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

Tenth Meeting
Montreal, 28-30 June 1993

WORLD BANK PROGRESS REPORT

This document includes:

- Comments from the Fund Secretariat
- World Bank Progress Report

COMMENTS FROM THE FUND SECRETARIAT

1. Through 31 March 1993, the Bank had expended approximately 10 per cent of the US \$3.2 million allocated for country programme and project preparation. During the first three months of this year, expenses were incurred for project preparation in 16 countries. Progress was reported on the five country programmes under preparation with Bank participation.
2. The Bank reported 18 activities as completed or closed since 1991. The 18 activities included: the preparation of six country programmes (some with bilateral co-operation) and the expenditure of project preparation funds allocated for five countries. The remaining seven activities were "closed" because funds were used from other sources or the activity was no longer needed. The report did not indicate the completion of any investment project or activity resulting in ODS elimination.
3. At the ninth meeting, the World Bank reported that five grant agreements and one letter agreement have been signed and six are pending. Since that meeting, one additional grant agreement has been signed (for US \$1.3 million) and six are pending. Of the US \$9.4 million for which grant agreements have been signed, an additional US \$170,000 was disbursed since the last meeting.
4. Almost half (46.8 per cent) of the US \$87.6 million included in the World Bank's CY93 Investment Project Pipeline has been submitted for consideration six months into the calendar year 1993 budget including the US \$15 million approved at the Committee's ninth meeting and US \$26 million being requested at this meeting. Two new investment projects are being proposed for inclusion in the Bank's project pipeline: India (US \$1.25 million) and a global aerosol project (US \$350,000).
5. During the period (January through 15 May, 1993), the Bank reported on participation in implementing agency co-ordination activities with UNEP and UNIDO and discussions with all agencies and the Secretariat on the three-year plan and budget. A short paper on the three-year plan and budget was prepared which identified the potential needs of its clients and reported that the Bank could identify and help prepare projects in the order of US \$125-150 million per year.
6. The Bank informed the Committee that "part of the grant resources to the Government of Turkey would be on-lent on concessional terms to the private sector enterprises participating in the project". This is the first time that funds provided through the Multilateral Fund to the Bank are being on-lent by the recipient government on a concessional basis.
7. It should also be noted that retroactive financing was included in the Bank's agreement with Venezuela for 25 per cent of Venezuela's Plásticos Molanca project and the Turkey project will also have a provision for retroactive financing to cover project implementation expenditures (some \$1.2 million) which have already been incurred. The Bank reported that grants from the Fund would not be subject to windfall profits taxation for the Venezuela Plásticos Molanca project.

8. In its report, the Bank also informs the Committee that the Venezuela chiller project costs was revised down from US \$2.115 million to US \$1.74 million which resulted in a US \$45,000 reduction in incremental costs. This amount was offset by the purchase of an additional US \$45,000 required for retrofit design-specific condensers for four of the 27 retrofit units. Therefore, incremental costs remained the same, US \$1.1 million.

9. The Bank's work programme amendments; a report and financial statements; and an information document entitled, "Discussion Memorandum on Baseline ODS Prices for Calculating Project Incremental Costs", are addressed elsewhere.

10. The Bank's internal operations directive on Protocol operations (BP 9.02) which was discussed at the sub-committee on expediting project implementation in September 1992 is to undergo final review by Bank management before it is finalized and issued in its final format. Nine Fund project-related and policy-related documents previously prepared were published during this reporting period. The Bank also convened a meeting of the Ozone Operations Resource Group (OORG) in early May.

WORLD BANK OZONE PROJECTS TRUST FUND

PROGRESS REPORT

BANK-IMPLEMENTED MONTREAL PROTOCOL OPERATIONS

as of May 27, 1993

Global Environment Coordination Division, Environment Department

THE WORLD BANK

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EXECUTIVE SUMMARY

The first quarter of 1993 has been the most active so far in the Bank's two-year involvement in Montreal Protocol operations. Substantial progress is being achieved on all fronts: preparation of new investment operations, processing of funded investment operations, work program activities, technical coordination and operational policy developments.

Following the 9th meeting of the Executive Committee (EC) of the Multilateral Fund for the Implementation of the Montreal Protocol (MFMP), the Bank's portfolio of MFMP-funded investment operations has grown to some US \$50 million dollars and projects which have been given permission to proceed now amount to some US \$10 million. The total number of separate investment operations now stands at 17 (including Project Preparation Advances), 7 of which have been committed (through a PPA letter or grant agreement) and four of which are disbursing. Six additional commitments are expected in second quarter of CY 1993

New investment operations have been prepared for presentation to the 10th Meeting of the MFMP Executive Committee. These include projects for China, India, and Thailand, project preparation activities for Argentina, China, Malaysia, and Thailand, and a Global Aerosol Project. Through these project preparation activities, the Bank is looking to the future and the fulfillment of the objectives of the three-year plan and budget 1994-1997 for the Fund. Investment projects, Work Program amendments and permission to proceed requests totalling over US\$ 29 million is being submitted to the Tenth Meeting of the Executive Committee.

There was significant progress in all investment operations. Pre-appraisal missions were fielded in Ecuador, Thailand, Tunisia and Turkey. Appraisal mission visited China, Jordan, Philippines and Turkey. The first supervision mission for an MP operation took place for the Mexico projects.

Project identification, preparation and/or country program missions were fielded to Argentina, Guatemala, India and Indonesia. Activities were initiated in India with a national workshop on investment project preparation and sector ODS phaseout strategies.

A grant agreement was signed on April 30 for Venezuela's Plasticos Molanca project. The grant agreement includes a provision for 25% retroactive financing to cover project implementation costs which have already been incurred, marking another break from Bank standard procedure to accommodate the special needs of the Montreal Protocol. Grant agreements were prepared for the Jordan ODS Phaseout project and Chile ODS Phaseout and are currently in the final approval stages. A PPA (approved and cleared by the Bank) for Indonesia is now under review by the government.

The difficulties in initiating Country Program efforts in Nigeria were successfully resolved. A request for proposal package for Country Program preparation has been sent to international consulting firms and bids are expected on 1 June 1993. While the Bank will manage the preparation of the Nigeria Country Program, discussions have been initiated to engage UNIDO in aspects of project design, appraisal and supervision.

SECTION I: MONTREAL PROTOCOL OPERATIONS STATUS REPORTS**A. New Investment Operations and Work Program Amendments for Consideration at 10th Meeting of the Executive Committee**

1. Investment projects are being presented for China, India and Thailand. The China projects (part of China ODS I Project) consist in the 50% foam component which was given "permission to proceed" at the 9th Meeting of the Executive Committee (EC) of the Multilateral Fund for the Implementation of the Montreal Protocol (MFMP). The Thailand Project (Thailand ODS I Project) has been prepared with the resources provided through the Thailand Controlled Substances Engineering Project which was approved at the 4th meeting of the Executive Committee and three components were developed under the Global refrigeration Project. The India Project (India ODS I Project) contains two components prepared and pre-appraised shortly after the ODS Workshop held in India March 30- April 3.

2. Therefore, investment projects, Work Program amendments, and permission to proceed projects totalling slightly over US\$29 million are being submitted to the 10th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. The complete breakdown by country and type of decision requested is provided in Table I-2.

3. As per MP Operations guidelines, the proposed investment projects have been reviewed by the Bank's Ozone Operations Resource Group (OORG). The following projects (Table A-1) were technically reviewed by members of the Ozone Operations Resource Group during the January through April 1993 period.

Table I-1: OORG Reviews of Investment Projects		
Country - Project	Bank Task Manager (TM)	OORG-Roster Outside Specialist(s) (actual reviews to be confirmed)
Thailand - ODS Investment Project (I)	Konrad von Ritter	Mike Jeffs, Lambert Kuijpers, Art Fitzgerald, Simon Oulouhojian
India - ODS Investment Project (I)	Naimeh Hadjitarkhani/ Don Brown	Mike Jeffs, Lambert Kuijpers
China - ODS Phase-Out Investment Project (I)	Don Brown/ Jessica Poppele	Mike Jeffs

**Table I-2: Summary of World Bank Investment Projects
being Submitted to the 10th Meeting of the EC, June 1993**

Country	Project Title & Sub-Projects by Sector	ODS Phase-Out per Year (MT)	Type of EC Decision Requested	Incremental Cost (\$ million)
China	<u>ODS Phase-Out Investment Project (I)</u> : 50 % foam	N/A	Final Approval	\$5.80
India	<u>ODS I Project (I)</u> : 5 sub-projects: 3 refrigerations and 2 foams.	N/A	Final Approval	\$1.252
Thailand	<u>ODS I Project</u> : 9 sub-projects: 2 solvents, 5 refrigeration, 2 compressors	834	Final Approval	\$16.846
Thailand	<u>ODS I Project</u> : 5 sub-projects: 3 solvents, 1 automobile air conditioning, 1 foam	87	WP Amendments	\$1.277
Thailand	<u>ODS I Project</u> : 6 sub-projects: 1 in refrigeration, 1 automobile air conditioning, 1 solvent and 3 chiller.	22	Permission to Proceed	\$2.982
Global	<u>Global Aerosol Project</u> : Development of several aerosol-sector projects.	NA	WP amendments	\$0.35
Additional WP Amendments	Work Program Amendments for project preparation activities as per paragraph 4 below	NA	WP Amendments	\$0.87
Sub-Total			Approval	\$23.898
Sub-Total			WP Amendment	\$2.497
Total			Total Funds Requested	\$26.395
Sub-Total			Permission to proceed	\$2.982
Grand Total			Total All Decisions	\$29.377

B. Project Processing Status of Investment Operations and Other Activities

4. Status on Country Programs Table I-4 provides a status on on-going Country Program (CP) activities for those countries in which the Bank obtained funding in its CY93 Work Program. The Bank is also providing support, when appropriate, to country program activities as part of its continuing dialogue with most of its clients including Indonesia, India, Thailand and the Philippines.

5. Status of Project Processing. A new aspect of the Bank's Progress Report is the country by country update provided in Attachment A. The format was inspired from the Secretariat's consolidated progress report presented at the 9th Meeting of the Executive Committee. Although Attachment A is self-explanatory, a brief summary of progress for each country is provided in the next paragraphs.

(i) Argentina

A Bank mission visited Argentina March 16-25 to set-up the Country Program preparation efforts and to initiate project identification. Basic data collection and a draft country program will be prepared by a local consulting firm which will provide assistance to the Secretariat of Natural Resources and Human Environment. Subsequently, an international firm would be retained to provide assistance in identifying investment projects and to deal with outstanding country program issues. Preliminary discussions were held concerning local counterpart and financial intermediation. The Bank mission also discussed project preparation with the Government of Argentina and it was decided to set-up a local working unit to coordinate project preparation activities. Additional funds for project preparation are being requested.

Table I-3: Status of Country Program Activities

Country Program	Transmittal Date from Bank to Govt.	Comments/Explanations
Argentina	In progress	A reconnaissance mission visited Argentina in March 1993 and made arrangements to initiate work on the Country Program. A local firm has been hired to undertake data collection and prepare a draft country program. An international consulting firm will later be hired to provide technical support to finalize the country program and assist in project identification.
Brazil	July 1992	GOB has lead. In 1992, two local consultants were contracted to prepare an updated version of the Country Case Study (1990). Following this, the Bank will provide certain resources to hire a local consulting firm to assist in the finalization of the draft CP. Brazil's CP could be ready for presentation to the EC in October/November 1993 at the earliest.
Jordan	April 1992	During the February Project appraisal mission, additional reviews of the Country Program were conducted. Small changes were made and a revised version forwarded to the Government of Jordan in March. The GOJ has assumed responsibility for CP finalization. Anticipated presentation to EC in June or November 1993, subject to final Cabinet approval
Nigeria	---	GON to select CP contractor on basis of proposals received by June 1, 1993.
Tunisia	May 1992	Additional discussions were held with the Government of Tunisia during the Project pre-appraisal mission in March 1993. The Bank is assisting in the translation of the CP into French and to make some minor amendments. Presentation likely at the last EC meeting of 1993.

(ii) Brazil

The Bank has been discussing with Brazil opportunities to streamline and facilitate in-country approvals of financial agreements. Given Brazil's federal government structure, a lengthy clearance process, including legal opinion and Senate approval is required for every international financial agreement, including grant funding. FINEP has been selected as the sole financial intermediary for MP operations in Brazil and will provide a full range of fee based intermediation services including initial analysis of project proposals for eligibility, appraisal of prepared projects, procurement, disbursement administration and local supervision. A meeting was held in Washington on April 6 with FINEP to finalize arrangements and initiate contractual discussions. The active involvement of FINEP is a major step in further organizing local capacity to identify and develop eligible ODS phaseout activities as it is the financial intermediary for several Bank projects in the science and technology sector. The development of additional sub-projects should now proceed at a faster pace. The Bank is continuing its discussions with Brazil in order to finalize institutional coordination arrangements, a recent source of delays. The Bank is also exploring possibilities of developing a more flexible Grant Agreement (essentially a new legal framework which, once developed and approved, could be used for other MP investment operations) which could encompass operations not fully appraised. This approach, which is under review, would again streamline activities for Brazil. A pilot stage program for recovery/recycling is being prepared and will be funded through a PPA from funds which the Bank already holds for Brazil.

(iii) Chile

Project processing is close to complete on the first ODS-related grant agreement to Chile. The project document and grant agreement were sent to the Ministry of Finance on April 15 for review. Negotiations were successfully completed. Signing of grant agreement is expected by May 30.

(iv) China

The China ODS I Project was fully appraised in April and internal Bank processing is proceeding accordingly. The Bank agreed with the Government of China to process the 50% CFC foams Project as the China ODS II Project as it received "permission to proceed" at the 9th Meeting of the Executive Committee. The 13 sub-projects of China ODS II Project were pre-appraised in April and 11 are being presented to the 10th meeting of the EC for final approval. The Bank is coordinating with China for substantial efforts in project preparation over the next 12 months, with the China ODS III Project being prepared for the 11th meeting of the EC. The Bank is therefore requesting a Work Program amendment to fund these activities. Part of the project preparation will focus on the production sector, both for new non-ODS alternative production and shutdown of current CFC production. The Bank mission reported good

coordination with other implementing agencies. The Bank participated in the International CFC and Halon Conference held in April in Beijing at which it presented several papers and held discussions with local authorities, international experts and other implementing agencies.

(v) Ecuador

Funding for the Ecuador ODS Phaseout I Project was obtained at the March 1993 meeting of the EC. Project appraisal is scheduled for May 1993 with grant agreement signature in the third quarter of 1993.

(vi) Egypt

In late 1992, the technology supplier for the MCMC Compressor Project confirmed that it had initiated commercial production of its HFC-134a compressors and that it was in a position to transfer this technology to the MCMC plant. On this basis, the appraisal mission schedule for the third quarter of 1993 was brought forward to the second quarter. This has slipped slightly as the appraisal mission scheduled for April 1993 has been delayed for reasons of availability of key personnel until late June 1993. The delay in appraisal (now scheduled for June 22 - July 1) will not delay the start of HFC-134a compressor production because MCMC is a new enterprise and its compressor manufacturing operations on a trial basis during the first quarter of 1994. Following receipt of the MFMP grant funds MCMC will have the capability to produce both R-12 and HFC-134a compressors in response to market demand.

(vii) Guatemala

Two Bank missions visited Guatemala in the period January-April 1993. The first mission (a joint UNEP-Bank mission) finalized a draft Country Program for the Government to review. As the key staff had been reassigned due to a reorganization, substantial time was spent with the new local representatives to familiarize them with MP operations and the country program effort. The second mission visited Guatemala April 13-21 assisted CONAMA (the local agency in charge of MP activities) in finalizing the Country Program, which was then forwarded to the Secretariat of the Multilateral Fund. A small portfolio of activities consisting mainly of institution building and technical assistance was prepared and it was agreed that UNDP and UNEP would assume implementation.

(viii) India

An ODS Phase-Out Project Preparation Workshop, organized by the Ministry of Environment and Forests (MOEF) with support from the World Bank, was held in New Delhi from March 31 through April 2. The main purpose of the Workshop was to

present a detailed program of requirements and eligibility for funding from the Multilateral Fund for processing projects under the MP and to develop a series of projects for possible funding. The Workshop was attended by key enterprises, GOI officials, Bank mission staff and technical consultants. The Workshop was followed by several enterprise visits to start developing feasibility reports and project concepts. The leadership and active participation of MOEF and the Department of Economic Affairs (DEA) was very helpful in getting the work off to an excellent start. Furthermore, a first portfolio of priority projects was prepared. Two sub-projects are being presented to the June 1993 Meeting of the EC. A local consultant has been retained to assist in developing the second project for India.

(ix) Indonesia

A project preparation mission visited Indonesia in April 1993 and undertook project preparation work in the aerosol and foam sectors. The Project Preparation Advance was authorized by the Bank soon after the 9th EC Meeting and is presently with the Government and subject only to the Government's internal approval process. Parallel to this, the selection process for the local consultants is proceeding. Discussions to identify a local financial intermediary have also taken place. A follow-up project preparation mission is scheduled for June/July 1993.

(x) Jordan

The ODS Phaseout Project for Jordan was appraised in February. Bank processing was completed in April and the project documentation and grant agreement were sent to Jordan for review and clearance in early May. Grant agreement signature is expected in June. The Bank also provide support for the completion of Jordan's Country Program which is to be submitted for Cabinet approval. In April 1992, as a follow up to the Bank appraisal mission, a halon expert visited Jordan to assist in the establishment of a national strategy for the phaseout of halon use in fire fighting and fire prevention applications.

(xi) Malaysia

The Bank and Malaysia's Department of the Environment (DOE) have undertaken discussions on the next steps required to initiate implementation of the ODS phaseout project already approved by the EC. Key next steps include the establishment of the Ozone Desk with permanent dedicated staff and the establishment of a special account as per Malaysia's request. The amendment to the Grant Agreement was presented to the Government of Malaysia the third week of February. The Bank and Malaysia's DOE have undertaken a dialogue on further investment project preparation work. This would proceed in parallel to the implementation of the first Project.

(xii) Mexico

A first supervision mission visited Mexico January 27-29, 1993, to review progress on the two ODS Phaseout projects funded by the Multilateral Fund. In particular, the mission was to evaluate the readiness of Subsidiary Agreements, the preparation of the Phaseout schedule, the implementation of the Tradeable Permit System and the status of sub-projects to be financed under the US \$4 million grant. The two Subsidiary Agreement for the first grant of US \$180,000 has been signed and the project has therefore become effective. The Subsidiary agreement on the US \$4 million has been signed by NAFIN and forwarded to INE for signing. A local consulting firm recently completed an analysis of issues concerning the Tradeable Permit System and the results of the study are being incorporated into the design of the system. There are currently 11 sub-projects in the current pipeline for the US \$4 million project. These include sub-projects in industrial, commercial and domestic refrigeration, automotive air conditioning, plastic foams, and fire prevention equipment. The Bank has been coordinating its activities with the US EPA which is providing bilateral assistance for the preparation of sub-projects to be funded under the US\$ 4 million line-of-grant project.

(xiii) Nigeria

Nigeria's Department of the Environment and the Bank agreed on a short list of consulting firms for the preparation of the Country Program and bids are expected to be received by the end of June. This would lead to a draft country program by year-end and the first projects by early 1994. The participation of UNIDO for investment project identification, preparation and implementation is being explored.

(xiv) Philippines

The Philippines ODS Phaseout I project (approved at the 9th Meeting of the EC) was appraised in March 1993 and the project processing activities are proceeding quickly. The mechanism for financial intermediation was finalized in detail and a one-day workshop was held with the FI to familiarize them and the DENR with appraisal criteria. Although progress was made in finalizing the sub-projects which received permission to proceed at the 9th meeting of the Executive Committee, they were not ready for presentation for the 10th Meeting and will therefore be submitted to the 11th Meeting.

(xv) Thailand

The Thailand ODS I Project was pre-appraised in March and the various sub-projects are being presented for funding to the 10th Meeting of the EC. The pre-appraisal mission was joined by a representative of UNIDO. Several of the sub-projects were prepared through the Controlled Substance Engineering Project while two of the refrigeration sub-projects were prepared through the Global Refrigeration Project. Thailand submitted a

first version of its Country Program which is now under revision to meet the Fund's guidelines for Country Programs. The Bank will continue its support to Thailand for finalizing the Country Program in the context of its ongoing dialogue on Montreal Protocol projects. Project preparation for the Thailand ODS II Project has been agreed to with the Government of Thailand and the Bank is requesting a Work Program amendment to fund this activity. Finally, work on the Thai Airways solvent project is underway with SAS/Volvo.

(xvi) Tunisia

The project pre-appraisal was conducted in February and the Mission appraisal is expected to depart in May. Minor modifications were made to some of the sub-projects as the aerosol sector will need more time to organize.

(xvii) Turkey

The Turkey ODS Phaseout project was pre-appraised March 15-23, 1993. One of the outcome of the pre-appraisal was that part of the grant resources to the Government of Turkey would be on-lent on concessional terms to the private sector enterprises participating in the project. The Technology Development Foundation (an existing institution) was selected as the financial intermediary. The appraisal mission took place May 3-8, 1993, and all outstanding issues were successfully resolved. In order to further develop projects in the refrigeration sector, additional project preparation work will be funded through a Project Preparation Advance. It is expected that the grant agreement will have a provision for retroactive financing to cover project implementation expenditures (some \$1.2 million) which have already been incurred.

(xviii) Venezuela

The grant agreement for Plasticos Molanca was signed on April 30, 1993. This represents a milestone in many ways. It is probably the only grant agreement to date signed directly between the Bank (IFC excluded) and a private sector enterprise. The retroactive close in the grant will allow up to 25% retroactive financing which is beyond the Bank's standard 10%. Legal clearance was requested and obtained for this exception. Plasticos Molanca indicated that the project implementation will be completed within 6 months, therefore eliminating the annual consumption of some 200 tons of ozone depleting substances. Additional sub-projects are presently being developed in the automotive air-conditioning sector. These could be ready for EC presentation as early as the 11th EC Meeting.

The processing of the second approved project for Venezuela (Conversion of CFC chillers to non-CFC substitutes) is progressing. The scope of the project has changed slightly with the deletion of 3 new chillers and the inclusion of resizing and design

changes to other of the chiller sub-components. The total project cost has been revised down from US\$ 2.115 million to US\$ 1.740 million but the incremental cost has remained the same, US\$ 1.1 million. Final project approval is expected early in the third quarter of 1993.

(xix) Global Solvents

The contract between the Bank and the Industry Cooperative for Ozone Layer Protection (ICOLP) was signed in February 1993. Activities have been initiated in 4 of the 7 countries slated for activities under the Global Solvents project. Several activities have been identified and prepared, some of which have already taken place. The Malaysia workshop was a success with good attendance from government and private sector. Whenever possible, Bank staff will participate in the workshops in order to promote project preparation work in all ODS-using sectors. A status on ICOLP activities is presented in Attachment B.

(xx) Global Refrigeration

The Global Refrigeration project is in full implementation. To date, 6 projects have been developed (3 for Thailand and 3 for India), and several others are under preparation. All of these projects are linked to Tecumseh (US), Electrolux (Sweden/US), and Sanyo (Japan) technology, where the Bank played an important role in securing the participation of the external technology suppliers. A survey of Japanese-based technology in the domestic refrigeration sector has been conducted in order to develop an in-depth understanding of the technological status and direction in the Asian countries, and their influence around the world. A presentation will be given on this subject during the May 18th OORG meeting in Washington. Future work will be expanded to other countries and technology suppliers. Work is being initiated with Electrolux in China, Pakistan and Brazil and with GE in Mexico. Discussions with European technology suppliers Danfoss, AEG and Bosch Siemens are planned, in addition to further discussions with GE and Whirlpool. The strategy remains to develop refrigeration-sector projects which are then incorporated into national projects.

C. Project Implementation Status: Grant Agreements, Disbursement and Project Impacts.

6. Grant Agreements and Project Preparation Advances. The following MP projects have been approved by the Bank's Regional Vice Presidents or Directors (depending on grant amount) and grant agreements (or letters in case of Project preparation Advances) sent to the governments. Over the next three-month period, grant agreements for Chile, Ecuador, Jordan, Philippines, Tunisia and Turkey are expected to be finalized.

Table I-4: World Bank Investment Project Grant Agreement Approvals, as of April 30, 1993				
Country	Project	Cost (\$ million)	RVP or Director Approval	Effectiveness
Mexico	MAC Recycling and Aerosols (Mexico ODS I Project)	0.18	3/9/92	03/9/93
Philippines	Controlled Substances Engineering Project (project preparation)	0.40	1/14/92	6/03/92
Thailand	Controlled Substances Engineering Project (project preparation)	0.39	1/14/92	8/18/92
China	Project preparation advance on China ODS I Project	1.50	08/10/92	08/10/92
Malaysia	Halons and MAC Recycling (Malaysia ODS I Project)	1.63	05/29/92	11/06/92
Mexico	Ozone Protection Policy and Institutional Strengthening Project (Mexico ODS II Project)	4.0	11/20/92	12/07/92
Venezuela	Plasticos Molanca (Venezuela ODS I Project)	1.3	4/30/93	4/30/93

7. Project-Related Disbursements. The following Montreal Protocol projects and project preparation activities amounting to a total of \$2,290,000, have disbursed a total of US\$ 680,000 as of April 30, 1993:

Table I-5: World Bank Investment Project Disbursements, as of April 30, 1993			
Country	Project	Project/Advance Amount (\$)	Amount Disbursed (\$)
Thailand	Controlled Substances Engineering Project (project preparation)	\$390,000	\$90,000
Philippines	Controlled Substances Engineering Project (project preparation)	\$400,000	\$340,000
China	Project Preparation Advance on China ODS I	\$1,500,000	\$250,000
Total		\$2,290,000	\$680,000

8. Project Impacts. As the various ODS phaseout projects move into the implementation phase, the Progress Report will provide additional details on the actual impacts (both quantitative and qualitative) of the projects on ODS phaseout and on the capacities of the institutions which are involved in the ODS Phaseout activities. This section could also provide examples of how project implementation difficulties were addressed and establish what lessons have been learned.

II. OPERATIONAL, POLICY AND OTHER ISSUES

9. **Implementing Agency Coordination** The Bank has invited UNEP/Paris to make a presentation to the Third Ozone Operations Resource Group (OORG) meeting in Washington on May 18th in order to assist UNEP in integrating its planning for technical information and communication development activities with parallel technical review and consultation activities of the OORG sector experts. Although UNEP is a collector and disseminator of information in this area, it is not a generator of basic operational information, and thus it could benefit from OORG advice and views.

10. The Bank has continued to explore with UNIDO the potential for deploying UNIDO's expertise and comparative advantage in working with small and medium sized enterprises in several countries, including Thailand, China, India and Nigeria. UNIDO visited the Bank on March 5, prior to the 9th EC meeting, to discuss these possibilities in more detail, including planning for subsequent joint project identification missions in Thailand and India. During the mission to India, it was agreed with India's MOEF that UNIDO would focus upon preparation of (1) recycling and recovery and (2) the unorganized sector. UNIDO and the Bank will also agree upon a terms of reference for UNIDO collaboration on solvents projects in Thailand which would be presented to the EC by the Bank.

11. **Three Year Plan and Budget**. The World Bank participated in discussions with other implementing agencies and the Secretariat on the three-year plan and budget. The Bank presented the Secretariat a short paper in which it identified the potential needs of its present and future clients on the basis of present ODS consumption trends. The Bank estimated that the potential demand for funding during the three year period for the 18 countries now in its portfolio and those that might be added to be in the order of US\$ 475 million. The Bank expects to be active in some 20-25 countries by the end of the planning period. The Bank also reported that it was confident that, by working closely with its clients and creating the enabling policy environment and capacity to execute projects, it could identify and help prepare projects in the order of US\$ 125-150 million per year. The experience to date shows that the following factors influence the ability of the Bank, its clients and perhaps the other implementing agencies, to effectively and efficiently handle a growing volume of MP-related operations:

- Ability to streamline the project cycle and provide resources to the countries for project preparation;
- . Ability to reduce red-tape by packaging small projects into large umbrella-type operations where MPEC authorization for numerous sub-projects is a combination of both final approval and permission to proceed while preparation continues to enable final approval;
- . The ability to define and develop generic ODS phaseout interventions which can easily be replicated and adapted to other countries;

The ability of the Bank's clients to assume an increasingly active role in project identification and preparation and, through local financial intermediaries (or project implementation unit, as may be the case), to handle project appraisal, funds disbursement and supervision.

The Bank's paper presented to the Secretariat on the Three-Year Plan and budget is available on request. On this basis, the Bank also completed its own internal 3-year plan and budget for FY94-96.

12. Bank Procedures for Investment Operations Financing by the Multilateral Fund of the Montreal Protocol (BP 9.02). The Bank's internal operations directive on Montreal Protocol operations (Bank Procedure 9.02) was further revised to reflect project processing streamlining procedures and additional experience achieved in MP project processing. BP 9.02 is now to undergo final review by Bank management before it is finalized and issued in its final format.

13. Baseline ODS Prices for Calculating Incremental Costs. Recent project development activities have required that the Bank and its clients examine more closely the implications of which ODS and non-ODS prices to use in calculating the incremental costs (mainly incremental operating costs). This has been of particular relevance in the projects for the Philippines and Thailand where most sub-projects have incremental operating costs. There are two options for projecting baseline ODS prices. The first consists in keeping real ODS prices constant over time. The second consists in increasing the real costs over time in accordance with a given price forecast. In both cases, the cost of non-ODS would be projected on the basis of the long-term marginal production price. As is outlined in the Discussion Memorandum (Attachment D), the impact of using constant prices can significantly increase the incremental costs of the project. The Bank has deemed it important to bring this issue to the attention of the Executive Committee so that it may decide on an appropriate course of action.

14. World Bank Montreal Protocol Publications. The bank has begun updating its publications of Montreal Protocol related documents. The following publications were published during the period January - April 1993:

Project-Related Documents

- * Malaysia: Proposed Ozone Projects Trust Fund Grant, October 1992
- * Mexico: Ozone Protection Policy and Institutional Strengthening Project, November 1992
- * Philippines: Controlled Substances Engineering Project, December 1991

Policy-Related and Technical Documents

- * Operational Interpretations of Incremental Costs and Eligible Expenditures - June 1992
- * Source Book of Benchmark Unit Abatement Costs - October 1992
- * Reducing ODS Use by Developing Countries in Refrigeration - Ozone Operations Resource Group (OORG)
- * Reducing ODS Use in Foam-Blown Pre-insulated Pipes (with particular reference to Poland) - Ozone Operations Resource Group (OORG)
- * Institutional Strengthening Requirements for ODS Phase-Out

Program Documents

- * Montreal Protocol World Bank 1993 Work Program

15. MP meetings and other events of importance to Bank operations are provided below for a six months horizon:

Table II-1: Montreal Protocol Activities - 6-Month Horizon

Meeting/Event	Place and Date
Third Ozone Operations Resource Group Meeting	Washington, May 18, 1993
EC Sub-Committee Meeting on Contributions in Arrears	Montreal, June 27, 1993
Workshop on Incremental Cost for EC	Montreal, June 27, 1993
Tenth Executive Committee Meeting	Montreal, June 28 - 30, 1993
Ninth Meeting of the Open-Ended Working Group of the Parties	Geneva, August 30 - September 3, 1993
Eleventh Executive Committee Meeting	Montreal, November 1993 (tentative)
Meeting of the Parties and pre-Meeting	Bangkok, November 16-29, 1993

III. FINANCIAL DATA AND STATUS

16. The tables listed below and presented in the succeeding five pages, present the status of the World Bank's work program budget and financing:

1. Table III-1: Fund Receipts, Uses and Balances
2. Table III-2: Work Program Budget Summary
3. Table III-3: CY93 Planned Approvals/Commitments
4. Table III-4: Financial Status of MFMP Projects

17. Fund Receipts, Uses and Balances. Since the last Executive Committee meeting the Bank has received transfers of US\$ 15.84 million for project investments and work program activities from the Multilateral Fund. This amount does not appear in Table III-1 as it only covers the period January-March 1993. With the approval of some US\$ 15 million, the planned commitments for CY93 are now at over US\$42 million (under CY93 Planned Fund Uses column and also in Table III-3). Following the Ninth Meeting, about US\$67 million from the initial US\$ 87 million remained in the pipeline for CY93. With the project presentation of some US\$25 million at the Tenth Meeting of the EC, the remaining pipeline will be at some US\$40 million.

18. Work Program Budget Summary. The CY93 Work Program Budget Summary in Table III-2 provides a country-by-country account of expenditures on country programs, project preparation and processing and general administrative and coordination functions. The total expenditures to date logged in the Bank's administrative system is US\$ 531,061. The amounts recorded to date are clearly less than what has been spent to date as there is a lag between the actual expenditures and its appearance in the records. This is being followed up.

19. Planned Commitments. Table III-3 presents the status of MP project commitments by the Bank for those projects having received final approval by the Executive Committee. The changes since the last period are as follows: the Venezuela Plásticos Molanca project and Chile ODS I Project schedule for commitment in first quarter 1993 have slipped to the second quarter. Plásticos Molanca was approved on April 30 and negotiations for the Chile project have been completed and signature expected shortly. The Tunisia ODS I Project (US\$ 1.79 million) has slipped from the second to third quarter 1993. This is due mainly to the time required to follow up on issues identified during the pre-appraisal mission which took place in March. The Ecuador and Philippines projects which were approved at the Ninth Meeting of the EC have been scheduled for final Bank commitment in the third quarter 1993, within six months of EC approval.

20. Project Financial Status. Over US\$3 million in pre-investment activities and project advances in China, Indonesia, Mexico, Philippines and Thailand have been approved by the EC, and roughly US\$47 million in project financing has been authorized for Brazil, Chile, China, Ecuador, Egypt, Jordan, Malaysia, Mexico, the Philippines, Thailand, Tunisia, Turkey and Venezuela (refer to table III-4). As of April 30, 1993, total Bank commitments were at US\$ 9.4 million (US\$ 8.1 million as of March 31 plus Plásticos Molanca on April 30) for seven projects/advances. Three of these are now disbursing. World Bank Montreal Protocol project disbursements for projects in China, the Philippines, and Thailand have totalled US\$ 680,000.

21. Financial Audit. As per the Bank's agreement with the Executive Committee and its general responsibilities as a Trustee, the account of the Ozone Projects Trust Fund were audited by Price Waterhouse. A copy of the Report and Financial Statements has been forwarded to UNEP/Nairobi as the Treasurer. A copy of the **Financial Report and Statements** are attached.

Table III-1

MULTILATERAL FUND OF THE MONTREAL PROTOCOL

World Bank Work Program

Fund Receipts, Uses and Balances

(In US\$ million)

As of March 31, 1993

	CY91/92 Actuals	CY93 1st Qtr Actuals a/	Cumulative Actuals from Inception thru CY93-1st Qtr.	CY93 Planned Fund Uses	
				MP E.C. Auth. Proj. b/	Remaining in CY93 Pipeline c/
I. FUND RECEIPTS (through 3/31/93)					
Contributions	\$42.315		\$42.315		
Investment Income	\$0.747	\$0.321	\$1.068		
TOTAL FUND RECEIPTS	\$43.062	\$0.321	\$43.383		
II. FUND USES					
A. Workprogram Costs					
- CPs and Studies	\$1.015	\$0.004	\$1.019	\$0.167	
- Project Preparation	\$2.008	\$0.358	\$2.366	\$2.656	
- Administrative Costs	\$1.157	\$0.172	\$1.328	\$1.019	
- OORG	\$0.080	\$0.000	\$0.080	\$0.180	
Sub-total WP Costs	\$4.258	\$0.531	\$4.789	\$4.002	
B. Project Commitments					
- Pre-inv. Activities	\$2.470	\$0.000	\$2.470	\$0.550	\$0.000
- Project Financing	\$5.630	\$0.000	\$5.630	\$41.580	\$67.210
Sub-total Project Costs	\$8.100	\$0.000	\$8.100	\$42.130	\$67.210
TOTAL FUND USES	\$12.358	\$0.531	\$12.889	\$46.132	\$67.210
III. FUND BALANCES					
EXCESS OF RECEIPTS (USES)	\$30.705	(\$0.210)	\$30.494		
FUND BALANCE AT BEGINNING OF PERIOD		\$30.705	\$0.000		
FUND BALANCE AT END OF PERIOD	\$30.705	\$30.494	\$30.494		

a/ Financial data as of March 31, 1993; the additional contribution of \$15.84 m was received on April 2, 1993. Workprogram Costs for first quarter as per Table III-2.

b/ World Bank Work Program and Investment Projects presented to the Multilateral Fund Executive Committee at its March 8-10, 1993, indicating that total commitments for CY93 would be US\$27.11 million. Investment projects approved at March Meeting totalling US\$16.02 million are expected to be committed in CY93, therefore bringing the total to US\$42.13 million.

c/ Remaining World Bank Work Program and Investment Projects being prepared in CY93 for presentation to the MP Executive Committee.

TABLE III-2

MULTILATERAL FUND OF THE MONTREAL PROTOCOL

World Bank Work Program

WORK PROGRAM BUDGET SUMMARY a/

As of March 31, 1993

I. Country Work Programs	CY93 Plan b/ Work Program Budget (US\$)			CY93 Expenses through 31-Mar-93 Work Program Budget (US\$)		
	CP/Studies c/	Proj.Prep.	Total	CP/Studies c/	Proj.Prep.	Total
Argentina	\$85,000	\$63,000	\$148,000		\$13,519	\$13,519
Brazil	\$30,000	\$112,000	\$142,000		\$23,922	\$23,922
Chile		\$82,890	\$82,890		\$7,261	\$7,261
China		\$326,000	\$326,000		\$35,372	\$35,372
Ecuador		\$68,000	\$68,000		\$20,298	\$20,298
Egypt		\$112,200	\$112,200		\$5,250	\$5,250
Guatemala		\$47,000	\$47,000		\$19,396	\$19,396
India		\$400,000	\$400,000			\$0
Indonesia		\$206,000	\$206,000		\$15,976	\$15,976
Iran			\$0			\$0
Jordan	\$8,200	\$123,200	\$131,400	\$5,000	\$37,884	\$42,884
Malaysia		\$28,200	\$28,200		\$2,450	\$2,450
Mexico		\$123,400	\$123,400		\$4,769	\$4,769
Nigeria	\$35,100	\$62,500	\$97,600	(\$3,018) e/		(\$3,018)
Philippines		\$194,550	\$194,550		\$6,262	\$6,262
Thailand		\$190,000	\$190,000		\$34,415	\$34,415
Tunisia	\$8,200	\$165,800	\$174,000	\$1,959	\$46,564	\$48,523
Turkey		\$140,400	\$140,400		\$386	\$386
Venezuela		\$156,200	\$156,200		\$22,866	\$22,866
Global Projects		\$455,000	\$455,000		\$58,953	\$58,953
TOTAL-Country WP	\$166,500	\$3,056,340	\$3,222,840	\$3,941	\$355,543	\$359,484
II. Administration, Legal and Financial Costs d/			\$1,179,100			\$171,577
TOTAL BUDGET			\$4,401,940			\$531,061

a/ Includes IFC.

b/ Plan as submitted to the Multilateral Fund Executive Committee at its 9th Meeting on March 8-10, 1993.

c/ Includes country programmes and supporting technical studies, these underpin project preparation.

d/ Budget amounts for operations coordination, related policy analysis and review,
legal and financial administration and associated overhead costs.

e/ Adjustment to previous calendar year expenses.

TABLE III-3

Multilateral Fund of the Montreal Protocol

World Bank Work Program

CY93 PLANNED APPROVALS/COMMITMENTS

(In US\$ million)

As of 31-March 1993

Country	No. of Projs.	Project Type	Total Project Cost		Planned Bank Approvals/Commitments					TOTAL CY93	ACTUAL APPROVALS	
			Estimate	EC Auth. a/	CY93				TOTAL CY93		1ST QTR CY93	FULL YEAR CY92
					Jan-Mar	Apr-June	Jul-Sept	Oct-Dec				
I. EC AUTHORIZED/PROJECTS IN WORK PROGRAM												
Brazil	1	Project Financing I		2.93					2.93	2.93		
Chile	1	Project Financing I		1.21		1.21				1.21		
China	1	Project Financing I		8.29		8.29				8.29		
China		Project Financing I (PPA)		1.50								1.50
China		Project Financing II (PPA)		0.30		0.30				0.30		
Ecuador	1	Project Financing I		1.57			1.57			1.57		
Egypt	1	Project Financing I		2.80			2.80			2.80		
Indonesia		Project Financing I (PPA)		0.25		0.25				0.25		
Jordan	1	Project Financing I		1.50		1.50				1.50		
Malaysia	1	Project Financing		1.83								1.83
Mexico	1	Demonstration Proj.		0.18								0.18
Mexico	1	Project Financing I		4.00								4.00
Philippines	1	Engineering Proj.		0.40								0.40
Philippines	1	Project Financing I		11.93			11.93			11.93		
Thailand	1	Engineering Proj.		0.39								0.39
Tunisia	1	Project Financing I		1.79			1.79			1.79		
Turkey	1	Project Financing I		6.17		6.17				6.17		
Venezuela	1	Project Financing I		1.30		1.30				1.30		
Venezuela	1	Project Financing II		1.10		1.10				1.10		
WP Sub-total	16			49.23								
II. PROJECT PIPELINE b/												
China		Project Financing I (Add'l)	5.80									
China	1	Project Financing II	25.00									
Indonesia	1	Project Financing I	5.00									
Nigeria	1	Project Financing I	5.00									
Philippines		Project Financing I (Add'l)	3.32									
Thailand	1	Project Financing I	20.00	1.00					1.00	1.00		
Global	1	Solvents/Refrigeration	2.74									
Global	1	Aerosol	0.35									
PP Sub-total	6		67.21	1.00								
GRAND TOTAL	22		67.21	50.23		20.11	18.09	3.93		42.13		8.10

a/ EC Approvals through March 31, 1993.

b/ As shown in the Bank's CY93 Work Program presented to the MP Executive at its Ninth meeting held on March 8-10, 1993, adjusted for those investment projects approved at its Ninth Meeting.

Definition of Project Types

Project Financing:

Relatively large, multi-million dollar, multi-project, investment packages, meeting Montreal Protocol project criteria and implementation guidelines, which will often be disbursed through financial intermediaries on terms to be determined by country Governments, within the context of the country's Country Program, related policies and institutional arrangements.

Pre-inv. Activities:

Activities preceding major project identification and design which are effectively engineering design projects, demonstration or pilot projects or research and development.

Table III-4

MULTILATERAL FUND OF THE MONTREAL PROTOCOL

World Bank Investment Project Portfolio

FINANCIAL STATUS OF MFMP PROJECTS

(US\$ MILLION)

		Authorized Investment Proj. Funding a/	Approved Commitments b/ thru 31-Mar-93	Disbursements thru 31-Mar-93 c/		
				CY92 Actual	CY93 YTD Actual	Cumulative Total
<u>PRE-INVESTMENT ACTIVITIES AND PROJECT ADVANCES</u>						
China	PPA for ODS Phase out Project I	1.50	1.50	0.25		0.25
China	PPA for ODS Phase out Project II	0.30				0.00
Indonesia	PPA for ODS Phase out Project I	0.25				0.00
Mexico	Ozone Pilot Recycling and Training Project	0.18	0.18			0.00
Philippines	Controlled Substances Engineering Project	0.40	0.40	0.20	0.14	0.34
Thailand	Controlled Substances Engineering Project	0.39	0.39	0.06	0.03	0.09
Sub-total Pre-Investment Activities		3.02	2.47	0.51	0.17	0.68
<u>PROJECT FINANCING</u>						
Brazil	ODS Elimination Project	2.93				0.00
Chile	ODS Phase Out Project I	1.21				0.00
China	ODS Phase Out Project I	8.29 d/				0.00
Ecuador	ODS Phase Out Project I	1.57				0.00
Egypt	MCMC Compressor (IFC)	2.80				0.00
Jordan	ODS Reduction Project	1.50				0.00
Malaysia	ODS Phase Out Project	1.63	1.63			0.00
Mexico	Line of Credit	4.00	4.00			0.00
Philippines	ODS Phase Out Project I	11.93				0.00
Thailand	ODS Phase Out Project	1.00				0.00
Tunisia	Ozone Layer Protection	1.79				0.00
Turkey	Ozone Layer Protection	6.17				0.00
Venezuela	Plásticos Molanca	1.30				0.00
Venezuela	Substitution of HFC	1.10				0.00
Sub-total Project Financing		47.21	5.63	0.00	0.00	0.00
GRAND TOTAL		50.23	8.10	0.51	0.17	0.68

a/ Project funding authorized (as of 31 March 1993) by the MP Executive Committee for the World Bank and for which funds have been transferred to the Bank.

b/ Projects approved by the World Bank management through 31 March 1993. One additional project, Venezuela Plásticos Molanca (\$1.3 m) was approved in April.

c/ Project disbursements commence after signing of the Grant Agreement by the Bank and the recipient country and all conditions of effectiveness have been met.

d/ Includes additional allocation in March 1993 of \$1.275 million.

ATTACHMENT A: STATUS AND PROGRESS REPORT ON WORLD BANK IMPLEMENTED ACTIVITIES

Attachment A: Status and Progress Report on World Bank Implemented Activities

Section 1: On-Going Activities

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
ARGENTINA	CP	Several	Country programme preparation	\$85,000	March 1993	1993-94	Initial reconnaissance mission for Feb 1993.	Reconnaissance mission held in February. CP preparation underway.
	PD	Several	Identification and preparation of projects	\$63,000	March 1993	1993-94		Proj. identification will follow CP preparation schedule
	INV	Refrigeration	Assembly line refitting for HFC-134a refrigerator compressor, commercial production	\$2,530,000 (approved in principle)	June 1992	3 years (1992-1995)	To start in 1993.	Discussion focussing on institutional arrangements for project development and implementation
CHILE		Recycling	CFC-12 collection, recycling and conservation programme for household refrigerator maintenance and repair shops.					Pilot Program being designed.
		Air conditioning	Project preparation on converting CFC-11 central air conditioning units with HCFC-123 or HFC 134a.	\$400,000	June 1992	1993		
	CP	Several	Country programme preparation.	\$30,000	March 1993	1993		Local consultant being hired for CP preparation.
CHINA	INV	Several	Implementation of the country programme investment activities.	\$1,206,000	June 1992	1993-1996	Agreement to be signed in Mar 1993.	Appraisal completed. Legal documents sent to Chile. Negotiations completed. Signature expected shortly.
	INV	Aerosol	Project I: Tianjin CFC conversion to LPG propellant.	\$9,790,000	Jun 1992 + Mar 1993	2 years (1992-1994)	Pre-appraisal mission completed in Dec. 1992. Additional funds obtained in March 1993.	Appraisal completed in April 1993. Permission to proceed sub-projects presented for final approval at 10th meeting of EC (will become China ODS II). Final project processing underway.
		Aerosol	Project I: Shanghai CFC conversion to LPG propellant.					

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approval ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
	INV	Foam	Project I: Zhejiang foam plant conversion to butane.	\$300,000	Oct 1992	1993	PPA has been prepared.	PPA to be signed shortly by the Bank and sent to China for signature.
			Project I: 50% CFC foam.					
		Halon	Project I: Zhejiang halon extinguisher conversion.					
ECUADOR	INV	Refrigeration	Project I: Beijing ABC powder production project.	\$1,500,000 (included in project cost of \$9,790,000)	Jun 1992	N/A	In progress (\$0.25M out of \$1.5M disbursed to Gov).	Project appraisal planned for June 1993
			Pre-investment activities for Nanjing compressor and four refrigeration projects.					
		Several	Project preparation advance for implementing China ODS I Project (2 aerosol: Tianjin and Shanghai; 2 foam: Zhejiang and 50% CFC foam; and 2 halon: Zhejiang and Beijing).					
EGYPT	INV T	Several	Investment Project I	\$1,570,000	March 1993	1993-95	Project approved at March 1992 Meeting of the EC	Appraisal mission planned for June 1993
		Refrigeration	Conversion of refrigeration compressor manufacturing to HFC-134a (MCMC).					
		Several	Preparation of investment projects and country program.					
GUATEMALA	PD			2,800,000	Oct 1992	1993-94	Appraisal mission in April 1993.	Appraisal mission delayed to May 1992.
JORDAN	INV	Several	Deodorization of liquefied petroleum gas (LPG).	\$25,000	Oct 1992	N/A	Pipeline project to be defined 1st quarter 1993.	April mission finalized CP and identified projects for UNDP/UNEP implementation. Activities in country completed.
	INV	Aerosol	Reduction of CFC-11 in rigid insulation foams in domestic and commercial refrigerators.	\$1,500,000	Jun 1992	3 years (1992-1994)	Project appraisal planned for 1st quarter 1993.	Appraisal completed in February 1992. Grant agreement to be approved in June 1992.
		Foam	Reduction of CFC-11 in flexible foam.					
		Foam						

	Refrigeration	Preparation of investment projects in air conditioning, commercial and domestic refrigeration.							
	Several	Recovery and recycling of CFC-12 in refrigeration equipment and maintenance procedures and recycling in halon systems.							
	Several	Policy and monitoring measures.							
	Several	Country programme finalization.	March 1993	1993					CP completed. Activity closed.
MALAYSIA	Halon	Servicing, maintenance and recovery of portable extinguishers (halon-1211) and training programme.	Feb 1992	1 year (1992-1993)					Project implementation underway.
	Refrigeration	Conservation, leakage control and recycling of CFC-12 and demonstration project in MAC sector.							
	Several	Implementation of projects identified in the country programme.	Feb 1992	1992-1996					Eleven sub-projects in pipeline. Subsidiary agreements to be signed.
MEXICO		Safety programme in aerosol plant and recycling training and demonstration project in MAC.	Jun 1991	Nov 1992					Key subsidiary agreements have been signed
	Several	Country programme and project identification.	March 1993	1993					Request for consultant proposal underway.
NIGERIA		Preparation of investment projects.	March 1993	1993					Same.
	Several	Controlled substances engineering project.	Nov 1991	1992-1993					In progress. Disbursements continuing.
PHILIPPINES		ODS Phaseout I.	March 1993	1993-96					Project approved at March 1993 Meeting. Project appraised in March 1993. Project processing moving ahead.

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

May 14, 1993

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
THAILAND	INV PD	Refrigeration	CFC recycling in MAC.	\$900,000	June 1992	2 years (1992-1994)	Grant agreement under preparation. Appraisal for Jun 1993.	Project will be included in the grant agreement for the project being presented to the 10th Meeting of the EC
		Solvent	Thai-Airways non-ODS metal cleaning.	\$100,000	June 1992	2 years (1992-1994)	Project feasibility under preparation.	
		Several	Preparation of investment projects.	\$120,000	Feb 1992	N/A	Underway. Appraisal for Jun 1993.	Projects presented at 10th Meeting.
		Several	Controlled substances engineering project.	\$390,000	Nov 1991	1992-1993	Grant agreement signed in Aug 92. Disbursed \$61,380.	Projects presented at 10th Meeting.
		Aerosol	Technical seminar and conversion to non-CFC technology in aerosol sector.	\$1,790,000	June 1992	1993-1995	Appraisal for 2nd quarter 1993 (all components).	Pre-appraisal completed in March 1993. May 1993 appraisal delayed to June. Minor scheduling difficulties. Minor changes in project scope.
TUNISIA	INV	Foam	Technical assistance and demonstration of non-CFC technology in flexible foam production.					
		Foam	Introduction of low-CFC and non-CFC in rigid foams in refrigeration insulation.					
		Refrigeration	Maintenance of domestic, commercial and industrial refrigeration systems.					
TURKEY	CP	Refrigeration	Technical assistance for development of HFC-134a-based domestic refrigerators.					
		Several	Country programme finalization.	\$8,200	March 1993	1993		Assistance on CP continuing.
		Refrigeration	Recovery and recycling of CFC-12 at a refrigeration production plant.	\$65,000	June 1992	N/A	Project appraisal in 1993.	All sub-project Appraised May 3-8, 1993.

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

May 14, 1993

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
TYRKEY (continued)		Refrigeration	Recovery and reclamation of CFC-12 from household refrigerators.	\$400,000				Project appraised May 3-8, 1993.
		Refrigeration	Introduction of non-ODS technologies in the production of domestic refrigerators at Arcelik A.S.	\$4,900,000				
			Institutional strengthening.	\$300,000				
			Demonstration activities.	\$500,000				
VENEZUELA	INV PD	Foam	Conversion of a CFC-12 polystyrene foam production facility to use hydrocarbons as blowing agent.	\$1,300,000	Jun 1992	1 year (1992-1993)	Grant agreement with Government to be signed in 1st quarter 1993.	Grant agreement signed on April 30, 1993. Project already under implementation.
		Refrigeration	Replacement of CFC by HFC-134a as a refrigerant in central air conditioning units.	\$1,100,000	Oct 1992	18 months (1993-1994)	Underway.	Project appraisal in June. Small change in scope.
		Several	Preparation of investment projects.	\$107,058	Feb 1992	N/A	Underway.	Underway.
GLOBAL	PD	Refrigeration	Global refrigeration project.	\$60,000	Oct 1992	N/A	Underway.	Six sub-projects developed in India and Thailand.
		Solvent	Global solvent project.	\$260,000	Oct 1992	N/A	Underway.	Workshop held in Malaysia. Others planned in Turkey and Mexico

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

Section 2: Activities Completed or Closed

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
ARGENTINA	CP	Several	Country programme preparation.	\$149,337	Feb 1992	1993	Funds were not utilized in CY92.	Activity refunded in CY93 and is underway.
BRAZIL	CP	Several	Country programme preparation.	\$123,788	Feb 1992	Mid-1993	Government has lead on completion (May 1993).	Not all fund utilized in CY92. Activity refunded in CY93
CHILE	CP PD	Several	Country programme preparation.	\$121,166	Jun 1991	1 year 1991-1992	Country programme approved by 7th ExCom Meeting. Not all funds utilized.	Completed
CHINA			Preparation of investment projects.	\$191,878	Feb 1992	1992	5 sub-components have been processed. Not all funds utilized.	Not all funds utilized. Completed.
ECUADOR		Several	Preparation of investment projects.	\$184,000	Jun 1992	N/A	Funds utilized.	Completed.
		Aerosol	Conversion of six aerosol plants from CFC-12 to LPG.		Feb 1992	1992	Funds not utilized. However, projects have been prepared and being submitted to ExCom.	Completed.
		Foam	Reduction of CFC-11 use in foam insulation at three refrigerator manufacturing plants.	\$100,000	Feb 1992	1992	Funds not utilized. However, projects have been prepared and being submitted to ExCom.	Closed.
		Several	Country programme preparation.	\$76,102	Feb 1992	1992	Country programme approved by the 6th ExCom Meeting.	Completed.
			Preparation of investment projects.	\$95,026	Feb 1992	1992	Projects in aerosol and rigid foam sectors have been prepared.	Completed.

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

May 14, 1993

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
EGYPT	CP	Several	Country programme preparation.	\$68,981	Jun 1991	1991-1992	Country programme approved by 8th ExCom Meeting.	Completed.
	CP		Country programme preparation.	\$27,526	Feb 1992	1991-1992	Country programme approved by 8th ExCom Meeting.	Completed.
IRAN	INV		Preparation of investment projects.	\$227,827	Feb 1992	N/A	Funds not utilized. UNDP is implementing agency.	Closed.
		Several	Project preparation.	\$20,000	Feb 1992	N/A	Funds not utilized.	Closed.
	CP	Several	Country programme preparation.	\$30,909	Jun 1991	N/A	Draft completed. Government has lead. To be submitted to ExCom in Jun 1993.	Completed.
THAILAND								
	CP		Country programme preparation.	\$160,000	Feb 1992	N/A	Draft completed. Government has lead. To be submitted to ExCom in Jun 1993.	Completed.
TUNISIA	CP	Several	Country programme preparation.	\$125,000	Feb 1992	1 year (1992-1993)	Completed. Government review by Mar 1993. To be submitted to ExCom in Jun 1993.	Completed.
	INV		Preparation of investment projects.	\$50,000	Feb 1992	1992	Projects submitted for approval to 7th and 8th ExCom Meetings.	Completed.
	INV		Preparation of investment projects.	\$64,748	Jun 1991	1991-1992	Projects submitted for approval to 7th and 8th ExCom Meetings.	Completed.

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

ATTACHMENT B: STATUS AND PROGRESS REPORT FROM ICOLP ON GLOBAL SOLVENTS PROJECT

May 14, 1993

Country	Project Type ¹	Sector(s)	Project Title/Activity	Funding Approved ²	Date of EC Approval(s)	Implementation Time Frame	Last Status Report (Jan 1993)	Present Status (as of May 14, 1993)
TURKEY	CP	Several	Country programme preparation. Preparation of investment projects.	\$13,515 \$217,687	Feb 1992 Feb 1992	1992 1992	Country programme approved by 8th ExCom Meeting. Projects submitted for approval by 7th and 8th ExCom Meetings.	Completed. Completed.
VENEZUELA	CP	Several	Country programme preparation.	\$61,591	Feb 1992	N/A	Funds not utilized. IBRD assistance has not been requested.	Closed.

1. CP=Country Program, PD=Project Development, IS=Institutional Strengthening, INV=Investment, T=Training

2. Indicates funding level approved by the Executive Committee, not actual expenditures or activity.

INDUSTRY COOPERATIVE FOR OZONE LAYER PROTECTION (ICOLP)

Multi-Country ODS Phaseout Programs

Status Report

April 28, 1993

In February, the Industry Cooperative for Ozone Layer Protection (ICOLP) signed a service contract to assist the World Bank in developing coordinated phaseout programs for ozone depleting solvents in seven Article 5 countries. Over the next eighteen months, ICOLP will be assisting industries and government agencies in Brazil, China, India, Malaysia, Mexico, Thailand, and Turkey through technical workshops and demonstration projects on alternative technologies, processes, and substances for ozone depleting solvents. As part of the program, ICOLP will also be assisting companies in developing individual phaseout plans and in preparing pre-investment proposals for funding under the Montreal Protocol. Since February, ICOLP has made significant progress with initial efforts for the program including the coordination of ODS Alternative Workshops in Malaysia, Turkey, and Mexico.

Malaysia With assistance from the Malaysian Ministry of Environment and the U.S. Environmental Protection Agency (EPA) ICOLP sponsored the April 26-28 "Kuala Lumpur Conference on the Elimination of Ozone Depleting Solvents in Malaysia." Coordinated by Motorola, the conference included over 150 participants from the Malaysian electronics and metal-cleaning industries. Over 20 ICOLP-sponsored solvents experts lead discussions and workshops on international ODS regulations, current science, alternative technology applications, corporate case studies, and actual site visits to ODS free ICOLP affiliates. In addition, ICOLP representatives conducted a half-day session to assist companies in applying for assistance under the Montreal Protocol. Proceedings from the workshop will be available shortly and ICOLP will be conducting additional demonstration projects in Malaysia and provide companies ongoing assistance with phaseout efforts throughout 1993.

Turkey ICOLP has also been working closely with the Turkish Ministry of Environment in sponsoring a technical workshop in Istanbul, Turkey on June 10, 1993. Coordinated by Northern Telecom and their Turkish affiliate, NETAS, the ICOLP workshop will provide participants with a detailed overview of current alternatives as well as assistance with phaseout applications for Turkish electronics industries. Between 300 - 400 industry and government representatives are expected to take part in the conference with several companies interested in beginning individual phaseout efforts as quickly as possible.

Mexico ICOLP, with assistance from SEDESOL and Northern Telecom, will also be sponsoring a similar workshop in Monterrey, Mexico, during the week of June 21. The Monterrey workshop will target Mexico's domestic electronics and metal cleaning industries and will include follow-up demonstration projects and ongoing phaseout assistance for interested participants.

China

Several ICOLP representatives also participated in last week's U.S. EPA sponsored International CFC and Halons Alternative Conference in Beijing and while there had an opportunity to meet with representatives from China's Ministry of Machinery and Electronics Industries (MMEI) to discuss plans for future ICOLP-sponsored ODS phaseout workshops in China. ICOLP hopes to make similar progress in arranging the China workshops as well as workshops in the Brazil, Thailand, and India.