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ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-ninth Meeting  
Port Ghalib, Egypt, 10-14 November 2009

**Addendum**

**PROJECT PROPOSALS: CHINA**

This addendum is being issued to reflect additional information recently received from the World Bank on two foam projects.

- **Replace** the project cover sheet with the attached sheet.

*Conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co. Ltd. from HCFC-141b to cyclopentane*

- **Add** paragraph 12(bis) as follows:

12(bis). Subsequent to the submission of the document, the Secretariat had further discussions with the World Bank on the technology upgrade issue associated with the replacement of the three foam machines in the baseline. As a result, it was agreed to calculate the incremental cost of the project on the basis of one 40 kg/min and another of 100 kg/min dispensers at a reduced cost. The total agreed cost of the project is US \$838,482.

- **Replace** paragraph 23 by the following text:

23. The Executive Committee may wish:

- (a) To approve the demonstration project for the conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co., Ltd. from HCFC-141b to cyclopentane at a total cost of US \$838,482 plus agency support cost of US \$62,886 for the World Bank,
- (b) Request the World Bank and the Government of People's Republic of China to deduct 5.14 ODP tonnes (46.7 tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption as set by China's HCFC phase-out management plan;

- (c) To further request the World Bank to provide to the Secretariat, at the end of each year of the project's implementation period or part thereof, a progress report which addresses the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).

*Conversion demonstration from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd.*

- **Add** paragraph 20(bis) as follows:

20(bis). The World Bank further indicated that this project will demonstrate and validate the cyclopentane pre-blended polyol and its safe use through workshops for major stakeholders. In close collaboration with the Bank, the project will validate various aspects of this technology including safety measures for production, transportation, storage, and end users, as well as validation of the insulation performance of foam manufactured by enterprises covered by the project. As funding for validation is not included in the project proposal, China agrees to utilize savings from its CFC foam sector plan to cover this cost. Noting the importance of this demonstration project for the overall phase-out of HCFCs in the foam sector in China and elsewhere, it was agreed to submit the two stages of the project to the 59<sup>th</sup> Meeting. Disbursement for stage II would be released once a progress report submitted by the World Bank on results achieved during stage I is considered by the Committee. Issues regarding technology upgrade associated with the replacement of foaming machines at the downstream enterprises and cost issues on other equipment items (i.e., premixing machine, and safety related equipment) have been resolved. The total agreed cost of the project is US \$1,298,728.

- **Add** paragraph 23(bis) as follows:

23(bis). Furthermore, the Executive Committee may wish:

- (a) To approve the demonstration project for the conversion demonstration from HCFC-141b-based to cyclo-pentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co., Ltd (WHRW) at a total cost of US \$1,298,728 plus agency support cost of US \$97,405 for the World Bank, on the understanding that the release of funding by the World Bank for stage II of the project in the amount of US \$913,708 would be subject to successful completion of the stage I and submission of the relevant report to the Fund Secretariat by the World Bank supporting the technical feasibility and safety of the full scale demonstration project;
- (b) Request the World Bank and the Government of People's Republic of China to deduct 6.84 ODP tonnes (62.2 tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption as set by China's HCFC phase-out management plan; and
- (c) To further request the World Bank to provide to the Secretariat, at the end of each year of the project's implementation period or part thereof, a progress report which addresses the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT  
CHINA**

**PROJECT TITLE(S)****BILATERAL/IMPLEMENTING AGENCY**

(a) Conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co., Ltd. from HCFC-141b to cyclopentane	World Bank
(b) Conversion demonstration from HCFC-141b-based to HFC-245fa-based Spray Polyurethane Foam at Harbin Tianshuo Building Materials Co., Ltd	World Bank
(c) Conversion demonstration from HCFC-141b-based to cyclo-pentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co., Ltd (WHRW)	World Bank

**NATIONAL CO-ORDINATING AGENCY**

Foreign Economic Cooperation Office of Ministry of Environmental Protection (FECO/ MEP)

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2007, AS OF OCTOBER 2009)**

HCFCs	17,859		

**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2008, AS OF OCTOBER 2009)**

ODS				
HCFCs				
HCFC-141b	4,416.2			
HCFC-142b	1,096.0			
HCFC-22	9,560.0			

**CFC consumption remaining eligible for funding (ODP tonnes)****CURRENT YEAR BUSINESS PLAN  
ALLOCATIONS**

Funding US \$	Phase-out ODP tonnes
Based on decision 55/43 (e)	n/a

<b>PROJECT TITLE:</b>	Huihuang	Tianshuo	Wanhua Rongwei
ODS use at enterprise (ODP tonnes):	5.14	1.67	6.84
ODS to be phased out (ODP tonnes):	5.14	1.67	6.84
ODS to be phased in (ODP tonnes):	0	0	0
Project duration (months):	24	24	24
Initial amount requested (US \$):	970,482	272,106	1,625,496
Final project costs (US \$):			
Incremental capital cost	651,500	80,000	982,117
Contingency (10 %):	65,150	8,000	98,212
Incremental Operating Cost:	121,832	184,106	218,399
Total Project Cost:	838,482	272,106	1,298,728
Local ownership (%):	100	100	100
Export component (%):	0	0	0
Requested grant (US \$):	838,482	272,106	1,298,728
Cost-effectiveness (US \$/kg):	17.94	17.92	20.89
Implementing agency support cost (US \$):	62,886	20,408	97,405
Total cost of project to Multilateral Fund (US \$):	901,368	292,514	1,396,132
Status of counterpart funding (Y/N):	n/a	n/a	n/a
Project monitoring milestones included (Y/N):	No	No	No
<b>SECRETARIAT'S RECOMMENDATION</b>	Individual consideration	Individual consideration	Individual consideration

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