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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

Addendum

PROJECT PROPOSALS: CHINA

Foam

Add the following on page 6 under “other activities”:

Sector plan for phaseout of CFC-11 in the China foam sector (2003 Annual Implementation Programme)

18(bis). The Fund Secretariat has subsequently (on 3 November 2002) received from China the report on progress of implementation of its country programme, providing the ODS consumption data for the years 2000 and 2001 broken down by sector. The data shows the total CFC consumption in the foam sector of 19,942 ODP tonnes and 16,853 ODP tonnes in 2000 and 2001, respectively. It also shows that the total CFC consumption in all sectors in 2000 was 39,211.6 ODP tonnes while in 2001 it was 33,993.4 ODP tonnes.

18(ter). Information received from the Ozone Secretariat, however, indicates that China to date, has not yet reported its production and consumption data in accordance with Article 7 of the Montreal Protocol.

Refrigeration

Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors

Add the following paragraph:

81(bis). Subsequent to the preparation of the Secretariat's evaluation sheet, final adjustments were made to the distribution of funding and the phase-out schedule. The required resources will be provided in two annual tranches in 2002 and 2003. Support costs have been agreed with UNIDO and the Government of Italy on the basis of 9 per cent for project activities and five per cent for management and implementation activities to be undertaken by China. As per paragraph 80(a) above, the Secretariat considered drafting an Agreement between the Government of China and the Executive Committee. Upon further analysis, it was decided that it would be more effective to present the approval of the Sector Plan in the form of a decision in view of the fact that funding will be provided in two tranches, the phase out will occur only in 2004 and the Government of China will commit to phase the total amount of 1,099 ODP tonnes from its aggregate remaining eligible consumption of 3,508.7 ODP tonnes.

Replace paragraph 82 by the following paragraph:

82. The Executive Committee may wish to:

- (a) approve in principle a total of US \$7,360,530 in funding for the phased reduction of of the remaining national aggregate CFC consumption through the implementation of the Sector Phase out Plan for CFCs in the Domestic Refrigeration (Manufacturing) Sector in China;
- (b) Approve at the 38th Meeting, funding in the amount of US \$1,788,991 plus support cost of US \$161,009 to be offset against the bilateral contribution of Italy for 2002, and US \$3,400,000 plus support cost of US \$299,200 for UNIDO, subject to the following conditions:
 - (i) the Government of China commits to completely phase out 1,099 ODP tonnes of CFC consumption in the refrigeration (manufacturing) sector and permanently sustain the reduction of 1,099 ODP tonnes from its national aggregate consumption of 3,508.7 ODP tonnes according to the following phase out schedule;

Year	2004	2005	2006	Total
Annual CFC phase-out target (ODP tonnes) from Italian Bilateral Portion	0	242	0	242
Annual CFC phase-out target (ODP tonnes) from UNIDO Portion	150	98	609	857
Total	150	340	609	1,099

- (ii) The second tranche will be provided at the last meeting of the Executive Committee in 2003.

- (iii) The Government of China agrees that no additional Multilateral Fund resources will be requested for activities in the Domestic Refrigeration (Manufacturing) Sector. The Executive Committee agrees to provide China with flexibility in using the agreed funds consistent with operational procedures as agreed between China and UNIDO in the Domestic Refrigeration (Manufacturing) Sector Phase-out Plan;
- (iv) The Government of China agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol;
- (v) As the implementing agency, UNIDO will be responsible to:
 - Provide in 2003 the work programme for 2004, 2005 and 2006.
 - Report annually on the implementation of all activities funded under the sector plan;
 - Provide verification to the Executive Committee annually that CFC consumption phase-out in the Domestic Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in the table above.
