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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-seventh Meeting
Montreal, 17-19 July 2002

PROJECT PROPOSAL: MALAYSIA

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase out plan

- National CFC phaseout plan (second tranche)

World Bank

PROJECT DESCRIPTION

1. At its 35th Meeting in December 2001, the Executive Committee approved an agreement between the Government of Malaysia and the Executive Committee for a national CFC phase-out plan for Malaysia. The Executive Committee also approved funding of US \$1,799,940 plus support costs of US \$140,395 for the first tranche of the plan, covering a programme nominally indicated as being for the year 2001.
2. The agreement makes provision for funding for each annual programme to be provided before or within the period in which the annual programme covers. The agreement also provides that payments are dependent upon submission of annual programmes other than the initial tranches for 2001 and 2002. The World Bank has requested approval at the 37th Meeting of the agreed figure of US \$2,969,065 for the second tranche, covering the period 2002.
3. The agreement establishes the level of support costs for project monitoring and implementation activities at 5 percent and the level of support costs for all investment and other activities at 9 percent. The World Bank has advised that US \$2,769,065 plus US \$249,216 in agency support costs is for implementing investment and non-investment activities while the balance of US \$200,000 plus US \$10,000 in agency support costs is for the project implementation and monitoring activity.
4. The World Bank has also advised that to date, the import control policy under the Application Import Permit (AP) System to control the import of CFC-11, CFC-12, CFC-113, CFC-114, CFC-115, carbon tetrachloride (CTC), and 1,1,1-trichloroethane (TCA), is in place and operational. Import of these controlled substances must have an import permit issued by the Ministry of International Trade and Industry (MITI). As specified in the agreement, the maximum allowable consumption level of Annex A, Group I, chemical, 1,1,1-trichloroethane, and carbon tetrachloride, will not exceed 1,855 ODP MT, 51 ODP MT and 4.51 ODP MT, respectively.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

5. The request for funding is consistent with the provisions of the agreement between the Government of Malaysia and the Executive Committee.

RECOMMENDATION

6. Approval of US \$2,969,065 plus support costs of US \$259,216 is recommended for the second tranche of the national CFC phase-out plan for Malaysia.
