UNITED
NATIONS

EP

United Nations
Environment
Programme

Distr.
Limited

UNEP/OzL.Pro/ExCom/29/18
1 November 1999

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-ninth Meeting
Beijing, 24-26 November 1999

OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

Projects and activities presented to the 29th Meeting

Submissions by Agencies and Bilateral Partners

1. The total value of requests associated with projects and activities received by the Fund Secretariat from implementing and bilateral agencies for submission to the 29th Meeting, is US $119,265,629 (including agency support costs where applicable). The total is comprised of:

(a) Bilateral co-operation:

- 47 project proposals were received from Canada, Finland, France, Germany, Japan, Sweden and Switzerland with a total value of US $16,834,354 as submitted;

(b) 2000 Work Programmes:

- The 2000 Work Programme has been submitted by UNEP with a total value of US $2,940,599;
- Advances for the 2000 Work Programmes of UNDP, UNIDO and the World Bank have been submitted with a total value of US $878,518.

(c) 1999 Work Programme Amendments:

- 1999 Work Programme Amendments have been submitted UNDP, UNEP and UNIDO. The proposals include US $1,404,002 for 14 institutional strengthening projects and US $2,050,165 for other activities.

(d) Investment projects:

- 181 proposals for investment projects (including methyl bromide) were submitted to the 29th Meeting by UNDP, UNIDO and the World Bank with a total value, as submitted, of US $95,157,990.

Secretariat's review of proposed projects and activities

2. The review of project proposals by the Fund Secretariat has resulted in the following:

(a) Bilateral projects:

- 20 bilateral projects with a total value of US $1,134,350 have been recommended for blanket approval;
- 16 bilateral projects with a value of US $11,293,381 are pending.
- 10 bilateral projects with a value of US $3,652,459 have been withdrawn;

(b) 1999 Work Programme Amendments:

- 29 activities with a total value of US $2,414,477 have been recommended for blanket approval;
- 6 activities with a total value of US $666,700 are pending.
- 3 activities with a total value of US $203,400 have been withdrawn.

(c) 2000 Work Programmes:

- 16 activities under UNEP's 2000 Work Programme with a total value of US $2,940,599 have been recommended for blanket approval;

- Advances for the 2000 Work Programme of UNDP, UNIDO and the World Bank with a total value of US $878,518 have been recommended for blanket approval.

(d) Investment Projects (including methyl bromide):

- 96 project proposals with a total value of US $23,514,060 have been recommended for blanket approval;
- 53 project proposals with a total value of US $50,572,537 have been listed for individual consideration by the Sub-Committee on Project Review (see Annex I);
- 32 project proposals with a total value of US $19,562,604 have been withdrawn or deferred.

Status of the Fund

3. At the time of preparation of this paper, Multilateral Fund resources available for committal amount to some US $3.3 million. If the recommendations of the Secretariat for blanket approval are taken up and projects and activities for individual consideration were to be approved with their values as submitted, there would be a shortfall of around US $63 million.

Issues arising from Project Review

Funding for countries that have not ratified the London Amendment

4. Among the projects submitted to the 29th Meeting are proposals from 5 countries which have not ratified the London Amendment. The countries are Chad, Dominican Republic, Madagascar, Nigeria and Syria. Countries which have not ratified the London Amendment, have, in the past, submitted projects to the Executive Committee and received funding.

5. The Executive Committee might consider whether it wishes to continue to approve funding for countries which have not ratified the London Amendment. The Committee could also consider whether, at the same time, a letter should be sent to these countries urging them to take the necessary action to become signatories to the amendment.

Incremental operating costs

6. Since the inception of the Multilateral Fund, incremental operating costs/savings have had a significant impact on the level at which projects are funded. In the aerosol and halon sectors there has been a consistent pattern of incremental operating savings which have been deducted from the project cost. In the solvent sector costs or savings tend to have been technology and project specific. In the foam and refrigeration sectors there has been a consistent pattern of net incremental operating costs, sometimes comprising over 90 percent of the overall project cost, depending on the level of capital costs and the consumption of the enterprise.

7. In the foam sector the proportion of the overall project cost arising from incremental operating costs has been increasing. At the same time, the overall cost of foam projects with relatively high levels of consumption is now consistently at or near the limit established by the cost-effectiveness threshold. The factors contributing to the increasing level of incremental operating costs include the relative prices of chemicals used before and after the conversion and technical issues such as the claimed need to increase the density of foam after conversion, which results in increased quantities of chemicals after conversion and thus increased costs.

8. Three factors need to be recalled in relation to the use of incremental operating costs. Firstly, compensation in the form of incremental operating costs is intended to apply for a transitional period during which the new technology becomes established in the enterprise or country concerned. This is relevant because, increasingly, non-CFC technologies are becoming the industry norm, even in Article 5 countries. Secondly, incremental operating costs are needed after the conversion to assist sustainability (since capital costs are intended to fund the conversion itself). However since in most cases they are paid to the enterprise as a lump sum, they represent a "cash" allowance. Thirdly, since the majority of foam projects submitted to the 29th meeting have a three year implementation period, costs and other technological factors prevailing at the time of project preparation and which form the basis for calculation of incremental operating costs, may not be applicable when the project is completed.

9. Notwithstanding the above, some implementing agencies have indicated to the Fund Secretariat that, in practice, the availability of incremental operating costs is important to the successful preparation and implementation of projects, particularly in the foam and commercial refrigeration sectors. They contest vigorously the interpretation of policies and use of technical data, which when applied according to the rules and policies of the Multilateral Fund, would have the effect of reducing the level of incremental operating costs found to be eligible.

10. Project completion reports received to date do not provide any details on the actual incremental operating costs incurred by enterprises after conversion. Thus new projects are still being formulated on the basis of estimated costs derived from reports of suppliers' prices *et-cetera*.

11. The above is of significance at this meeting because of two factors.

Chemical prices

12. Firstly, in one country, Mexico, as a consequence of institutional measures taken by the government to promote the phase-out of ODS, prices of CFCs are now significantly higher than

prices of the substitute chemicals. Actual costs for enterprises in Mexico which have converted their production will now be lower than costs for those enterprises which are still using CFCs. Accordingly, projects submitted to this meeting in the foam and refrigeration sectors in Mexico show incremental operating savings rather than costs and consequent reductions in the eligible incremental cost compared to projects prepared before Mexico took this action. One implementing agency, UNDP, has strongly represented its view that projects should continue to be prepared using prices for chemicals prevailing in the region, rather than those in the country. This would have the effect of sustaining incremental operating costs at historical levels irrespective of the actual level of incremental operating savings which will accrue to the enterprises concerned after conversion. This position has also been represented to the Secretariat by Mexico's ozone unit.

13. Accordingly projects in the foam and refrigeration sectors in Mexico have been referred for individual consideration. The Executive Committee might consider the position it wishes to take in relation to the effect on incremental operating costs of changes in chemical prices and apply that position to the projects in question.

14. Additionally, prices presented in projects for countries unaffected by particular institutional arrangements frequently remain inconsistent with identified global price trends. Globally, the difference in price between some substitute chemicals and CFCs is decreasing. However projects continue to show the historically large gap between the two. The Executive Committee might wish to note that the Fund Secretariat, together with relevant implementing agencies, is examining ways to use the price differential between CFCs and substitute chemicals observed globally or regionally, as a means of verifying the local market prices used to determine incremental operating costs or savings in projects.

Foam density

15. Secondly and more generally, agencies have been routinely including in their proposed incremental operating costs for foam projects involving conversion to HCFC-141b, requests for the cost of increased quantities of foam. The increased quantities of foam result from a claimed need to make the foam more dense after conversion, inter-alia, in order to maintain the quality of the product. The issue is significant because a density increase of 10 percent could result in an increase in incremental operating costs of some 60 percent.

16. Assessment and analysis of foam density is a complex technical issue. In relation to the operation of the Multilateral Fund it is, regrettably, still necessary to undertake the analysis theoretically, because, despite the approval of almost 700 projects in the foam sector and the completion of around 250, the Secretariat has received no information from the implementing agencies on actual experiences with foam densities from enterprises in which projects have been implemented, by way of project completion reports or otherwise. However the Secretariat has nonetheless received vigorous representations from the implementing agency most involved with foam projects, UNDP, in support of its proposition that an allowance for a density increase of 7.5 percent when calculating incremental operating costs is essential for the conversion process and is a technically sustainable argument.

17. The Secretariat has been representing its concerns about the prevalence and magnitude of proposals to fund increases in foam density for more than two years. In part as a response to

these concerns, the World Bank commissioned foam experts on its Ozone Operations Resource Group to undertake a study of density in relation to a number of foam manufacturing applications. A draft report was first presented for review at an OORG meeting as early as October 1998. The draft report was refined and presented again in May 1999 and issued as a final report in September 1999. Some or all of theses OORG meetings were also attended by consultants from other implementing agencies and the Fund Secretariat. The OORG foam sector report does not cover all relevant applications, but finds that density increases are not required in some of the relevant applications and are less than previously indicated in others. Importantly, it finds that a "global" density change factor should not be applied.

18. Separately the Secretariat has been discussing the issue of density with other foam experts in developed and developing countries. It has been established that for some applications where density is initially high, such as in insulation panels, an increase after conversion is not needed. This is agreed by UNDP. In other less critical but equally prevalent applications such as the manufacture of thermoware, for instance small plastic cooling flasks and boxes, the Secretariat has been given clear indications that density increases are unlikely to occur in practice. This is the case both for larger, more capable enterprises which are able to optimise their processes and for smaller less capable enterprises which are more focussed on cost minimisation and basic functionality. This information has led to the Secretariat not being able to recommend to the Executive Committee project costs for those foam enterprises which include a blanket allowance for a 7.5 percent or higher density increase.

19. Although the draft findings of the OORG report were available for guidance in 1998, the Secretariat did not insist on their application at that time as they had not been peer reviewed. The Secretariat continued to apply the compromise 7.5 percent requested in certain projects for the 26th Meeting. For the 28th Meeting in July 1999 the Secretariat again did not insist on revisiting foam density as the report had only been presented in May, following peer review. For the 29th Meeting, 18 foam projects include funding for density increases of between 5 and 15 percent. The total requested cost associated with these increases is US $1.68 million. On the basis of the information gained by the Secretariat, and in the light of the circulation of the final, version of the report of the OORG foam working group, the Secretariat concluded that it could no longer continue to support this claim. Accordingly, the 18 projects have all been recommended for individual consideration since the relevant agencies maintain their position that this increment in funding is essential for conversion.

20. The Secretariat is not recommending that the Executive Committee opine on foam density since it is a highly technical issue. However the Committee might consider whether it wishes to approve only the capital cost component, so implementation of the project can commence, with operating costs to be addressed at a future date when the technical issues have been resolved. The relevant projects are listed in Annex I.

The process agent sector

21. At the 17th Meeting, in July 1995, the Executive Committee decided that projects involving process agents should be deferred until the Parties had taken a decision on the issue. A process agent project submitted to the meeting was not approved. In Decision X/14 of the 10th Meeting of the Parties to the Montreal Protocol held in November 1998, the incremental costs of

a range of cost–effective measures to reduce emissions of ODS used as process agents in applications in Article 5 countries became eligible for funding from the Multilateral Fund under certain circumstances.

22. Enterprises in some Article 5 countries converted their production processes to phase-out the use of carbon tetrachloride as a process agent in the mid-1990s, at which time these activities were not eligible for funding for the reasons indicated above. For the 29th Meeting, the Secretariat received a request from UNIDO on behalf of the Government of India for retroactive funding for an enterprise which converted its production of the pharmaceutical product "ibuprofen" from a process using carbon tetrachloride to one using a non-ODS process agent. The enterprise converted its production facility in the period 1994-1995. Decision X/14 requires that process agent projects meet eligibility criteria. Since the activity proposed for funding was not eligible at the time it took place, the Fund Secretariat advised UNIDO that the project was not eligible for submission to the Executive Committee.

23. As required by Executive Committee Decision 17/28 on policy issues, because agreement was not reached with UNIDO on this matter, the issue has been brought to the attention of the Executive Committee and the cover sheet of the relevant project proposal is attached to this paper (Annex II).

24. The Committee might wish to confirm the position outlined above.

Bilateral Projects

25. Several proposals for bilateral co-operation, submitted to the 29th Meeting have been sponsored jointly by two or more bilateral donors or by a combination of bilateral donors and implementing agencies. The review of such "multilateral" requests has been complex and has encountered delays due to the multiplicity of sponsors. The financial administration of combined bilaterals is effected by splitting the funding among the donors or agencies as requested by them and creating a "sub-project" for each donor or agency in the Secretariat's database. However, the substantive issue of which bilateral donor or agency takes responsibility for implementation of the overall project and for obligations for monitoring and reporting on progress, as required by the various decisions of the Executive Committee, is more complex.

26. The number of bilateral projects with joint sponsorship is increasing rapidly. The Executive Committee might consider whether in such cases, one donor should be nominated in the project proposal to act as the lead agency with responsibility for review, management and reporting on the project.

Phase-out in the refrigeration sector

27. At the 27th Meeting the Executive Committee approved project preparation funding for the World Bank to prepare terminal phase-out projects for all CFC consumption in Malaysia and in Thailand. In its draft business plan for the year 2000, the World Bank has included preparation of a similar project for the Philippines. Separately, the World Bank has expanded projects prepared in the refrigeration sector in Turkey, which included servicing end-users, into a terminal phase out project for the Turkish refrigeration sector with an implementation timeframe

of four years. The project was not in the World Bank's 1999 business plan and is not submitted to the 29th Meeting.

28. The Executive Committee has not considered the timing and conditions under which it would like to see these projects prepared and any guidelines they should follow.

29. The Executive Committee might consider whether it wishes to request the Secretariat in conjunction with the implementing agencies to prepare a paper on prerequisites and guidelines for terminal phase-out projects in the refrigeration sector, including complete CFC phase-out proposals, for submission to a future meeting.

Approval of halon banking in advance of the conversion of halon phase-out of fire extinguisher manufacturers

30. The timing of the halon banking projects should be co-ordinated with the timing of the phase-out of the primary halon consumers which are the fire extinguisher manufacturers. The proposals for Jordan and Thailand indicate that fire extinguisher phase-out projects for these countries will be submitted to the 30th Meeting of the Executive Committee. As with CFC recycling, it is best to phase-out the users to ensure that the recycling activity will be successful. The World Bank indicated that the schedule for implementing the halon banking is consistent with the expected umbrella phase-out project. The Committee may wish to consider if the fire extinguisher projects should be presented in advance or along with the halon banking projects for these countries.

China Halon Phase-out Plan: Year 2000 annual Work Programme

31. The implementation of the first year of the China halon project resulted in a greater decrease in production (6.8 per cent below the maximum allowable production) and exports than required under China's agreement with the Executive Committee as contained in Decision 23/11. However, the consumption target for 1998 (7160 MT) was exceeded by 149 MT (447 ODP tonnes) due to a reduced level of exports. China and the World Bank have developed an export quota system to prevent this from recurring in the future. The Secretariat requested a copy of the technical audit that verified these accomplishments, but as of this writing, 1 November 1999, the Secretariat has not received a copy of the audit.

32. Performance indicators for the 1998 work programme were not met for fire extinguisher manufacturers or fixed system manufacturers as two fire extinguisher manufacturers were converted or closed of the targeted 20 such manufacturers and neither of the two fixed system manufacturers were converted or closed in 1998. The Executive Committee may wish to take the above into consideration in its consideration of the 2000 work programme for the China Halon Phase-out Plan.

Implementation of China's agreement on the CFC production sector

33. The World Bank submitted the China CFC Production Sector 2000 Annual programme in accordance with Decision 27/82(b) which stated:

> "To request the Sub-Committee on Project Review to monitor the implementation of the Agreement in accordance with its terms and report any discrepancies to the Executive Committee, on the basis of the annual work programmes and the requests for funding by the World Bank."

34. The Sub-Committee may wish to consider the World Bank submission, with the understanding that the request for funding for the 2000 annual programme will be approved at the first meeting in 2000.

Projects for individual consideration

35. 53 investment projects have been referred for individual consideration. They are listed in Annex I to this paper. Eighteen of the projects are in the foam sector and are included solely because of the issue of incremental operating costs arising from claimed increases in foam density. These projects have been grouped and can be dealt with simultaneously on the basis of the Executive Committee's conclusions on the issues raised in this paper. Foam and refrigeration projects for Mexico are dependent on the Committee's position on incremental operating costs as discussed in this paper. Certain other projects are being discussed with relevant implementing agencies and the outcome of the discussions will be communicated to the Executive Committee.

Resource allocation

36. The value of projects and activities likely to be recommended for the approval of the Executive Committee at the conclusion of the meeting of the Sub-Committee on project review is expected to exceed by a substantial margin the funding available for commitment at the 29th Meeting. Consistent with established practice, the Executive Committee might wish to consider allocating the available funding to Work Programme Amendments, the 2000 UNEP Work Programme and the 2000 Work Programme advances for the other agencies. The Executive Committee might further request the Secretariat to authorize the intersessional transfer of funds by the Treasurer to the relevant implementing agencies once enough contributions have been received.

ANNEX I

List of Projects for Individual Consideration

Country	*Project*	*Sector*	*Agency*	*Doc. No.*	*Issue*
FOAM SECTOR					
Argentina	Conversion from CFC-11 to methylene chloride/LIA technology in the manufacture of flexible polyurethane boxfoam at Fasax	FOA	UNDP	29/25	Calculation of eligible grant. Project eligibility. CFC consumption
Brazil	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Brasinj	FOA	UNDP	29/28	Foam density. ICC agreed
Brazil	Conversion from CFC-11 to HCFC-141b in the manufacture of rigid polyurethane foam for display cabinets at Vacuum Systems	FOA	UNDP	29/28	Foam density. ICC agreed
Brazil	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Intertelhas	FOA	UNDP	29/28	Foam density. ICC agreed
Brazil	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane boxfoam at Fibrasil	FOA	UNDP	29/28	Foam density. ICC agreed
China	Elimination of CFC-11 in manufacturing of PU rigid foam for insulation at 31 enterprises	FOA	UNIDO	29/30	ICC calculations
China	Phase out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Beijing Qianjin Polyurethane Corporation	FOA	IBRD	29/30	Foam density
China	Phase-out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Fushan Anti-Corrosion Insulation Engineering Co. Ltd.	FOA	UNDP	29/30	Foam density. ICC to be agreed
China	Phase-out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Henan Bingxiong Refrigeration Truck Plant	FOA	UNDP	29/30	Foam density. ICC to be agreed
China	Phase-out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Shandong Zhifu Zhenxing Polyurethane Materials Plant	FOA	UNDP	29/30	ICC calculation
China	Phase out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Beijing Hangxing Polyurethane Corporation	FOA	IBRD	29/30	Foam density. ICC to be agreed
China	Phase-out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane insulation foam at Zhenjiang Feichi Automobile Group Co. Ltd.	FOA	UNDP	29/30	Foam density. ICC to be agreed
Colombia	Phase out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane foam at selected Colombian enterprises	FOA	IBRD	29/31	SME window. Project costs agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulated thermoware at Crystal Electronics and Plastics	FOA	UNDP	29/35	Foam density. ICC agreed

Country	*Project*	*Sector*	*Agency*	*Doc. No.*	*Issue*
India	Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded polyurethane foam and from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Reactive Polymers Ltd.	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulation at 24 small and medium-sized enterprises	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulated thermoware at Tokyo Plast International Ltd.	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to water-blown technology in the manufacture of flexible molded polyurethane foam and from CFC-11 to HCFC-141b technology in the manufacture of integral skin polyurethane foam at Harjas Plastic and Metal Components P. Ltd.	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulated thermoware at Mayur Jugs P. Ltd.	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulation at Santech Industries	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulation at Saddle Poly Products P. Ltd.	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam insulated thermoware at National Plastics	FOA	UNDP	29/35	Foam density. ICC agreed
India	Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded polyurethane foam at Delite Foam and Polymers	FOA	UNDP	29/35	Foam density. ICC agreed
Indonesia	Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (sprayfoam, panels, blocks) at Tansri Gani	FOA	UNDP	29/36	Foam density. ICC to be agreed
Indonesia	Phase-out of CFC-11 by conversion to water-based systems (FMF) and HCFC-141b (ISF) in the manufacture of polyurethane foam for automotive and furniture applications at P.T. Yoska Prima Inti	FOA	UNDP	29/36	Foam density. ICC to be agreed
Mexico	Phase-out of CFC-11 by conversion to HCFC-141b or water-blown technology in rigid polyurethane foam (spray) and to water-based formulations in integral skin foam at Comsisa	FOA	UNDP	29/41	Chemical prices. Foam density. Project eligibility of systems house. ICC of group to be agreed
Thailand	Conversion from CFC-11 to LIA techn. in manuf.flexible polyurethane foam, to water-based tech. For flexible molded foam, to water-based tech. for structural foam/ISF applications & HCFC-141b tech. for rigid polyurethane foam at Great Foam Products Co.Ltd.	FOA	UNDP	29/46	Foam density. ICC to be agreed
REFRIGERATION SECTOR					
China	Replacement of CFC-11 and CFC-12 with cyclopentane and isobutane in the production of refrigerators at Moganshan Electric Appliances Co.	REF	UNIDO	29/30	Moganshan is not in the list of enterprises provided by the Government. Costs agreed.
Gambia	Complementary refrigerant recovery and recycling	REF	UNIDO	29/34	Additional funds for recovery and recycling project (already approved)

Country	*Project*	*Sector*	*Agency*	*Doc. No.*	*Issue*
India	Conversion of CFC-12 refrigerator and compressor manufacture to R-600a at GGEAL (Phase II)	REF	IBRD	29/35	Under discussion. IOC might be resolved; IOC for R600 compressor might be brought to ExCom
India	Conversion of CFC-12 refrigerator manufacture to HFC-134a at Voltas (Hyderabad)	REF	IBRD	29/35	Under discussion. ICC (calorimeter, oven), production are contentious
Mexico	Phasing out CFC-11 with cyclopentane and CFC-12 with HFC-134a in the manufacturing plant of commercial refrigerators of Metaplus S.A. de C.V.	REF	UNIDO	29/41	Chemical prices. If resolved as proposed, grant remains the same
Mexico	Phasing out CFC-11 with HCFC-141b and CFC-12 with HFC-134a in the manufacturing plant of commercial refrigerators at Refrigeracion Duran S.A. de C.V.	REF	UNIDO	29/41	Chemical prices. If resolved as proposed, grant remains the same
Morocco	Conversion to HCFC-141b technology (rigid foam) and HFC-134a (refrigeration) in the manufacture of domestic refrigerators and freezers at Manar	REF	UNIDO	29/42	Retroactive project; agency fees calculated at 13% without justification. Costs agreed
HALON SECTOR					
Jordan	Halon management program for Jordan, halon recovery, recycling and banking	HAL	IBRD	29/38	Fire extinguisher project not submitted. Costs agreed
Thailand	Halon management program for Thailand, halon recovery, recycling and banking	HAL	IBRD	29/46	Fire extinguisher project not submitted. Costs agreed
METHYL BROMIDE PROJECTS					
Argentina	Demonstration project for testing methyl bromide alternatives in post-harvest disinfestation for cotton and citrus	FUM	IBRD	29/25	Explanation provided on quarantine and preshipment
Argentina	Phase-out of methyl bromide in strawberry production with alternative chemicals and steam pasteurisation	FUM	UNIDO	29/25	Costs under discussion.
Argentina	Phase-out of methyl bromide in protected vegetables and flower crops with alternative chemicals and steam pasteurisation	FUM	UNIDO	29/25	Costs under discussion.
Malaysia	Alternatives to the use of methyl bromide on Malaysian timbers	FUM	UNDP	29/40	Demonstration project. Cost agreed.
Turkey	Introduction of alternatives to methyl bromide in protected strawberry, pepper and eggplant in East Mediterranean region and in strawberry in Aydm province of Turkey	FUM	IBRD	29/48	Under discussion. Demonstration project. Might be submitted for individual consideration
Sector Plan for China					
China	The halon sector - 2000 annual program	HAL	IBRD	29/30	No technical review provided; 3 performance indicators not met. Cost agreed
ARTICLE 5 PARTIES THAT HAVE NOT RATIFIED THE LONDON AMENDMENT					
Dominican Republic	Phase-out of CFC-11 by conversion to methylene chloride/LIA technology in the manufacture of flexible polyurethane foam (boxfoam) at Poquinsa	FOA	UNDP	29/32	Not Party to London Amendment. Project grant agreed
Dominican Republic	Phase-out of CFC-11 by conversion to methylene chloride/LIA technology in the manufacture of flexible polyurethane foam (boxfoam) at Espumas del Cibao	FOA	UNDP	29/32	Not Party to London Amendment. Project grant agreed

Country	*Project*	*Sector*	*Agency*	*Doc. No.*	*Issue*
Dominican Republic	Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (panels and sprayfoam) at Paredomi	FOA	UNDP	29/32	Not Party to London Amendment. Project grant agreed
Nigeria	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Rubez (Nig.) Ltd. (Current Foam)	FOA	UNDP	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Phase-out of CFC-11 by conversion to mehtylene chloride in the manufacture of flexible polyurethane foam at Vito Company (Nig.) Ltd. - Victory Foam	FOA	UNDP	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Vono Products PLC	FOA	UNDP	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Jafco Industries Limited by conversion to methylene chloride	FOA	UNDP	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Phase out of CFC-11 by conversion to methylene chloride blown technology in the manufacture of flexible polyurethane foam at Betaday Industries Ltd.	FOA	UNDP	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the manufacture of domestic refrigeration equipment at De Johnson Ltd.	REF	UNIDO	29/43	Not Party to London Amendment. Project grant agreed
Nigeria	Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the manufacture of commercial refrigeration at Austin-Laz & Co. Ltd.	REF	UNIDO	29/43	Not Party to London Amendment. Project grant agreed
Syria	Refrigerant management plan: establish regulations and legislation	REF	UNEP	29/45	Not Party to London Amendment. RMP to be decided
Syria	Refrigerant management plan: training of custom officials	REF	UNEP	29/45	Not Party to London Amendment. RMP to be decided
Syria	Refrigerant management plan: training of the established refrigeration technician including train the trainers	REF	UNEP	29/45	Not Party to London Amendment. RMP to be decided
Syria	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigerarion equipment at seven enterprises	REF	UNDP	29/45	Not Party to London Amendment. Project grant agreed