

26 July 1995

**REPORT OF THE SUB-COMMITTEE ON PROJECT REVIEW**

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1. The Sub-Committee on Project Review met at Montreal on 24 and 25 July 1995 to examine the activities and project proposals contained in documents UNEP/OzL.Pro/ExCom/17/8 and UNEP/OzL.Pro/ExCom/17/14 to 17/52, including addenda and corrigenda, with a view to making recommendations to the Executive Committee.

2. The Sub-Committee was chaired by Mr. Geoffrey Tierney (United Kingdom).

3. The report of the Sub-Committee is divided into the following five parts:

Part 1: Activities and project proposals recommended by the Fund Secretariat for blanket approval;

Part 2: Policy issues arising from projects;

Part 3: Projects recommended by the Fund Secretariat for sectoral or individual consideration;

Part 4: Activities and project proposals that have been fully reviewed and subsequently withdrawn or deferred with the agreement of the relevant implementing agency and not recommended for approval; and

Part 5: Fund availability and resource allocation.

### **PART I: ACTIVITIES AND PROJECT PROPOSALS RECOMMENDED BY THE FUND SECRETARIAT FOR BLANKET APPROVAL**

4. The Sub-Committee first considered the status of Lebanon as a Party not operating under Article 5, paragraph 1, of the Montreal Protocol as confirmed by the Ozone Secretariat, and noted that the following project proposals recommended by the Secretariat for approval by the Committee at its Seventeenth Meeting were not eligible:

Bilateral cooperation by France (UNEP/OzL.Pro/ExCom/17/8)

- Project preparation and technical assistance (US \$20,000).

UNEP (UNEP/OzL.Pro/ExCom/17/20 and Add.1)

- Creation of the Ozone Office (institutional strengthening) (US \$217,000).

UNIDO (UNEP/OzL.Pro/ExCom/17/38 and Add.1)

- Investment project for phasing out CFCs at Zeeni's Trading Agency (US \$549,780).
- Investment project for phasing out CFCs at Cosmaline Industries, s.a.l. (US \$323,700).

These projects could be revisited in the light of new information from the Ozone Secretariat on the status of Lebanon.

5. The proposals for bilateral cooperation recommended for blanket approval are listed in Annex I, Part A, to the present report.
6. The funding requests for activities included in the work programme amendments and in country programmes recommended for blanket approval are listed in Annex I, Part B.
7. The project proposals recommended for blanket approval are listed in Annex I, Part C.
8. Some project proposals included recommendations requesting that specific action be taken. The Sub-Committee considered that these recommendations should go forward as part of project approval and be incorporated in the record of the meeting.

## **PART 2: POLICY ISSUES ARISING FROM PROJECTS**

9. The Sub-Committee discussed the following issues of a general nature arising from project review (UNEP/OzL.Pro/ExCom/17/3/Rev.1) and made the following recommendations to the Executive Committee.

### **Consistency of ODS consumption data in projects and data in country programmes**

10. The Secretariat stated that it was becoming increasingly common for ODS consumption figures relating to project approval to be different from, and frequently higher than, those reported in country programme data.
11. Noting that the validity of project consumption data had increased in importance with the use of cost-effectiveness thresholds, the Sub-Committee recommended that, where data contained in a project submitted differed significantly from a country programme, countries should update the ODS consumption figures in their country programmes for that sector, and submit the revised figures and a detailed explanation of the reasons for the variation with the project request.

### **Intersessional approval for bilateral activities**

12. At its Sixteenth Meeting, the Executive Committee had decided to suspend intersessional approval of projects in order to ensure proper operation of the new cost-effectiveness threshold systems. Since bilateral cooperation activities had not been specifically exempted from that decision, intersessional approval of such activities had also de facto been suspended. The Sub-Committee recommended that intersessional approval of bilateral cooperation activities be reinstated.

**Multiple technology transfer fees**

13. Noting that several of the project proposals submitted included requests for the cost of the same technology transfer fees, from the same supplier, for projects in the same country, the Sub-Committee recommended that the Executive Committee request implementing agencies and countries to ensure that technology transfer fees should wherever possible be negotiated to cover the entire sector in which conversion was to take place and that the best possible terms should be negotiated when the technology in question was to be used at multiple locations. Any evidence of such negotiations should accompany project submissions.

**Halon banking on a regional basis**

14. The Sub-Committee noted that halon-banking proposals had been received for halon banks at regional, country, and enterprise levels and that, to be successful, halon banking required a sufficiently large source of recycled halon.

15. The Sub-Committee requested the Secretariat to prepare, for consideration by the Executive Committee at its Eighteenth Meeting, draft guidelines for halon banking based on activities at a regional level and which could include requirements for a regulatory framework, taking into account information provided by the Halon Technical Options Committee and any experience with this issue that States might make available to it. Projects would be evaluated in the light of the guidelines.

16. The Sub-Committee recommended that approval of the five halon banking proposals be deferred pending the approval of those guidelines.

**Conversion or replacement of intermediate goods in the MAC sub-sector**

17. The Sub-Committee noted that a project proposal for the conversion of specific components or sub-components that formed part of an overall system (e.g., filter dryer receiver system) for automotive air-conditioners, had been received by the Secretariat. The conversion did not phase out any ODS by itself, but might be a necessary part of system conversion.

18. The Sub-Committee recommended that the project proposal not be approved, and that it be made clear to implementing agencies that project proposals in the MAC sub-sector should emanate from the manufacturers of MAC units themselves, not the manufacturers of component parts.

### **Funding of conversion of recently erected plants**

19. The Secretariat said that it had received a number of project proposals related to the conversion of ODS-based facilities that had either been erected after the country concerned had signed the Montreal Protocol and/or after the country programme had been approved by the Executive Committee.

20. The Sub-Committee agreed that the projects under consideration were eligible. It recommended that projects to convert any refrigeration capacity installed after 1 January 1995 would not be considered by the Executive Committee. Dates for other sectors would need to be determined, but should be no later than 25 July 1995.

### **Methyl bromide surveys**

21. The Secretariat said that requests for surveys to assess methyl bromide consumption had been received from several countries. Providing surveys on a country-by-country basis could set a costly precedent, especially in advance of a decision by the Parties that methyl bromide was a controlled substance for Article 5 countries. Global or regional projects evaluating consumption in all Article 5 countries might be more cost-effective.

22. The Sub-Committee accepted in principle the need to consider funding requests related to methyl bromide, emphasizing however the desirability of such projects being submitted on a regional rather than individual-country basis except where such surveys could be included in new country programmes or updates. It accepted an offer by a Sub-Committee member to examine in detail with other interested members, the implementing agencies and the Methyl Bromide Technical Options Committee the several individual projects before the Executive Committee at this Meeting and to prepare a firm recommendation for the consideration of the Executive Committee.

### **Replenishment of the Small Project Approval Programme (SPAP)**

23. The Sub-Committee noted that, in its progress report, the World Bank requested the extension of SPAP for India with a funding level of US \$3 million.

24. The Sub-Committee considered the extension of the SPAP in the light of the decisions adopted by the Committee at its Sixteenth Meeting and recommended that a detailed evaluation of the SPAP pilot phase be required prior to any decision to extend the SPAP. The terms of reference for such an evaluation could be agreed among the World Bank, the Secretariat and delegations concerned and submitted to the Executive Committee with a request for any necessary funding for such an evaluation.

### **Calculation of cost-effectiveness values**

25. A number of projects with cost-effectiveness values above the cost-effectiveness thresholds had been submitted for 'partial funding' of the total project costs (e.g., the enterprise had offered to absorb a proportion of the incremental costs and only sought funding for the remainder, which corresponded to a level that met or approached the cost-effectiveness threshold).

26. The Sub-Committee decided to recommend that partial funding should be allowed and encouraged since it was fully consistent with previous decisions by the Executive Committee to maximize the effectiveness of the Fund's resources in phasing out ODS.

27. The Sub-Committee also recommended that the cost-effectiveness of projects for enterprises with multinational corporation ownership and enterprises that exported to non-Article 5 countries should be determined using as a basis the eligible amount of the grant.

28. In considering the question of ODS consumption, the Sub-Committee drew attention to paragraph 32(b) of the report of the Sixteenth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/16/20) and recommended that consumption be calculated in accordance with that decision.

### **Low-ODS-consuming countries**

29. On the proposal of the Chairman, the Sub-Committee decided to take an annual consumption level of 360 tonnes as the cut-off point below which a country would be considered to be a low-ODS-consuming country for the purposes of determining the eligibility of projects for funding from the allocation reserved for such countries in accordance with the decision adopted by the Executive Committee at its Sixteenth Meeting (UNEP/OzL.Pro/ExCom/16/20, para. 32(g)(i)).

30. It was agreed not to produce a separate set of cost-effectiveness thresholds to be applied to projects from low-ODS-consuming countries that did not meet the general threshold values agreed by the Executive Committee at its Sixteenth Meeting (UNEP/OzL.Pro/ExCom/16/20, para. 32(c)).

31. In response to a statement by one representative, who questioned whether the establishment of ozone cells was the best and most cost-effective way of supporting very-low-ODS-consuming countries, the Sub-Committee decided to request the implementing agencies to prepare for submission to the Sub-Committee at its next meeting a paper on innovative approaches to phasing out ozone-depleting substances in such countries.

### **Allocation by the Executive Committee of Multilateral Fund resources among the implementing agencies**

32. Following a proposal from the representative of the United States, the Sub-Committee decided to recommend that the Executive Committee take note of the requirement in paragraph 10 (b) of its terms of reference, according to which one of the functions of the Executive Committee was the allocation of Multilateral Fund resources among the implementing agencies. It further decided that the Executive Committee should make provision for the question to be discussed at its Seventeenth Meeting in the light of information received from the implementing agencies, including a proposed allocation.

### **Proposal on streamlining the review of projects by the Executive Committee**

33. The representative of the United States, drawing attention to the large and unwieldy volume of documentation before the Executive Committee at the current meeting, introduced a proposal aimed at reducing the number of documents circulated to members and providing for a greater focus on policy issues.

34. The Secretariat noted that the United States proposal, would require it to seek solutions together with the implementing agencies to new policy issues arising out of the project proposals. This would require the deadline for submission of those proposals to be brought forward. The implementing agencies saw no difficulty with the suggestion.

35. In view of the general support expressed for the proposal, the Sub-Committee agreed that members should review it in detail and consult with the sponsor with a view to submitting an agreed text to the Executive Committee.

### **Retroactive financing**

36. The representative of the United States said that, since there was no longer funding available for every project submitted to the Executive Committee, there might be potential beneficiaries who would want to move ahead with project implementation in the expectation that funding would be approved retroactively. In order not to discourage early action to protect the ozone layer, while at the same time ensuring that the Executive Committee was aware of the expectations involved, his delegation was suggesting that those concerned would inform the Executive Committee of their intention before moving ahead with their project. This would enable the Committee to consider those elements in the development of its management plan and assessment of resources available for projects. His delegation intended to discuss the matter informally with other interested parties and might come back with a written proposal at a future meeting of the Executive Committee.

## **PART 3: PROJECTS RECOMMENDED FOR INDIVIDUAL CONSIDERATION**

37. The Sub-Committee reviewed groups of projects involving policy issues related to specific sectors and made the following recommendations:

Aerosols

38. The Sub-Committee recommended that incremental operating savings continue to be taken into account when preparing aerosol project proposals.

39. The Sub-Committee also requested implementing agencies to calculate net operating costs/savings in the aerosol sector, including the difference in cost per can when filling with CFC or HAPs, when preparing project proposals.

40. [The Sub-Committee recognizes the good cost effectiveness of aerosol sector projects and wishes to support the initiation of phase out activities in this sector.

41. The Sub-Committee recognizes that savings resulting from CFC phase out may accrue to the national economy but that quantifying these savings is analytically difficult and applying these savings at project level is not feasible.

42. In recognition of the prevailing circumstances of aerosol fillers in India, (parallel markets), the Sub-Committee therefore decided to support India's aerosol projects on the condition that disbursement of Fund resources will occur only after the World Bank has assured the Executive Committee that the policy and regulatory system in place would prevent other CFC aerosol fillers from expanding their parent market share.

43. Recognizing the similar circumstance of aerosol fillers in Thailand, the Sub-Committee decided to support the two aerosol projects which would cover 55 per cent of Thailand's aerosol sector on the condition that Thailand puts in place a regulatory system to prevent other CFC fillers from expanding the current market share.]

44. On this basis, the Sub-Committee recommended that the following projects in India to be implemented by the World Bank should be funded as follows (UNEP/OzL.Pro/ExCom/17/34 and Add.1 and 2):

	<u>Recommended amount (US \$)</u>
My Fair Lady Ltd. conversion, Delhi	117,500
Aerol Formulations aerosol conversion	71,600
Texas Enterprises conversion, Bombay	72,200
Ultra Tech Specialty Chemicals Pvt Ltd.	72,200
Accra Pak India Pvt. Ltd. aerosol conversion	133,700



Stella Industries aerosol conversion	277,500
Aeropres Conversion, Vapi	151,400
Aero Pack Products conversion project	71,600
Asian Aerosols Pvt. Ltd. aerosol conversion	93,700
Aerosols D'Asia Pvt. Ltd. aerosol conversion	71,600
Attarwala & Co. Pvt. Ltd. conversion, Bombay	138,400
Aero Industries Conversion, Vapi	125,500
Meenakshi aerosol and cosmetics conversion, Delhi	102,000

45. On that same basis, the Sub-Committee recommended approval of the following projects in Thailand to be implemented by UNDP and the funds indicated (UNEP/OzL.Pro/ExCom/17/49 and Add.1):

	<u>Recommended amount (US \$)</u>
Conversion to CFC-free technology in the manufacture of aerosol products at Sanit & Sons Co. Ltd. Plus 13 per cent project support costs to UNDP	582,100
Conversion to CFC-free technology in the manufacture of aerosol products at Packserv Co. Ltd. Plus 13 per cent project support costs to UNDP	474,705

#### Domestic refrigeration

46. Following agreement at the Sixteenth Meeting to exclude safety costs in hydrocarbon projects in the domestic refrigeration sector, the Secretariat had received proposals to exclude costs in the range 30% - 70%. The Sub-Committee agreed that it was necessary to consider guidelines for safety standards when calculating the cost-effectiveness of such projects.

47. The Sub-Committee considered including safety costs in the calculation of cost-effectiveness thresholds in domestic refrigeration and other sectors and revising the thresholds accordingly. It also considered elaborating a list of eligible safety items for exclusion from the total cost.

48. The Secretariat informed the Sub-Committee that, based on its calculations using the 18 percentile, the cost-effectiveness thresholds for projects in the domestic refrigeration sub-sector

currently before the Executive Committee would be US \$9.47/kg ODP for projects using HCFC-141b and US \$12.21/kg ODP for those using cyclopentane, a difference of 24 per cent.

49. The Committee agreed that more details were required, especially concerning the corresponding values for HFC-134a and butane projects. Such details should take into account that percentages previously mentioned for safety costs had ranged between 30 and 70 per cent and whether a percentage limit for safety costs rather than a new threshold would be preferable.

50. The Committee agreed that a small negotiating group comprising the Islamic Republic of Iran, Argentina, United Kingdom, the Secretariat and others interested should be formed to consider the matter during the meeting of the Executive Committee and, should the Executive Committee have the opportunity and the small group and the Secretariat succeed in preparing a proposal, the question could be taken up during the Seventeenth Meeting. Hydrocarbon projects could be considered in the light of these guidelines.

#### Specific projects in the refrigeration sector

51. The Sub-Committee considered the project to be implemented by the World Bank on the conversion from CFC-11 to cyclopentane in domestic refrigerator manufacturing at Chang Ling Co. in China (UNEP/OzL.Pro/ExCom/17/32 and Add.2), and recommended approval of the project as follows:

	<u>Recommended amount (US \$)</u>
Conversion from CFC-11 to cyclopentane in domestic refrigerator manufacturing at Chang Ling Co. Limited	2,123,860

52. The Sub-Committee discussed the following projects to be implemented by UNDP on the conversion to HFC-134a and HCFC-141b and cyclopentane of refrigeration and foaming systems in three domestic refrigeration enterprises in Sri Lanka (AEC, Regnis and Glacio). The Sub-Committee noted that the cost-effectiveness value of the projects (US \$34.35/kg ODP) was above the threshold established by the Executive Committee for the domestic refrigeration sub-sector but decided that they were eligible for funding from the allocation reserved for projects in low-ODS-consuming countries, in accordance with the decision of the Executive Committee at its Sixteenth Meeting (see UNEP/OzL.Pro/ExCom/16/20, para.32 (g)):

	<u>Recommended amount (US \$)</u>
Elimination of CFC-11 and CFC-12 at AEC domestic refrigeration conversion	345,814
Plus 13 per cent project support costs to UNDP	
Elimination of CFC-11 and CFC-12 at Glacio domestic	267,000

refrigeration conversion	
Plus 13 per cent project support costs to UNDP	
Elimination of CFC-11 and CFC-12 at Regnis domestic refrigeration conversion	298,624
Plus 13 per cent project support costs to UNDP	

### MAC and compressors

53. The Sub-Committee discussed four projects related to the conversion of MAC plants (two compressor plants and two MAC systems) in China submitted through the World Bank (UNEP/OzL.Pro/ExCom/17/32 and Add.1).

54. The Secretariat explained that, in a new approach, a global cost figure (anticipated to be around US \$28 million) was expected from China for ODS phase-out in the entire MAC and compressor sub-sector.

55. The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated, on the understanding that these funds would be applied against the global cost figure for conversion in the MAC sub-sector when that figure was eventually received from China:

	<u>Recommended amount (US \$)</u>
Conversion from CFC-12 to HFC-134a MAC system at Yueyang Hengli Air Conditioning Equipment Co. Ltd.	1,821,000
Conversion from CFC-12 to HFC-134a MAC system at Shanghai Automobile Air Conditioner Co.	1,691,600
Conversion from CFC-12 to HFC-134a MAC compressor at Shanghai Ek Chor General Machinery Co. Ltd.	961,000
Conversion from CFC-12 to HFC-134a MAC compressor at Guangzhou Haohua Automobile Parts Co. Ltd.	2,278,400

### Recovery and recycling

56. With regard to the recommendations of the Secretariat concerning the treatment of operational savings resulting from recycling and recovery projects, the Sub-Committee recommended that there should be an investigation of the practicality and implications of taking such savings into account and adjusting institutional-strengthening grants for the country concerned at a subsequent meeting of the Executive Committee on the basis of reported quantities of recovered ozone-depleting substances. This would not apply to small demonstration projects. The

Sub-Committee requested the Secretariat to prepare a paper on the subject for submission to it at its next meeting.

57. The Sub-Committee meanwhile recommended approval of the request of the Government of Denmark (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$205,000 for the following activity:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
China	Establishment of a CFC recycling centre at Zhejiang Dongyang Chemical Factory	205,000

58. The Sub-Committee recommended approval of the requests of the Government of the United States (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$352,000 for the following activities:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
China	Demonstration project (refrigeration - large food stores)	132,000
Dominican Republic	MAC recycling demonstration project	220,000

59. The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
China	Demonstration project (refrigeration - large food stores)	76,000
	Plus 13 per cent project support costs to UNDP	
Colombia	Implementation of a national programme for recovery and recycling of refrigerant	787,030
	Plus 13 per cent project support costs to UNDP	
Mauritius	National CFC-12 recovery and recycling programme and demonstration of retrofit technology in commercial refrigeration	176,350
	Plus 13 per cent project support costs to UNDP	
Mexico	Recovery of CFC-12 servicing of domestic	332,610

refrigeration at Vitromatic Commercial y  
Servicios Integrados

Plus 13 per cent project support costs to UNDP

60. Following discussion between the representatives of Colombia, UNDP, UNEP and the Secretariat and a revision of the project proposal and the proposal for a national programme for recovery and recycling of refrigerant to be implemented by UNDP, the Sub-Committee recommended approval of the following project to be implemented by UNEP:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Colombia	Training course in good practices in refrigeration	149,100

It was agreed that the Government of Colombia and both implementing agencies would collaborate closely in planning activities under this project and the national programme for recovery and recycling of refrigerant.

61. The Sub-Committee recommended approval of the following project to be implemented by UNIDO and the funds indicated:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Zimbabwe	CFC refrigerant recovery and reclaim project Plus 13 per cent project support costs to UNDP	312,300

62. The Sub-Committee recommended approval of the following project to be implemented by the World Bank and the funds indicated:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Malaysia	Reduction of the consumption of ODS in the commercial air-conditioning sector via training, recovery and recycling of CFC-11 and CFC-12 in chillers at Mashrae	848,800

#### Solvent sector

63. The Sub-Committee considered the project on the phase-out of CTC in the manufacture of Endosulphan at Excel Industries in India (US \$629,000) submitted through the World Bank (UNEP/OzL.Pro/ExCom/17/34 and Add.1).

64. In its work arising from the Sixth Meeting of the Parties, the Technology and Economic Assessment Panel (TEAP) had suggested that the Parties might wish to consider whether controlled substances used as process agents qualified for emission reduction investments within the existing guidelines of the Multilateral Fund. The issue was likely to be considered by the Seventh Meeting of the Parties in 1995, but at present fell under a decision of the Sixth Meeting of the Parties, stating that process agents were to be treated as feedstocks and were therefore not controlled under the Montreal Protocol. In consequence, the Sub-Committee recommended that projects involving process agents be deferred until the Parties decided this issue.

65. The Sub-Committee also discussed the project on safety and technical programme to assist manufacturers using trichloroethylene as substitutes for CFC-113 and 1,1,1 trichloroethane in solvent cleaning applications in Thailand (US \$149,000) contained in the World Bank's 1995 work programme amendments (UNEP/OzL.Pro/ExCom/17/17 and Add.1). Since the activity was intended for enterprises that had phased out ODS or were in the process of so doing, and would not, itself, phase out any ODS, the Sub-Committee recommended that this activity should not be approved.

#### Institutional strengthening

66. The Sub-Committee considered two requests for the extension of institutional strengthening activities for another three-year period in Mexico (UNEP/OzL.Pro/ExCom/17/14) and Venezuela (UNEP/OzL.Pro/ExCom/26/Add.1).

67. The Sub-Committee recommended extension of the institutional strengthening activities for an interim period of six months pro rata on the basis of the first three-year allocation on the understanding that guidelines for second round institutional strengthening should be developed and an evaluation and monitoring exercise would be carried out during the period and that, if necessary, the extensions could be renewed for a further six months pending completion of a full evaluation:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Mexico	Institutional strengthening project (six months)	47,500
Venezuela	Renewal of institutional strengthening (six months)	54,900

68. The Sub-Committee also discussed requests for institutional strengthening activities, contained in the country programmes of Congo, Malta, Saint Lucia and Togo (UNEP/OzL.Pro/ExCom/17/21 and Add.1, UNEP/OzL.Pro/ExCom/17/24 and Add.1, and UNEP/OzL.Pro/ExCom/17/25 and Adds.1 and 2 respectively).

69. In the case of Malta, the Sub-Committee decided in the light of Decision VI/5(d) and (e) of the Sixth Meeting of the Parties that the request would be given no priority and that Malta would be urged to reconsider its request.

70. In the cases of Congo, Saint Lucia and Togo, the Sub-Committee decided to defer consideration of the requests until it had received the paper on innovative approaches to phasing out ODS in very-low-ODS-consuming countries, to be prepared for its next meeting by the implementing agencies (see paragraph 31 above).

71. The Sub-Committee decided to defer the request for institutional strengthening for the implementation of the Montreal Protocol in Gambia (US \$144,265) (UNEP/OzL.Pro/ExCom/17/14/Add.2), submitted through UNDP, until the Gambia country programme had been submitted for consideration by the Executive Committee.

#### **PART 4: ACTIVITIES AND PROJECT PROPOSALS THAT HAVE BEEN WITHDRAWN OR DEFERRED**

72. The Sub-Committee took note of the activities and project proposals that had been fully reviewed and subsequently withdrawn or deferred with the agreement of the relevant implementing agency as listed in Annex II.

#### **PART 5: FUND AVAILABILITY AND RESOURCE ALLOCATION**

73. The Secretariat informed the Sub-Committee that, as at 13 July 1995, US \$29 million was available to the Executive Committee for project approvals at its Seventeenth Meeting (US \$24 million in available cash contributions plus about US \$5 million in interest and project budget adjustments reported available for allocation in the implementing agencies' progress reports).

74. The Sub-Committee considered three options available to deal with the shortfall:

- (a) To report to the Executive Committee that it was unable to resolve the problem; and hence could recommend no project approvals;
- (b) To approve all eligible projects but make a pro rata cut in the actual level of funding (making up the shortfall when further funds became available). This, however, was not permitted under the terms of reference for the Multilateral Fund, paragraph 20 of which states that no commitments should be made in advance of the receipt of contributions;
- (c) To find an equitable way of deciding to fund some projects now and others later.

75. The Sub-Committee considered a chart submitted as a basis for a proposed solution (see Annex III). Under this solution, projects that had been recommended for blanket approval at the Seventeenth Meeting would be submitted to the Executive Committee for its approval up to the limit of funds available. (In the present case, applying the proportions agreed at the Sixteenth Meeting gave a total for investment projects of US \$21,066,000). Any projects with blanket approval not funded at the Seventeenth Meeting plus any projects that raised policy issues which had been resolved at that Meeting, would be submitted to the Eighteenth Meeting in a consolidated list and would take priority over any new projects submitted to that Meeting. That procedure would also apply at the Nineteenth Meeting, where any eligible project carried over from the Seventeenth or Eighteenth Meeting would be funded ahead of new projects received.

76. For the purpose of determining which projects should be considered for approval by the Executive Committee at its Seventeenth Meeting, the Sub-Committee requested the Secretariat to draw up a list of the eligible investment projects, ranked in order of cost-effectiveness by sector. The Sub-Committee would study this list and recommend to the Executive Committee that projects up to the amount of the funds available, selected on the basis of their cost-effectiveness ranking and any other factors agreed, should be approved and funded.

The Sub-Committee recommended that the following pro rata allocation of funds should be adopted:

	<u>Recommended amount (US \$)</u>
CFC recovery and halon banking	1,003,000
Discretionary fund	2,158,300
Low-consuming countries	1,705,000
MACs and compressors	2,289,000
Work programmes	473,700
Investment projects	22,420,000
<b>TOTAL</b>	<b>30,049,000</b>

77. With regard to project preparation assistance in a situation where the costs of eligible projects far exceed the funds available, concern was expressed that to approve funding for the preparation of yet more projects would merely create a situation in which more and more projects would be waiting for funding, with more and more disappointed expectations in beneficiary countries. At the same time, it was felt that some new projects did have to be started in order to maintain progress in the task of ODS elimination.

78. The representatives of the implementing agencies stated that certain of the amounts described as "project preparation assistance" in fact referred to assistance projects already in



progress and that if these amounts were not approved, such projects would have to stop virtually immediately.

79. The Sub-Committee stated that it hoped that no more than a total of US \$1.2 million for work programme amendments would be approved (as against the total requested of US \$1.8 million). It requested the implementing agencies to work together and prioritize the work programme amendments within a limit of US \$1.2 million. The Sub-Committee noted that extra money might be available from the investment projects or discretionary funds, but stressed that any such reallocation would have to be fully justified by the implementing agencies, and agreed by the Executive Committee.

## ANNEX I

### Activities and projects recommended for blanket approval

#### **Part A: Activities submitted by Parties not operating under Article 5 of the Montreal Protocol as bilateral cooperation**

The Sub-Committee recommended approval of the request of the Government of Australia, (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$120,896 for the following activities:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Argentina	Provision of training in leak reduction, emission control and recycling and management of non-CFC refrigerants in domestic and commercial refrigeration and air conditioning	40,000
Indonesia	Indonesian ODS control policy	42,000
Region: Africa	Replacement of methyl bromide with non-ozone depleting alternative in grain storage	38,896

The Sub-Committee recommended approval of the request of the Government of Canada (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$50,000 for the following activity:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Brazil	Ozone depleting solvents workshop in Brazil	50,000

The Sub-Committee recommended approval of the request of the Government of France (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$120,000 for the following activity:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Region: Africa	Technology transfer workshop for African countries on practical implementation of the Montreal Protocol	120,000

The Sub-Committee recommended approval of the request of the Government of the United States (UNEP/OzL.Pro/ExCom/17/8) to credit against its 1995 contribution to the Fund US \$19,000 for the following activity:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Dominican Republic	Project preparation in commercial refrigeration	19,000

**Part B: Activities and project proposals submitted within work programmes of the implementing agencies or country programmes**

The Sub-Committee recommended approval of the following amendments to the 1995 UNDP Work Programme contained in document UNEP/OzL.Pro/ExCom/17/14 and Add.1 and 2 for a total of US \$629,410 including US \$72,410 as support costs for UNDP.

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Argentina	Project preparation assistance	70,000
Brazil	Project preparation assistance	100,000
China	Project preparation assistance	100,000
Colombia	Project preparation assistance	35,000
Ethiopia	Project preparation assistance	30,000
Mexico	Project preparation assistance	50,000
Nigeria	Project preparation assistance	50,000
Tanzania	Project preparation assistance	47,000
Venezuela	Preparatory assistance for the domestic and commercial refrigeration manufacturing sector	30,000
Zambia	Project preparation assistance	20,000
Region: Africa	Project preparation for recovery and recycling projects in Malawi and Uganda	25,000
<b>Sub-total</b>		<b>557,000</b>
13% support costs		72,410
<b>Total</b>		<b>629,410</b>

The Sub-Committee recommended approval of the following amendments to the 1995 UNEP Work Programme contained in document UNEP/OzL.Pro/ExCom/17/15 and Add.1 and 2 for a total of US \$613,906 including US \$70,626 as support costs for UNEP.

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Gabon	Country programme preparation	33,000
Guyana	Country programme preparation	40,000
Kiribati	Country programme preparation	20,000
Korea, Democratic People's Republic	Country programme preparation	40,000
Paraguay	Country programme preparation	43,000
Solomon Islands	Country programme preparation	20,000
Vanuatu	Country programme preparation	20,000
Viet Nam	Technology cooperation workshop for ODS elimination	27,000
Viet Nam	Establishment of the ozone unit (institutional strengthening)	137,280
Zaire	Country programme preparation	43,000
Region: Latin America and the Caribbean	Regional workshop on methyl bromide for Latin America and the Caribbean	120,000
<b>Sub-total</b>		543,280
13% support costs		70,626
<b>Total</b>		613,906

The Sub-Committee also recommended approval of the following institutional strengthening proposals contained in documents UNEP/OzL.Pro/ExCom/17/18 and Add.1, UNEP/OzL.Pro/ExCom/17/19 and Add.1 and UNEP/OzL.Pro/ExCom/17/22 and Add.1 for a total of US \$349,170, including US \$40,170 as support costs, to be included in the 1995 UNEP Work Programme:

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Dominican Republic	Establishment of the Commission for the Ozone (COGO)	155,000
Peru	Establishment of the Technical Ozone Office	154,000
<b>Sub-total</b>		309,000
13% support costs		40,170
<b>Total</b>		349,170

The Sub-Committee recommended approval of the following amendments to the 1995 UNIDO Work Programme contained in document UNEP/OzL.Pro/ExCom/17/16 and Add.1 for a total of US \$647,991, including US \$74,548 as support costs for UNIDO.

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Algeria	Project Formulation for phasing out ODS in small and medium scale industries.	75,000
Benin	Preparation of an investment project for ODS phase-out in a foam producing plant (Sibao)	15,000
Brazil	Project preparation assistance	15,000
China	Project formulation of investment projects in the halon sector in three fire equipment factories (Xiangshan, Xiangshan No. 1 and Dalian Jinzhou) and in domestic refrigeration sector, aerosols, foams and solvents	100,000
China	Workshop on domestic and commercial refrigerator compressor conversion	40,000
Cote d'Ivoire	Project preparation for ODS phase-out of a foam producing plant (Fabrique Ivoirienne de mousse et ameublement) and at two aerosol fillers (Sicobel and Gandoor)	10,000
Ecuador	Preparation of an investment project in a plant (Elasta) for the production of polyurethane flexible foam for automotive industry	15,000
Guyana	ODS phase-out at a domestic refrigeration plant (Guyana Refrigeration Ltd)	15,000
Kenya	Identification and preparation of projects in the solvents and aerosols sectors	15,000
Malta	Preparation of an investment project in a plant (Toly) for cleaning of plastic caps for cosmetic products using CFC-113	note comment
<i>The Sub-Committee recommended that Malta should be urged not to seek assistance from the Fund</i>		
Peru	Project preparation assistance in solvent sector contained within the country programme	30,000
Romania	Creation of an Ozone Secretariat	168,443
Tunisia	Project preparation in the aerosol, foam, domestic refrigeration, and solvents sectors	30,000

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Region: Africa	Preparation of a recovery and recycling projects in Benin, Botswana, Burkina Faso, Gambia, Guinea, Namibia and Senegal	45,000
	Approval recommended	
<b>Sub-total</b>		573,443
13% support costs		74,548
<b>Total</b>		647,991

The Sub-Committee recommended approval of the following amendments to the 1995 World Bank Work Programme contained in documents UNEP/OzL.Pro/ExCom/17/17 and Add.1 for a total of US \$70,000.

<b>Country</b>	<b>Project</b>	<b>Recommended amount (US \$)</b>
Jordan	Institutional strengthening support for the Department of Environment, Air Protection Section (phase II)	70,000
<b>Total</b>		70,000

**Part C: Investment projects****Algeria** *(UNEP/OzL.Pro/ExCom/17/27 and Add.1)*

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Investment project for phasing out CFCs at Entreprise Nationale des Detergents (ENAD)	614,850
Plus 13 per cent project support costs to UNIDO	79,931
Investment project for phasing out CFCs at Entreprise Nationale des Detergents (Enad-Lames)	109,900
Plus 13 per cent project support costs to UNIDO	14,287

**Argentina** *(UNEP/OzL.Pro/ExCom/17/28 Add.1 and Cor.1 and 2 and Add.2)*

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Piero SAIC	341,000
Plus 13 per cent project support costs to UNDP	44,330
Conversion to non-CFC technology in the manufacture of flexible foam (slabstock) at Limansky	473,000
Plus 13 per cent project support costs to UNDP	61,490
Conversion to non CFC technology in the manufacture of flexible foam (slabstock) at Sueno Estelar S.A. and Estelar San Luis S.A.	690,000
Plus 13 per cent project support costs to UNDP	89,700

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to non-CFC technology in the production of mobile air conditioning systems at Sistemaire, S.A.	2,441,667
Elimination of CFCs in domestic refrigerator production plant in Autosal, S.A.	821,312
Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba, S.A.	706,961
Elimination of CFCs in the manufacturing plant of domestic refrigerators of Briket, S.A.	783,820

**Bangladesh** *(UNEP/OzL.Pro/ExCom/17/29 and Add.1)*

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to CFC-free technology in the manufacture of aerosol at Advanced Chemical Industries Ltd. (ACI)	322,920
Plus 13 per cent project support costs to	41,980

**Brazil** *(UNEP/OzL.Pro/ExCom/17/30 and Add.1)*

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to CFC-free technology in the manufacture of integral skin polyurethane foam for steering wheels at Plascar	119,400
Plus 13 per cent project support costs to UNDP	15,522
Conversion to CFC-free technology in the manufacture of polyurethane foam at MBR	338,500
Plus 13 per cent project support costs to UNDP	44,005



Conversion to CFC-free technology in the manufacture of polyurethane foam at Macroform UNDP	243,500
Plus 13 per cent project support costs to UNDP	31,655
Conversion to CFC-free technology in the manufacture of polyurethane foam at Nacra	254,500
Plus 13 per cent project support costs to UNDP	33,085
Elimination of CFCs in the manufacture of domestic chest freezers at Multibras, S.A. Eletrodomesticos	598,499
Plus 13 per cent project support costs to UNDP	77,805
<i>The Secretariat recommends that future approval of projects in the domestic refrigeration sector in Brazil be based on a national ODS phase-out strategy</i>	

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Investment project for phasing out of ODS at Frisokar Equipamentos Plasticos Ltd.	267,948
Plus 13 per cent project support costs to UNIDO	34,833
Conversion of the assembly of refrigeration compressors to phase out CFC-12 and CFC/HCFC-502 by using HFC-134a and R-404a at Elgin Maquinas, S.A.	460,339
Plus 13 per cent project support costs to UNIDO	59,844
<i>The Executive Committee might wish to use conversion cost per unit as an indicator to compare the relative cost-effectiveness of these types of project</i>	

**Cameroon** (UNEP/OzL.Pro/ExCom/17/31 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Investment project for phasing out of CFCs at Union Camerounaise d'Entreprise	1,321,400
Plus 13 per cent project support costs to UNIDO	171,782

**China**

(UNEP/OzL.Pro/ExCom/17/32 and Add.1 and Cor.1 Add.2)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to CFC-free technology in the manufacture of flexible PUF products at Daimei	362,600
Plus 13 per cent project support costs to UNDP	
Conversion to CFC-free technology in the manufacture of XPS foam at Gangzhou	450,800
Plus 13 per cent project support costs to UNDP	
Conversion to CFC-free technology in the manufacture of XPS foam at Handan No. 7	400,950
Plus 13 per cent project support costs to UNDP	
Conversion to CFC-free technology in the manufacture of XPS foam at JIP Buotou	604,450
Plus 13 per cent project support costs to UNDP	
Conversion to CFC-free technology in the manufacture of XPS foam at Tianjin Gangda	404,250
Plus 13 per cent project support costs to UNDP	
Elimination of CFC-11 in the manufacture of rigid PUF products at Tianjin plastic plant	0
<i>The Executive Committee may wish to take note of the consolidation of the implementation of the project and request the World Bank to return \$206,315 to the Multilateral Fund</i>	
Elimination of CFCs in the manufacture of domestic refrigerators at Guangdong Kelon	4,483,050
Plus 13 per cent project support costs to UNDP	
<i>Funding approved should be considered a part of future allocations for the implementation of China's ODS phase-out strategy in the domestic refrigeration sector</i>	
Elimination of CFCs in the manufacture of domestic refrigerators at Changsha Zhongyi Group	2,961,000
Plus 13 per cent project support costs to UNDP	
<i>Funding approved should be considered a part of future allocations for the implementation of China's ODS phase-out strategy in the domestic refrigeration sector</i>	

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion of compressor production for domestic refrigerators from CFC-12 to hydrocarbon refrigerant at Jiaxipera Compressor Factory	1,490,000
Conversion of domestic refrigerator and freezer factories to phase out CFC-12 and CFC-11 by hydrocarbons isobutane and cyclopentane at Hangzhou Xiling Holdings Company	2,790,320
Plus 13 per cent project support costs to UNIDO	
<i>Funding approved should be considered a part of future allocations for the implementation of China's ODS phase-out strategy in the domestic refrigeration sector</i>	

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Liangzhu	167,800
Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Zhenjiang	276,800
Conversion to CFC-free technology in the manufacture of flexible polyurethane foam (slabstock) at Penglai	330,200
Conversion to CFC-free technology in the manufacture of flexible polyurethane foam (slabstock) at Yifeng Polyurethane Plastic Plant	214,600

**Colombia** (UNEP/OzL.Pro/ExCom/17/33 and Add.1 and 2)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Elimination of CFCs 11 and 12 in the manufacture of unitary commercial refrigeration equipment at Friomix, S.A.	11,146

Plus 13 per cent project support costs to UNDP	
Elimination of CFCs 11 and 12 in the manufacture of unitary commercial refrigeration equipment at Industrias Westell Ltd.	227,602
Plus 13 per cent project support costs to UNDP	

**India** *(UNEP/OzL.Pro/ExCom/17/34 and Add.1 and 2)*

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion of 5 aerosol filling installations to manual filling equipment using HAP	181,550
<i>The project should be used to develop project proposals to convert small informal enterprises in any Article 5 country</i>	
Phase-out of CFCs in the manufacture of moulded PUF at Bharat Seats Ltd.	530,000
Phase-out of CFCs in the manufacture of moulded PUF automotive seats at Polyflex P. Ltd.	222,400
Phase-out of CFCs in the manufacture of PUF mouldings at Vijayiyot Seats Ltd.	335,500
Phase-out of CFCs in the manufacture of extruded polyethylene foam at Real Polymers	276,200
Phase-out of CFCs in the manufacture of moulded PUF at PUR Polyurethane Products P. Ltd.	193,500
Phase-out of CFCs in the manufacture of extruded polyethylene foam at Kunststoff Polymers Ltd.	246,500
Phase-out of CFCs in the manufacture of integral skin PUF moldings at Pfeda Synthetics (P) Ltd.	345,800
Phase-out of CFCs in the manufacture of rigid PUF products at SDC Polyurethane Products Ltd.	165,800

**Indonesia** (UNEP/OzL.Pro/ExCom/17/35 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Elimination of CFCs in the manufacture of rigid PUF foam for cold storage at Fibrindo	55,000
Plus 13 per cent project support costs to UNDP	
Elimination of CFCs in the manufacture of rigid PUF for coolers/thermoware at P.T. Merah Delima	173,000
Plus 13 per cent project support costs to UNDP	

**Iran, Islamic Republic of** (UNEP/OzL.Pro/ExCom/17/36 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Phasing out CFC-11 through conversion of rigid PU-foam manufactured with the technique of continuous lamination at Fabis, Iran Steel, Mammoth Teheran, F.M., and Urethne Systems	2,571,250
Plus 13 per cent project support costs to UNIDO	
<i>The percentage of exports to non-Article 5 countries should be accurately determined and UNIDO should recalculate the amount of the grant for non-exporting enterprises according to the Committee's guidelines.</i>	

**Jordan** (UNEP/OzL.Pro/ExCom/17/37 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Umbrella project for conversion to CFC-free technology at Five Star Polyurethane Foam Factory	66,000

**Malaysia** *(UNEP/OzL.Pro/ExCom/17/39 and Add.1 and Rev.1 and Add.2)*

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion to hydrocarbon technology in the manufacture of aerosol products at Maya Chemical Industries Sdn., Bhd. Plus 13 per cent project support costs to UNDP	37,808
Alloychem Malaysia Sdn. Bhd., aerosol conversion project Plus 13 per cent project support costs to UNDP	99,500
Elimination of CFCs in the manufacture of moulded/integral skin PUF at Bristol Sdn., Bhd. Plus 13 per cent project support costs to UNDP	123,400
Elimination of CFCs in the manufacture of cold cured PUF moulded products at Urethane Technologies Sdn., Bhd. Plus 13 per cent project support costs to UNDP	199,000
Elimination of CFCs in the manufacture of cold cured/integral skin PUF moulded at Muda Murni Sdn., Bhd. Plus 13 per cent project support costs to UNDP	236,500
Elimination of CFCs in the manufacture of rigid polyurethane foam decorative products at Florafoam Marketing Sdn., Bhd. Plus 13 per cent project support costs to UNDP	152,000
Umbrella project for elimination of CFCs 11 and 12 in the manufacture of commercial refrigeration equipment at four small enterprises: Lim Yew, Exquisite, FMC, Noblelane Plus 13 per cent project support costs to UNDP	680,000

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Elimination of ODS in the process of EPE/EPS foam sheet at Star Foam Paper Products Sdn., Bhd.	295,000
Phase-out of CFC-12 MAC system production equipment and conversion to HFC-134a MAC system manufacturing in Nippodenso Capital Sdn., Bhd.	2,299,700

Phase-out of CFC-12 MAC manufacturing equipment and conversion to HFC-134a MAC system manufacturing at APM Air Conditioners Sdn., Bhd.	1,217,000
Conversion of metal cleaning process from 1,1,1 TCA to hydrocarbons at Eng Teknologi Sdn. Bhd.	120,900
Conversion of metal cleaning process from 1,1,1 TAC to non-ozone depleting organic solvents in Ban Seng Lee Industries Sdn. Bhd.	108,400

**Nigeria** *(UNEP/OzL.Pro/ExCom/17/42 and Add.1)*

The Sub-Committee recommended approval of the following projects to be implemented by UNIDO and the funds indicated:

	<u>Recommended amount US \$</u>
Investment project for phasing out CFCs at Debo Industries Ltd. Plus 13 per cent project support costs to UNIDO	1,048,053

**Pakistan** *(UNEP/OzL.Pro/ExCom/17/43 and Add.1)*

The Sub-Committee recommended approval of the following projects to be implemented by the World Bank and the funds indicated:

	<u>Recommended amount US \$</u>
Phase-out of CFC-11 in the manufacture of moulded and rigid PUF at Razi Sons	508,060
Phase-out of CFC-11 in the manufacture of flexible PUF moulded and integral skin at Master Group	1,247,330

**Peru** (UNEP/OzL.Pro/ExCom/17/44 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Elimination of CFC-12 in the production of polystyrene foam at Promola Plus 13 per cent project support costs to UNDP	294,960

**Philippines** (UNEP/OzL.Pro/ExCom/17/45 and Add.1 and Cor.2)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Residual phase out of CFCs in the manufacture of flexible polyurethane slabstock at Mandaue Plus 13 per cent project support costs to UNDP <i>Disbursement of funds for this project should be made contingent on verification (by UNDP) of CFC consumption at Mendaue</i>	217,000
Elimination of CFCs 11 and 12 in the manufacture of domestic refrigerators at Matsushita Electric Philippines Corporation (Mepco) Plus 13 per cent project support costs to UNDP	112,244

**Thailand** (UNEP/OzL.Pro/ExCom/17/49 and Add.1)

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Phase-out of the use of CFCs in the manufacture of rigid PUF foam for thermoware at Krieng Thavorn Containers Co. Ltd. Plus 13 per cent project support costs to UNDP	430,000



**Venezuela** *(UNEP/OzL.Pro/ExCom/17/50 and Add.1 and 2)*

The Sub-Committee recommended approval of the following projects to be implemented by UNDP and the funds indicated:

	<u>Recommended amount US \$</u>
Conversion of CFC-12 to compressor production facilities at Vecomesa, S.A. to manufacture HFC-134a compressors Plus 13 per cent project support costs to UNDP	362,000
Elimination of CFCs 11 and 12 in the manufacture of commercial refrigeration equipment at Industrias Nutal Plus 13 per cent project support costs to UNDP	123,623
Elimination of CFCs 11 and 12 in the manufacture of commercial refrigeration equipment at Pinova, S.A. Plus 13 per cent project support costs to UNDP	517,500
Elimination of CFCs 11 and 12 in the manufacture of domestic refrigerators at Madosa, S.A. Plus 13 per cent project support costs to UNDP	230,274
Elimination of CFCs 11 and 12 in the manufacture of domestic refrigerators at Coresmalt Valencia, C.A. Plus 13 per cent project support costs to UNDP	685,330
Elimination of CFCs 11 and 12 in the manufacture of domestic refrigerators at Grupo Frigilux, C.A. Plus 13 per cent project support costs to UNDP	953,000

**Viet Nam** *(UNEP/OzL.Pro/ExCom/17/51 and Add.1)*

The Sub-Committee recommended approval of the following project to be implemented by UNDP and the funds indicated:

	<u>Recommended amount</u>
Conversion to hydrocarbon aerosol propellant technology at Saigon Cosmetics Company Plus 13 per cent project support costs to UNDP	238,430

**ANNEX II**  
**Activities and projects withdrawn or deferred**  
**(in US \$)**

**Bilateral cooperation by Canada**

Brazil	Halon 1301 use reduction and bank management (phase II)	654,334
Venezuela	Halon 1301 use reduction and bank management (Phase II)	392,737

**Bilateral cooperation by France**

Cameroon	Formation des techniciens dans le secteur de la réfrigération et de climatisation au Cameroun	40,000
Malaysia	Phase-out the use of CFC-113 in the electronic industry through technical preparation of no clean process	210,000

**Submitted through UNDP**

Gambia	Project preparation assistance	30,000
Seychelles	Project preparation assistance	17,000
Uruguay	Elimination of CTC use in the treatment of cattle	15,000
Venezuela	Workshops to identify projects in foam and solvent sectors	36,390
	National workshop on the implementation and adaptation of technologies to replace ODS	10,790
	Pilot project for recovery and recycling of refrigerants in central air conditioning	285,120

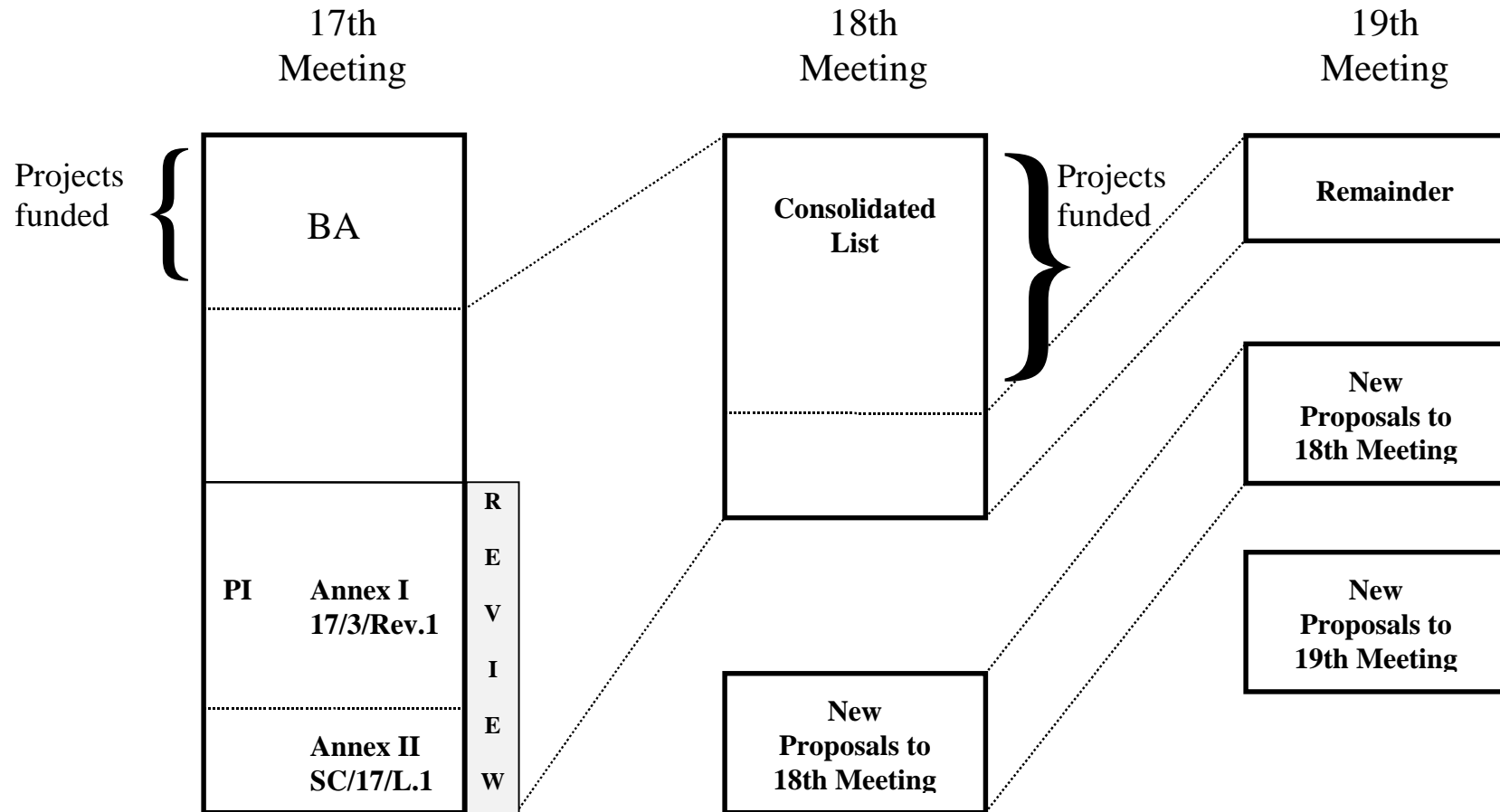
**Submitted through UNEP**

Congo	Training technicians, users and repairmen in the refrigeration sector	35,000
	Technical assistance for customs officials	16,000
Dominican Republic	Creation of a national ozone seal	38,000
Togo	Training technicians, users and repairmen in the refrigeration sector	15,600
	Technical assistance for custom officials	5,600
Global	Workshop for ECO member states on implementation of the Montreal Protocol	150,000

**Submitted through UNIDO**

Mexico	Preparation of projects in the refrigeration, foam, aerosols, halons and solvents sectors	70,000
Sudan	Phasing out CFCs at Sudanese Cosmetics & Household Products, Ltd.	897,600
Tanzania	Phasing out CFCs at Mansoor Daya Chemicals Ltd	660,000
Uganda	Preparation of a recovery and recycling project in the refrigeration sector and identification of projects in the aerosols and foam sectors	15,000

### ANNEX III



**BA - Blanket Approval**

**PI - Policy Issues**

**Consolidated List - BA projects not funded at 18th Meeting and PI projects**