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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23-27 July 2007

Addendum

PROJECT PROPOSAL: INDIA

This addendum is issued to reflect the reply of the World Bank, received after the documentation dispatch, to the comments of the Secretariat on the verification of the 2006 CTC production and consumption and the proposed 2007 annual work programme.

- **Replace** paragraphs 21-23 and Table 4 **with** the following and **delete** paragraph 24:

21. The World Bank confirms that the verification team has accepted the method used by the Ozone Secretariat in interpreting the definitions of production and consumption under the Montreal Protocol, in particular as it relates to the treatment of CTC imports for feedstock use and has reassessed the results of the verification of CTC production and consumption accordingly. The results are as follows:

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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Table 4**PRODUCTION AND CONSUMPTION AS PER THE MONTREAL PROTOCOL
(IN MT)**

Production per MP	Quantity (MT)
Gross production	13,878
Feedstock use*	12,853
Destruction	0
Production for controlled use	1,025

Consumption per MP	Quantity (MT)
Production for controlled use	1,025
Imports**	0
Exports	0
Consumption for controlled use	1,025

Notes:

* This figure does not include feedstock use deriving from imports. It may be obtained as: gross production less non-feedstock sales less drawdown from 2004 stockpile, thus: 13,878 – 1,067 – 42 (from Table 3) = 12,853 MT.

** Under India ODS Rules, import licenses for CTC are not given for other than allowed use. Thus imports of 8,481 MT are not shown for purposes of figuring MP consumption.

22. The Government of India intends to use the funds from the 2007 work programme to finance conversion activities by enterprises which were established after July 1995 and commits to doing so only after those eligible industries have been given the priority but have completed the phase-out without the need for assistance. The proposal invokes the flexibility clause in the Agreement which provides for “full flexibility in the use of Multilateral Fund assistance to achieve the overall objectives of this Agreement and to meet its obligations to the Montreal Protocol.” It allows funds to “be reallocated to other activities as long as expenditures are consistent with this Agreement and eligible within the context of the Montreal Protocol. Any remaining funds provided to the Country pursuant to this Agreement may be used in any manner that the Country believes will achieve the smoothest and most efficient CTC phase out.”

23. In line with decision 51/12, the World Bank seeks the authorization of the Executive Committee before directing funds to the enterprises that were established after July 1995.

- **Replace** paragraph 41 and Table 7 **with** the following:

41. In response to the request of the Secretariat for impact assessment of the sector programmes which are being implemented by the various agencies, the World Bank has provided the following estimate by agency and sector for the achievement of the 2006 annual work programme:

Table 7

IA	Sector(s) Covered	Consumption In 2005 (ODP tonnes)	Consumption In 2006 (ODP tonnes)	# of projects planned for completion in 2007
World Bank	Solvent/Process Agent	1322	955	34 (9 are due for completion and 25 are new)
UNIDO	Process Agent	335	173	10 (7 existing projects to be completed and 3 are new)
UNDP/Japan	Metal Cleaning	0*	0*	All 9 enterprises to be completed in 2007
GTZ/France	Textile & Metal Cleaning (Non investment projects)	N/A**	N/A**	10 (new projects for funding to be initiated in this year)
Total		1657	1128	63

*The projects in the metal sector implemented by Japan through UNDP phased out 533 ODP tonnes in 2004.

**Due to the difficulty in capturing CTC consumption in small enterprises, the consumption in this sector is reported as part of activities undertaken through the Bank, which is the lead agency of this project.

- **Replace** paragraph 42 **with** the following:

42. The Executive Committee may wish to consider:

- (a) Requesting the World Bank to continue monitoring the movement within the CTC inventory held by at both the producers and feedstock users, as part of the annual verification exercise, in order to account for the total CTC production and imports;
- (b) Authorising the use of project funds to assist industries which were founded after July 1995 in view of the provisions under the flexibility clause in the Agreement, provided that eligible enterprises are funded on a priority basis;
- (c) Requesting the World Bank to provide an impact assessment of the annual work programmes by agency and by sector; and
- (d) Approving the 2007 annual work programme at a total funding level of US \$4,820,938 with US \$444,070 as support costs. The distribution by agency would be:
 - US \$4,020,938 plus US \$301,570 as support costs for the World Bank;
 - US \$500,000 plus US \$85,000 as support costs for France; and
 - US \$300,000 plus US \$57,500 as support costs for Germany.
