

## Annex X

### AMENDED AGREEMENT FOR THE PHASE-OUT IN THE ODS PRODUCTION SECTOR IN DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

(a) The Executive Committee decides to approve in principle a total of US \$2,566,800 in funding for the closure of the entire ODS production capacity in the Democratic People's Republic of Korea. This is the total funding that would be available in the Democratic People's Republic of Korea from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of the controlled substances under Annex A - Group I CFCs (CFC-11, 12 and 113), Annex B-Group II carbon tetrachloride, Annex B - Group III 1,1,1-trichloroethane, and/or the development of capacity to produce alternatives to these ODS. The agreed level of funding would be paid out according to the following schedule of closing the facilities upon the submission and the Executive Committee approval of the independent verification report on the permanent closure of the ODS production and dismantling of the production facilities.

#### Schedule of closures and disbursement

| Processing facility | Time of closure | Time of verification | Level of disbursement** | Time of disbursement                                                                                                                |
|---------------------|-----------------|----------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| CFC-113             | May 2001        | August 2001*         | 687,700                 | Upon satisfactory verification of permanent closure of the CFC-113 production and dismantling of the production facility.           |
| Methyl Chloroform   | May 2001        | August 2001*         | 656,650                 | Upon satisfactory verification of permanent closure of the methyl chloroform production and dismantling of the production facility. |
| CFC-11/12           | 2003            | 2003                 | 733,700                 | Upon satisfactory verification of permanent closure of the CFC-11/12 production and dismantling of the production facility.         |
| CTC                 | 2005            | 2005                 | 488,750                 | Upon satisfactory verification of permanent closure of the CTC production and dismantling of the production facility.               |
| Total               |                 |                      | <b>2,566,800</b>        |                                                                                                                                     |

\* Verified by Wakim Consulting during the technical audit and to be confirmed by UNIDO.

\*\* Includes the replacement cost of the facility and 15% for dismantling.

(b) UNIDO has agreed to be the implementing agency for this project at a total support cost of US \$128,340. As the implementing agency, UNIDO agrees to be responsible for independently verifying for the Executive Committee that dismantling all ODS production lines

is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.

(c) The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the ODS Production Sector or any related activity.

(d) In light of the fact that the closure of CFC production capacity in the Democratic People's Republic of Korea will make CFCs more scarce, and that recycled CFC will be important to ensuring that CFC is available to meet continuing servicing needs in the country, the Democratic People's Republic of Korea will endeavour to preserve its recycled/reclaimed CFCs for its own use.