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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fortieth Meeting
Montreal, 16 -18 July 2003

Addendum**ISSUES IDENTIFIED DURING PROJECT REVIEW**

This addendum is being issued to add the following paragraphs:

25. The Secretariat also received on 21 May 2003 a revised proposal for phase-out of 109.1 ODP tonnes of CFC-11 and CFC-12 used in the manufacture of aerosol metered dose inhalers (MDI) in Cuba, submitted by UNDP. The project was first submitted to the 38th Meeting at which time the Executive Committee requested UNDP to resubmit the transitional strategy and the investment project once a provider had been identified and selected by the Government of Cuba, to the 39th Executive Committee Meeting (Decision 38/52). The project was not sufficiently developed to enable re-submission to the 39th Meeting, however at that meeting the Executive Committee provided UNDP with an additional US \$20,000 to complete preparation of the project.

26. In the revised proposal, which contained two technology options, the initial incremental capital cost of US \$1.488 million noted by the Executive Committee in Decision 38/52 had increased to US \$3.43 million and US \$3.85 million, respectively, for each of the two options. Indicative incremental operating costs had increased from US \$2.46 million to US \$5.31 million and US \$8.87 million respectively. In view of the substantial changes to the project and the level of cost, a comprehensive review is required. However the project proposal did not contain the information needed to permit such review to proceed.

27. Subsequently, on 12 June 2003, UNDP advised that a further technical mission to Cuba had been completed, and that, as a result, a new offer was anticipated from one of the two possible technology providers involving among other things, substantially lower technology transfer fees. UNDP informed the Secretariat that it hoped to revise the project document as early as the end of June.
