



**United Nations
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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-third Meeting
Montreal, 12-14 November 1997

Corrigendum

PROJECT PROPOSALS: MALAYSIA

This corrigendum is issued to:

1. Replace pages 2, 11 and 13.
2. Insert page 6 bis.

PROJECT EVALUATION SHEET MALAYSIA

SECTOR: FOAMS ODS use in sector (1990):

415 ODP tonnes

Sub-sector cost-effectiveness thresholds: Rigid

US \$7.83/kg

Project Titles:

- (a) FRANK CHEE - conversion to CFC-free technology in the manufacture of polyurethane foam
- (b) OAL ENTERPRISE - conversion to CFC-free technology in the manufacture of polyurethane foam
- (c) HI TECH INSULATION - conversion to CFC-free technology in the manufacture of polyurethane foam
- (d) Phasing out ODS at Kean Chong Industries Sdn. Bhd.
- (e) Phasing out ODS at Summer Technologies Sdn. Bhd.
- (f) Phasing out ODS at Visdamax Sdn. Bhd.

Project Data	Rigid					
	F CHEE	OAL	HI TECH	KEAN	Summer	Visdamax
ODS phase-out (ODP tonnes)	28	7.45	18.5	16.3	12.1	18.5
Proposed project duration (months)	24	24	24	18	18	18
Incremental capital cost (US \$)	126,500	99,000	32,000	44,000	27,500	59,000
- including contingency (%)	10	10	10	10	10	10
Incremental operational cost (US \$)	47,850	15,000	64,815	63,819	61,907	80,959
Total project cost (US \$)	174,350	114,000	96,815	107,819	89,407	139,959
Local ownership (%)	100	100	100	100	100	100
Export component (%)						
Amount requested (US \$) {Original}	193,000	58,300	103,500	125,591	89,407	139,959
{Revised}	174,350		96,815	107,819		
Cost effectiveness (US \$/kg)	6.23	7.82	5.23	6.61	7.38	7.56
National Coordinating Agency	Department of Environment (DOE)			Ministry of Science, Technology & Environment		
Implementing Agency	UNDP			UNIDO		
Technical review completed?	Yes	Yes	Yes	Yes	Yes	Yes

Secretariat's Recommendations:						
Amount recommended (US \$)	174,350	58,300	96,815	107,819	89,407	139,959
Project impact (ODP tonnes)	28	7.45	18.5	16.26	12.1	18.5
Cost effectiveness (US \$/kg)	6.23	7.82	5.23	6.61	7.38	7.56
Implementing Agency support cost (US \$)	22,666	7,579	12,586	14,016	11,623	18,195
Total cost to Multilateral Fund (US \$)	197,016	65,879	109,401	121,835	101,030	158,154

RECOMMENDATION(S)

1. The Fund Secretariat concluded its discussions with UNDP and UNIDO on all issues outlined in the Secretariat's comments, and recommends approval of the projects with the funding levels and associated support costs indicated in the table below.

Project Title	Project Cost US \$	Support Cost US \$	Implementing Agency
(a) FRANK CHEE - conversion to CFC-free technology in the manufacture of polyurethane foam	174,350	22,666	UNDP
(b) OAL ENTERPRISE - conversion to CFC-free technology in the manufacture of polyurethane foam	58,300	7,579	UNDP
(c) HI TECH INSULATION - conversion to CFC-free technology in the manufacture of polyurethane foam	96,815	12,586	UNDP
(d) Phasing out ODS at Kean Chong Industries Sdn. Bhd.	107,819	14,016	UNIDO
(e) Phasing out ODS at Summer Technologies Sdn. Bhd.	89,407	11,623	UNIDO
(f) Phasing out ODS at Visdamax Sdn. Bhd.	139,959	18,195	UNIDO

PROJECT EVALUATION SHEET MALAYSIA

SECTOR: REFRIGERATION ODS use in sector (1993): 1360 ODP tonnes

Sub-sector cost-effectiveness thresholds: Commercial 15.21 US \$/kg

Project Title:

Conversion to CFC-free technology in the manufacture of polyurethane foam at Kwang Tai Refrigeration

Project Data	Commercial refrigeration
	Kwang Tai Refrigeration
ODS phase-out (ODP tonnes)	28.5
Proposed project duration (months)	24
Incremental capital cost (US \$)	200,000
- including contingency (%)	
Incremental operational cost (US \$)	116,000
Total project cost (US \$)	316,000
Local ownership (%)	100
Export component (%)	
Amount requested (US \$) {Original}	361,500
{Revised}	316,000
Cost effectiveness (US \$/kg)	11.09
National Coordinating Agency	Department of Environment (DOE)
Implementing Agency	UNDP
Technical review completed?	Yes

Secretariat's Recommendations:

Amount recommended (US \$)	316,000
Project impact (ODP tonnes)	28.5
Cost effectiveness (US \$/kg)	11.09
Implementing Agency support cost (US \$)	41,080
Total cost to Multilateral Fund (US \$)	357,080

8. Incremental operating costs are for chemicals and components and are requested for two years.
9. No statement is made concerning the destruction of the replaced equipment

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The proposal indicates that the enterprise manufactures all products without having standard production equipment. Funding for two new high pressure dispensers and a new motorized cart are requested at US \$ 200,000. The Secretariat requested UNDP to provide information on the baseline equipment which was not part of the proposal. In the absence of such information the verification of the incrementality of the requested equipment is not possible. UNDP was requested also to explain the necessity for the recycling unit.
2. The Secretariat is still awaiting the requested information. The Sub-Committee on Project Review will be informed accordingly.

RECOMMENDATION(S)

1. The Fund Secretariat concluded its discussions with UNDP on all issues outlined in the Secretariat's comments, and recommends approval of the project with the funding levels and associated support costs indicated in the table below.

Project Title	Project Cost US \$	Support Cost US \$	Implementing Agency
Conversion to CFC-free technology in the manufacture of polyurethane foam at Kwang Tai Refrigeration	316,000	41,080	UNDP