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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-sixth Meeting
Montreal, 20-22 March 2002

Addendum

PROJECT PROPOSALS: CHINA

This addendum is issued to report the conclusions of the discussions between the Secretariat and UNIDO on the terminal EPE umbrella project for 30 enterprises.

Add the following on page 6:

9(bis) The Fund Secretariat and UNIDO concluded discussions of the outstanding technical issues of the terminal EPE umbrella project and agreed on the project's costs as follows:

Total incremental capital cost:	US \$6,005,420
Total incremental operational savings	(US \$1,169,711)
Total project cost	US \$4,325,709
Implementing agency support cost	US \$485,828
Total cost to the Multilateral Fund	US \$4,811,537
Total CFC-12 consumption	851 ODP tonnes
Cost-effectiveness	US \$5.09/kg

The breakdown of the agreed grant by enterprise is indicated in Table 2 below.

10. UNIDO is requesting approval in principle of the agreed amount of US \$4,325,709 and implementing agency support cost of US \$485,828 (for a total grant of US \$4,811,537). UNIDO is also requesting release in two tranches of the amount if approved in principle, instead of the three tranches referred to in paragraph 5 (b) of document UNEP/OzL.Pro/ExCom/36/26. The following schedule for release of payments has been proposed by UNIDO.

Time of payment	Amount US \$	Remarks
March 2002 (36 th Meeting)	US \$1,697,000	Against 2001 business plan
July 2002 (37 th Meeting)	US \$3,114,537	Against 2002 business plan
Total	US \$4,811,537	

11. The approval in principle and release of the grant amount in two tranches would be subject to the conditions indicated in paragraph 12 below.

12. The final payment of the grant will be released based on confirmation by UNIDO:

- (a) That the CFC phaseout targets in the two previously approved umbrella EPE projects have been met, and;
- (b) Relevant project implementation milestones of the approved EPS umbrella projects have been met.

RECOMMENDATIONS

13. The project proposal is submitted for individual consideration in line with UNIDO's request and against the background of the information provided in paragraphs 10-12 above. If the project is approved, 851 ODP tonnes of CFC should be counted against the remaining fundable CFC consumption in China.

Table 2: Recommended Grants for Enterprises in the Terminal project to phase-out CFC-12 in manufacturing of EPE foams in China

No.	Company	CFC-12 Consumption (ODP tonnes)	Total ICC* (\$US)	IOC Savings (\$US)	Recommended Grant (US\$)	Cost-Effectiveness (\$US/kg)
1	Shandong Xixia Plastics	14	125,560	-28,101	97,459	6.96
2	Shandong Sitong	68	403,860	-134,682	269,178	3.95
3	Shandong Xixia Fruit	14	125,560	-27,250	98,310	7.02
4	Shandong Tongda	51	299,800	-100,547	199,253	3.91
5	Shandong Hefengqiao	13	121,160	-25,642	95,518	7.35
6	Shandong Liyuan	64	403,860	-126,638	277,222	4.33
7	Pucheng Baofeng	29	204,980	-57,553	147,427	5.07
8	Shandong Yongxing	28	204,980	-55,413	149,567	5.34
9	Pucheng Xingshen	27	204,980	-53,620	151,360	5.61
10	Xinjiang Jinma	42	251,400	-83,002	168,398	4.01
11	Pucheng Xingquan	14	125,560	-27,080	98,480	7.19
12	Pucheng Jinyao	28	204,980	-55,426	149,554	5.32
13	Shanxi Pucheng Hongtupo	14	125,560	-27,706	97,854	6.99
14	Shanxi Huacheng	14	125,560	-27,884	97,676	6.93
15	Shanxi Rongchang	27	204,980	-52,831	152,149	5.70
16	Xinjiang Jinma	42	251,400	-83,072	168,328	4.01
17	Shanxi Xingyuxing	16	125,560	-31,985	93,675	5.79
18	Shanxi Sihai Packaqing	42	251,400	-82,864	168,536	4.02
19	Shanxi Wenming	16	125,560	-31,029	94,531	6.02
20	Sichuan Chongqing	13	121,160	-26,315	94,845	7.13
21	Shandong Qushi Fruit	13	121,160	-25,511	95,649	6.83
22	Pucheng Laosong	28	204,980	-54,810	150,170	5.42
23	Shandong Xinlong	52	299,800	-103,081	196,719	3.78
24	Shandong Longkou	27	204,980	-52,621	152,359	5.73
25	Shanxi Xuehua	27	204,980	-52,800	152,180	5.70
26	Shanxi Poli	28	204,980	-55,676	149,304	5.31
27	Shanxi Paper	27	204,980	-53,395	151,585	5.61
28	Shanxi Qian	27	204,980	-53,975	151,005	5.53
29	Shanxi Qian-Xing	14	121,160	-26,910	94,250	6.93
30	Yichun	32	125,560	-62,291	63,269	2.01
	Sub-total	851	5,905,420	-1,679,711	4,225,709	
	Technical assistance:				100,000	
	TOTAL GRANT:				4,325,709	5.09

* Includes cost of safety certification and 10% contingency.
