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Executive Committee of
the Interim Multilateral Fund for the
Implementation of the Montreal Protocol

Eighth Meeting
Montreal, 19-21 October 1992

WORLD BANK WORK PROGRAMME AMENDMENTS

Proposed Amendments to the World Bank Work Program

Proposed Amendments to the Administrative Budget

I. Approval will be sought from the EC at its October meeting for amendments proposed below to the administrative budget (including Bank staff costs) contained in the CY92 Bank Work Program.

II. New Country Activities:

- o Guatemala - Collaborative arrangement with UNEP to provide assistance in policy analysis and project identification and preparation - \$ 25,000. (See Section A, para. 6, UNEP/OzL.Pro/ExCom/8/9)
- o Indonesia - Collaborative arrangement with UNDP in preparation of CP, investment and technical assistance projects - \$ 54,000. (See Section A, para. 7, UNEP/OzL.Pro/ExCom/8/9)

III. Global Projects:

In response to previous EC recommendations to pursue the development of "sector-based" ODS phase-out project development, the EC is requested to authorize resources to prepare four global projects. More detailed project descriptions are presently under preparation and review by relevant Bank task managers and OORG sector advisors, and will be made available to the MP Fund Secretariat prior to the October 19-21, 1992, EC meeting.

- o Global Solvents Project - To develop seven ODS phase-out solvent sub-projects in (preliminary list of likely countries) Malaysia, Indonesia, Thailand, Philippines, China, Turkey, Brazil, Mexico and India.

The scope of work will involve project preparation and appraisal, and a workshop on technology transfer, project finance, sub-project implementation/operation, and practical engineering support. The OORG solvents expert would serve as technical advisor. Participating members would follow their own corporate policy in providing support and funding, both in sub-project preparation and implementation - \$255,000.

- o Global Halons Project - To develop and implement six halon control system projects in (preliminary list of likely countries) Thailand, Philippines, Turkey, Brazil, Mexico, Malaysia, and China.

The scope of work will include: (1) establishment of halon control systems consisting of management of testing, servicing and recycling of existing halon fire extinguishing equipment, including small recycling facilities; (2) establishment of regulations, insurance requirements, for non-halon use in specified types of fire protection; (3) promotion of the use of non-halon fire

protection technology; (4) establishment of a halon bank management system; and (5) development and conduct of training workshops in non-halon fire protection technology. The proposed implementing agency would be UNDP. The OORG halons expert would be the technical advisor - \$310,000.

- o Global MAC Project - To develop and implement MAC CFC recycling sub-projects in countries with large urban areas and concentrations of MACS such as (preliminary list of likely countries) China, Malaysia, Thailand, Indonesia, Egypt, Turkey, Nigeria, Brazil, Venezuela, Mexico, Peru, Argentina, and Iran.

The scope of work will include: (1) development of specific project scope, management and implementation arrangements and training requirements, and project appraisal; and (2) implement pilot recycling projects on a grant basis in each country equivalent to 15-20 % of the MAC market. Overall management will be by a MAC consultant and technical advice will be provided by the OORG MAC expert and a representative from the automobile industry. Since there is no likely follow-up project, the likely implementing agency would be UNDP in most cases - \$360,000.

- o Global Refrigeration Project (preparation only) - For applied engineering and development preparatory to investment project implementation for: (1) 4-6 sub-projects for refrigerator production only with imported compressors, and (2) 4-6 sub-projects for refrigerator and compressor production. A preliminary list of countries includes China, India, Thailand, Philippines, Indonesia, Malaysia, Egypt, Brazil, Venezuela, and Mexico.

Each sub-project will be developed in two stages: (1) an applied engineering/product development stage, and (2) an investment project implementation stage. This project includes development and work program budgets for the first stage only, but includes all work and documentation required to begin the second stage. Sub-projects will require a local enterprise with a strong, well established technical and commercial position, in a country with strong engineering and infrastructure support. All projects will include participation by well established international technology suppliers, well advanced in the required technology and its commercialization, and with established technical and commercial ties to selected enterprises. The OORG refrigeration expert will provide technical advice - \$60,000.

Proposed Amendments for Investment Projects Below \$500,000

(From Annex A)

IV. Approval will be sought from the EC at its October meeting for amendments proposed below to the Investment projects budget contained in the CY92 Bank Work Program. The required project documentation for projects below \$500,000 to be reviewed by the EC is attached in Annexes of the Progress Report (UNEP/OzL.Pro/ExCom/8/9).

- o China - Supplemental Financing for the Six Sub-Projects Approved by the EC in June 1992 (adjustment for incorrect data in June EC EPS submission). Additional analysis of incremental cost information in support of this request will have been provided to the Secretariat prior to the October 19-21 EC meeting - \$800,000.
- o China - Transfer of BHEARI 50% Reduced Foam Sub-project to UNDP, agreed to by GOC - (-)\$480,000.
- o Tunisia - Engineering assistance for design, testing and introduction of alternative refrigeration technologies - \$360,000. (UNEP/OzL.Pro/ExCom/8/22)
- o Tunisia - Maintenance of domestic, commercial and industrial refrigerators - \$390,000. (UNEP/OzL.Pro/ExCom/8/22)
- o Tunisia - Technical consultancies in aerosols - \$50,000. (UNEP/OzL.Pro/ExCom/8/22)
- o Tunisia - Implementation of Government Actions - \$450,000. (UNEP/OzL.Pro/ExCom/8/22)
- o Turkey - Institutional support - \$400,000. (UNEP/OzL.Pro/ExCom/8/23)

Amendments to the World Bank Work Program Requested for EC Approval

Amendments to the Administrative Budget	Amount	Total
Guatemala	\$0.025 m	
Indonesia	\$0.054 m	
Global Solvents Project	\$0.255 m	
Global Halons Project	\$0.31 m	
Global MAC Project	\$0.36 m	
Global Refrigeration Project (preparation)	\$0.06 m	
Sub-total (Administrative Budget)		\$1.064 m
Amendments for Investment Projects Below \$500,000		
China - Supplemental Financing for the Six Projects Approved by the EC in June 1992 (adjustment for incorrect data in June EC EPS submission)	\$0.80 m	
China - Transfer of BHEARI 50% Reduced Foam Sub-project to UNDP, agreed to by GOC	(-) \$0.48 m	
Tunisia - Engineering assistance for design, testing and introduction of alternative refrigeration technologies	\$0.36 m	
Tunisia - Maintenance of domestic, commercial and industrial refrigerators	\$0.39 m	
Tunisia - Technical consultancies in aerosols	\$0.05 m	
Tunisia - Implementation of government actions	\$0.45 m	
Turkey - Institutional support	\$0.40 m	
Sub-total (Projects below \$500,000)		\$1.97 m
Total		\$3.034 m

Annex A

Investment Projects Submitted to the Executive Committee for review during October 19-21, 1992.

The following table presents the schedule of MP investment projects, totalling \$ 6.37 million, which will be presented by the Bank to the Eighth Executive Committee meeting in October 1992. A complete listing of all investment projects and sub-projects (including those below) planned for submission in due course to the EC is presented in Annex B of the Progress Report (UNEP/OzL.Pro/ExCom/8/9).

World Bank Investment Projects for EC Review in October 1992

Country/Project	Sub-Project	ODS Sub-Sectors Addressed	Amount (in \$ US millions)
<u>CHINA</u> * - ODS Phase-out Project (\$0.32 m)			
	This Sub-Project is Proposed for EC Approval as a Transfer to the UNDP		
	Transfer of BHEARI 50 % Reduced Foam Sub-project to UNDP, agreed to by GOC	Foam	(-) \$0.48 m
	The Following Sub-Projects are Proposed for EC Approval as Additions to the World Bank Work Program		
	Supplemental Financing for the Six Sub-Projects Approved by the EC in June 1992 (adjustment for incorrect data in June EC EPS submission)	Halons, Aerosols and Foams	\$0.80 m
<u>TUNISIA</u> - Ozone Layer Protection through the Reduction of Consumption of ODS (\$ 1.25 m)			
	Engineering Assistance for the Design, Testing, & Introduction of Alternative Refrigeration Technologies	Refrigeration	\$ 0.36 m
	Maintenance of Domestic, Commercial & Industrial Refrigerators	Refrigeration	\$ 0.39 m
	Technical Consultancies in Aerosols	Aerosols	\$ 0.05 m

	Implementation of Government Actions	Institutional	\$ 0.45 m
<u>TURKEY</u> - Protection of the Ozone Layer Through the Reduction of the Consumption of ODS (\$ 5.30 m)			
	Implementation of Government Actions	Institutional	\$ 0.40 m
	The Following Investment Project is Proposed for EC Approval		
	Arcelik Compressor & Refrigerator Manufacturing Facility Conversion	Refrigeration	\$ 4.90 m
Total			\$ 6.87 m

* The Bank has been informed by the GOC that it will directly submit an additional project to the EC for industrial conversion to HCFC-22 (Nanjing).