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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

PROJECT PROPOSAL: BRAZIL

This addendum is issued to add the following paragraphs 32 bis, 32 ter, 32 quar and 32 quint:

32 bis. Subsequent to the preparation of the initial documentation, the Secretariat had extensive discussions with UNDP concerning those parts of the proposed CFC phase-out plan for Brazil addressing consumption in manufacture and consumption in servicing. With regard to the component for conversion of manufacturing enterprises, broad agreement was reached on the methodology for calculation of incremental costs in the foam sector (611 ODP tonnes), the commercial refrigeration sector (142 ODP tonnes) and the aerosols, solvents and sterilants sectors (total 103 ODP tonnes). With regard to the servicing components and the end-user incentive schemes (total 4,945 ODP tonnes) discussions were held on the extent of the proposed programmes and the determination of eligible incremental costs. The Secretariat's calculation of the incremental costs took into consideration only the servicing, recovery & recycling and training activities. After providing for funding of the project implementation and monitoring unit, agreement was reached with UNDP on the overall cost of the national CFC phase-out plan for Brazil at a level of US \$26.7 million, corresponding to an overall cost-effectiveness of US \$4.60 per kg.

32 ter. The Secretariat then discussed with UNDP the implementation timeframe and the distribution of total funding in annual tranches. Under the original proposal, there would be no consumption of CFCs in Brazil after 31 December 2006 (that is, nil consumption in 2007, as indicated in the plan). To provide more time to set up and implement the activities proposed in

the plan and to smooth the funding requirements, it has been agreed to extend the duration of the plan by one year to 2008, still two years ahead of Montreal Protocol requirements.

32 quar. Final discussions are being held with UNDP to:

- (a) complete the proposed distribution of funding of US \$26.7 million in annual tranches;
- (b) determine UNDP's support cost for implementing the plan;
- (c) prepare a first implementation programme to run from July 2002 until the end of 2003;
- (d) draft an Agreement between the Government of Brazil and the Executive Committee (along the lines of those previously submitted for national CFC phase-out plans) for the consideration of the Executive Committee at its 37th Meeting.

32 quint. The distribution of funding and the two draft documents will be posted on the Secretariat's web-site for the 37th Meeting when completed and made available to Executive Committee members at the commencement of the meetings of the Executive Committee and its Sub-Committees.
