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

Fifteenth Meeting
Montreal, 13-16 December 1994

WORLD BANK WORK PROGRAMME

This document consists of:

- Comments and Recommendations of the Fund Secretariat on:
 - World Bank Work Programme Amendments
 - World Bank Indicative Work Programme for 1995
- World Bank Work Programme Amendments

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

Work Programme Amendments

1. The World Bank is requesting approval of US \$130,000 for two amendments to its 1994 Work Programme. Investment projects under US \$500,000 are being presented as sub-projects to projects included by country under the agenda item on project proposals.

China: Technical Assistance to the National Environmental Protection Agency (NEPA) and the China Investment Bank (CIB)" (US \$100,000)

2. US \$90,000 of the request would be used to provide training to local represents of NEPA and CIB in ODS technology, the Protocol and the Fund, the project cycle, project analysis, procurement and disbursement. US \$10,000 would be used for equipment such as copy machines, visual aids and computers. Local understanding about the process of obtaining funding from the Multilateral Fund through the World Bank is viewed as critical to the future success of the Bank's programme in China.

3. Funds have been already allocated to China through UNDP for institutional strengthening for the period 1992 through 1995. At its Tenth Meeting, the Committee also approved funding for the financial intermediary, CIB, for two years. Consequently, funding of this activity would constitute double counting.

Indonesia: ODS Phase Out Investment Project Technical Audits (US \$30,000)

4. This project will finance technical audits of the sub-projects in the Indonesia ODS I project.

5. In its approval of Indonesia ODS I, the Executive Committee allocated three percent of total project costs for the services of an financial institution to appraise the projects and oversee procurement, disbursement and audits; therefore, this request constitutes double-counting since it should be covered by the funds already approved by the Executive Committee at its Eleventh Meeting.

1995 Work Programme

6. The World Bank's "Indicative Work Program" is provided in paragraphs 21 through 31 in the World Bank's Progress Report. The 1995 Work Programme will be submitted to the Sixteenth Meeting of the Executive Committee. The "Indicative Work Program" is provided to the Executive Committee for information purposes.

WORK PROGRAM AMENDMENTS

BANK-IMPLEMENTED MONTREAL PROTOCOL

Global Environment Coordination Division, Environment Department

The World Bank



**THE MONTREAL PROTOCOL ON
SUBSTANCES THAT DEplete THE OZONE LAYER**

PROJECT COVER SHEET

COUNTRY:	The People's Republic of China
PROJECT TITLE:	Technical Assistance to the National Environmental Protection Agency (NEPA) and the China Investment Bank (CIB)
SECTOR COVERED:	All sectors
PROJECT IMPACT:	Develop local agencies in the implementation of ODS phaseout
PROJECT DURATION:	12 months
PROPOSED OTF FINANCING:	US\$ 100,000
COORDINATING AGENCY:	National Environmental Protection Agency (NEPA)
IMPLEMENTING AGENCY:	The World Bank

PROJECT SUMMARY

This technical assistance project will improve local implementing agencies operational capabilities in the areas of procurement, disbursement, project operation and implementation for subprojects directly related to the implementation of the Third ODS Phaseout Project in China. In July 1994, MPEC approved ten subprojects in the amount of US\$10.5 million in the foam, household and halon subsectors, as part of the ODS III Project. The World Bank is preparing another 12 projects of about US\$23 million in the foam and commercial refrigeration subsectors. These projects are already for submission to MPEC for approval in its Fifteenth Meeting in December 1994. The Bank will prepare an additional 15 to 20 projects in the production and consumer sectors, such as aerosol, halon, MAC, refrigeration sectors in the next twelve months. Technical assistance is needed to improve the capability of the China Investment Bank (CIB) and Project Management Office at NEPA (PMO), in managing the implementation of ODS III, to ensure that participating enterprises are financially viable, projects are implemented in a timely manner and within budget. Strong local implementing agencies are essential to ensure Project success.

Nine Month Training Work Program

Training in various project preparation and implementation topics as described below will be in the form of workshops, seminars and lectures will account for at least 90% of requested funding. Training will be organized locally. The funds, up to \$10,000, will be used for equipment required to ensure training success, including, *inter alia*, copy machines, visual aids and computers. The Bank will support training efforts by helping develop training programs, supplying training materials, and recommending consultants, and support in understanding Bank implementation, procurement and disbursement requirements.

Training sessions will be conducted in different provinces of China and will have to be **repeated** in those provinces that have many ODS producers and users. China is a huge country. Beijing, the capital city and major cities, such as Shanghai, Guangzhou, Nanjing, Hangzhou, etc. may be aware of the ODS phaseout concept and MPMF, but not in most provinces and cities. Even in cities where subprojects are under implementation, this knowledge is very limited. Training in project implementation will be needed over the next two years. However, this request is limited to 12 months to better establish training needs and most effective training methods. Funding requested here covers the initial round of training that is urgently needed for early 1995 for efficient delivery and implementation of ODS III subprojects.

Workshop/seminar/lecture content will include:

1. ODS technology
 Introductions to international as well as local ODS substitute technology. Both local as well as foreign experts would provide information on substitute technologies including potential suppliers. Available materials from UNEP, OORG, and other sources would be used. No new materials would be generated. Participants would be national, provincial, and local environmental agencies, CIB (head office, branches and subbranches), local technical institutes, procurement agencies, and ODS producers and users.
2. Montreal Protocol and Multilateral Fund
 Using existing materials provide background information on the need for ODS phaseout, ODS phaseout strategies, the Montreal Protocol and the Multilateral Fund. Participants would include provincial and local environmental agencies, CIB branches and subbranches, ODS producers and users.
3. Project cycle of China ODS Project
 Familiarization with the ODS project cycle, ODS fund utilization and management. Some new materials will be prepared to reflect project cycle agreed for ODS III. Prospective participants include provincial and local environmental agencies, CIB branches and prospective ODS participating enterprises.
4. ODS Project Analysis
 Explanations of technical and financial analysis required of the ODS phaseout project proposals, as well as financial evaluation required of enterprises submitting proposals. This will include information on preparation and analysis of feasibility studies, project summaries and project appraisal reports. Participants would include NEPA and CIB at all levels, and prospective enterprises.
5. Procurement
 Familiarization with procurement procedures for ODS III Project, including international competitive bidding and use of standard procurement documents. Thorough understanding of international procurement practices will avoid mis-procurement in subproject implementation. Prospective participants will include NEPA, CIB, procurement agencies and prospective enterprises.

6. Disbursement

Introductions to World Bank disbursement procedures agreed for ODS III Project. A good understanding of disbursement procedures will expedite fund utilization and minimize project delays. Prospective participants will include NEPA, CIB and prospective enterprises.

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**The Montreal Protocol on
Substances that Deplete the Ozone Layer**

**Indonesia - First ODS Phase Out Investment Project
Technical Audits**

Project Cover Sheet

COUNTRY: Republic of Indonesia

PROJECT TITLE: ODS Phase Out Investment Project Technical Audits

SECTORS COVERED: All sectors

PROJECT DURATION: Eighteen Months

PROJECT IMPACT: Technical audits of 24 subprojects funded under the First ODS Phase Out Investment Project for Indonesia.

PROPOSED BUDGET: \$30,000

NATIONAL
COORDINATING AGENCY: State Ministry of Environment (SME)

IMPLEMENTING AGENCY: The World Bank

PROJECT SUMMARY

This project will finance technical audits of subprojects implemented under the First Ozone Depleting Substances (ODS) Phase Out Investment Project (ODS I). Such audits will help ensure that grants made from the Ozone Projects Trust Fund are used effectively for the phase out of ODS, by verifying that subprojects are implemented in accordance with the Subproject Appraisal Reports and Subgrant Agreements. Under the terms of the ODS I umbrella agreement, SME will appoint an independent consultant to prepare three Technical Audit Reports. These will be submitted to SME and the World Bank at six-monthly intervals, the first in June 1995. Each report will include an independent opinion of the implementation of those subprojects for which Subgrant Agreements have been signed, and will comment on the extent to which ODS have been successfully phased-out. The same auditor will be employed for all sectors, as the audits will not be highly detailed. Sufficient funding will be needed, however, to finance site visits to each subproject, with the objectives of ensuring that (i) equipment for which disbursements have been made, has in reality been installed, and (ii) the equipment that has been replaced is not being used in any ODS-using process. Audits of technical assistance components will also be conducted, to verify that the selection of trainers and participants adhered to the subgrant agreements, and that agreed work programs were followed.