



United Nations Environment Programme



Distr.
LIMITED



UNEP/OzL.Pro/ExCom/8/12/Add.1
9 October 1992

ORIGINAL: ENGLISH

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

Eighth Meeting
Montreal, 19-21 October 1992

Addendum

WORLD BANK WORK PROGRAMME AMENDMENTS

This document includes the Fund Secretariat's comments and recommendations
on the World Bank Work Programme Amendments.

The World Bank is seeking approval for amendments to its 1992 Work Programme. They consist of:

	<u>US \$</u>
1. Administrative budget	1,064,000
2. Amendments for investment projects below US \$500,000	<u>2,450,000</u> *
Total	<u>3,514,000</u> *

* These sums exclude US \$480,000 for the China BHEARI Project to be transferred to UNDP which was approved as part of a cluster of projects for China during the Seventh Meeting of the Executive Committee and, therefore, is not a new request.

Secretariat's Comments

Global Projects:

A total amount of US \$985,000 is being requested to prepare four global sector ODS phase out projects in the following areas:

	<u>US \$</u>
Solvents	255,000
Halons	310,000
MAC	360,000
Refrigeration (preparation)	<u>60,000</u>
Total	<u>985,000</u>

Additional information provided to the Secretariat by the World Bank indicates that the first two project proposals are in their later stages of development. The domestic refrigeration project has passed its initial stages of development. There was no additional information on the MACs project concept.

Global Solvents Project:

Seven ODS phase out solvent sub-projects are to be developed in Article 5 countries. They include Malaysia, Indonesia, Thailand, Philippines, China, Turkey, Brazil, Mexico and India. The World Bank will co-operate with the Industry Co-operative for Ozone Layer Protection (ICOLP) and USEPA to transfer technology and expertise to the countries involved. The updated cost for preparation of the projects is US \$260,000.

Global Halons Project:

Six halon control system projects are to be developed in Article 5 countries which may include Thailand, Philippines, Turkey, Brazil, Mexico, Malaysia and China. (The list of participating countries is yet to be confirmed.) UNDP is the proposed implementing agency. The Danish Institute of Fire Technology (DIFT) and USEPA will collaborate to implement the project. The updated information indicates the cost breakdown, which amounts to US \$390,000. They are:

	<u>US \$</u>
1) Development of training courses	30,000
2) Demonstration recycling projects	60,000
3) Six workshops (24 days)	260,000
4) Implementing agency costs	<u>40,000</u>
	390,000

Thus, funds required will be US \$390,000.

The project proposal does not, however, indicate the link between the project and the US \$250,000 approved for UNDP at the seventh meeting for the purchase of halon recycling equipment. This needs clarification.

Global MAC Project:

The objective of the project is to develop and implement MAC CFC recycling sub-projects in countries with large urban areas and concentrations of MACs. The preliminary list includes China, Malaysia, Thailand, Indonesia, Egypt, Turkey, Nigeria, Brazil, Venezuela, Mexico, Peru, Argentina and Iran. UNDP is expected to be the implementing agency in most cases since there is no likely follow-up project. Account needs, however, to be taken of the MAC projects already approved for some of the countries, e.g. Thailand: MAC CFC recycling project - US \$900,000; Malaysia: Conservation, leakage control and recycling of CFC-12 - US \$910,000 and the necessary use made of them. The amount requested is US \$360,000.

Global Refrigeration Project (preparation):

The project builds on the current state of commercial development of the refrigeration sector in the OECD countries. It will focus on two types of domestic refrigerator manufacturers in the developing countries - those which import refrigerator compressors and those which produce their own refrigerator compressors.

The project will be implemented in selected countries in Latin America, Asia, Europe and Africa. It will be carried out in two phases:

- Phase 1: (Laboratory, pilot scale and field testing) includes eight projects in refrigerator production only and four sub-projects in refrigerator/compressor production, and
- Phase 2: Commercial scale.

Funding for the first four projects (US \$2,000,000) is expected in February 1993 and for the remaining eight projects (US \$4,340,000) in June 1993, the amount being requested, however, is US \$60,000 to cover the initial project preparation.

In the further development of the projects account should be taken of projects already approved in the sub-sector for some of the prospective beneficiary countries to reduce costs and rationalize the activities.

The strategy being adopted by the World Bank in the four projects responds to the sector-based approach recommended by the Executive Committee at its fifth meeting.

Investment Projects Below US \$500,000

China - Supplemental financing for six projects approved by the Executive Committee in June 1992 (adjustment for incorrect data in June Executive Committee EPS submission): US \$800,000.

At its seventh meeting the Executive Committee gave final approval to the following China projects for which it allocated US \$9 million to the World Bank for their implementation:

- (i) Tianjin CFC conversion to LPG (aerosols);
- (ii) Shanghai CFC conversion to LPG (aerosols);
- (iii) Beijing ABC powder production (halon);
- (iv) Zhejiang halon extinguisher conversion (halon);
- (v) Fifty per cent reduced CFC foam (rigid foam), and
- (vi) Zhejiang conversion to butane (polystyrene and polyethylene extruded foam).

The World Bank requested an additional US \$800,000 in its 1992 Work Programme Amendment as supplemental funds for these projects.

The Bank has, however, indicated to the Secretariat that a number of issues related to the assessment of the incremental costs need to be resolved before a definitive figure for the supplemental funds required can be determined. It will report to the Executive Committee when the necessary documentation and analysis are completed, at which time any additional funding will be proposed. Consequently, the request for the supplemental funding (US \$800,000) has been withdrawn at the request of the Bank.

Other Projects:

The project costs for the other investment projects under US \$500,000 have been revised, where necessary, on the basis of the reviews by the Secretariat and subsequent discussion with the World Bank. Consequently, the following projects and their corresponding costs were arrived at:

	<u>US \$</u>
• Tunisia - Project engineering assistance for design and introduction of alternative technologies	360,000
• Tunisia - Maintenance of domestic, commercial and industrial refrigerators	300,000
• Tunisia - Technical consultancies in aerosol	50,000
• Tunisia - Implementation of government actions	280,000
• Turkey - Institutional support	<u>400,000</u>
Total	<u>1,390,000</u>

Secretariat's Recommendation

The amendments to the World Bank Work Programme are recommended for the approval of the Executive Committee as follows:

Amendments to the Administrative Budget: US \$1,149,000.

The breakdown is as follows:

	<u>US \$</u>
• Guatemala: Project preparation	25,000
• Indonesia Country Programme (Collaboration with UNDP)	54,000
• Preparation of Global Projects:	
- Solvents	260,000
- Halons (UNDP Implementing Agency)	390,000
- MAC (UNDP Implementing Agency)	360,000
- Refrigeration (Initial Preparation)	<u>60,000</u>
Sub-total	<u>1,149,000</u>

Investment Projects (below US \$500,000): US \$1,390,000.

The breakdown is as follows:

	<u>US \$</u>
• Tunisia Projects	
- Engineering assistance for design, testing and introduction of alternative technologies	360,000
- Maintenance of domestic commercial and industrial refrigerators	300,000
- Technical consultancies in aerosol	50,000
- Implementation of Government actions	280,000
• Turkey - Institutional support	<u>400,000</u>
Sub-total	<u>1,390,000</u>

Total funds recommended for approval: US \$2,539,000.

No new funding is required for the China BHEARI 50 percent Reduced Foam Sub-Project. The project may be transferred to UNDP as agreed to by the Government of China and the World Bank. However, as this is included in the group of six projects which are being re-assessed it may be advisable to effect the transfer after all the issues are resolved.