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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-first Meeting
Montreal, 17 - 19 December 2003

Corrigendum and Addendum

PROJECT PROPOSALS: ARGENTINA

Refrigeration sector CFC phase-out plan (first tranche)

On page 6, paragraph 11: **Replace** the last sentence **with** the following:

UNIDO confirmed that the proposal was intended to address only the refrigeration sector and was not a national CFC phase-out plan.

On page 6, paragraph 12:

Replace 649.3 ODP tonnes on line 4 **with** 673.0 ODP tonnes.

Replace 1,489.7 ODP tonnes on line 5 **with** 1,466.0 ODP tonnes.

Plan for phase-out of ODS in the solvent sector

- **Add** the following paragraphs on page 13 under comments:

41(bis) The Secretariat has concluded its discussions with UNIDO on issues raised in its initial comments on the Solvent sector Phase-out Plan for Argentina as presented in document UNEP/OzL.Pro/ExCom/41/23. UNIDO withdrew a component related to the phase-out of bromochloromethane (BCM) in Argentina from the Plan. UNIDO indicated that a proposal would be developed and submitted for consideration by the Executive Committee after the Beijing Amendment is ratified by the Government of Argentina, which is expected in 2004.

41(ter) Clarification was obtained that the proposed Plan will lead to the total phase-out of CTC, TCA and CFC-113 by 2010. According to the proposed reduction schedule, Argentina

will meet the intermediate control measures for CTC and TCA as mandated by the Montreal Protocol (reductions to the baselines of 85 per cent and 30 per cent respectively by 2005).

41(quarter) In regard to sustainability of the phase-out, UNIDO informed the Secretariat that legislation is in place in Argentina to control the production and imports of ODS. Additional regulations are required to implement the legislation and are now being developed.

41(quinquies) UNIDO agreed to use the latest 2002 data on CTC, TCA and CFC-113 consumption as reported to the Multilateral Fund Secretariat for calculation of eligible incremental costs. UNIDO addressed all the issues raised by the Secretariat in relation to the calculation of the grant amounts in relation to the phase-out of CTC, TCA and CFC-113 as indicated in paragraphs 32 to 37 of document UNEP/OzL.Pro/ExCom/41/23. The incremental capital and operating costs were agreed as follows:

- In the CTC solvent sub-sector, the total funding level of US \$208,192 was determined at a cost-effectiveness of US \$11.00/kg;
- In the CTC process agent sub-sector, no funding was requested since Petrobras, the only company using CTC as a process agent intends to phase-out the CTC consumption on its own;
- In the TCA solvent sub-sector, the cost-effectiveness of US \$18.00/kg was used for some of the users in the solvent formulation applications, for the remaining enterprises the cost-effectiveness of US \$36.00/kg ODP was used. The total funding of US \$250,794 was agreed in the TCA sub-sector;
- In the CFC-113 solvent sector two major users had already received assistance from the Multilateral Fund. Several small users with a cumulative consumption of 4.80 ODP tonnes will be addressed with the total funding of US \$72,000 at the cost-effectiveness level of US \$15.00/kg ODP;
- The funding of technical support and policy, and management components was agreed at US \$105,000.

The total eligible incremental costs were agreed at the level of US \$635,986. The overall cost-effectiveness is US \$11.36/kg ODP.

41(sexties) In view of the final cost of the project, it was agreed that funding should be requested in a single payment. An agreement is not proposed. The conditions of approval appropriate to total phase-out in the sector are contained in the recommendation.

- **Replace** paragraph 42, on page 13, under recommendations **with** the following:

42. The Executive Committee may wish to consider approving the ODS Phase-out Plan for the Solvent Sector in Argentina at a level of funding of US \$635,986 plus support cost of US \$47,699 to UNIDO, with the following understandings:

- (a) The Government of Argentina commits to phase out the consumption of CTC, TCA and CFC-113 through implementation of the ODS Phase-out Plan in the Solvent Sector in Argentina according to the following phase-out schedule:

ODS*	Consumption (ODP Tonnes) 2003	Max. Allowable Consumption (ODP Tonnes)						
		2004	2005	2006	2007	2008	2009	2010
CTC	30.5	30.5	8.0	6.0	4.0	2.0	1.0	0.0
TCA	31.0	31.0	22.0	16.0	11.0	7.0	5.0	0.0
CFC-113	27.5	27.5	17.5	10.5	5.5	2.5	1.0	0.0
Total	89.0	89.0	47.5	32.5	20.5	11.5	7.0	0.0

* Note: within the above totals amounts of 7 ODP tonnes of TCA and 22 ODP tonnes of CFC-113 will be phased out through implementation of approved ongoing projects.

- (b) The Government of Argentina agrees that no additional Multilateral Fund resources will be requested for activities in the Solvent Sector except for the phase-out of BCM. A future proposal may be submitted, consistent with Multilateral Fund rules in effect at the time, for a level of consumption not exceeding 1.405 ODP tonnes.
- (c) The Executive Committee agrees to provide Argentina with flexibility in using the agreed funds consistent with operational procedures as agreed between Argentina and UNIDO in the Solvent Sector Phase-out Plan;
- (d) The Government of Argentina agrees to ensure accurate monitoring of the phase-out and provide annual reports on the verified level of consumption of CTC, TCA and CFC-113.
- (e) UNIDO will be responsible *inter alia* for the following:
 - (i) Reporting annually on the implementation of all activities funded under the sector plan;
 - (ii) Providing verification to the Executive Committee annually that CFC consumption phase-out in the Solvent Sector has been completed based on the schedules listed in the table above.
