defined. The work that the Secretariat had undertaken had been intended to clarify issues and rules relating to the new sub-sector to define the boundary between commercial refrigeration and the new sub-sector and to offer some possible guidelines on incremental costs. He noted that the key implementing agencies involved had provided comments on the paper, but that none were able to fully support it.

68. Following a discussion, the Sub-Committee recommended that the Executive Committee:

(a) Adopt the guidelines for definition of the sub-sector for assembly, installation and charging of refrigeration equipment and the calculation of incremental costs, contained in annex 3 to the present report;

(b) Pay attention to projects submitted under guidelines (3) and (4), in particular to determine whether there is any eligible incremental cost; and

(c) Consider projects on a case by case basis in order to gain experience.

AGENDA ITEM 13: OTHER MATTERS

Financing

69. The Chief Officer, pointing to the current level of resources available for commitment in the Multilateral Fund, said that the value of project proposals approved at the current meeting of the Sub-Committee would result in a significant shortfall. He proposed that, in disbursing funds for approved projects and activities, the Secretariat follow the usual procedure, whereby priority would be given to funding work programme amendments and institutional strengthening projects, after which the customary percentile approach would be applied, whereby funding would be provided first to the most cost-effective projects. He urged all Parties to pay their contributions in a timely manner.

70. The representative of Japan announced that his Government was currently going through the procedures for payment of its annual contribution to the Fund. Those formalities were expected to be completed in the near future, so it was likely that the magnitude of the shortfall might not be a problem.

AGENDA ITEM 14: ADOPTION OF THE REPORT

71. The present report was adopted at the closing session of the meeting, on Tuesday 4 July 2000 on the basis of the draft report circulated as document UNEP/OzL.Pro/ExCom/SCPR/20/L.1.

AGENDA ITEM 15: CLOSURE OF THE MEETING

72. The meeting rose at 6.00 p.m. on Tuesday 4 July 2000.

ANNEX 1
(to be provided)

[ANNEX 2

**Recommended adjustments in cost for foam projects with density
issues provisionally approved at the 29th meeting]**

ANNEX 3

Guidelines for definition of the sub-sector for assembly, installation and charging of refrigeration equipment and the calculation of incremental operating costs

1. Where the conditions below are in place, the activities of an enterprise can be considered under the rules pertaining to commercial refrigeration – including the eligibility of incremental operating costs or savings for up to two years as applicable to commercial refrigeration:

(a) The activities of the enterprise involve the design and manufacture of completed refrigerated systems (including the foam part) in its own central facility and under its own trade name (this could include refrigerated trucks, reach-in refrigerators or freezers or small prefabricated cold rooms and a compressor size of 5kW or less may be used to delineate the upper size limit of “small” cold rooms);

(b) Production capacity prior to July 1995 can be established;

(c) Consumption can be established through stable production and consumption records for ozone-depleting substances for a three-year period (either the year prior to project formulation or the average of the last three years will continue to be used to calculate consumption in projects);

(d) Satisfactory guarantees can be provided that CFC-based production will cease after conversion.

2. In accordance with practice now established between the Secretariat and the implementing agencies, where the enterprise produces foam panels, subject to the usual verification of CFC consumption and production levels, panel production will continue to be treated according to rules and policies for the rigid foam sub-sector.

3. Enterprises involved in activities other than those outlined above are characterised as follows and will be considered under the new sub-sector for the assembly, installation and charging of refrigeration equipment:

(a) The activities of the enterprise involve the assembly or installation of prefabricated refrigeration systems in cold rooms or trucks, or the installation of air conditioning systems obtained from specialised suppliers in trucks or buses;

(b) The installation is outside the premises of the refrigeration equipment manufacturer or may be undertaken by a branch, agency or independent contractor;

(c) The individual installation may be CFC or non-CFC based on the refrigerant specified by the manufacturer of the refrigeration unit or based on the choice of the customer;

(d) It may be impractical to establish production capacity prior to July 1995 or to identify likely levels of production (and thus consumption) in future years (as there is no production line);

(e) There is no consumption for manufacturing as an intermediate good.

4. For enterprises which fall within the new sub-sector for the assembly or installation of refrigeration equipment, as described in paragraph (3) above, the refrigeration part will be based on capital costs only.

5. Enterprises which engage in a combination of the activities described in paragraphs (1) to (4) should indicate their consumption for each type of activity and the policies for each relevant sub-sector should be applied.

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
ALGERIA					
FOAM					
Flexible moulded					
Conversion of Algeria Mousse Polyurethane (AMP)	Germany	152.0	\$565,728	\$72,230	\$637,958 3.72
HALON					
Preparation of project proposal					
Project preparation, technical assistance in the halon sector	Germany		\$10,520	\$1,367	\$11,887
Total for Algeria		152.0	\$576,248	\$73,597	\$649,845
ARGENTINA					
FOAM					
Flexible slabstock					
Conversion from CFC-11 to LIA technology in the manufacture of flexible polyurethane boxfoam at four enterprises: Cosmos; La Cardeuse; Jovis; and Micropore	UNDP	48.7	\$295,300	\$38,389	\$333,689 6.06
PRODUCTION					
Preparation of project proposal					
Project preparation for the CFC production sector	IBRD		\$40,000	\$5,200	\$45,200
Total for Argentina		48.7	\$335,300	\$43,589	\$378,889
BAHRAIN					
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase II)	UNEP		\$44,000	\$5,720	\$49,720
Total for Bahrain			\$44,000	\$5,720	\$49,720
BRAZIL					
FOAM					
Flexible moulded					
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of flexible moulded foam at Massimo	UNDP	8.0	\$52,279	\$6,796	\$59,075 6.53
Integral skin					
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of integral skin foam and flexible molded foam at Fabbrini	UNDP	29.0	\$124,887	\$16,235	\$141,122 4.31
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of integral skin foams at Mach-Plast	UNDP	29.5	\$188,951	\$24,564	\$213,515 6.40
Phase-out of CFC-11 by conversion to water-blown and HCFC-141b technology in the manufacture of polyurethane integral skin and flexible moulded polyurethane foam at Sector Co.	UNIDO	17.7	\$130,490	\$16,964	\$147,454 7.36
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of rigid integral skin foam at Menaf	UNDP	10.7	\$80,994	\$10,529	\$91,523 7.57
Phaseout of CFC-11 by conversion to water-based technology in the manufacture of integral skin (shoesoles) at Prosola	UNDP	18.1	\$214,118	\$27,835	\$241,953 11.83

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Multiple-subsectors					
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of integral skin foam and rigid foam at Injepol	UNDP	23.0	\$107,678	\$13,998	\$121,676 4.68
Conversion from CFC-11 to methylene chloride/LIA technology in the manufacture of flexible polyurethane boxfoam, from CFC-11 to water-blown foam in flexible molded foam, and from CFC-11 to HCFC-141b in flexible integral skin foam at Multispuma	UNDP	24.0	\$123,929	\$16,111	\$140,040 5.15
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of flexible moulded foam and rigid foam at Trantor	UNDP	19.6	\$102,234	\$13,290	\$115,524 5.22
Conversion from CFC-11 to HCFC-141b and water based technology in the manufacture of rigid polyurethane foam and flexible molded/integral skin foam at 50 small enterprises centered around their systems house Plastquim	UNDP	153.4	\$931,599	\$112,476	\$1,044,075 6.08
Phaseout of CFC-11 by conversion to water-blown and HCFC-141b technology in the manufacture of integral skin and flexible molded foam at PPU	UNDP	9.4	\$64,568	\$8,394	\$72,962 6.87
Phaseout of CFC-11 by conversion to water-blown technology in the manufacture of integral skin and rigid foam at Montreal	UNDP	11.8	\$83,117	\$10,805	\$93,922 7.04
Phaseout of CFC-11 by conversion to water-blown and HCFC-141b technology in the manufacture of integral skin foam, flexible molded foam and rigid foam at Jetpol	UNDP	29.0	\$214,600	\$27,898	\$242,498 7.40
Rigid					
Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Packo Plurinox	UNDP	13.4	\$39,750	\$5,168	\$44,918 2.97
Conversion from CFC-11 to HCFC-141b and water-based technology in the manufacture of rigid polyurethane foam at Polyfoam	UNDP	41.9	\$178,873	\$23,253	\$202,126 4.27
Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Politermo	UNDP	50.2	\$219,136	\$28,488	\$247,624 4.37
Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Refripor	UNDP	10.9	\$85,350	\$11,096	\$96,446 7.83
REFRIGERATION					
Commercial					
Conversion from CFC-11 to HCFC-141b, and from CFC-12 to HFC-134a and from R-502 to R-404a in the manufacture of freezer rooms and panels, and rigid foam at Schmit	UNDP	43.3	\$288,764	\$37,539	\$326,303 6.67
Phasing out CFC-12 with HFC-134a and CFC-11 with HCFC-141b at Metalplan Ltda.	UNIDO	1.9	\$28,885	\$3,755	\$32,640 15.02
Phasing out CFC-12 with HFC-134a and CFC-11 with HCFC-141b at Ingecold Ltda.	UNIDO	1.7	\$25,320	\$3,292	\$28,612 15.02
Phasing out CFC-12 and R-502 with HFC-134a and HFC-404a as well as of CFC-11 with HCFC-141b at Kalten Ltd.	UNIDO	8.1	\$122,151	\$15,880	\$138,031 15.14
Phasing out CFC-12 with HFC-134a and CFC-11 with HCFC-141b at Domnick Hunter Ltda.	UNIDO	1.2	\$17,971	\$2,336	\$20,307 15.15

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Phasing out CFC-12 with HFC-134a and CFC-11 with HCFC-141b at Klima Ltda.	UNIDO	5.7	\$86,464	\$11,240	\$97,704 15.16
Domestic					
Phasing out CFC-12 with HFC-134a and CFC-11 with HCFC-141b at Tecnigel Ltda.	UNIDO	2.5	\$34,000	\$4,420	\$38,420 13.63
Total for Brazil		564.1	\$3,546,108	\$452,362	\$3,998,470
CHINA					
FOAM					
Flexible slabstock					
Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Qujing Plastic No. 2 Plant	IBRD	99.0	\$600,066	\$76,007	\$676,073 6.06
Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Jintan Tiaoxi Shuya Foam Plant	IBRD	67.5	\$420,525	\$54,668	\$475,193 6.23
Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Wuxian Polyurethane Foam Plant	IBRD	80.0	\$498,400	\$64,792	\$563,192 6.23
Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Nantong Xinyuan Foam Plant	IBRD	82.0	\$510,860	\$66,195	\$577,055 6.23
REFRIGERATION					
Domestic					
Replacement of CFC-11 and CFC-12 with cyclopentane and HFC-134a in the production of refrigerators at Banshen Electric Appliances Co.	UNIDO	563.0	\$2,988,840	\$338,772	\$3,327,612 5.31
<i>Approved on the understanding that the Government would provide information on the remaining consumption in enterprises for the manufacture of domestic refrigerators; and in view of the discrepancies in the data received, a careful examination would be made of the country programme updating procedure.</i>					
Preparation of project proposal					
Preparation of two investment projects in the domestic (hydrocarbons) refrigeration sub-sector	UNIDO		\$40,000	\$5,200	\$45,200
Total for China		891.5	\$5,058,691	\$605,634	\$5,664,325
COLOMBIA					
SOLVENT					
CFC-113					
Replacement of CFC-113 as solvent in the silicone coating process of needles and catheters at Laboratorios Rymco	IBRD	7.6	\$81,579	\$10,605	\$92,184
Total for Colombia		7.6	\$81,579	\$10,605	\$92,184
EGYPT					
SOLVENT					
TCA					
Conversion of metal cleaning processes from TCA solvent to TCE degreasing for engineering industries at Maasara Co.	UNIDO	10.7	\$294,950	\$38,344	\$333,294 27.56
Total for Egypt		10.7	\$294,950	\$38,344	\$333,294

Project Title	Agency	ODP Tonnes	Funds Approved (US\$) Project	Support	C.E. Total (US\$/kg)
INDIA					
PRODUCTION					
CFC closure					
CFC production sector gradual phase-out project: 2000 Annual Programme <i>1,882 MT tonnes of CFCs will be phased out.</i>	IBRD		\$11,000,000	\$880,000	\$11,880,000
REFRIGERATION					
Commercial					
Elimination of CFCs in the manufacture of commercial refrigeration equipment at Sarkar Refrigeration Industries (incremental operating cost for compressor)	IBRD		\$4,385	\$570	\$4,955
Elimination of CFCs in the manufacture of commercial refrigeration equipment at Saikrupa Industries (incremental operating cost for compressor)	IBRD		\$10,524	\$1,368	\$11,892
Elimination of CFCs in the manufacture of commercial refrigeration equipment at Aarkay Industries (incremental operating cost for compressor)	IBRD		\$15,128	\$1,967	\$17,095
Elimination of CFCs in the manufacture of commercial refrigeration equipment at Sidwal Refrigeration Industries P. Ltd (incremental operating cost for compressor)	IBRD		\$5,174	\$673	\$5,847
Conversion from CFC-11 to HCFC-141b and from CFC-12 12.15 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Fedders Lloyd Corporation Ltd.		UNDP	21.2	\$257,428	\$33,466\$290,894
SOLVENT					
CTC					
Conversion of carbon tetrachloride as cleaning solvent to trichloroethylene at Blue Star Ltd., Thane	UNIDO	6.6	\$76,027	\$9,884	\$85,911 11.52
Preparation of project proposal					
Preparation of investment projects for SMEs in the solvent sector	UNIDO		\$30,000	\$3,900	\$33,900
Formulation of CTC process cleaning agent project in the solvent sector	UNIDO		\$20,000	\$2,600	\$22,600
Total for India		27.8	\$11,418,66	\$934,427	\$12,353,093
INDONESIA					
FOAM					
Integral skin					
Phase-out of CFC-11 by conversion to water blown technology in the manufacturing of polyurethane integral skin shoe soles at P.T. Trias Rantaimas	UNIDO	18.4	\$141,319	\$18,371	\$159,690 7.67
Multiple-subsectors					
Phaseout of CFC-11 by conversion to water based technology and LCD technology in the manufacture of flexible moulded foam and to HCFC-141b in the manufacture of molded integral skin polyurethane foam at Anto Indo Foam	IBRD	51.8	\$249,645	\$32,454	\$282,099 4.82
Total for Indonesia		70.2	\$390,964	\$50,825	\$441,789

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
IRAN					
FOAM					
Rigid					
Conversion from CFC-11 to n-pentane in the production of 7.71 rigid foam panels at Rashestan Co.	UNIDO	70.0	\$539,882	\$69,387	\$609,269
REFRIGERATION					
Commercial					
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration at Sanayee Broudati Partou Sard Tawan (Barez-Himalia) and Sanayee Broudati Himalia (Himalia)	UNIDO	36.1	\$377,544	\$49,081	\$426,625 10.46
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid polyurethane foam at Baharanfarr Co.	UNDP	16.7	\$208,070	\$27,049	\$235,119 12.47
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial and domestic refrigeration equipment at Jaleh & Segin Co.	UNDP	23.6	\$322,309	\$41,900	\$364,209 13.66
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at MH Seyed Salaki Co.	UNDP	9.8	\$141,590	\$18,407	\$159,997 14.48
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Fadak Refrigeration Industries	UNDP	17.3	\$258,937	\$33,662	\$292,599 14.99
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Fereidooni Refrigerant Industries	UNDP	10.4	\$157,454	\$20,469	\$177,923 15.21
	Total for Iran	183.8	\$2,005,786	\$259,955	\$2,265,741
JORDAN					
AEROSOL					
Filling plant					
Substitution of CFC-12 for HAPs at the aerosol plant of Arab Chemical Industries	IBRD	13.0	\$49,539	\$6,440	\$55,979 3.81
Substitution of CFC-12 for HAPs for perfumes and cosmetics at the aerosol plant Abu Shakra Factory	IBRD	18.0	\$76,676	\$9,968	\$86,644 4.26
REFRIGERATION					
Commercial					
Phasing out of CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a in manufacture of commercial refrigeration equipment at Fourth Group of small size commercial refrigerator manufacturers	UNIDO	23.1	\$270,034	\$35,104	\$305,138 11.70
Replacement of CFC-11 and CFC-12 with HCFC-141b and HFC-134a in production commercial refrigeration equipment at the medium size commercial refrigerator manufacturers (Jordan Catering Supplies, El-Shami, and Nedal Raja Al-Dwaik companies) in Jordan	UNIDO	35.2	\$469,525	\$61,038	\$530,563

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
SEVERAL					
Country programme/country survey					
Country programme update	IBRD		\$50,000	\$6,500	\$56,500
	Total for Jordan	89.3	\$915,774	\$119,051	\$1,034,825
LEBANON					
REFRIGERATION					
Commercial					
Phasing out of CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a in manufacture of commercial refrigeration at the second group of 6 commercial refrigerator manufacturers	UNIDO	15.0	\$203,191	\$26,415	\$229,606 13.51
Phasing out of CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a in manufacture of commercial refrigeration at the third group of 6 commercial refrigerator manufacturers	UNIDO	15.2	\$208,498	\$27,105	\$235,603 13.70
Preparation of project proposal					
Project preparation of 2 umbrella investment projects in the commercial refrigeration sector covering 6 SME factories each	UNIDO		\$20,000	\$2,600	\$22,600
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase II)	UNDP		\$119,300	\$15,509	\$134,809
	Total for Lebanon	30.3	\$550,989	\$71,629	\$622,618
MALAWI					
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase III)	UNEP		\$51,300	\$6,669	\$57,969
	Total for Malawi		\$51,300	\$6,669	\$57,969
MALAYSIA					
FOAM					
Preparation of project proposal					
Preparation of 3 investment projects in the rigid foam sector	UNIDO		\$20,000	\$2,600	\$22,600
	Total for Malaysia		\$20,000	\$2,600	\$22,600
MEXICO					
FOAM					
Multiple-subsectors					
Phaseout of CFC-11 by conversion to HCFC-141b or water-blown technology in rigid polyurethane foam (spray) and to water based formulations in integral skin foam at Comsisa	UNDP	68.7	\$424,050	\$55,127	\$479,177 6.17
<i>Approved on the understanding that UNDP and the Government of Mexico would have flexibility in the application of the approved funds during the project's implementation. Approval was being granted on an exceptional basis in recognition of the unique situation of the project arising from the measures taken by the Government, and in no way represented a precedent for future funding decisions.</i>					

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Technical assistance/support					
Foam phaseout sector strategy	UNDP		\$40,000	\$5,200	\$45,200
SEVERAL					
Ozone Unit Support					
Renewal of the institutional strengthening project for the phaseout of ODS under the Montreal Protocol (Phase V)	UNDP		\$190,000	\$24,700	\$214,700
Total for Mexico		68.7	\$654,050	\$85,027	\$739,077
MOROCCO					
HALON					
Preparation of project proposal					
Project preparation/technical assistance in the halon sector	Germany		\$10,520	\$1,367	\$11,887
Total for Morocco			\$10,520	\$1,367	\$11,887
NAMIBIA					
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase II)	UNEP		\$41,177	\$5,353	\$46,530
Total for Namibia			\$41,177	\$5,353	\$46,530
NICARAGUA					
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase II)	UNEP		\$44,000	\$5,720	\$49,720
Total for Nicaragua			\$44,000	\$5,720	\$49,720
NIGERIA					
FOAM					
Flexible slabstock					
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Jafa Foam Products Nig. Ltd. by conversion to methylene chloride	UNDP	34.2	\$124,667	\$16,207	\$140,874 3.65
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Abeokuta Commercial and Industrial Co. Ltd. by conversion to methylene chloride	UNDP	23.3	\$118,468	\$15,401	\$133,869 5.08
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Wappah Foam Limited by conversion to methylene chloride	UNDP	24.0	\$130,081	\$16,911	\$146,992 5.41
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Sokoto Foam Factory (Nig.) Ltd. by conversion to methylene chloride	UNDP	26.1	\$141,421	\$18,385	\$159,806 5.42
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Climax Ind. Ltd. (Ely Foam) by conversion to methylene chloride	UNDP	29.7	\$173,362	\$22,537	\$195,899 5.84
Rigid					
Phasing out of CFC-11 in the manufacture of rigid polyurethane foam at Celplas Industries Limited by conversion to a combination of water + HCFC-141b based systems	UNDP	27.5	\$215,325	\$27,992	\$243,317 7.83
Total for Nigeria		164.8	\$903,324	\$117,432	\$1,020,756

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)	
			Project	Support		
PANAMA						
SEVERAL						
Ozone Unit Support						
Renewal of institutional strengthening (Phase II)	UNEP		\$115,000	\$14,950	\$129,950	
Total for Panama			\$115,000	\$14,950	\$129,950	
PERU						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide in soil fumigation <i>Approved on the understanding that UNDP would disburse the funds approved in tranches according to the proposed methyl bromide phase-out schedule indicated in the project proposal; if Peru did not meet the reduction requirements outlined in the proposal, UNDP would withhold funding for the subsequent tranche of funding until such time as the required reduction had been met; UNDP would submit an annual progress report on the implementation of the project to the Fund Secretariat; a package of policy measures would be developed to ensure that, by the end of 2002, methyl bromide consumption for soil fumigation would be reduced to the baseline level, and would be completely phased out by the end of 2005. Such measures would also ensure that methyl bromide was not re-introduced after users had stopped using it.</i>	UNDP	4.0	\$209,770	\$27,270	\$237,040 52.44	
Total for Peru			4.0	\$209,770	\$27,270	\$237,040
SEYCHELLES						
SEVERAL						
Ozone Unit Support						
Renewal of institutional strengthening (Phase II)	UNEP		\$21,267	\$2,765	\$24,032	
Total for Seychelles			\$21,267	\$2,765	\$24,032	
SYRIA						
FOAM						
Preparation of project proposal						
Preparation of a project in the flexible foam sector	UNIDO		\$20,000	\$2,600	\$22,600	
Rigid						
Conversion from CFC-11 to cyclopentane in the production of rigid foam panels at National Polyurethane Company (N.P.C.)	UNIDO	61.1	\$426,104	\$55,394	\$481,498 6.98	
FUMIGANT						
Preparation of project proposal						
Preparation of a project in the fumigant (methyl bromide) sector for grain fumigation	UNIDO		\$20,000	\$2,600	\$22,600	
REFRIGERATION						
Commercial						
Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Al-Wattar Home Appliances Co.	UNDP	17.8	\$235,860	\$30,662	\$266,522 13.25	

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Conversion from CFC-11 to HCFC-141b and from CFC-12 UNDP to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Alfa Refrigerators Co.		8.2	\$114,461	\$14,880	\$129,341 13.92
Conversion from CFC-11 to HCFC-141b and from CFC-12 UNDP to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Assalam Refrigerator Co.		10.2	\$144,309	\$18,760	\$163,069 14.16
Conversion from CFC-11 to HCFC-141b and from CFC-12 UNDP to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Dolphin Refrigerators		8.0	\$113,045	\$14,696	\$127,741 14.19
	Total for Syria	105.3	\$1,073,779	\$139,591	\$1,213,370
TANZANIA					
FOAM					
Flexible slabstock					
Phasing out of CFC-11 in the manufacture of flexible UNDP slabstock foam at Plyfoam Limited by conversion to methylene chloride		39.5	\$175,134	\$22,767	\$197,901 4.43
	Total for Tanzania	39.5	\$175,134	\$22,767	\$197,901
THAILAND					
FOAM					
Integral skin					
Conversion from CFC-11 to water-based technology in the IBRD manufacture of integral skin and flexible molded polyurethane foam at Siam Chitose		11.3	\$51,795	\$6,733	\$58,528 4.58
Rigid					
Conversion from CFC-11 to water-based technology in the IBRD manufacture of rigid polyurethane foam at Siam Cargo Containers		22.7	\$177,741	\$23,106	\$200,847 7.83
	Total for Thailand	34.0	\$229,536	\$29,840	\$259,376
TURKEY					
AEROSOL					
Filling plant					
Conversion from CFC-11/12, CFC-12, CFC-113 and MCF IBRD into HAPs and CO2 for technical aerosols at Beta		31.2	\$137,456	\$8,247	\$145,703 4.40
FOAM					
Flexible slabstock					
Phasing out CFC-11 in manufacturing of flexible UNIDO 95.0 polyurethane slabstock foam through the use of liquid CO2 blowing technology at Espol Sunger Company		\$552,297	\$70,753	\$623,050	5.81
Preparation of project proposal					
Preparation of investment project in the rigid foam sector UNIDO			\$20,000	\$2,600	\$22,600

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
FUMIGANT					
Methyl bromide					
Phase-out methyl bromide in the dried fig sector <i>Approved on the understanding that the Government would ensure that the total national aggregate methyl bromide consumption in the sector would be permanently reduced to a level no higher than its 1999 national aggregate consumption, less the phase-out proposed in the project; the Government of Turkey, through the World Bank, would provide to the Fund Secretariat an annual progress report on the implementation of the project, including data on aggregate methyl bromide consumption phased out by the project.</i>	IBRD	30.0	\$479,040	\$62,275	\$541,315 15.97
REFRIGERATION					
Commercial					
Conversion from CFC-11 and CFC-12 into cyclopentane and HFC-134a for commercial refrigerators at Klimasan (incremental operating costs)	IBRD		\$128,230	\$16,670	\$144,900 31.03
Domestic					
Conversion from CFC-11 and CFC-12 into cyclopentane and HFC-134a for domestic refrigerators at Profilo (incremental operating costs)	IBRD		\$264,154	\$34,340	\$298,494 6.59
	Total for Turkey	156.2	\$1,581,177	\$194,885	\$1,776,062
URUGUAY					
FOAM					
Rigid					
Terminal program for the elimination of CFC-11 in the manufacture of polyurethane foam through the use of HCFC-141b technology in the foam sector in Uruguay by means of technical assistance and conversion to different companies <i>No further projects in the foam sector will be submitted for funding under the Multilateral Fund by the Government of Uruguay.</i>	IBRD	4.3	\$91,300	\$11,869	\$103,169
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase IV)	UNDP		\$116,000	\$15,080	\$131,080
	Total for Uruguay	4.3	\$207,300	\$26,949	\$234,249
VENEZUELA					
FOAM					
Rigid					
Phasing out CFC-11 with HCFC-141b at Nevecor in the production of rigid P.U. panels	UNIDO	36.4	\$198,374	\$25,789	\$224,163 5.45
Phasing out CFC-11 with HCFC-141b at Friobox in the production of rigid P.U. panels	UNIDO	16.5	\$128,387	\$16,690	\$145,077 7.81
REFRIGERATION					
Preparation of project proposal					
Preparation of investment project in the refrigeration sector (domestic/commercial)	UNIDO		\$30,000	\$3,900	\$33,900

Project Title	Agency	ODP Tonnes	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
SEVERAL					
Ozone Unit Support					
Renewal of institutional strengthening (Phase IV)	UNDP		\$219,600	\$28,548	\$248,148
Total for Venezuela		52.9	\$576,361	\$74,927	\$651,288
VIETNAM					
AEROSOL					
Filling plant					
Phase-out of CFC-12 in the manufacture of perfumes by conversion to hydrocarbon propellants at Nam Do Corporation	UNDP	11.3	\$49,720	\$6,464	\$56,184 4.40
Total for Vietnam		11.3	\$49,720	\$6,464	\$56,184
ZIMBABWE					
FUMIGANT					
Methyl bromide					
Phase-out of methyl bromide in cut flowers	UNIDO	132.0	\$904,200	\$109,462	\$1,013,662 6.85
<i>Approved on the understanding that UNIDO would disburse the funds approved in tranches according to the proposed methyl bromide phase-out schedule indicated in the project proposal; if Zimbabwe did not meet the reduction requirements outlined in the proposal, UNIDO would withhold the subsequent tranche of funding until such time as the required reduction had been met; the Government would ensure that the total national aggregate methyl bromide consumption in the sector would be permanently reduced to a level no higher than its 1999 national aggregate consumption, less the phase-out proposed in the project; the Government of Zimbabwe, through UNIDO, would provide to the Fund Secretariat an annual progress report on the implementation of the project, including data on aggregate methyl bromide consumption phased out by the project.</i>					
Total for Zimbabwe		132.0	\$904,200	\$109,462	\$1,013,662
GRAND TOTAL		2,849.0	\$32,086,670	\$3,539,774	\$35,626,444