

**United Nations
Environment
Programme**

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/43/40/Add.1
18 June 2004

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-third Meeting
Geneva, 5-9 July 2004

Addendum**PROJECT PROPOSAL: NIGERIA**

This document is issued to:

Add the following paragraphs under comments:

24 (bis) The further review by the Secretariat was conducted in the context that Nigeria was in need of assistance to meet the 2005 control measures for CTC and for TCA, and also in the light of the lack of detailed baseline information about a number of the enterprises indicated as consuming CTC or TCA.

24 (ter) UNIDO advised that the consumption levels indicated for the enterprises that formulated cleaning fluids had been checked against product sales for the enterprises for which funding was proposed, and were reliable. Some 40 enterprises had provided adequate information and their baseline equipment was known. Capital costs for modifications to mixing and ventilation systems and for testing of new non-ODS formulations were agreed at US \$960,000 for these enterprises. This corresponds to a sub-sector cost-effectiveness of US \$9.50/kg which is consistent with projects previously approved for this application.

24 (qua) Information provided for enterprises engaged in metal cleaning (generally automotive parts) indicated that there was little mechanical equipment covered in the baseline. Capital costs for assistance with formulation and use of alternative solvents were agreed at a nominal US \$2,000 per enterprise at 30 enterprises that had been adequately surveyed, for assistance with formulation and use of alternative solvents. Information on the corporate users provided a basis for agreement on incremental capital costs of US \$100,000 for modifications to degreasing equipment at two enterprises. It was agreed that the cleaning contractors, the dry cleaning firms and additional parts cleaning enterprises that had not responded adequately to

surveys were not eligible for capital costs. The provision for technical assistance originally included at US \$100,000 was increased to US \$200,000 to facilitate phase-out in these applications.

24 (quin) After application of 10 percent contingency to capital cost and a 10 percent allowance for project implementation and monitoring (as provided for in Decision 25/50 on terminal umbrella projects), the total project cost agreed with UNIDO is US\$1,575,200, with a cost-effectiveness of US \$7.96/kg. Since the project has been formulated as a terminal umbrella project in the solvent sector, an agreement is not proposed. UNIDO has, however asked for approval of the funding in tranches. The recommendation below contains the agreed funding and phase-out schedule as well as the necessary provision for reporting.

Replace paragraph 25 with the following under recommendations:

25. The Executive Committee might wish to approve the project on the understanding that:

- (a) The total level of funding of the terminal umbrella project for the solvent sector in Nigeria is US \$1,575,200 plus support costs of US \$118,140. This is the total funding that would be available to the Government of Nigeria from the Multilateral Fund for the complete phase out of consumption of CTC and TCA. The Government of Nigeria agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of these substances.
- (b) The Government of Nigeria commits itself to the phased reduction and phase-out of consumption of CTC and TCA in Nigeria, according to the following schedule which is, at a minimum, consistent with the Montreal Protocol's control measures for CTC and TCA:

Year	2004	2005	2006	2007	2008	2009	2010
Annual CTC consumption limit (ODP tonnes)	166.7	22.9	22.9	22.9	0	0	0
Annual TCA consumption limit (ODP tonnes)	31.3	23.0	23.0	23.0	23.0	23.0	0

- (c) The total funding would be requested at the last meeting of the Executive Committee in the years indicated below:

Year	2004	2005	2006	2007	2008
Project cost (US \$)	530,000	317,000	425,000	303,200	0
Agency support cost (US \$)	39,750	23,775	31,875	22,740	0
Total cost (US \$)	569,750	340,775	456,875	325,940	0

- (d) The Executive Committee agrees to provide Nigeria with flexibility in using the agreed funds consistent with operational procedures as agreed between Nigeria and UNIDO;

- (e) The Government of Nigeria agrees to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (f) UNIDO will be responsible for reporting annually on the implementation of activities funded under the project and providing verification to the Executive Committee annually that the CTC and TCA consumption limits in the project have been achieved according to the above schedule.
