



**United Nations
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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

Addendum

PROJECT PROPOSALS: MALAYSIA

- (a) Conversion to Water Based HCFC-141b Technology in the Manufacture of Polyurethane Foam at Grorich.
- (b) Conversion to Water Based and HCFC-141b Technology in the Manufacture of Polyurethane Foam at Minply.

1. The Secretariat discussed with UNDP together with industry experts and representatives of four internationally recognized equipment manufacturers the eligibility of in-line premixers with intermediate hold tanks, costed at US \$65,000 for rigid foam projects and US \$85,000 - US \$140,000 for integral skin foam projects. As the enterprises either had no premixers in the baseline or had batch-type premixers, the provision of in-line premixers represented a technical upgrade and would not be eligible if an alternative technical solution was available. The industry experts as well as equipment suppliers advised that the in-line premixers proposed by UNDP in the projects were not necessary for the applications and level of operations for which they were intended and that within the time frame of project implementation, more simple, batch premixers with the necessary capabilities could be provided by equipment suppliers. Nevertheless, UNDP expressed doubts about the potential availability and uncertainty about the cost of a batch premixer suitable for integral skin foams and requested that the US \$85,000 be retained in the projects as working estimate.

2. Information supplied by the equipment manufacturers has however established that the batch premixers for HCFC-141b foam projects will be available at a cost of US \$15,000 for rigid foam projects and US \$15,000 - US \$37,400 for integral skin foam projects.

3. Since all the equipment suppliers confirmed that the US \$85,000 far exceeds reasonable costs of the premixer, the Secretariat could not find its way clear to including such amount in the project cost estimate. Therefore, the project costs for Grorich and Minply could not be agreed and the projects are being submitted for individual consideration.