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LINE OF GRANT PROPOSALS:

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

Corrigendum No. 1

This Corrigendum is being issued to replace pages 1 to 4.

**LINE OF GRANT PROPOSALS:
COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT**

Introduction

1. The Fund Secretariat has conscientiously scrutinized the documents submitted by the World Bank to identify the relevant information which could lead to an assessment of the projects contained in the line of grant proposals. In so doing, The Fund Secretariat was mindful of the relevant decisions taken in the Fifth and Sixth Meetings of The Executive Committee. Comments have been prepared on all of the activities included where the level of information was enough to merit comment. It should be noted that the World Bank secured approvals from the would be beneficiary governments to submit these line of grant proposals.
2. This document contains general recommendations which should be taken into consideration for all proposed line of grant activities and recommendations on activities proposed for specific countries. The recommendations are based on the individual project evaluations which are included in this document.

General Recommendations

3. Full project documentation according to guidelines and procedures required by The Executive Committee for projects over \$500,000 must be submitted to The Executive Committee for activities approved through lines of grants by some specified time period to be determined by The Executive Committee (e.g., nine months after the line of grant approval).
4. Funding requests for activities involving transnational corporation subsidiaries, and public awareness should be deferred until decisions are made on the eligibility of these activities.
5. Approval is recommended for all eligible activities described herein at a total cost of approximately \$7.13 - \$10.33 million¹. Action on other activities identified in the line of grant requests should be deferred until such time as sufficient information is provided.

Recommendations by Country

Brazil (\$2.53 million)

6. "Installation of Low-Latitude Atmospheric Ozone Monitoring Stations" may not be eligible incremental costs.

¹ The range in total cost is due to two estimates for proposals from China.

7. Approval is recommended for the \$2 million "CFC-12 Collection, Recycling, and Conservation Program for Household Refrigerator Maintenance and Repair Shops" project, however, more information should be provided as the project lacks significant quantitative information.

8. Approval is recommended for \$530,000 for the "Assembly Line Refitting for HFC-134a Refrigerator Compressor Production" project for existing production facilities.

China (\$3 to \$6.2 million)

9. All activities conform to project eligibility criteria.

10. However, double-counting should be avoided in the following projects:

(a) Tianjin and Shanghai CFC to LPG conversion projects; and

(b) Beijing ABC Powder Production and Zhejiang Halon Extinguisher Conversion projects.

11. Approval is recommended for all eligible incremental costs which total \$3.0 million.², after accounting for the \$6 million which was previously approved by The Executive Committee at its Sixth Meeting.

Jordan (\$700,000)

12. The funding of \$700,000 for the "Deodorization of Liquefied Petroleum Gas" project should be approved.

² The World Bank has proposed to cover either direct foreign exchange requirements or total incremental costs; whichever is the higher amount. If a decision were taken to cover the direct foreign exchange requirements, \$6.2 million would be required instead of the \$3 million recommended.

Thailand (\$900,000 for MAC)

13. Approval is recommended for MAC Project (\$900,000) with the understanding that the World Bank will submit full documentation of the project.

LINE OF GRANT PROPOSALS: COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

Introduction

1. The Fund Secretariat has conscientiously scrutinized the documents submitted by the World Bank to identify the relevant information which could lead to an assessment of the projects contained in the line of grant proposals. In so doing, The Fund Secretariat was mindful of the relevant decisions taken in the Fifth and Sixth Meetings of The Executive Committee. Comments have been prepared on all of the activities included where the level of information was enough to merit comment. It should be noted that the World Bank secured approvals from the would be beneficiary governments to submit these line of grant proposals.
2. This document contains general recommendations which should be taken into consideration for all proposed line of grant activities and recommendations on activities proposed for specific countries. The recommendations are based on the individual project evaluations which are included in this document.

General Recommendations

3. Full project documentation according to guidelines and procedures required by The Executive Committee for projects over \$500,000 must be submitted to The Executive Committee for activities approved through lines of grants by some specified time period to be determined by The Executive Committee (e.g., six to nine months after the line of grant approval).
4. Funding requests for activities involving transnational corporation subsidiaries, institutional strengthening, and public awareness should be deferred until decisions are made on the eligibility of these activities.
5. Approval is recommended for all eligible activities described herein at a total cost of approximately \$9.5 - \$12.7 million¹. Action on other activities identified in the line of grant requests should be deferred until such time as sufficient information is provided.

Recommendations by Country

Brazil (\$2.53 million)

6. "Installation of Low-Latitude Atmospheric Ozone Monitoring Stations" may not be eligible incremental costs.

¹ The range in total cost is due to two estimates for proposals from China.

7. Research and development on the viability of HFC-134a as a refrigerant for compressors is currently at advanced stages in several international research laboratories. The project proposed for additional basic research in this area would be redundant.

8. Approval is recommended for the \$2 million "CFC-12 Collection, Recycling, and Conservation Program for Household Refrigerator Maintenance and Repair Shops" project, however, more information should be provided as the project lacks significant quantitative information.

9. Approval is recommended for \$530,000 for the "Assembly Line Refitting for HFC-134a Refrigerator Compressor Production" project for existing production facilities.

China (\$4 to \$7.2 million)

10. All activities conform to project eligibility criteria.

11. However, double-counting should be avoided in the following projects:

- (a) Tianjin and Shanghai CFC to LPG conversion projects;
- (b) Beijing ABC Powder Production and Zhejiang Halon Extinguisher Conversion projects; and
- (c) Dalian Precision Parts Aqueous Cleaning Line and Dandong Electronic Tuner Aqueous Cleaning Line projects.

12. Approval is recommended for all eligible incremental costs which total \$4.0 million.², after accounting for the \$6 million which was previously approved by The Executive Committee at its Sixth Meeting.

Jordan (\$700,000)

13. The funding of \$700,000 for the "Deodorization of Liquified Petroleum Gas" project should be approved.

² The World Bank has proposed to cover either direct foreign exchange requirements or total incremental costs; whichever is the higher amount. If a decision were taken to cover the direct foreign exchange requirements, \$7.2 million would be required instead of the \$4 million recommended.

Thailand (\$900,000 for MAC)

14. Approval is recommended for MAC Project (\$900,000) with the understanding that the World Bank will submit full documentation of the project.