

Annex III

FRAMEWORK GUIDELINES/BROAD PRINCIPLES FOR PROCESS AGENT PROJECTS

General principles

1. In conjunction with their first project, countries must provide a thorough sector overview containing all enterprises, stating all consumption and emissions figures and indicating those enterprises for which the country intends to seek compensation from the Multilateral Fund. The country should indicate whether the relevant consumption information has been submitted as part of its Article 7 consumption reports, and if not, its intentions and progress in this regard.
2. For the purpose of project submissions, consumption at the enterprise level is the quantity of process agent in ODP tonnes used annually by the enterprise as 'make-up' in the relevant process. Information on the amount of ODS contained in the process equipment should be included with the project submission.
3. To permit adequate consideration of the industrial rationalisation option, a project proposal should cover all the production facilities in the country for the particular application under consideration.
4. Project proposals should be prepared consistent with all existing policies and guidelines of the Executive Committee. In particular, new-for-old plant replacement and technological upgrade need to be taken into account in accordance with decisions 18/25 and 26/37.
5. Initial projects will be considered for the applications listed in table A of decision X/14 in order to provide information on reasonably achievable emissions reductions and associated costs.
6. The projects should indicate which applicable measures are proposed to control emissions (e.g. emissions control technologies, process conversion, plant rationalization or closure) the cost effectiveness and the emissions reductions which can be achieved.
7. Where either emissions controls or process changes are proposed, the project submission must include an evaluation of the incremental costs of achieving significant levels of emissions reductions by each technique.
8. The cost-effectiveness of process agent projects will initially be considered on a case by case basis to provide a body of information which can be a basis for the establishment of appropriate cost-effectiveness thresholds in due course.
