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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
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**REPORT OF THE SECRETARIAT
ON THE EXPERIENCES GAINED DURING PROJECT PREPARATION
AND ANY NEED FOR CHANGES IN OR AMENDMENTS TO THE CRITERIA AND
MODALITIES APPROVED IN DECISION 46/33
WITH RESPECT TO CHILLER DEMONSTRATION PROJECTS**

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BACKGROUND

1. The 46th Meeting of the Executive Committee discussed a study on criteria and modalities for chiller demonstration projects contained in document UNEP/OzL.Pro/ExCom/46/37, which had been prepared pursuant to decision XVI/13 of the Sixteenth Meeting of the Parties and decision 45/4 (d) of the 45th Meeting of the Executive Committee.
2. Following the discussion, the Executive Committee decided to utilize a funding window of US \$15.2 million for additional demonstration projects in the chiller sub-sector, and to request agencies to prepare and submit projects for that window. In addition, as part of decision 46/33, the Secretariat was requested to report to the 47th Meeting of the Executive Committee on the experiences gained during project preparation and any need for changes in or amendments to the criteria and modalities.
3. A total of seven proposals for demonstration projects have been received from UNDP, UNIDO, the World Bank and Canada, to be implemented in 17 countries. The proposals and the assessment performed are described in document 47/21. This document considers, as mandated, the experiences gained and proposes on that basis amendments to the conditions for chiller demonstration projects under the funding window.
4. The document begins with a description of a number of general experiences and focuses on specific issues identified during review of the chiller demonstration project proposals. Those issues relate to the selection of countries, external resources, non-investment activities and technical matters. The document concludes with an overview of policy issues related to the projects and a set of recommendations to be considered by the Executive Committee, including on a number of projects for approval.

GENERAL EXPERIENCES

5. The implementing and bilateral agencies were requested in decision 46/33 to prepare suitable methodologies for the preparation of projects as well as to prepare the projects themselves. The Secretariat was notified by the agencies in August and September 2005 about the general nature of the preparations undertaken, and the countries for which project preparation was being carried out. The list of planned projects at that time covered more than twenty countries, including three possible projects in Africa. The World Bank had submitted prior to the 46th Meeting some indications on the methodology for preparation of projects. From September UNDP sent several detailed drafts of methodologies and discussed their approach. UNIDO sent a general layout for project proposals. In all cases, the Secretariat provided comments and suggestions.
6. The World Bank organized a workshop in Washington on 27th September 2005, inviting relevant stakeholders and all implementing agencies. All agencies except UNIDO participated in the workshop, which was also attended by experts from developing countries, industry, associations, export banks, the GEF, the carbon finance unit of the World Bank and others. The workshop proved to be an excellent forum for exchange of views and an open discussion about

financial potential, technical needs and similar issues of projects in the chiller sub-sector. The Secretariat used the opportunity to enter into bilateral discussions on the following day, where needed; such meetings were held with UNDP, UNEP and the World Bank.

7. The first versions of the project proposals, received by 14th October, showed an excellent grasp of the size and conditions of the chiller sub-sector in the countries concerned. All agencies managed to assemble, in a very short space of time, working groups within their organisation with participation going well beyond Montreal Protocol related personnel. UNDP and UNIDO fielded a large number of experts in several countries to assemble detailed technical data. The World Bank and UNDP entered into extensive discussions with possible co-funding institutions, and developed innovative approaches to the chiller sector in a number of countries. The Government of Canada identified new and cost effective technologies for the sector, and worked on bilateral co-funding for one project. All agencies submitted specific and elaborated project proposals with detailed data. The Secretariat would like to express the view that the results achieved by all agencies, implementing and bilateral alike, in such a very short time frame and with a new, cross-cutting approach are highly commendable and warrant positive recognition.

8. The evaluation of the proposals provided a much better understanding of the chiller sector than previously known. It turned out that each agency has developed their unique methodology for the projects proposed. All agencies recognized in most of the proposals that the objective of demonstration projects is to accelerate the phase-out of CFC-based chillers and to replace them with systems that offer additional benefits, typically energy savings. Also in a second step, these additional benefits should drive the replacement or conversion of other CFC chillers even when no funding from the Multilateral Fund is provided.

9. UNDP has analysed for several countries the difference in annual costs between a baseline scenario and the use of a new chiller separately for both the public and private sectors, and in several cases again with distinction between different parts of those sectors. Various sources of funding have been identified to close the gap, including in one case funding from the Multilateral Fund, the Global Environment Facility (GEF), as well as country specific funding possibilities (waiving of import duties, availability of cheaper loans etc.). UNIDO has proposed an approach where the external resources are directly paid by the owners of the equipment, partially through a country-specific loan scheme. The World Bank proposes a global project starting in five countries, with the expressed interest of a number of additional countries and the possibility for more countries to join at a later stage. The project aims at achieving maximum phase-out on the basis of a first come-first served approach for approximately 30% of the world wide chiller population, using significant external resources from the GEF and carbon financing.

10. The analysis of the project proposals showed that the technical information provided was very good and sufficient. Cost issues could be resolved in discussions between the agencies and the Secretariat. It turned out that the availability of external resources is the most challenging condition to be met, in particular given the very short time frame for the preparation of projects. Therefore, the Secretariat can recommend at this point in time approvals amounting only to a fraction of the total funding provided for in the funding window. For this Meeting of the Executive Committee it appears not necessary to prioritize funding between different proposals.

ISSUES RELATED TO SELECTION OF COUNTRIES

11. In order to allow for a potential prioritisation of projects, decision 46/33 defined a number of criteria, including the importance of the chiller sub-sector for compliance of the country, to be expressed as the share of this sector in the latest reported CFC consumption. The table below provides a comparison between the different countries for which projects were submitted in terms of CFC consumption in the chiller sub-sector. It should be noted, as explained in document 47/21, that the figures presented in the following table are based on the average leakage rate of chillers in Article 5 Countries as provided by the TEAP in the Chiller Task Force Report.

Country	Regional project	CFC consumption for chillers as share of most recent consumption (2004)
The Former Yugoslav Republic of Macedonia	Eastern Europe	19.8%
Jamaica	Caribbean	13.9%
Brazil	-	5.0%
Malaysia	Global/S&S/E Asia	4.5%
Bahrain	West Asia	4.1%
Croatia	Eastern Europe	3.6%
India	Global/S&S/E Asia	3.5%
Cuba	-	3.4%
Indonesia	Global/S&S/E Asia	1.4%
Philippines	Global/S&S/E Asia	1.0%
Serbia and Montenegro	Eastern Europe	0.9%
Trinidad and Tobago	Caribbean	0.6%
China	Global/S&S/E Asia	0.6%
Columbia	-	0.5%
Romania	Eastern Europe	0.4%
Syria	West Asia	0.3%
Dominican Republic	Caribbean	0.1%
<i>Average (logarithmic)</i>		<i>1.61%</i>

12. Since the resources of the funding window for this meeting have turned out to be sufficient for the potential approvals, there was no need to use the share of consumption for the purpose of a prioritisation modality between projects. The data nevertheless provides a very interesting overview of how widely the impact varies.

13. In case of any future project submissions exceeding the funding available within the window, the Executive Committee might wish to consider expressing, now, a preference for countries based on a certain level of consumption in the chiller sub-sector. Since sound data are available for 17 countries, the information can be seen as representative. An indicator might be the mean value of the share of CFC consumption in chillers in these 17 countries. Since it was

found that the lowest share is smaller than the highest by a factor of 200, an arithmetic average would be misleading as it would severely under-represent countries with a small share. Instead, the use of a logarithmic average is proposed, which largely avoids this issue. The resulting average is 1.61%.

14. The Executive Committee expressed in decision 46/33 a strong desire for equity between regions, and defined four regions for that purpose. The final distribution of projects among the regions was only known at the time of submission. Contrary to indications received by agencies, a number of proposals, in particular for Africa, failed to materialize. Consequently, Africa is severely underrepresented in the project proposals, as the table below demonstrates.

Region	Previously approved projects	Present project requests	Total
East Asia and South Asia	1	5	6
West Asia and Central Asia and Eastern Europe	2	6	8
Africa	1	0	1
Latin America and the Caribbean;	1 (+1*)	6	7

*Argentina submitted to the 47th Meeting a request to allocate funding under the National Phase-Out Plan to a chiller activity with the World Bank as implementing agency

15. Based on the recommendation for approvals, the region East Asia and South Asia could also be severely underrepresented. The Executive Committee might therefore wish to consider expressing a preference for projects from these two regions.

16. Although there are only six countries which have so far received chiller demonstration projects, four of them are mentioned as beneficiaries in project documents. Three of them (Argentina, Mexico, Turkey) are mentioned in the World Bank proposal as having expressed interest to join the project, and one of them (Syria) in the UNIDO project for West Asia. The Executive Committee might wish to consider expressing a low preference for further projects from countries which have already received funding for chiller demonstration projects and have either completed these projects or are in the process of actively implementing them.

17. The Executive Committee encouraged the agencies in decision 46/33 to submit demonstration projects on a regional basis to allow as many countries as possible to be included. From the seven projects submitted, four are called either regional or global. The Secretariat however found that most of the regional projects have few ties between the activities in the countries and do not allow additional countries to join in easily. The only project where fund distribution between countries is flexible and/or additional countries can more easily join is the global chiller replacement project submitted by the World Bank. The remaining projects have certain regional non-investment activities, but do not provide for the broadening of the number of countries covered during the implementation stage.

18. It is being recognized that regional projects which allow for such a broadening of the country basis are very difficult to set up, because of their need for a pre-defined mechanism for equitable fund allocation. The World Bank, in their proposal, defined a first-come first-served approach; other approaches may be possible, in particular in combination with external

resources. The Executive Committee might therefore consider defining regional projects as projects which allow, as a minimum, a flexible allocation of those investment funds contributed by the Multilateral Fund between the countries concerned, have specified the distribution mechanism, and can accept additional countries from the region. The Executive Committee might also wish to consider further expressing a preference for such regional projects.

ISSUES RELATED TO EXTERNAL RESOURCES

19. The Executive Committee requested in decision 46/33 that agencies submit project proposals that could be replicated in other countries to demonstrate the feasibility of and modalities for replacing centrifugal chillers in the future through use of resources external to the Multilateral Fund.

20. Since a number of projects used external resources also to fund activities outside the scope of these projects, adjusted levels of external resources were calculated. These adjusted levels are used for activities which can be considered in a Multilateral Fund funded chiller replacement project. Using these adjusted levels as a basis, the external resources are displayed in below table.

Country / Region	External resources (adjusted)	Share of external resources (adjusted) in total project cost
Brazil	\$ 252,000	20.13%
East Europe	\$ 416,175	27.90%
Cuba	\$ 410,125	29.41%
Caribbean	\$ 690,000	40.83%
Columbia	\$ 705,000	41.35%
Global Chiller Replacement Project	\$ 70,000,000	82.35%
West Asia	not applicable	not applicable
<i>Average*</i>	\$ 4,494,660	31.92%

* Not taking into account the project in West Asia and the Global Chiller Replacement Project

21. Other than the project proposal from the World Bank, where the external resources are presently uncertain, none of the proposals have reached the level of 50% of external resources, which would constitute balanced funding. The average cost of the project being covered by external resources is at about 30%. On the basis of what appears to be achievable, the Executive Committee might consider establishing 30% of external resources as a minimum level of total project funding.

22. External resources could be defined in two ways, external to the projects, which would include the Multilateral Fund, agency and beneficiary, or only external to the Multilateral Fund. While the former implies a third party would provide co-funding, the latter would in addition also include potential funding provided exclusively by a counterpart, i.e. beneficiary. Both projects submitted by UNIDO for Eastern Europe and West Asia have both no funding commitment from a third party, showing therefore only counterpart funding. The Secretariat was of the understanding that the agencies should attempt to draw in third party resources. However,

that is not the explicit requirement of the decision, and the proposal for Eastern Europe, as submitted, is consistent with the conditions of decision 46/33. For the future, based on the intention of decision 46/33 as cited in above paragraph 19, the Executive Committee might wish to clarify that the external resources to be provided have to include third party funding from an entity other than the Multilateral Fund and the direct beneficiary.

23. In the project proposals, co-funding was proposed from five different sources:
- (a) the GEF was proposed as a funding source for the Global Chiller Replacement Project and the projects in Brazil, Columbia and the Caribbean Region;
 - (b) Carbon Financing was proposed for the Global Chiller Project;
 - (c) Funds from Electricity Service Companies were proposed for the project in Brazil;
 - (d) Funding from the Canadian developing aid agency CIDA was proposed for the project in Cuba; and
 - (e) Funding from a UNDP internal funds for the Caribbean and Cuba.

24. The GEF helps developing countries fund projects and programmes that protect the global environment. The GEF grants support projects related to, among other topics, climate change. In October 2005, the GEF Secretariat received from UNDP a project concept and a request for project preparation funding for a chiller project in Brazil. The financing plan for the Brazil proposal requests US\$250,000 from the GEF for project preparation and development, includes US \$1 million from the Multilateral Fund and requests subsequent funding of US \$5-20 million from the GEF. Aside from the Brazil proposal, the GEF Secretariat has not received any other chiller proposals from UNDP or the World Bank, and no formal discussion has taken place between the GEF Secretariat and the agencies regarding any other chiller proposals.

25. As for the Brazil proposal, the GEF Secretariat will place it on a "reserve list" of projects that will be considered for funding during GEF-3 (present replenishment period, until mid next year) only if sufficient resources become available. GEF-4 replenishment negotiations are still under way, and will not be finalized until the end of 2005. According to UNDP, the project proposals for Columbia and the Caribbean are presently under development and will be submitted for funding under GEF-3 within this year.

26. The Carbon Financing Unit is a World Bank unit purchasing carbon emission rights under the Clean Development Mechanism of the Kyoto Protocol. These emission rights are issued *post factum* on the basis of actually measured energy savings through, e.g., chiller conversions, and the associated reduction in emissions of CO₂ related to electricity generation. Presently, there is no methodology existing to measure the energy savings, and development of such a methodology and its approval is a time consuming exercise. While funding through the Kyoto Protocol's Clean Development Mechanism might indeed be an excellent way to repay investments in the chiller sector, the enabling conditions such as a principal agreement to fund small scale consumption energy savings, and the lack of a methodology for measurement prevent this instrument from being considered as a probable source of co-funding at the present.

27. In Brazil, Electricity Service Companies are obliged to contribute a share of their turnover into energy saving funds. Brazil indicated that one of these funds is willing to contribute to this project. As of writing this document, written documentation on the status of funding is still outstanding. Such a contribution would constitute the only national (Article 5 Country) co-funding for any of the projects.

28. UNDP operates an in-house Energy Thematic Trust Fund (TTF), and expressed its willingness to contribute additional resources to some of the projects.

29. The Government of Canada's Technology Early Action Measures (TEAM) programme is an interdepartmental technology investment initiative established under the Federal Government's Climate Change Action Plan. TEAM supports projects that are designed to develop technologies that mitigate greenhouse gas (GHG) emissions nationally and internationally. A Concept Note has been prepared by Environment Canada for consideration of TEAM's Executive body. Successful consideration of the TEAM request would leverage US \$850,000 on the part of the Government of Canada towards implementation of the demonstration project. Canada indicated that they expect a preliminary response by the TEAM prior to the 47th Meeting of the Executive Committee.

30. The information available seems in all cases sufficient to classify the probability of funding, pending the submission of written information about the current status. The Secretariat will inform the Executive Committee during the upcoming meeting about any new developments regarding external resources for the chiller projects.

Country / Region	Counterpart funding	Co-funding			Total (incl. all counterpart funding) US \$
		Level US \$	Source	Level US \$ Classification ***	
Brazil	(115,005)*	GEF PDF	140,000	Group IIa	367,005
		ESCO	112,000	Group IV	
Columbia	(579,960)*	GEF MSP	705,000	Group III	1,284,960
Caribbean	(44,199)*	GEF MSP	408,284	Group III	517,809
		UNDP TTF	65,325	Group II	
Cuba	-	TEAM Canada	370,125	Group III	410,125
		UNDP TTF	40,000	Group II	
West Asia	n/a	-	-	n/a	-
East Europe	416,175	-	-	n/a	416,175
Global Chiller Replacement Project	n/a	GEF FS	70,000,000	Group V	152,000,000
		Carbon Financing	82,000,000	Group V	
Total**	1,155,339		1,840,735		2,996,074
Average**	192,557		306,789		499,346

* Counterpart funding not claimed in proposal, but existing if the same definitions are used as for West Asia and Eastern Europe

** Calculated without the projects in West Asia and the Global Chiller Replacement Project

*** Group designations as explained in doc.47/21add1: I: External resources approved; II: External resources available and accessible, application submitted; IIa: Indication of favourable status; IIb: No indication; III: External resources available and accessible, no application submitted yet; IIIa: Indication of favourable opportunities; IIIb: No indication provided; IV: External resources available, accessibility unclear, no application submitted yet; V: Uncertain availability or accessibility of external resources, no application submitted yet; VI: No external resources foreseen

As shown in the table above, the external resources for the Global Chiller Replacement Project submitted by the World Bank have presently uncertain availability, and also the accessibility is unknown. The project can not be submitted any more under GEF-3. The replenishment for GEF-4 is not yet finally decided, and likely includes a resource allocation framework with only a small allocation for regional and global projects. Therefore, the project cannot be recommended for approval at this point in time. In addition, UNIDO and the Secretariat agreed that the project in West Asia would remain only for information purposes in the documentation, since the external funding (by counterpart) for both countries had not materialized at the time of writing this document.

NON INVESTMENT ACTIVITIES

31. The Meeting of the Parties agreed in decision XVI/13 to request the Executive Committee of the Multilateral Fund to consider funding actions to increase awareness of users in countries operating under paragraph 1 of Article 5 of the impending phase-out and options that may be available for dealing with their chillers, and to assist Governments and decision makers.

32. Awareness and other non-investment activities are necessary on two different levels namely: in the countries that undertake chiller demonstration projects to ensure their success and (where applicable, for lack of other resources), in a limited way to enable the general strategy for managing the entire CFC chiller sub-sector as called for in decision 46/33. The options that may be available to Governments and users for dealing with their chillers, which are the outcome of demonstration projects, need to be communicated globally, forming the second level of awareness activities.

33. The level of requested activities on a national basis turned out to be very significant. The Secretariat and the agencies agreed to limit the funding to a level of 15% of the turnover for single countries and 20% for regional projects for this round of submissions. A further reduction of these limits to 10% and 15% seems possible.

34. In decision 46/33, the Executive Committee implemented the objective of the Meeting of the Parties to ensure that users can obtain information and experience, by requesting UNEP to submit a project proposal regarding relevant information, dissemination and awareness activities at a global level with the objective of disseminating the experience gained in the demonstration projects globally.

35. UNEP prepared and submitted a project proposal, which was reviewed by the Secretariat on the basis of the above mentioned part of decision 46/33. The Secretariat drew to UNEPs attention that, as submitted, the project appeared to be broad in scope and not closely directed towards the specific requirements of decision 46/33. On this basis, the Secretariat recommended to UNEP to revise the project proposal accordingly. In view of the timeframe this would necessitate submission to the 48th Meeting.

TECHNICAL ISSUES

36. The Executive Committee requested in decision 46/33 project proposals to demonstrate the feasibility of and modalities for replacing centrifugal chillers. Two project proposals (Cuba, West Asia) also included funding requests for retrofits in addition to the replacement of chillers.

37. Such retrofits for centrifugal chillers can be undertaken in one of two ways: depending on the specific chiller design, some chillers can be converted relatively easily to non-CFC refrigerants by modifying the existing compressor. This solution is not universal but specific to some models. Such a retrofit is proposed for Syria.

38. Alternatively, the main component of the system, the compressor, its motor and electronics can be replaced. This solution offers certain limited energy efficiency gains. New but proven technologies also allow the compressor to be replaced by an oil free one, which further improves the energy efficiency measurably in the order of 10% as compared to an existing system. This innovative solution has been proposed by the Government of Canada for a number of chillers in Cuba.

39. Since in both cases certain energy efficiency gains are claimed, the associated savings need to be determined. As a basis, not only possible annual cost savings need to be known, but also the time over which savings need to be accounted for. Despite a new compressor, retrofitted systems still contain to more than 70% of their value old parts. The systems undergoing a retrofit are typically in the order of 15 years old. Since after 15 years the remaining lifetime of these older systems can be assumed to be half the lifetime of a new system, the calculation of savings based on a discount rate for 2.5 years instead of 5 years might be the most appropriate way forward.

40. The Executive Committee requested, in decision 46/33, proposals for the replacement of centrifugal chillers. Centrifugal chillers are refrigeration units chilling water (or a brine), having as their main component a centrifugal compressor. The same type of compressor can also be used in industrial refrigeration applications. Industrial refrigeration applications differ from chillers insofar as they are designed for a singular application, while chillers are standardized and, therefore, have considerably lower investment costs. UNIDO requested funding for the replacement of two industrial applications in Croatia and Romania, at a level of US \$540,000 per application, i.e. three times more than a standardized chiller. While the figure as such is credible, these applications are not included in the mandate of the Executive Committee for the funding window, and do not therefore fall within this exercise. The Executive Committee might wish to take this into account when considering the project from Eastern Europe, and consider to confirm that industrial refrigeration applications would not be funded under this funding window.

OVERVIEW OF POLICY ISSUES RELATED TO PROJECTS

41. The following table provides an overview of policy issues identified for the different project proposals and might serve as a guide for the Secretariat's recommendations below. It should be noted though, that based on incoming information from, for example, the Meeting of the GEF Council taking place on 8-10 November 2005, an update on the situation of external resources might be provided at the 47th Meeting by the Secretariat.

Country / Region	Agency	Critical issues	Secondary issues	Secretariat's recommendation
Brazil	UNDP	None	Low external resources (below 30%)	Approval
Columbia	UNDP	None	None	Approval
Caribbean	UNDP	None	None	Approval
Cuba	Canada / UNDP	None	Retrofit of chillers included	Approval
			Low external resources (below 30%)	
West Asia	UNIDO	Counterpart funding insufficient	Retrofit of chillers included	No consideration
		No general strategy for chiller sub-sector	No third-party funding	
Eastern Europe	UNIDO	No general strategy for chiller sub-sector	No third-party funding	Reconsideration of revised proposal at future meeting
		Lack of adherence to limits of funding window (industrial refrigeration)	Low external resources (below 30%)	
Global Chiller Replacement Project	World Bank	External resources unlikely	None	Reconsideration of revised proposal at future meeting

SECRETARIAT'S RECOMMENDATIONS

42. The Executive Committee might wish to consider:
- (a) Noting with appreciation the project proposals received from the implementing and bilateral agencies and the report by the Secretariat;
 - (b) Requesting UNDP, UNIDO and the World Bank to continue preparing chiller investment projects for submission under the funding window established with decision 45/4, with the criteria approved in decision 46/33 and further specifications given in this decision;
 - (c) Approving the following additional criteria for further projects under the chiller funding window established by decision 45/4:
 - (i) In all projects submitted for the consideration of the Executive Committee, a minimum of 30% of the project costs will be provided through external resources, where external resources are defined as financial resources from entities other than chiller users or chiller owners;
 - (ii) Regional projects are defined as projects which, as a minimum:
 - Allow a flexible allocation of the investment funds contributed by the Multilateral Fund between the countries concerned;
 - Specify the distribution mechanism for such flexible funds; and

- Can accept additional countries from the region not included in the original proposal;
- (iii) The non-investment component of investment demonstration projects will be capped at a level of 10% of the project costs for projects relating to one country and at a level 15% for regional projects;
- (iv) Preference is given to projects fulfilling one of the following criteria:
- Countries where the total consumption in centrifugal chillers, normalised on the basis of 75kg/year/chiller, as a proportion of the latest national CFC consumption data reported under Article 7, is larger than 1.61%;
 - Countries in the Africa and East Asia and South Asia regions;
 - Regional projects as defined under (ii) above;
- (v) A lower priority is given to projects associated with countries that have previously received funding for chiller demonstration projects and that have either completed these projects or are presently actively implementing them, and deciding that such projects will not be considered if the funding window is exhausted by other projects, or in any event before the 49th meeting;
- (vi) Allowing the submission of project proposals for the funding of chiller retrofits provided that the existing compressor is being replaced with a compressor of greater efficiency and the chiller to be retrofitted is less than 15 years old, the total investment including counterpart funding remains below US \$45,000 per retrofit, and the savings are calculated on the basis of the application of the established discount rate for 2.5 years;
- (d) Reconsidering at a future meeting revised project proposals:
- (i) For Eastern Europe subject to submission of a general strategy for the sub-sector for the countries concerned and exclusion of industrial refrigeration applications;
- (ii) For the global chiller replacement project subject to availability of financial resources outside the Multilateral Fund as indicated in decision 46/33;
- (e) Approving the projects for Brazil, Columbia, Cuba and the Caribbean, with associated support costs at the funding levels shown in the table below, on the understanding that, the number of chillers specified in the project proposal will be replaced, and that no disbursement will take place before the Secretariat has confirmed the advice from the agency that the external funding specified in the project evaluation sheets is secured.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Demonstration project for integrated management of the centrifugal chiller sub-sector in Brazil, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	1,000,000	75,000	UNDP
(b)	Regional demonstration project for integrated management of the centrifugal chiller sub-sector in the Caribbean, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	1,000,000	75,000	UNDP
(c)	Demonstration project for integrated management of the centrifugal chiller sub-sector in Colombia, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	1,000,000	75,000	UNDP
(d)	Demonstration project for integrated management of the centrifugal chiller sub-sector in Cuba, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	787,482	102,373	Canada
(e)	Demonstration project for integrated management of the centrifugal chiller sub-sector in Cuba, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	196,871	14,765	UNDP
