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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-second Meeting
Ouagadougou, 6-8 December 2000

Corrigendum

PROJECT PROPOSALS: CHINA

Replace the following information on page 3, on project evaluation sheet under the Rigid foam for: Replacement of CFC-11 with HCFC-141b in manufacturing of PU rigid spray foam for insulation at 26 enterprises.

Replace

Incremental operating cost (c)	5,681,498	<u>With</u>	4,979,568
Total project cost (a+b+c)	8,977,098	<u>With</u>	8,275,168
Amount requested (US \$)	6,956,762	<u>With</u>	6,859,828
Cost effectiveness (US \$/kg.)	7.80	<u>With</u>	7.72
Implementing agency	UNDP	<u>With</u>	UNIDO

<i>Secretariat's Recommendations</i>			
Amount recommended (US \$)			6,859,828
Project impact (ODP tonnes)		<u>With</u>	891.40
Cost effectiveness (US \$/kg)			7.72
Implementing agency support cost (US \$)			764,581
Total cost to Multilateral Fund (US \$)			7,624,409

Replace page 10 with the following page 10.

Replace page 21 with the following page 21.

Replace page 26 with the following page 26.

Rigid foam

9. The Secretariat and UNIDO concluded discussions on the calculation of incremental operational costs of the project and reached agreement based on the following prices:

CFC-11:	US \$1.30/kg
HCFC-141b:	US \$2.40/kg
CFC-based polyol:	US \$1.32/kg
HCFC-based polyol:	US \$2.15/kg

However, in view of developments in the polyurethane industry in China it would be necessary to keep prices of polyurethane chemicals under periodic review.

10. The agreed project costs are as follows:

Incremental capital cost, including 10% contingency	US \$3,295,600
Incremental operational cost	US \$4,979,568
Total project cost	US \$8,275,168
Eligible grant	US \$6,859,828

The amount of US \$6,859,762 is recommended for blanket approval.

RECOMMENDATIONS

11. The Fund Secretariat recommends blanket approval of the umbrella project for 26 enterprises with the level of funding and associated support cost as indicated in the table below.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(c)	Replacement of CFC-11 with HCFC-141b in manufacturing of PU rigid spray foam for insulation at 26 enterprises	6,859,828	764,581	UNIDO

PROJECT EVALUATION SHEET CHINA

SECTOR: Refrigeration ODS use in sector (1999): 16,065 ODP tonnes

Sub-sector cost-effectiveness thresholds: Domestic US \$13.76/kg

Project Titles:

- (a) Phaseout of CFC-11 by conversion to cyclopentane technology and CFC-12 by conversion to isobutane (600a) technology in the manufacture of domestic freezers at Qingdao Haier No. 2 Freezer Plant
- (b) Replacement of CFC-11 and CFC-12 with cyclopentane and isobutane in the production of refrigerators at Little Swan Electric (Jingzhou) Co. Ltd.

Project Data	Domestic	
	Qingdao Haier No. 2	Little Swan
Enterprise consumption (ODP tonnes)	180.83	211.95
Project impact (ODP tonnes)	180.83	211.95
Project duration (months)	36	36
Initial amount requested (US \$)	1,138,687	3,204,521
Final project cost (US \$):		
Incremental capital cost (a)	830,580	1,959,800
Contingency cost (b)	83,058	190,680
Incremental operating cost (c)	225,049	241,836
Total project cost (a+b+c)	1,138,687	2,392,316
Local ownership (%)	100%	100%
Export component (%)	0%	0%
Amount requested (US \$)	0	2,392,316
Cost effectiveness (US \$/kg.)	4.53	11.28
Counterpart funding confirmed?	Yes	Yes
National coordinating agency	SEPA	
Implementing agency	UNDP	UNIDO

Secretariat's Recommendations		
Amount recommended (US \$)		2,392,316
Project impact (ODP tonnes)		211.95
Cost effectiveness (US \$/kg)		11.28
Implementing agency support cost (US \$)		273,155
Total cost to Multilateral Fund (US \$)		2,665,471

RECOMMENDATIONS

1. The Fund Secretariat recommends blanket approval of the Little Swan project with the level of funding and associated support costs as indicated in the table below.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(b)	Replacement of CFC-11 and CFC-12 with cyclopentane and isobutane in the production of refrigerators at Little Swan Electric (Jingzhou) Co. Ltd.	2,392,316	273,155	UNIDO