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UNIDO WORK PROGRAMME

This document includes:

- Comments and Recommendations from the Fund Secretariat
- 1994 Work Programme Amendments
- Indicative 1995 Work Programme

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. UNIDO is requesting approval of the Executive Committee for amendments to its 1994 Work Programme. They include project preparation and technical assistance activities. These activities are listed in Table 1 below, which shows the requested funding and recommended level of funding.

Table 1: 1994 UNIDO Work Programme Amendments
Activities/Projects and Corresponding Funding Levels

Country	Activity	Amount (US \$)	
		Requested	Recommended
Algeria	Preparation of an investment project for the phase out of CFC-11 in the manufacture of sandwich panels at Prosider (Annaba-Algeria)	25,000	25,000
	Project formulation of Establishment of a National Centre for Recovery and Recycling of CFC-11, CFC-12 and CFC-502	25,000	25,000
	Preparation of an investment project for CFC phase out in the production of rigid foam at Batimetal	25,000	25,000
Barbados	Preparation of project for retrofitting in all ice-making systems, ice bin compressor systems, blast freezers, cold storage and chiller rooms	10,000	10,000
Cameroon	Preparation of a project for phasing out CFC-11 in the manufacture of domestic refrigerators, freezers and air-conditioners at Union Cameronnaise	25,000	25,000
China	Preparation of investment project for phase-out of CFC-11 and CFC-12 at a domestic refrigerator plant at Xiling	25,000	25,000
Indonesia	Project formulation for phasing out ODS in small and medium scale industries	80,000	80,000
Iran	Preparation of investment projects for the phase out of CFC-11 and CFC-12 in the domestic refrigeration industry	50,000	50,000

Jordan	Preparatory assistance for investment projects in commercial refrigeration, air conditioning foam and halon sectors	50,000	50,000
Macedonia	Country programme preparation	80,000	80,000
Mozambique	Preparation of projects in commercial refrigeration	15,000	15,000
Romania	Preparation of investment project for phase-out of CFC-11 and CFC-12 at a domestic refrigerator plant at Mechanical Enterprise Sadu and Arctic	50,000	50,000
Seychelles	Preparation of a project proposal for setting up a National Refrigerant Recovery and Recycling Centre, National Halon Bank and Regional Centre for Refrigeration Technicians and Engineers	15,000	15,000
Swaziland	Preparatory assistance for the formulation of a project in a domestic refrigerator plant (Fridgemaster)	25,000	25,000
Syria	Preparation of investment projects for phasing out of CFC in manufacturing of refrigerators at Krayem Int. Co.	15,000	15,000
	Preparation of investment projects for phasing out of CFC-11 from the manufacturing of pre-fabricated sandwich panels at Krayem Cold Stores	15,000	15,000
	Preparation of investment projects for phasing out of CFC-11 from the subsector of flexible foams manufacturing	20,000	20,000
Tanzania	Preparation of investment project in the refrigeration sector at Daikin Air Conditioning Ltd.	10,000	10,000
	Preparation of investment project in the aerosol sector at Mansoor Daya Chemical Ltd.	10,000	10,000
Turkey	Preparation of investment projects on ODS phase out in the foam sector	50,000	50,000
Viet Nam	Preparation of investment project for reduction of refrigerant emissions and establishment of a	15,000	15,000

collection and reclaiming network in the domestic refrigeration service sector

	Preparation of investment project for reduction of refrigerant emissions and conversion of food processing and other industrial refrigeration and A/C equipment to suitable alternatives	20,000	20,000
Zambia	Training and certification programmes for refrigeration technicians and preparation of investment projects for the refrigeration sector	82,100	82,100
	Total	737,100	737,100
	Project support cost	95,823	95,823
	Grand total	832,923	832,923

RECOMMENDATION

2. The Fund Secretariat recommends approval of the amount of US \$737,100 and US \$95,823 as support costs for the projects listed in Table 1 above as amendments to UNIDO 1994 Work Programme.

UNIDO WORK PROGRAMME AMENDMENTS

UNIDO's 1994 Work Programme was approved in March 1994 at the 12th Meeting. It was first amended in July 1994 at the 13th Meeting of the Executive Committee, and again in September 1994 at the 14th Meeting of the Executive Committee.

In total approvals, the Work Programme for 1994 has accumulated to a value of US\$280,000 (excluding support costs).

The new amendments proposed consist of:

Projects under US\$500,000

No.	Country	Project Description	Amount Requested US \$
1	Algeria	Preparation of investment projects in the refrigeration and foam sectors	75,000
2	Barbados	Preparation of a project proposal for retrofitting in all ice-making systems, ice in compressor systems, blast freezers, cold storage and chiller rooms. Recovery of CFC refrigerants and training for maintenance personnel	10,000
3	Cameroon	Preparation of an investment project in the refrigeration sector	25,000
4	China	Preparation of an investment project in the refrigeration sector	25,000
5	Indonesia	Project formulation for phasing out ODS in small and medium scale industries	80,000
6	Iran	Preparation of investment projects in the small domestic and commercial refrigeration sectors	50,000
7	Jordan	Preparation of investment projects in the commercial refrigeration, foam, air conditioning and halon sectors	50,000
8	Macedonia	Preparation of a Country Programme	80,000

No.	Country	Project Description	Amount Requested US \$
9	Mozambique	Preparation of projects for rehabilitation of equipment, training and Halon Bank	15,000
10	Romania	Preparation of investment projects in the refrigeration and solvent sector	50,000
11	Seychelles	Preparation of projects for setting up a national recycling centre for refrigerants, a national Halon Bank and for a regional centre for training refrigeration sector (*)	15,000
12	Swaziland	Preparation of investment project for phasing-out CFC's at FRIDGEMASTER Refrigerator Plant, M'babane	25,000
13	Syria	Preparation of investment projects in the refrigeration and foam sectors	50,000
14	Tanzania	Preparation of investment projects in the aerosol and refrigeration sectors	20,000
15	Turkey	Preparation of investment projects in the foam sector	50,000
16	Vietnam	Preparation of investment projects in the refrigeration and foam sectors	35,000
17	Zambia	Preparation of training and certification programmes for refrigeration technicians	82,100
		T O T A L	737,100
		Support costs	95,823
		G R A N D T O T A L	832,923

* This amount will be charged on the project for establishment of a strategy for phasing-out in Low ODS-consuming Countries approved by the ExCom at its 12th Session in March 1994.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

INDICATIVE

WORK PROGRAMME

for 1995

Introduction

This Indicative Work Programme for the Year 1995 has been prepared based on on-going and foreseen activities. It is meant to provide some indication on where the UNIDO programme is moving in 1995, and to establish a rough financial resource equipment estimate for implementing such a programme. This will hopefully assist the Fund Secretariat and the Executive Committee in meeting the total resource requirement for the entire phase-out programme for 1995 and setting up an encashment schedule for the promissory notes to be introduced in 1995.

- Section I: examines the major thrust of UNIDO's activities in 1995 by describing the type of activities to be carried under specific sectors.
- Section II: geographical distribution of future activities.
- Section III: contains pipeline projects and targeted level of new operations.
- Section IV: a brief overview on the implementation process of approved projects.
- Section V: the new policy to be undertaken in 1995
- Section VI: Inter-agency cooperation

Section I

UNIDO's Planned Activities in 1995:

UNIDO will continue concentrating on formulating and implementing investment projects with a particular focus on refrigeration and foam sectors. This can be attributed to:

- the well established experience UNIDO has acquired at the plant level in these two sectors.
- the government request for conversion of production lines in these two sectors which are still considered as high priority in many developing countries.

However, recent requests in the solvents, aerosols and halons sectors will give UNIDO an opportunity to face a most interesting challenge particularly in small scale industries. It is also expected from the discussions held with representatives of CFC producing countries that UNIDO will be requested to formulate and implement investment projects in the production of ODS alternatives.

In addition, it is worth mentioning that UNIDO will undertake two country programme exercises in Romania and Macedonia, while continuing to cooperate with UNEP in country programme exercises for low-ODS consuming countries. In the same line, some training projects are foreseen for this category of Article 5 countries.

Section II

Geographical distribution of UNIDO's future activities

It appears from the requests received so far that UNIDO will be active in other countries like Algeria, Barbados, Indonesia, Kenya, Macedonia, Mozambique, Nigeria, Pakistan, Romania, Seychelles, Sudan, Swaziland, Tanzania, Vietnam, Zambia and Zimbabwe while expanding its activities in Cameroon, China, India, Iran, Egypt, Jordan and Syria. It is also anticipated that UNIDO's involvement will grow in the near future in Latin American countries like Brazil, Chile, Ecuador, Peru and Mexico and in Asia in Malaysia, Philippines and Thailand.

As for the size of projects to be handled, UNIDO will continue formulating large investment projects while, on the other hand, the trend shows that its main activities will switch to medium and small-scale industries starting with India and Indonesia and in low ODS-consuming countries.

As such, UNIDO will be more active in most African countries where such projects are foreseen and in Asia and Latin-America for the medium and large scale industries.

If this is confirmed in the near future, UNIDO will definitely be very active in all regions covered by the Multilateral Fund: Africa, Asia, Eastern Europe, Latin America and the Caribbean.

Section III

Pipeline of Projects (indicative list)

As a result of the work of UNIDO in the past two years, a series of investment projects will materialize in 1995:

24 domestic refrigeration projects in Algeria, China, Egypt, Iran, Jordan, Romania, Syria, Swaziland, Tanzania and Vietnam;

8 projects for servicing and maintenance in the refrigeration sector in Algeria, Barbados, Iran, Jordan, Mozambique, Seychelles, Sudan, Vietnam, Zimbabwe and Zambia;

12 projects in the foam sector in Africa, Iran, Jordan and Syria;

22 projects in the solvents sector in India, Indonesia and Romania;

3 projects in the aerosol sectors in Algeria, Sudan and Tanzania

4 projects in the halon banking sector in Jordan, Mozambique, Seychelles and Zimbabwe.

The following table is a list of pipeline projects presenting information on country, sector, project title and budget estimate.

Table 1: List of Pipeline projects

No.	Country	Sector	Project Title	ODS MT	Budget Estimate US\$m
1	Algeria	Refrigeration	Maintenance, recovery and recycling	25	0.5
"	"	foam	ODS phase-out at two foam production plants (BATIMETAL, PROSIDER)	181	5
"	"	aerosols	ODS phase-out at an aerosol producing plant (ENAD)	800	1.5
"	"	solvents	ODS phase-out at a razor-blades producing plant (ENAD)	12	0.2
2	Barbados	Refrigeration	Retrofitting service and maintenance, cold storage and chiller rooms	5	0.3
3	China	Refrigeration	ODS phase-out at a domestic refrigeration plant (XILING)	100	4
4	Iran	Refrigeration	ODS phase-out in the commercial and small domestic refrigeration plants	*	*
5	Indonesia	All	ODS phase-out in small and medium size industries (05)	*	*
6	India	All	ODS phase-out in small-scale industries (20)	*	*
7	Jordan	Refrigeration	ODS phase-out in commercial refrigeration plants (03)	150	*
"	"	Refrigeration	Service, maintenance and recovery	*	*
"	"	Foam	ODS phase-out in foam production factories (06)	87	3
"	"	Halons	Halon bank	*	*

No.	Country	Sector	Project Title	ODS MT	Budget Estimate US\$m
8	Mozambique	Refrigeration	Recovery, recycling in cold chambers and chiller rooms	22	0.8
9	Romania	Refrigeration	ODS phase-out at two domestic refrigerator plants	300	7
10	Syria	Refrigeration	ODS phase-out at one domestic refrigeration plant	36	2
"	"	Foam	ODS phase-out at two factories	190	5.8
11	Seychelles	Refrigeration	Recovery and recycling	5	0.3
"	"	Halon	Halon bank	*	*
12	Sudan	Aerosols	ODS phase-out in an aerosol factory (SCHLTD)	330	1
"	"	Foams	ODS phase-out in a foam producing factory	50	0.8
13	Swaziland	Refrigeration	ODS phase-out at a domestic refrigeration plant	63	1
14	Tanzania	Refrigeration	ODS phase-out at a domestic refrigeration plant (DAILAN AIR)	30	1.5
"	"	Aerosols	ODS phase-out at an aerosol producing plant (MANSOOR DAYA)	120	0.8
15	Turkey	Foam	ODS phase-out at foam producing factories (19)	250	10
16	Zimbabwe	Refrigeration	Recovery and recycling, retrofitting project	40	0.8
"	"	Halon	Halon bank	20	0.15
"	"	Methyl Bromide	Study	*	0.01
TOTAL				2,816	46.46

* not possible to predict figures at this time

** Investment projects being submitted to this Executive Committee meeting are not included in this list, as in case of approval, costs will be accounted to the 1994 budget.

Section IV

UNIDO's Implementation Activities in 1995

It is anticipated that by the end of 1995 the level of disbursements of all projects approved by the Executive Committee by mid-1994 will reach 60%. All approved investment projects are under implementation. One investment project (Egypt, Foam Producing Factory at ADVECHEMS) has been completed resulting in a phase-out of 196 mt of ODS. The other projects are undergoing the bidding process. It is still planned to award contracts in 1994 and conversion will start in 1995.

List of investment projects approved by the Executive Committee

1. ODS phase-out in foam manufacturing companies at BANDEX and CELPACK S.A. (Argentina);
2. ODS phase-out in refrigerator manufacturing company at FAEM S.A. (Cameroon);
3. ODS phase-out in refrigerator manufacturing company at KIRIAZI (Egypt);
4. ODS phase-out in refrigerator manufacturing company at DELTA (Egypt);
5. ODS phase-out in refrigerator manufacturing company at ELECTROSTAR (Egypt);
6. ODS phase-out for an electronic cleaning process at ITI MANKAPUR (India);
7. ODS phase-out in refrigerator manufacturing companies at ARI, AZMAYESH, BAHMAN, IRAN POYA, PARS APPLIANCES (Iran);
8. ODS phase-out in refrigerator manufacturing companies at NRC, HAMCO and MEE (Jordan);
9. ODS phase-out in refrigerator manufacturing company at AL-HAFEZ (Syria).

Section V

Policy Issues:

UNIDO's legal department has recently been requested to further investigate improvement of procedures related to bidding and contracting procedures in order to speed up the implementation of investment projects.

As indicated in Section I, UNIDO will concentrate its efforts in the implementation of investment projects approved in 1994, which would leave little time to the Montreal Protocol Operations Team for project formulation. Therefore, the policy of strengthening UNIDO's capacity in this area will continue by recruiting high level experts as well as hiring international consultants, particularly in the fields of solvents, aerosols and methyl bromide. This would lead to a reorganization of the Montreal Protocol Operations Team in terms of better cohesion, mobility and effectiveness.

It is expected that UNIDO will get more and more involved in the formulation and implementation of projects in low ODS-consuming countries as well as small and medium size industries. Therefore, UNIDO will have to implement a strategy for these particular projects.

This strategy will have to address the issues of cost-effectiveness and follow up activities.

Section VI

Inter-agency Cooperation

In order to minimize the adverse effects created by the competitiveness among implementing agencies, it is believed that circulation of information on future projects to be formulated as well as on-going ones would allow joint consulting services and better use of technical documentation gathered by each implementing agency. This would reduce the cost of project formulation, improve the quality and harmony of the project documents and, therefore, facilitate appraisal from the Multilateral Fund Secretariat.

Discussions have also begun on exchange of technical assistance between implementing agencies which could lead to the execution of projects by an agency on behalf of another. This would certainly enhance the idea of promoting agencies' image as assisting developing countries in their best interests.

Finally, as indicated in the progress report, UNIDO will develop its cooperation with donor countries for joint formulation and implementation of projects.