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

Twentieth Meeting
Montreal, 16-18 October 1996

REPORT OF THE SUB-COMMITTEE ON PROJECT REVIEW

INTRODUCTION

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Montreal on 14 and 15 October 1996.
2. The meeting was opened by the Chairman of the Sub-Committee, Mr. Alvaro Jose Rodriguez (Colombia).

I. ADOPTION OF THE AGENDA

3. The Sub-Committee adopted the following agenda:
 1. Adoption of the agenda.
 2. Report by the Chief Officer on submissions to the Twentieth Meeting of the Executive Committee and resource availability.

3. List of projects and activities recommended for blanket approval by the Twentieth Meeting of the Executive Committee.
4. Overview of issues identified during project review (UNEP/OzL.Pro/ExCom/20/6/Rev.1)
 - (a) Discrepancies in sectoral consumption data between country programmes and project proposals;
 - (b) Transnational companies;
 - (c) The admissibility of using operating costs to fund non-incremental capital costs;
 - (d) High cost projects;
 - (e) Change of technology after approval;
 - (f) 1996 work programme amendments.
5. Projects for individual consideration (UNEP/OzL.Pro/ExCom/20/6/Rev.1)
6. Issues relating to planning and programme implementation (UNEP/OzL.Pro/ExCom/20/6/Rev.1)
 - (a) Business plans for 1997;
 - (b) Work programmes for 1997;
 - (c) Meetings of the Executive Committee in 1997 and future years;
 - (d) Agencies' share of investment funds;
 - (e) Priority for projects in countries with delays in commencing implementation;
 - (f) Reporting of disbursement in financial reports.
7. Issues related to resource allocation (UNEP/OzL.Pro/ExCom/20/6/Rev.1)
 - (a) Priority for compressor projects;
 - (b) Disbursement of funds for approved projects.
8. Other policy issues.
 - (a) Residual sectoral consumption and umbrella projects (UNEP/OzL.Pro/ExCom/20/62);
 - (b) Guidelines for calculating incremental costs in the tobacco sector (UNEP/OzL.Pro/ExCom/64);
 - (c) Safety related costs in projects using hydrocarbon technology (UNEP/OzL.Pro/ExCom/65);

- (d) Capital and operating costs in the halon fire extinguisher subsector (UNEP/OzL.Pro/ExCom/20/66);
 - (e) Report on implementation of the Philippines household refrigeration projects (UNEP/OzL.Pro/ExCom/20/68);
 - (f) The application of hydrochlorofluorocarbons (HCFCs) in projects funded by the Multilateral Fund (UNEP/OzL.Pro/ExCom/20/69).
9. Other matters.
10. Adoption of the Report of the Sub-Committee.

II. REPORT BY THE CHIEF OFFICER ON SUBMISSIONS TO THE TWENTIETH MEETING OF THE EXECUTIVE COMMITTEE AND RESOURCE AVAILABILITY

4. The Chief Officer reported that the total value of the projects and activities received by the Fund Secretariat from implementing agencies and bilateral partners for consideration at the Twentieth Meeting of the Executive Committee was US \$89 million, comprised of 106 investment projects (with a total value, as submitted, of US \$85 million), 11 bilateral cooperation proposals (with a total value, as submitted, of US \$1.6 million), and 23 work programme amendments (with a total value, as submitted, of US \$4.2 million). The Secretariat was recommending approval of 67 investment projects (with a value of US \$30 million), 10 bilateral projects (US \$1.5 million), 18 country programme and institutional strengthening activities included in work programme amendments (US \$2.6 million). Nineteen investment project proposals (with a total value, as submitted, of US \$30 million) were still under discussion with implementing agencies, 15 of which could go forward once a number of policy issues listed in the annotated agenda (UNEP/OzL.Pro/ExCom/SC/20/1) had been addressed by the Sub-Committee. Fifteen investment project proposals and other activities with a total value of US \$11 million had been deferred or withdrawn. Finally, he noted that sufficient funds were available for allocation to cover all expected approvals at the Twentieth Meeting.

III. LIST OF PROJECTS AND ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL BY THE TWENTIETH MEETING OF THE EXECUTIVE COMMITTEE

5. Having considered the list of projects and activities recommended by the Secretariat for blanket approval at the Twentieth Meeting of the Executive Committee as prepared by the Secretariat (UNEP/OzL.Pro/ExCom/SC/20/2), together with the project proposals, work programme amendments and the comments and recommendations of the

Secretariat contained in documents UNEP/OzL.Pro/ExCom/20/7-39, the Sub-Committee decided to recommend that the Executive Committee should approve as eligible for funding in the amounts indicated the projects and activities listed in Annex I to the present report. Except as otherwise noted below, all the projects and activities listed in Annex I were recommended for approval by the Sub-Committee together with the Secretariat's recommendations included in the project documentation.

Withdrawal of Malaysian projects

6. The Sub-Committee noted that the two project proposals for Malaysia contained in document UNEP/OzL.Pro/ExCom/20/28 (Phasing out ODS at (a) Camel Foam Industries Sdu. Bhd. and (b) Cosmos Industries) had been withdrawn. It further noted statements by the representatives of UNIDO and UNDP on the reasons for withdrawal of these projects and recommended that the implementing agencies and the Secretariat consult together with a view to developing procedures to avoid similar problems in future. A report on the subsequent meeting among the agencies is contained in Annex II to the present report.

National recovery/recycling projects

7. The Sub-Committee noted that the six national recovery/recycling projects submitted by UNDP had an associated mechanism to promote development of an implementation plan. There was provision in each case for a training programme to ensure that the equipment was in fact utilized, and the monitoring and evaluation of that particular programme would be carried out by the respective Ozone Units.

Solvent sector projects

8. The Sub-Committee noted that a number of projects in the solvent sector did not comply with the request of the Executive Committee at its Nineteenth Meeting that implementing agencies and countries include with each project submitted to the Executive Committee for approval a brief description of how the project would contribute to helping the country to achieve the 1999 freeze (Decision 19/4). The Sub-Committee therefore agreed to recommend that the Executive Committee should request implementing agencies to bear in mind, when preparing their business plans and deciding how to allocate projects among sectors, the commitments and control measures already in the Protocol, with which all countries were expected to comply. It called on the agencies to fully implement Decision 19/4 for the next Executive Committee meeting and agreed to recommend that the status of implementation of the Decision be examined by the Executive Committee at that meeting.

Institutional strengthening projects

9. The Sub-Committee agreed to recommend that implementing agencies be requested, when preparing institutional strengthening projects, to give due consideration to the need for the countries formulating the projects to have recovery and recycling projects in place. In that regard, the Sub-Committee agreed to recommend that, while the implementing agencies could proceed immediately with the disbursement of the first one-year tranche of the funds approved for institutional strengthening in low-volume-consuming countries, subsequent disbursements would be contingent on the approval by the Executive Committee of a refrigerant management plan, including a recovery and recycling project, for the country concerned.

10. The Sub-Committee considered what procedure should be followed when the Executive Committee decided that the level of funding for an institutional strengthening project should be lower than the figure proposed by the implementing agency and the government involved had not yet agreed to the lower figure. It decided to recommend to the Executive Committee that the procedure for investment projects pursuant to paragraph (c) of Decision 17/18 should also be followed in the case of institutional strengthening projects as it allowed sufficient time to obtain government approval.

Country programme update for Iran

11. The Sub-Committee noted that Iran had announced through its Ozone Office that the country was currently updating its country programme and consequently had decided to withdraw the project.

**IV. OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW
(UNEP/OzL.Pro/ExCom/20/6/Rev.1)****(a) Discrepancies in sectoral consumption data between country programmes and project proposals (paras. 9-11)**

12. The Sub-Committee drew attention to the decision on this subject taken at the Seventeenth Meeting (Decision 17/2), and requested the Secretariat to ensure that the Decision was effectively implemented.

(b) Transnational companies (paras. 12-14)

13. Attention was drawn to paragraph (e) of Decision VI/5 adopted by the Sixth Meeting of the Parties, which urged Parties reclassified as operating under Article 5 not to seek assistance from the Multilateral Fund, as well as to the statement by the Republic of Korea to the Meeting of the Parties upon its reclassification as an Article 5 country that

it would not call upon the resources of the Multilateral Fund for its national ODS phase-out programme. The view was expressed, however, that the Republic of Korea was an Article 5 country under the Montreal Protocol, that it was not contributing to the Multilateral Fund and that consequently 100 per cent of the incremental cost should be funded.

14. Following consultations, the Sub-Committee decided to recommend to the Executive Committee that, for the enterprise in Indonesia, only funding proportionate to the local share ownership should be provided. With regard to the general issue of transnational corporations owned by enterprises in Article 5 countries, it recommended that the decision taken by the Executive Committee at its Seventh Meeting (UNEP/OzL.Pro/ExCom/7/30, paragraph 88) should not apply to corporations owned by enterprises in countries that had always operated under Article 5 and that projects involving transnationals owned by enterprises in countries that had been reclassified as Article 5 countries should be considered on a case-by-case basis, taking into account paragraph (e) of Decision VI/5 adopted by the Sixth Meeting of the Parties.

(c) The admissibility of using operating costs to fund non-incremental capital costs (paras.15-16)

15. The Sub-Committee recommended to the Executive Committee that:

- (a) Eligible incremental costs could be claimed up to the limit of the total project cost admissible at the cost-effectiveness threshold when incremental capital costs were reduced during project review;
- (b) Transfers from operating costs to capital costs during implementation of a project could only occur to fund cost overruns for eligible capital equipment items that had been included in the project approval, in which case, a report would have to be submitted to the Executive Committee providing an explanation and justification for the transfer.

(d) High-cost projects (para.17)

16. Following a discussion of the need for sufficient time to evaluate high-cost projects, in which the calculation of incremental costs often raised technically complex issues, the Sub-Committee decided to recommend to the Executive Committee that:

- (a) Projects in the consumption sector with a requested level of funding of more than US \$5 million should be submitted to the Fund Secretariat in full, twelve weeks in advance of the Executive Committee meeting.

- (b) For other than umbrella projects:
 - (i) The submitting agency should, if requested, provide additional information, such as detailed baseline information beyond that normally provided, plant layouts, description, justification and costing of all significant items;
 - (ii) The analysis and review process could involve a joint visit, if warranted, by the Fund Secretariat's reviewer and the relevant implementing agency.

17. In relation to the dissemination of information, the Sub-Committee decided to recommend to the Executive Committee that:

- (a) The Fund Secretariat be requested to prepare and maintain, for dissemination to the implementing agencies, a database of estimated costs of major equipment items obtained from approved investment projects and other sources by the Fund Secretariat;
- (b) The database should include information on completed and ongoing projects where the equipment procurement process has been concluded, when such information becomes available;
- (c) When the database had been completed, the implementing agencies should be requested to take steps to ensure that consultants preparing projects were familiar with its contents: this should be facilitated through a conference or seminar, the modalities and timing of which would be finalized by the Fund Secretariat and the implementing agencies in the course of their regular coordination meetings.

(e) Change of technology after approval (paras. 18-20)

18. The Sub-Committee noted that there was a presumption that projects would be implemented as approved, but it also recognized that technology was evolving rapidly and some degree of flexibility might be required in exceptional cases. It therefore decided to recommend to the Executive Committee that:

- (a) The implementing agencies should exceptionally be allowed to propose changes in the technology approved by the Executive Committee for particular projects;
- (b) Adequate and detailed justification should be provided for any changes proposed;

- (c) The implementing agencies should be urged to keep additional project preparation to a minimum;
 - (d) The six projects involving a change in technology after approval, contained in Annex II to document UNEP/OzL.Pro/ExCom/20/6/Rev.1, should be approved.
- (f) 1996 work programme amendments (paras. 21-22)

19. Pursuant to Decision 19/10 adopted by the Nineteenth Meeting of the Executive Committee, the Sub-Committee recommended that the Executive Committee not approve the work programme amendments, with the exception of the additional preparation of the halon sector approach in China.

20. The Sub-Committee heard an oral report from the representative of the World Bank on the action it had taken subsequent to the Executive Committee's approval of US \$350,000 for the preparation of a multiple sector approach in China and requested the submission of a written report. It decided to recommend to the Executive Committee:

- (a) That 50 per cent of the US \$265,000 requested by the World Bank for the additional preparation of the halon sector approach should be approved as an amendment to the 1996 work programme;
- (b) That the second 50 per cent should be considered after delivery of the written report, detailing how the initial US \$350,000 was expended and how the additional amounts relate to the initial expenditures.

V. PROJECTS FOR INDIVIDUAL CONSIDERATION (UNEP/OzL.Pro/ExCom/20/6/Rev.1)

Argentina: Conversion to non-CFC technology in the manufacture of flexible foam (slabstocks) at FPV, S.A.

21. Following a discussion of whether the cost of transportation of low-density foam from one plant, to which production had been shifted, back to the location of another plant, at which production had been halted, could be eligible as an incremental cost, the Sub-Committee decided to recommend to the Executive Committee that the project described in document UNEP/OzL.Pro/ExCom/20/13 should not be funded. It was agreed that the project could potentially be reformulated to take into account all associated costs and savings and could be re-submitted for further consideration.

Brazil: Elimination of CFC-11 and CFC-12 in the production of commercial refrigeration equipment at Gelopar

22. Referring to document UNEP/OzL.Pro/ExCom/20/15, the representative of the Secretariat explained that the Gelopar company had installed the CFC-11 foam blowing process in April 1995 but had not put it into regular production until October 1995, after the 25 July 1995 deadline decided on by the Executive Committee at its Seventeenth Meeting (Decision 17/7). The World Bank was requesting clarification on the interpretation of the term "installation date".

23. Following a discussion on what exactly constituted the "installation date" for equipment, the Sub-Committee decided to recommend that, in the case of the Gelopar project, the adjusted operating costs should be approved as eligible incremental costs. The Sub-Committee further confirmed that in future "installation date" should be interpreted strictly as the date on which equipment was on site and ready for utilization.

China: Compressors (4 projects)

24. The Sub-Committee decided that the issue would be resolved among the representatives of the World Bank, the Secretariat and China, when the latter arrived for the Executive Committee Meeting.

China: Conversion of manufacturing facilities from CFC-11 foaming agent to cyclopentane and CFC-12 refrigerant to HFC-134a at Gansu Changfeng Baoan Industry Co. Ltd.

25. Referring to document UNEP/OzL.Pro/ExCom/20/17, the representative of the Secretariat explained that all questions of capital costs had been agreed with the World Bank, and all that was outstanding was a request for operating costs. Pointing out that no refrigeration companies and compressor manufacturers in China generally did not claim operating costs associated with HFC-134a compressors, he said that the Secretariat had ruled these costs ineligible.

26. Following a discussion of whether those operating costs, such as higher costs for lubricants, were eligible incremental costs, the Sub-Committee decided to recommend that the Executive Committee should approve the capital costs of the project, pending determination by the World Bank, in consultation with the Secretariat, of accurate figures for the operating costs and of whether there was any element of double counting. The question of operating costs would be examined at a subsequent meeting.

India: conversion of domestic refrigerator manufacture to cyclopentane blowing agent and either R-600 or HFC-143a at Godrej-GE Appliances Ltd. (GGEAL)

27. [Having heard statements by the representatives of the Secretariat and the World Bank, the Sub-Committee noted that the only outstanding issue concerning the GGEAL project was the cost of retrofitting the jigs at the plant. The Sub-Committee considered a proposal that the project could be approved at the level suggested by the Secretariat on the understanding that, should the actual costs of procurement be higher, the Executive Committee would consider a submission for additional funding up to the cost limit for jigs laid down in the templates agreed between the Secretariat and the implementing agencies.]

28. The Sub-Committee requested the World Bank and the Secretariat to continue discussion and to report to the Executive Committee, before the end of the current meeting.

Indonesia: Engineering assistance for the elimination of ODS used in the production of household refrigerators at P.T. Lippo Melco Mfg. and P.T. Goldstar Astra Electronics (GSA)

29. The Sub-Committee:

- (a) Noted a statement by the Secretariat that the outstanding issues concerning the above two projects had been resolved;
- (b) Recommended that the Executive Committee should approve funding for the projects in the amounts indicated in the annex to the present report.

Jordan: Aerosol conversion at M. Haddad & Sons, Jordan Antiseptics and Detergents Ind. Co. Ltd. (JADICO), Jordan Chemical Products Co. Ltd (JCPCO), and Jordan Industrial Petrochemical Co. Ltd. (JIPCO)

30. The Sub-Committee:

- (a) Noted a statement by the Secretariat that the outstanding issues concerning the above projects had been resolved;
- (b) Recommended that the Executive Committee should approve funding for the project in the amounts indicated in the annex to the present report.

Nigeria: Conversion to CFC-free technology in the manufacture of flexible polyurethane foam at Royal Foam Products

31. The view was expressed that Executive Committee Decision 19/8 concerned only projects in the aerosol sector and that therefore this project, which sought funding for the related safety equipment in an enterprise that had already converted to methylene chloride for foam blowing, should be recommended for approval. The view was also expressed that the Decision did in fact apply to all sectors.

32. Following a discussion of the issues, the Sub-Committee agreed to recommend that:

- (a) The Executive Committee should approve funding of US \$34,000, i.e. approximately 50 per cent of the cost of the project;
- (b) The Executive Committee should clarify that its Decision 19/8 applied to any projects regardless of sector, for installing safety equipment in enterprises that were no longer using controlled substances.

33. The Sub-Committee recommended that the Executive Committee request the Secretariat to prepare a policy paper for consideration at the Twenty-first Meeting on the issue of retroactive funding as a whole, covering *inter alia* the years to be used as a basis for determining ODS consumption, in order to give guidance to the implementing agencies.

Thailand: Conversion of compressor manufacture from CFC-12 to HFC-134a designs at Sanyo Universal Co. Ltd., and Conversion of compressor manufacture from CFC-12 to HFC-134a, Phase 2 at Kulthorn Kirby Public Company Limited

34. The Sub-Committee on Project Review recommended:

- (a) That the Executive Committee should approve the capital costs for these two projects, namely US \$673,680 and US \$808,234 respectively;
- (b) That the Secretariat and the World Bank should work together to develop a procedure for dealing with operating costs in this particular case.

35. Noting that a 15 per cent contingency had been requested for 30 per cent of the equipment in the two projects and since the exact portion of equipment already purchased was not known at the time of approval, the World Bank should include reference to the use of contingency funds, in its project completion report.

Uruguay: Manufacture of parallel-flow condensers for air conditioning systems in vehicles that use HFC-134a at Panasco

36. In introducing document UNEP/OzL.Pro/ExCom/20/37 the representatives of the Secretariat and the World Bank indicated that, while the project did not comply fully with the provision of Decision 17/60 that project proposals in the MAC sub-sector should emanate from the manufacturers of MAC units themselves, not the manufacturers of component parts, it was nonetheless in the spirit of that Decision. The representative of the World Bank also provided additional background information, in particular why the enterprise had agreed to assume 10 per cent of the costs involved.

37. In the discussion that followed serious concern was expressed *inter alia* at the apparent lack of compliance with Decision 17/60, at the high cost of the project in comparison with its very limited ODS phase-out, its overall impact on the entire MAC sector, its contribution to helping Uruguay meet the requirements of the Montreal Protocol, and whether or not the incremental costs were eligible under existing guidelines. It was pointed out, however, that the project would lead to a total phase out of ODS in the MAC sector in Uruguay.

38. The Sub-Committee agreed that it could not recommend approval of the project at this stage because of the doubts that had been raised. The World Bank was invited to re-examine the project, addressing the concerns raised by the Sub-Committee, with a view to possibly presenting it again to a future meeting of the Executive Committee.

Zimbabwe: Conversion of production of CFC-11 polyol systems to HCFC-141b specific systems at Trinidad Industries

39. The Sub-Committee agreed to recommend that this project, contained in document UNEP/OzL.Pro/ExCom/20/39, should not be eligible for funding.

VI. ISSUES RELATED TO PLANNING AND PROGRAMME IMPLEMENTATION (UNEP/OzL.Pro/ExCom/20/6/Rev.1)

- (a) Business plans for 1997
- (b) Work programmes for 1997 (paras. 23-24)

40. There was agreement that the main focus of business plans must be to assist Article 5 countries to meet their commitments under the Montreal Protocol. It was also pointed out that business plans for 1997 would be conditioned by the level of replenishment decided upon by the Parties.

41. The Sub-Committee decided to recommend that the Executive Committee should request the implementing agencies to prepare their 1997 business plans and work programmes after consultation with the Article 5 countries with whom they would be working in 1997 and to focus on compliance with commitments under the Montreal Protocol, with due attention to Decision 19/4.

(c) Meetings of the Executive Committee in 1997 and future years (para. 25)

42. Following a discussion of the opposing needs of giving the implementing agencies sufficient time to prepare their work programmes and business plans on the one hand, but of not letting a long period elapse during which the agencies would not have any approved projects to implement on the other, the Sub-Committee on Project Review recommended:

- (a) That three Executive Committee meetings should be held in 1997;
- (b) That the first could be from 10-12 February 1997, and should consider the implementing agencies' 1997 business plans and work programmes, and any residual projects from 1996;
- (c) That the second and third could be held close to the dates of the meetings of the Open-Ended Working Group and the Meeting of the Parties, respectively, with the precise dates to be determined later in the year.
- (d) That the Secretariat might show some flexibility with regard to the submission date of the UNEP 1997 work programme by reducing the deadline to four weeks before the start of the meeting.

(d) Agencies' share of investment funds, (paras. 26-27)

43. After a discussion of the situation in which UNDP would probably receive a greater amount for investment projects than the fixed share agreed at the Seventeenth Meeting, while UNIDO and the World Bank would probably receive less than their agreed shares, the Sub-Committee recommended:

- (a) That on a one-time basis UNDP should nevertheless receive its full share in 1997;
- (b) That UNIDO and the World Bank would receive an additional amount to make up their full share for 1996;
- (c) That the actual figures for the shares for 1997 should be discussed during the consideration of the implementing agencies' 1997 business plans.

(e) Priority for projects in countries with delays in commencing implementation
(para. 28)

44. The Secretariat explained that in some countries a considerable number of approved projects had not even been started, due to administrative difficulties, leading to a buildup of approved funding, which in some cases exceeded US \$20 million. The Secretariat recalled that the Executive Committee had decided at its 16th Meeting that such dormant projects should be brought to its attention.

45. Noting with appreciation a statement by the representative of the World Bank to the effect that one of the problem situations had now been resolved, and that for another country where the problem was occurring there would be no projects in the Bank's 1997 business plan, the Sub-Committee on Project Review recommended:

- (a) That when preparing projects in countries where such serious delays in implementation were likely to occur, the implementing agencies c through their business plans raise these issues with the Executive Committee in those cases where it seemed that the Executive Committee might be able to help remove the impediment, or alternatively not even submit the projects if it seemed that the problem would be intractable.
- (b) Noting that it could be the case that one agency's projects in a given country were proceeding smoothly, while another's were seriously delayed, an agency not encountering such major delays should continue to submit projects for that country.

(f) Reporting of disbursement in financial reports (para. 29)

46. Noting that problems of comparability had occurred in that while the World Bank reported funds disbursed as actual expenditures, the three United Nations agencies reported them as actual expenditures plus obligations, the Sub-Committee recommended:

- (a) That the three United Nations agencies should provide an estimate for actual cash expenditures for the mid-year financial report;
- (b) That the three United Nations agencies should provide accurate figures for actual cash for the year-end report.

47. The Sub-Committee also requested the Executive Committee to take note that actual cash expenditures did not fully reflect actual progress in project implementation.

VII. ISSUES RELATED TO RESOURCE ALLOCATIONS (UNEP/OzL.Pro/ExCom/20/6/Rev.1)

Priority for compressor projects (para. 31).

48. Noting that the total cost of compressor and MAC projects was likely to exceed the remaining allocation of US \$3.15 million for 1996, the Sub-Committee on Project Review recommended:

- (a) That initially only projects up to US \$3.15 million should be approved;
- (b) That the possibility should be examined of funding further compressor and MAC projects from any resources left over after other projects recommended for approval at this Meeting had been funded.

VIII. OTHER POLICY ISSUES

(a) Residual sector consumption and umbrella projects (UNEP/OzL.Pro/ExCom/20/62)

49. The Secretariat introduced document UNEP/OzL.Pro/ExCom/20/62, on residual sector consumption and umbrella projects which had been prepared in accordance with Executive Committee decision 19/32, paragraph (b).

50. The Sub-Committee was unable to reach consensus on a recommendation to the Executive Committee on this subject.

(b) Guidelines for calculating incremental costs in the tobacco sector (UNEP/OzL.Pro/ExCom/20/64)

51. The Secretariat introduced document UNEP/OzL.Pro/ExCom/20/64, on guidelines for calculating incremental costs in the tobacco sector, which had been prepared in accordance with Executive Committee decision 18/15.

52. Having heard a statement by the representative of the World Bank that the Bank was preparing a project for ODS phase-out in the tobacco sector in Indonesia, the Sub-Committee recommended that, in order to see how the guidelines would operate in practice, the Executive Committee should invite the World Bank to submit the project at the Committee's next meeting, using the draft guidelines for the calculation of incremental costs and, for the purposes of comparison, calculating royalty fees technology transfer in terms of both capital and operating costs.

(c) Safety-related costs in projects using hydrocarbon technology (UNEP/OzL.Pro/ExCom/20/65)

53. The Secretariat introduced document UNEP/OzL.Pro/ExCom/20/65, on safety-related costs in projects using hydrocarbon technology, which had been prepared in accordance with Executive Committee decision 17/14.

54. The Sub-Committee recommended that the Executive Committee should approve the recommendations in the Secretariat's paper.

(d) Capital and operating costs in the halon fire-extinguisher subsector (UNEP/OzL.Pro/ExCom/20/66)

55. The Secretariat introduced document UNEP/OzL.Pro/ExCom/20/66, on capital and operating costs in the halon fire-extinguisher subsector, which had been prepared in accordance with Executive Committee decision 19/33.

56. The Sub-Committee agreed to recommend that the Executive Committee should decide:

- (a) That priority funding should be given for the preparation of projects in the halon fire-extinguisher subsector in its business planning for 1997;
- (b) That, as an interim measure before the Committee took a decision on whether or not to endorse the agreement on eligible cost categories in document UNEP/OzL.Pro/ExCom/20/66 as an addition to the guidelines, the implementing agencies should use those categories in preparing projects for the halon fire-extinguisher subsector for submission to the next meeting of the Executive Committee.

(e) Report on the implementation of the Philippines household refrigeration projects (UNEP/OzL.Pro/ExCom/20/68/Rev.1)

57. Following a statement by the representative of the World Bank, the Sub-Committee agreed that the Bank's report on the implementation of the Philippines household refrigeration projects should be taken up directly in the Executive Committee, to allow the Bank to consult with the representative of the Philippines before the report was discussed.

(f) The application of hydrochlorofluorocarbons (HCFCs) in projects funded by the Multilateral Fund (UNEP/OzL.Pro/ExCom/20/69)

58. The Secretariat introduced document UNEP/OzL.Pro/ExCom/20/69, on the application of hydrochlorofluorocarbons (HCFCs) in projects funded by the Multilateral Fund, which had been prepared in accordance with Executive Committee decision 19/2, paragraph (c).

59. The Sub-Committee agreed to recommend that the Executive Committee should decide:

- (a) To take note with appreciation of the Secretariat's report;
- (b) To request the implementing agencies to ensure that adequate information on all alternative technologies was provided to enterprises converting from CFCs;
- (c) To reaffirm paragraph (b) of its decision 19/2 that, in cases where conversion to HCFCs was recommended, the implementing agencies should be requested to provide a full explanation of the reasons why such conversion was recommended, together with supporting documentation that the criteria laid down by the Executive Committee for transitional substances had been met, and should make it clear that the enterprises concerned had agreed to bear the cost of subsequent conversion to non-HCFC substances.

IX. OTHER MATTERS

60. Following discussion of a proposal by one representative that the Secretariat should dispatch policy papers 12 weeks before the start of the meeting of the Executive Committee at which they were to be discussed, the Sub-Committee agreed to recommend that, at the end of each meeting the Committee should review its requests for such papers from the Secretariat so that a realistic timeframe could be agreed for their preparation and discussion.

61. The Sub-Committee also agreed to recommend that no project proposals should be submitted to the Executive Committee until agreement had been reached between the implementing agencies and the Secretariat on the cost of the items of capital equipment and the operating costs required to implement the project.

X. ADOPTION OF THE REPORT OF THE SUB-COMMITTEE

62. The present report was adopted by the Sub-Committee on Wednesday, 16 October 1996, on the basis of the draft report circulated as document UNEP/OzL.Pro/ExCom/SC/20/L.1.

**List of projects and activities recommended for blanket approval at
the 20th Executive Committee meeting**

(A) INVESTMENT PROJECT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 1

Country	Project Title	Tonnes ODP	Agency	Funds Approved Project	Approved (US\$) Support	Total	C.E. (US\$/kg)
Aerosol							
Filling plant							
Jordan	Aerosol conversion at Jordan Industrial Petrochemical Co. Ltd. (JIPCO)	98.0	IBRD	\$102,855	\$13,371	\$116,226	1.05
Cote D'Ivoire	Phasing out CFCs at Parfumerie Gandour D.A.F.	66.0	UNIDO	\$106,061	\$13,788	\$119,849	1.61
Cote D'Ivoire	Phasing out CFCs at Sicobel	20.8	UNIDO	\$59,171	\$7,692	\$66,863	2.84
Algeria	Phasing out CFCs at Laboratoire Bendi	19.2	UNIDO	\$56,790	\$7,383	\$64,173	2.96
Algeria	Phasing out CFCs at Vague de Fraicheur	51.4	UNIDO	\$164,623	\$21,401	\$186,024	3.20
Jordan	Aerosol conversion at Jordan Antiseptics & Detergents Ind. Co. Ltd. (JADICO)	20.0	IBRD	\$65,720	\$8,544	\$74,264	3.29
Jordan	Aerosol conversion at Jordan Chemical Products Co. Ltd. (JCPCO)	61.0	IBRD	\$203,328	\$26,433	\$229,761	3.33
Algeria	Phasing out CFCs at Ets Cophyd	15.0	UNIDO	\$53,024	\$6,893	\$59,917	3.53
Algeria	Phasing out CFCs at Etablissement Has Mohamed	22.5	UNIDO	\$82,018	\$10,662	\$92,680	3.64
Algeria	Phasing out CFCs at Ets Wouroud	47.0	UNIDO	\$187,772	\$24,410	\$212,182	3.99
Foam							
Flexible							
Nigeria	Conversion to CFC free technology in the manufacture of flexible polyurethane foam at Royal Foam Products	43.0	UNDP	\$33,500	\$4,355	\$37,855	0.77
Nigeria	Conversion to CFC free technology in the manufacture of flexible polyurethane foam at Teju Industries Limited	47.0	UNDP	\$75,000	\$9,750	\$84,750	1.60
China	Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Chengdu Plastics No. 7	120.0	IBRD	\$301,000	\$39,130	\$340,130	2.51
Nigeria	Conversion to CFC free technology in the manufacture of flexible polyurethane foam at Sara Products Limited	27.7	UNDP	\$107,000	\$13,910	\$120,910	3.86
Lebanon	Phasing out CFC-11 at Nasri Karam and Sons	22.0	UNIDO	\$100,109	\$13,014	\$113,123	4.55

(A) INVESTMENT PROJECT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 2

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Romania	Phasing out CFC-11 at S.C. Spumotim S.A.	30.0	UNIDO	\$142,293	\$18,498	\$160,791	4.74
Turkey	Phasing out of CFC-11 at Urosan Kimiya Sanayii A.S.	135.0	UNIDO	\$643,500	\$83,655	\$727,155	4.77
Argentina	Conversion to non-CFC technology in the manufacture of flexible foam (slabstocks) at Suavestar S.A.	92.0	UNDP	\$561,000	\$72,930	\$633,930	6.09

Integral skin

Morocco	Phase out of CFCs in the manufacture of integral skin and cold cured molded PUF products at Maghreb Elastoplast	13.0	UNDP	\$120,000	\$15,600	\$135,600	9.23
Indonesia	Conversion to CFC free technology in the manufacture of integral skin molded polyurethane foam at PT Dithon Urethane	16.5	UNDP	\$184,000	\$23,920	\$207,920	11.15
India	Phase-out of CFCs in the manufacture of cold cured molded PUF products at Krishna Fabrications Ltd.	13.0	UNDP	\$164,000	\$21,320	\$185,320	12.61
Mexico	Umbrella project for conversion to CFC-free technology in the manufacture of polyurethane shoe soles	95.0	UNDP	\$1,201,590	\$156,207	\$1,357,797	12.64
India	Phase-out of CFCs in the manufacture of cold cured molded PUF products at K.B. Poly Industries P. Ltd.	10.0	UNDP	\$149,000	\$19,370	\$168,370	14.90

Polystyrene/polyethylene

Indonesia	Elimination of CFC-12 in the manufacture of extruded polyethylene foam sheet at PT. Toha Kencana Mas	40.0	IBRD	\$109,930	\$14,291	\$124,221	2.74
Argentina	Phasing out CFC-12 at Multiespuma Saic	60.0	UNIDO	\$282,438	\$36,717	\$319,155	4.71
India	Elimination of CFCs in the manufacture of EPE foam products at Vora Cork Industries	39.6	UNDP	\$264,500	\$34,385	\$298,885	6.68
Argentina	Phasing out CFC-12 at Mallol Saic	36.5	UNIDO	\$299,344	\$38,915	\$338,259	8.21

Rigid

China	Elimination of CFCs in the manufacture of rigid PUF products at Handan Plastics #8	101.6	IBRD	\$265,000	\$34,450	\$299,450	2.61
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(A) INVESTMENT PROJECT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 3

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Indonesia	Elimination of CFCs in the manufacture of rigid PU foam sandwich panels at P.T. Mentari Metal Pratama	8.8	UNDP	\$47,000	\$6,110	\$53,110	5.35
Mexico	Conversion to CFC-free technology in the manufacture of polyurethane foam at Carmovil	14.6	UNDP	\$80,500	\$10,465	\$90,965	5.53
Brazil	Conversion to CFC-free technology in the manufacture of polyurethane foam at Panisol	54.4	UNDP	\$315,958	\$41,075	\$357,033	5.80
Thailand	Conversion to CFC-free technology in the manufacture of rigid polyurethane foam at Siam Matee	33.9	UNDP	\$198,000	\$25,740	\$223,740	5.83
Thailand	Conversion to CFC-free technology in the manufacture of rigid polyurethane foam at Dacron Trade Co.	47.6	UNDP	\$277,800	\$36,114	\$313,914	5.84
Indonesia	Elimination of CFCs in the manufacture of rigid PU foam sandwich panels at P.T. Alpine Cool	13.8	UNDP	\$84,000	\$10,920	\$94,920	6.07
Nigeria	Elimination of CFCs in the manufacture of rigid PU foam for thermoware in Eleganza Industries Ltd.	48.3	UNDP	\$314,000	\$40,820	\$354,820	6.49
India	Elimination of CFCs in the manufacture of rigid PUF products at Best Plastronics P. Ltd.	19.5	UNDP	\$129,000	\$16,770	\$145,770	6.63
India	Elimination of CFCs in the manufacture of rigid PUF insulated thermoware at Bharat Plast	10.6	UNDP	\$71,000	\$9,230	\$80,230	6.68
India	Elimination of CFCs in the manufacture of rigid PUF insulated thermoware at Amar Enterprises	16.2	UNDP	\$120,000	\$15,600	\$135,600	7.41
India	Elimination of CFCs in the manufacture of rigid PUF products at Deccan Engineering Enterprises	8.3	UNDP	\$64,000	\$8,320	\$72,320	7.67
India	Elimination of CFCs in the manufacture of rigid PUF insulated thermoware at Bharat Cottage Industries	7.8	UNDP	\$61,000	\$7,930	\$68,930	7.78

Refrigeration**Commercial**

Zimbabwe	Conversion of CFC-12 commercial refrigeration equipment production to HFC-134a and HCFC-22 refrigerant, and CFC-11 to HCFC-141b as the blowing agent for foam insulation at Ref-air Refrigeration	5.3	IBRD	\$43,382	\$5,640	\$49,022	8.18
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(A) INVESTMENT PROJECT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 4

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Jordan	Phasing out CFC at Abdin Industrial Est. Co.	10.4	UNIDO	\$116,928	\$15,201	\$132,129	11.24
India	Elimination of CFCs in the manufacture of commercial refrigeration equipment at Supercold Refrigeration Systems	11.0	IBRD	\$133,770	\$17,390	\$151,160	12.16
Brazil	Phasing out of CFC-12 by HFC-134a as refrigerant and CFC-11 by cyclopentane as foam blowing agent in commercial refrigeration equipment for supermarkets at Eletrofrio S/A	47.0	UNIDO	\$610,650	\$79,385	\$690,035	12.99
Brazil	Elimination of CFC-12 in the production of refrigeration equipment (drinking water fountains and coolers) at Industria Brasileira de Bebedouros Ltda. (IBBL)	5.9	IBRD	\$82,500	\$10,725	\$93,225	13.98
India	Elimination of CFCs in the manufacture of commercial refrigeration equipment at Murali Refrigeration and Engineering Co.	9.0	IBRD	\$126,485	\$16,443	\$142,928	14.05
Egypt	Elimination of CFC-11 and 12 in the manufacture of commercial refrigeration equipment at El-Mohandes	13.0	UNDP	\$190,000	\$24,700	\$214,700	14.16
Brazil	Elimination of CFC-11 and CFC-12 in the production of commercial refrigeration equipment at Gelopar	13.2	IBRD	\$200,200	\$26,026	\$226,226	15.21
Egypt	Elimination of CFC-11 and 12 in the manufacture of commercial refrigeration equipment at Amiral	10.0	UNDP	\$160,000	\$20,800	\$180,800	16.00
Domestic							
China	Conversion of manufacturing facilities from CFC11 foaming agent to cyclopentane and CFC12 refrigerant to HFC134a at Gansu Changfeng Baoan Industry Co. Ltd.	65.2	IBRD	\$634,150	\$82,440	\$716,590	
Brazil	Elimination of CFC-11/12 in the manufacture of domestic refrigerators and freezers at Multibras	1,234.7	UNDP	\$4,899,790	\$636,973	\$5,536,763	3.97
China	Phasing out ODS at the refrigerator plant of Aucma Electric Appliances Group Co.	708.0	UNIDO	\$2,914,904	\$378,938	\$3,293,842	4.12
China	Conversion of manufacturing facilities from CFC11 foaming agent to cyclopentane at Shanghai Shuanglu Electrical Appliance Co. Ltd.	320.0	IBRD	\$1,899,230	\$246,900	\$2,146,130	4.14

(A) INVESTMENT PROJECT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 5

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Romania	Phasing out CFC-11 and CFC-12 in the production of domestic refrigerators and replacing them by cyclopentane and HFC-134a at Ratmil, Uzina Mecanica Sadu	73.3	UNIDO	\$937,859	\$121,922	\$1,059,781	8.32
Macedonia	Phasing out of CFCs at the refrigerator plant of Frinko	104.0	UNIDO	\$1,081,724	\$140,624	\$1,222,348	10.40
Indonesia	Engineering assistance for the elimination of ODS used in the production of household refrigerators at PT. Goldstar Astra Electronics (GSA)	38.2	IBRD	\$512,730	\$66,655	\$579,385	13.43
Indonesia	Engineering assistance for the elimination of ODS used in the production of household refrigerators at PT. Lippo Melco Mfg.	33.8	IBRD	\$264,720	\$34,414	\$299,134	13.76

Solvent**CFC-113**

China	Elimination of ODS (CFC 113) used in the production line at Shanghai No 8 Radio Factory	19.2	UNDP	\$378,000	\$49,140	\$427,140	19.70
China	Elimination of ODS (CFC 113) used in the production line at Shanghai Automation Instrumentation Factory	16.1	UNDP	\$325,000	\$42,250	\$367,250	20.20

TCA

Brazil	Elimination of 1,1,1 TCA used for the formulation of tapping fluids at Tapmatic	9.9	UNIDO	\$194,500	\$25,285	\$219,785	19.60
Brazil	Phase out of 1,1,1 TCA at Teperman	6.4	UNIDO	\$152,176	\$19,783	\$171,959	23.63
Brazil	Elimination of 1,1,1 TCA used as solvent at Rodabras	4.2	UNIDO	\$151,577	\$19,705	\$171,282	36.52
Brazil	Elimination of 1,1,1 -TCA used for auto parts cleaning at Brosol	4.8	UNIDO	\$178,361	\$23,187	\$201,548	37.16
Indonesia	Conversion of correction fluid manufacturing process from 1,1,1 TCA to non-ODS solvent at PT Cahaya Biru Sakti	18.2	IBRD	\$700,700	\$91,091	\$791,791	38.50

TOTAL: 4,427.3 \$24,736,160 \$3,215,701 \$27,951,861

(B) LOW-ODS CONSUMING COUNTRY

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 6

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
	Project			Support	Total		
Refrigeration							
Commercial							
Zimbabwe	Conversion of CFC-12 commercial refrigeration equipment production to HFC-134a and HCFC-22 refrigerant, and CFC-11 to HCFC-141b as the blowing agent for foam insulation at Ajax Refrigeration	3.5	IBRD	\$61,966	\$8,056	\$70,022	17.70
Zimbabwe	Conversion of CFC-12 commercial refrigeration equipment production to HFC-134a and HCFC-22 refrigerant, and CFC-11 to HCFC-141b as the blowing agent for foam insulation at Commercial Refrigeration	6.9	IBRD	\$156,636	\$20,363	\$176,999	22.70
Domestic							
Zimbabwe	Conversion of CFC-12 refrigerator production to HFC-134a refrigerant and CFC-11 to cyclopentane as the blowing agent for foam insulation at Imperial Derby Refrigeration Ltd.	14.0	IBRD	\$310,000	\$40,300	\$350,300	14.39
Zimbabwe	Conversion of CFC-12 refrigerator production to HFC-134a refrigerant and CFC-11 to HCFC-141b as the blowing agent for foam insulation at Capri Refrigeration	5.9	IBRD	\$106,695	\$13,870	\$120,565	18.08
Solvent							
TCA							
Peru	Elimination of 1,1,1 -trichloroethane at Faber Castell	0.5	UNIDO	\$16,409	\$2,133	\$18,542	34.19
Peru	Elimination of 1,1,1 -trichloroethane at Carbolan	0.4	UNIDO	\$31,457	\$4,089	\$35,546	74.37
Peru	Elimination of 1,1,1 -trichloroethane at Papeles Industriales	0.5	UNIDO	\$47,953	\$6,234	\$54,187	88.15
TOTAL:		31.7		\$731,116	\$95,045	\$826,161	

(C) MAC AND COMPRESSOR

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 7

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Refrigeration							
Compressor							
China	Phasing out ODS at the household refrigerator compressor factory of the Guangzhou Wanbao Compressor Group		UNIDO	\$2,250,000	\$292,500	\$2,542,500	
Thailand	Conversion of compressor manufacture from CFC-12 to HFC-134a designs at Sanyo Universal Electric Co., Ltd.	0.0	IBRD	\$673,680	\$87,578	\$761,258	
Thailand	Conversion of compressor manufacture from CFC-12 to HFC-134a, Phase 2 at Kulthorn Kirby Public Company Limited	0.0	IBRD	\$808,234	\$105,070	\$913,304	
TOTAL:		0.0		\$3,731,914	\$485,149	\$4,217,063	

(D) CFC RECYCLING AND HALON BANKING

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 8

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Refrigeration							
Recovery/recycling							
Costa Rica	Implementation of a national programme for recovery and recycling of refrigerant	37.1	UNDP	\$246,780	\$32,081	\$278,861	9.02
Congo	Implementation of a national programme for recovery and recycling of refrigerants	19.2	UNDP	\$201,200	\$26,156	\$227,356	10.48
Bolivia	Implementation of a national programme for recovery and recycling of refrigerant	13.8	UNDP	\$146,000	\$18,980	\$164,980	10.55
Sri Lanka	Implementation of a national programme for recovery and recycling of refrigerants	31.2	UNDP	\$352,400	\$45,812	\$398,212	11.71
Vietnam	Demonstration project - CFC recycling and emissions reduction in the commercial refrigeration sector	28.2	UNDP	\$168,216	\$21,868	\$190,084	14.86
Central African Republic	Implementation of a national programme for recovery & recycling of refrigerants	4.1	UNDP	\$66,441	\$8,637	\$75,078	16.08
TOTAL:		133.6		\$1,181,037	\$153,535	\$1,334,572	

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Halon							
Non-investment							
China	Additional preparation of halon sector approach	0.0	IBRD	\$132,500	\$17,225	\$149,725	
Several							
Country programme/country survey							
Mongolia	Country programme formulation	0.0	UNEP	\$50,000	\$6,500	\$56,500	
Ozone unit support							
Bahrain	Establishment of a National Ozone Office	0.0	UNEP	\$66,000	\$8,580	\$74,580	
Chile	Institutional strengthening II	0.0	IBRD	\$113,500	\$14,755	\$128,255	
China	Institutional strengthening for the phaseout of ODS under the Montreal Protocol - Phase II	0.0	UNDP	\$300,000	\$39,000	\$339,000	
Croatia	Establishment of a National Ozone Office	0.0	UNEP	\$101,200	\$13,156	\$114,356	
Ethiopia	Establishment of national ozone cell for the implementation of Montreal Protocol in Ethiopia	0.0	UNEP	\$60,500	\$7,865	\$68,365	
Ghana	Renewal of institutional strengthening	0.0	UNDP	\$107,000	\$13,910	\$120,910	
Honduras	Establishment of the Ozone Unit Cell for the institutional strengthening programme	0.0	UNEP	\$66,000	\$8,580	\$74,580	
India	Institutional strengthening project for the phaseout of ODSs under the Montreal Protocol: Phase II	0.0	UNDP	\$287,100	\$37,323	\$324,423	
Jamaica	Institutional strengthening through creation of a National Ozone Unit	0.0	UNEP	\$66,000	\$8,580	\$74,580	
Lesotho	Institutional strengthening for the phase out of ODS and the establishment of a National Ozone Office	0.0	UNEP	\$30,000	\$3,900	\$33,900	
Macedonia	Creation of an Ozone Secretariat	0.0	UNIDO	\$152,900	\$19,877	\$172,777	
Malaysia	Extension of institutional strengthening project	0.0	UNDP	\$215,000	\$27,950	\$242,950	
Mexico	Renewal of the institutional strengthening project for the phaseout of ODSs under the Montreal Protocol	0.0	UNDP	\$190,000	\$24,700	\$214,700	
Tanzania	Institutional strengthening for the phase out of ODS and the establishment of a National Ozone Office	0.0	UNEP	\$66,000	\$8,580	\$74,580	

(E) WORK PROGRAMME/AMENDMENT

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 10

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)			C.E. (US\$/kg)
				Project	Support	Total	
Trinidad and Tobago	Institutional strengthening for the phase-out of ODSs under the Montreal Protocol	0.0	UNDP	\$66,000	\$8,580	\$74,580	
Uruguay	Renewal of institutional strengthening	0.0	UNDP	\$116,000	\$15,080	\$131,080	
Venezuela	Renewal of institutional strengthening	0.0	UNDP	\$219,600	\$28,548	\$248,148	
TOTAL:		0.0		\$2,405,300	\$312,689	\$2,717,989	

(G) BILATERAL COOPERATION

UNEP/OzL.Pro/ExCom/20/5

Annex I

Page 11

Country	Project Title	Tonnes ODP	Agency	Funds Approved (US\$)		C.E. (US\$/kg)
				Project	Support	Total
Foam						
Flexible						
Lebanon	Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Merza Foam Sarl	45.0	France	\$108,172		\$108,172
Lebanon	Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Plastiflex Sarl	42.0	France	\$154,000		\$154,000
Lebanon	Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Furniture and Plastic Sarl	28.0	France	\$128,700		\$128,700
Lebanon	Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Fomaco Sarl	26.0	France	\$154,000		\$154,000
Lebanon	Conversion to non-CFC technology in the manufacture of poyurethane flexible molded foam at Meuble Mode Sarl	9.0	France	\$55,700		\$55,700
Rigid						
Lebanon	Conversion to non-CFC technology in the manufacture of rigid foam (sandwich panels) at Kilzi and Co. Sarl	22.5	France	\$141,000		\$141,000
Refrigeration						
Commercial						
Iran	Project preparation/technical assistance for MAC recycling and training in good servicing practices	0.0	France	\$30,000		\$30,000
Vietnam	Demonstration project CFC recycling and emissions reduction in the commercial refrigeration sector		Australia	\$282,687		\$282,687
Recovery/recycling						
Namibia	Implementation of a training programme for recovery and recycling of refrigerants	5.4	Finland	\$103,440		\$103,440
TOTAL:		177.9		\$1,157,699		\$1,157,699

Annex II**REPORT ON THE TWO MALAYSIAN FOAM PROJECTS
COSMO INDUSTRIES AND CAMEL INDUSTRIES**

As requested, the Secretariat had a meeting with UNIDO and UNDP on the confusion over the two Malaysian foam projects withdrawn from the blanket approval list of the 20th Meeting. It was agreed at the meeting that a forward-looking attitude should be adopted in resolving the differences and in that spirit the following recommendations have been proposed:

- (1) Implementing Agencies should immediately provide and update complete list of the enterprises covered in all umbrella and sector/subsector phaseout projects, both for on-going and all future projects.
- (2) Once all project submissions to an Executive Committee Meeting have come in from the Implementing Agencies, the Secretariat should compose and circulate to all Implementing Agencies, as soon as possible, a list of all the investment projects submitted to that particular meeting to ensure there is no duplication.
- (3) Reinforce the system that all project preparation requests from Implementing Agencies be substantiated by an official request from the Government.
- (4) National Ozone Units should enhance and strengthen their function as an effective coordinating entity for their national ODS phase-out programme. This includes keeping fully updated on the activities of the various Implementing Agencies in the country as well as maintaining a listing of all projects and subprojects approved by the Executive Committee.