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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-seventh Meeting  
Montreal, 17-19 July 2002

**ADDENDUM TO 2002 UNIDO BUSINESS PLAN**

## **Introduction**

1. At its 36<sup>th</sup> Meeting, the Executive Committee decided to request implementing agencies to prepare addenda to their 2002 business plans to plan activities for the unallocated funds from 2001 and the remaining allocations from bilateral agencies in 2002 business plans.
2. The total amount of US \$10,604,264 was distributed according to agency shares and therefore US \$2,651,066 was allocated for UNIDO.
3. UNIDO included in its business plan addendum: project preparation for a sectoral fumigant (methyl bromide) phase out plan for Brazil (US \$100,000) and South Africa (US \$125,000), US \$1,344,350 for the first tranche of the Korea DPR production sector phase-out plan, and an additional US \$906,798 for the domestic refrigeration and compressor manufacturing sector phase-out plan in China.

## **Comments**

4. Project preparation in Brazil and South Africa activities conforms to the conditions of Decision 36/13.
5. UNIDO included the Korea DPR production sector phase out project in its addendum because it was approved at the 36<sup>th</sup> Meeting without being in either the 2001 or 2002 business plan.
6. UNIDO also included additional funds for the domestic refrigeration and compressor manufacturing sector phase-out plan in China. The Secretariat is discussing the consistency of the data for the project with UNIDO. Decision 36/13 (b) requires that investment activities included in the addendum should conform to the principle of consistent and reliable data for submission of a request.

## **Recommendations**

Given the unusual circumstance of submitting the business plan addenda of the implementing agencies at the same time as the submission of activities contained therein for funding, the Monitoring, Evaluation and Finance Sub-Committee may wish to recommend to the Executive Committee to:

1. Endorse the Addendum to UNIDO's 2002 Business Plan as contained in UNEP/OzL.Pro/ExCom/37/20 while noting that endorsement did not denote approval of the activities identified therein nor their funding levels, and
2. Note that weighted and un-weighted performance indicators would be revised, as appropriate.

3. Consider how funds for the addendum should be allocated if the activities are not approved.

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**ADDENDUM TO THE UNIDO BUSINESS PLAN 2002**

With reference to Decision 36/13 of the Executive Committee, whereby additional allocations at a level of US\$ 2,651,066 (including support costs) are made available to UNIDO, an addendum to the Business Plan for 2002 is submitted accordingly.

This addendum consists of three projects for which potential funding is requested.

The first project in China represents a portion of the sectoral phase out plan in the refrigeration sector (domestic and compressor manufacturing) as indicated in Annex IV of the Business Plan. Accordingly, this portion has been increased by US\$ 906,798 (without support costs) and an ODP of 55.

Therefore, the portion of the SPP (sectoral phase out plan) is now US\$ 3,406,798 with an ODP of 255. The request for the preparation of this SPP has already been forwarded to the Secretariat of the Multilateral Fund. The consumption is fully consistent with the data submitted by the Government of China. The estimated value of the project was done according to the cost-effectiveness standards for that particular sector. This project will contribute to the total phase out of CFCs in the sub-sector of domestic refrigeration and compressor manufacturing. Finally, there is no overlap with the activities of other agencies.

The second project represents the first tranche for the phase out of ODS in the production sector in DPR Korea consistent with Decision 36/55 of the Executive Committee. The principles indicated in Decision 36/13(b) do not apply in this case. This project will contribute to the total phase out of ODS in the production sector according to the agreement in Annex X of the Report of the 36<sup>th</sup> Meeting of the Executive Committee.

Finally, UNIDO was requested to prepare methyl bromide sectoral phase out plans in Brazil and South Africa.

Accordingly, when including new projects approved at the last meeting of the Executive Committee, as well as new proposals, the changes to performance indicators can be summarized as follows:

**Investment projects**

<b>Performance Indicator</b>	<b>Target 2001</b>	<b>Achievement 2001</b>	<b>Target 2002</b>
Disbursements in US\$	24,455,000	27,744,039	22,000,000
ODD phased out	2,416.5 ODP tonnes	2,480 ODP tonnes	2,836 ODP tonnes
Project completion reports	100 %	100 %	100 %
Distribution of projects among countries	27	23	26
Speed of first disbursement	9 months	8.66 months	10 months
Cost of project preparation (expressed as a ratio)	0.021	0.017	0.027
ODP approvals	3,684.7 ODP tonnes	4,214.8 ODP tonnes	3,472 ODP tonnes
Approvals in US\$ (excluding support cost)	28,612,173	29,091,813	29,611,148
Cost effectiveness of project submission (in US\$/kg of ODP)	a) 7.51 (excl. MeBr) b) 7.76 (incl. MeBr)	a) 6.45 (excl. MeBr) b) 6.9 (incl. MeBr)	a) 7.83 (excl. MeBr) b) 8.52 (incl. MeBr)
Speed of project delivery (in months)	36 (incl. MeBr projects)	26.8 (incl. MeBr projects)	36 (incl. MeBr projects)

TABLE 6  
ADDENDUM TO THE BUSINESS PLAN

Agency	Country	Region	LVCs	Sector & Subsector	PRP in 2002 (US\$000)	Project Submissions Year of Plan (2002)				Project Submissions Following Years			Remarks
						No. of projects in 2002	Value (US\$000) in 2002	CFC ODP in 2002	Non-CFC ODP in 2002	No. of projects after 2002	Value (US\$000) after 2002	ODP after 2002	
UNIDO	Brazil	LAC		Fumigants: Sectoral phase out plan	100	0	0	0	0	0	0	0	
UNIDO	China	ASP		Domestic refrigeration and compressor manufacturing SPP		1	906.798	55		0	13,000	845	
UNIDO	DPR Korea	ASP		Production sector phase out		1	1,344.350	400	100	0	1,222.45	1,250	
UNIDO	South Africa	AFR		Fumigants: Sectoral phase out plan	125	0	0	0	0	0	0	0	
<b>TOTAL:</b>					<b>225</b>	<b>2</b>	<b>2,251.148</b>	<b>455</b>	<b>100</b>	<b>0</b>	<b>14,222.45</b>	<b>2,095</b>	