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Executive Committee of
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Implementation of the Montreal Protocol

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Montreal, 26-28 July 1995

1995 UNIDO WORK PROGRAMME AMENDMENTS

This document includes Comments and Recommendations from the Fund Secretariat.

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

COMMENTS

1. UNIDO's work programme amendments include the following requests:

Work programme activities	US \$892,594
Project support costs (13 per cent)	US \$116,037

2. Without a country programme nor an estimate of the amount of consumption in the refrigeration, foam, and aerosol sectors, a determination of the advisability of project preparation can not be made at this time for Benin, Botswana, Burkina Faso, Gambia, Guyana and Namibia.

3. As mentioned in the comments on UNDP (UNEP/OzL.Pro/ExCom/17/14), UNIDO is requesting funding to prepare CFC recovery and recycling projects for the following countries: Benin, Botswana, Burkina Faso, Gambia, Guinea, Namibia, Senegal and Uganda. It is suggested that the Executive Committee should consider developing a strategy or umbrella project for such projects in low-consuming countries.

4. Several project preparation requests are made to prepare projects in sectors for countries whose approved country programmes indicate there is very little consumption: Botswana, Senegal and Uganda. Project preparation funds should be directed to those sectors where country programmes indicate some minimal level of consumption.

5. With regard to the project proposal "ODS Phase-Out of a Foam Producing Plant (Fabrique Ivoirienne de mousse et amablement) and at Two Aerosol Fillers (Sicobel and Gandoor)" (US \$20,000) for Cote d'Ivoire, UNIDO has already been allocated US \$15,000 for project preparation in the refrigeration sector. It should be noted that the Cote d'Ivoire country programme lists only 4.5 tonnes consumption in the foam sector, and this project is for 50 MT in the foam sector. Project preparation for the two aerosol fillers should take savings into account.

6. UNIDO submitted three investment projects for the solvents sector in Egypt for consideration at this meeting. It is not clear whether the request is for retroactive financing or for future activities.

7. The request for "Preparation of an Investment Project in a Plant (TOLY) for Cleaning of Plastic Caps for Cosmetic Products Using CFC-113" in Malta appears to be for retroactive financing. The Malta country programme states that the phase-out project is well-advanced.

8. The Executive Committee has allocated over US \$1.5 million for project preparation in Mexico. UNDP, the World Bank, and USEPA have large programmes in Mexico. The main issue with UNIDO's request is the intent to conduct project preparation in several sectors. UNIDO

should identify its planned activities in Mexico more specifically to avoid overlap with the existing project preparation activities.

9. It was clarified in the course of discussions with UNIDO regarding the proposal for "Institutional Strengthening" (US \$177,594) for Romania that the item originally indicated as international travel costs (US \$12,500) was in fact local travel costs, and therefore eligible. However, the amount of US \$4,800 allocated for training costs could not be included, as these costs were ineligible, thus the operational costs should be US \$103,300. The amount of US \$12,000 was agreed upon for equipment. The fundable budget would therefore consist of:

Capital expenditures (equipment)	\$ 12,000
Personnel	37,830
Operational costs	<u>103,300</u>
Sub-total	153,130
Contingency 10%	<u>15,313</u>
TOTAL:	\$168,443

10. The World Bank was allocated US \$1.5 million at the Seventh and Eighth Meetings of the Executive Committee for the aerosol, foam and refrigeration sectors.

11. Concerning the "Preparation of a Project in the Methyl Bromide Sector (Recovery and Recycling)" (US \$30,000) in Zimbabwe, the Executive Committee has approved two relevant projects. A UNEP regional methyl bromide workshop is scheduled to be held in Zimbabwe. The results of this workshop should facilitate the determination of future project preparation needs. The Executive Committee has also already approved a methyl bromide demonstration recovery and recycling project for Chile. Future project preparation for methyl bromide recycling and recovery projects should be deferred pending results from the Chilean demonstration.

12. The activities for which funds are being requested and amounts recommended by the Secretariat for approval are indicated in the attached Table.

13. The Committee may recall that it approved US \$5 million for work programme amendments out of which only US \$1,842,149 remain available for the remainder of 1995 for all agencies. UNIDO received US \$90,400 for its 1995 work programme at the Sixteenth Meeting of the Executive Committee; however, according to a review of the information in the UNIDO's financial report, UNIDO plans to utilize US \$315,000 of a balance of US \$1.25 million in funds available to UNIDO for project preparation. It should also be noted that UNIDO's financial report indicates savings totalling US \$289,128 which might be available for offset against future approvals.

RECOMMENDATION

14. The Secretariat recommends approval of US \$353,443 for funding of activities under the 1995 UNIDO Work Programme Amendments, including project support costs of US \$45,947 pending the decision on project preparation for recycling activities in low-consuming countries. However, the Executive Committee may wish to consider UNIDO's request in the light of the financial information reported above in paragraph 13 of this document.

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
Algeria	Project formulation for phasing out ODS in small and medium scale industries	100,000	0
Benin	Preparation of an investment project for ODS phase-out in a foam producing plant (SIBAO)	15,000	0
Benin	Preparation of a recovery and recycling project in the refrigeration sector and identification of projects in the aerosol and foam sectors	15,000	0
Botswana	Preparation of a recovery and recycling project in the refrigeration sector and identification of projects in the aerosol and foam sectors	15,000	0
Brazil	Preparation of an investment project in a plant (ELGIN) consuming 60 metric tons of TCA used as a degreasing agent in the production of compressors	15,000	15,000
Burkina Faso	Preparation of a recovery and recycling project and identification of projects in the aerosol and foam sectors	15,000	0
China	Project formulation of investment project in the halon sector in the three fire equipment factories (XIANGSHAN, XIANGSHAN No. 1 and DALIAN JANZHOU), also in the domestic refrigeration sector (compressor sub-sector) aerosols, foams and solvents	150,000	100,000
China	Workshop on domestic and commercial refrigerator compressor conversion	40,000	40,000
Cote d'Ivoire	ODS phase-out at a foam producing plant (Fabrique ivoirienne de mousse et amemblement) and at two aerosol fillers (SICOBEL and GANDOOR).)	20,000	0
Ecuador	Preparation of an investment project in a plant (ELASTA) for the production of polyurethane flexible foam for automotive industry.	15,000	15,000
Egypt	Preparation of a project in the solvents sector	25,000	0

Gambia	Preparation of a refrigeration project on retraining, retrofitting and servicing non-ODS refrigerators and air conditioners and identification of projects in the foam and aerosol sectors	15,000	0
Guinea	Preparation of a recovery and recycling project in the foam and aerosols sectors	15,000	0
Guyana	ODS phase-out project in a domestic refrigeration plant (Guyana Refrigeration Ltd.)	15,000	0
Kenya	Identification and preparation of projects in the solvents and aerosols sectors	30,000	15,000
Malta	Preparation of an investment project in a plant (TOLY) for cleaning of plastic caps for cosmetic products using CFC-113	10,000	0
Mexico	Preparation of projects in the sectors: refrigeration, foam, aerosols, halons and solvents	70,000	0
Namibia	Preparation of a recovery and recycling project in the refrigeration sector and identification of projects in the foam and aerosols sectors	15,000	0
Romania	Creation of an Ozone Secretariat	177,594	168,443
Senegal	Preparation of a recovery and recycling project in the refrigeration sector and identification of projects in the aerosols and foam sectors	15,000	0
Tunisia	Preparation of investment projects in the aerosol sector	15,000	0
Tunisia	Preparation of investment projects in the foam sector	15,000	0
Tunisia	Preparation of investment projects in the domestic refrigeration sector	15,000	0
Tunisia	Preparation of investment projects in the solvents sector	15,000	0
Uganda	Preparation of a recovery and recycling in the refrigeration sector and identification of projects in the aerosols and foam sectors	15,000	0
Zimbabwe	Recovery and recycling of methyl bromide in soil and chamber fumigation	30,000	0
TOTAL		892,594	353,443