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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-sixth Meeting  
Montreal, 20-22 March 2002

Addendum

**PROJECT PROPOSALS: INDIA**

Production

- CFC production sector gradual phaseout: 2002 work programme World Bank

This addendum provides additional information made available by the World Bank on the verification of the CFC production in India for the year 2001 following the dispatch of the documentation to the Executive Committee. It includes a more detailed description of the methodology employed by the verification team in validating the CFC production from the consumption of raw materials, and the balance of the raw material consumption (CTC and HF) from the various uses and sales of the two companies, Navin and SRF.

**Add** paragraphs 6(bis), 6(ter), 6(quarter), 6(quinquies) and 6(sexties) after paragraph 6.

6(bis). The additional information expanded on the brief description of the methodology included in the verification report and included more specific information on the record-keeping on the purchase/production and consumption of HF and CTC of two companies for which queries were raised, namely Navin and SRF.

6(ter). Both companies recorded the consumption of HF and CTC for the production of CFC through the transfer of HF and CTC from the HF/CTC plant (in case of in-plant production), or original purchase orders (in case of external purchase). Such transfers were measured daily, and totaled weekly and monthly. A separate account was kept for the consumption of HF for HCFC

production. From these data and the CFC/HCFC production, monthly average HF/CTC consumption was calculated.

6(quarter). During the audit, spot checks were done to ensure correlation and the CFC and HCFC production data was cross-checked against sales orders and invoices, custom documents and stock records. Finally the overall average consumption data was compared with industry norms.

6(quinqies). A monthly break-down of CTC and HF consumption balance for Navin and SRF was provided. It includes data on the opening stock, gross production, purchase, consumption in CFC production, use in HCFC production (for HF), other uses, losses, sales and the closing stock.

6(sexties). The World Bank advised the Secretariat when submitting the additional CTC and HF consumption data that this data should not be included in the documentation to be distributed due to their commercial sensitivity but could be made available to members of the Executive Committee upon request.

**Add** paragraphs 10(bis), 10(ter) and 10(quarter) after paragraph 10:

10(bis). The additional information provides greater detail on the methodology employed by the verification team, which includes the steps followed in the field audit.

10(ter). The Secretariat reviewed the data on the overall consumption of CTC and HF of Navin and SRF and found that the overall consumption of these raw materials broadly balanced, considering the production of HCFC, and sales, in addition to CFC production.

10(quarter). To accommodate the request of the World Bank for commercial sensitivity, the additional data from Navin and SRF is not distributed but will be made available to members of the Executive Committee upon request.

**Replace** paragraph 12 with the following:

12. The Secretariat recommends that the Executive Committee consider taking the following action:

- (a) approve the 2002 Annual Work Programme of the Indian CFC gradual closure project and allocate US \$6 million for its implementation;
- (b) based on paragraph 11 of UNEP/OzL.Pro/ExCom/36/27, consider the rate of the administrative fee that should be paid to the World Bank for the implementation of the 2002 Annual Work Programme and the duration of this rate;
- (c) request the World Bank to:
  - (i) submit the full data in its future verification reports in time for the Secretariat to conduct its review of the funding requests;

- (ii) standardize the verifications for the China and India CFC production phase-out programmes to ensure that the same standards be applied in both cases in terms of verification procedures, methodology and data requirement in light of the approved guidelines;
- (iii) provide information on the financial oversight exercised over the technical assistance programme, specifically the frequency of the financial reporting and the institution which carries out the audit.

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