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ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-third Meeting
Geneva, 5-9 July 2004

Corrigendum**PROJECT PROPOSAL: MALAYSIA**

Replace page 2 **with** the attached project evaluation sheet.

Replace paragraphs 13 and 14 **with** the following text:

13. Subsequent to the dispatch of the documents to members of the Executive Committee, UNDP provided the following additional information addressing issues related to the registration of alternative chemicals to methyl bromide (MB) in Malaysia, the final selection of the proposed alternative technologies and their costs:

- (a) Registration of chemicals: For the replacement of MB for pre- and post-harvest uses, dazomet and phosphine respectively are already registered in Malaysia (phosphine could be used to treat stored grains where the longer duration of the treatment is not an issue; and heat could be used for slow treatments of timber, where feasible). While the project proposal submitted listed a number of alternatives that may be considered as options to MB, only one of those still requires registration, namely, cyanogen. Upon registration, cyanogen would be used for fast treatments in stored grain and timber. Cyanogen has been imported into Malaysia for research purposes during implementation of the demonstration project for timber. The Government of Malaysia has advised UNDP that cyanogen would be registered once the Government had received a full toxicity/efficacy package (that meets FAO guidelines). If a complete dossier is presented, then the registration process can occur within 6 months. If however, the dossier is not complete, registration can take from 6 months to 2 years. UNDP

also indicated that there exists a significant amount of pressure at the global level to register alternatives to MB in response to the International Plant Protection Convention's International Standards for Phytosanitary Measures (i.e., ISPM-15 on guidelines for regulating wood packaging material in international trade). Given this pressure, registration of effective alternatives such as cyanogen and carbonyl sulfide is likely to increase globally;

- (b) Alternative technologies: The project proposal has been designed as a technical assistance programme rather than as an investment project. As a result, the issue of alternative technologies and their costs, items generally used to calculate cost-effectiveness thresholds for investment projects, do not apply in this situation. In presenting the project as a technical assistance project, the Government understands that it will have flexibility to address all its remaining MB consumption within the timeline stipulated, and agrees that it will not request additional funding from the Multilateral Fund in the future for the elimination of MB for non-QPS uses;
- (c) Project duration and costs: The Government of Malaysia indicated its commitment to phase-out all controlled uses of MB by the end of 2007 (instead of 2008 as was originally proposed). The Government also agreed to adjust the project cost from US \$325,000 to US \$200,000.

RECOMMENDATION

14. The Executive Committee may wish to approve the technical assistance programme to install alternatives and phase-out all remaining non-QPS uses of MB in Malaysia in light of the comments presented in document UNEP/OzL.Pro/ExCom/43/37 and the additional information provided by UNDP, and taking into account the commitment by the Government of Malaysia to phase-out all controlled uses of MB by the end of 2007 without any further assistance from the Multilateral Fund.

**PROJECT EVALUATION SHEET
MALAYSIA**

SECTOR: Fumigant ODS use in sector (2003): 8.7 ODP tonnes excluding QPS

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

- (a) Technical assistance programme to install alternatives and phase-out all remaining non-QPS uses of methyl bromide

Project Data	Fumigant
	Methyl bromide
Enterprise consumption (ODP tonnes)	n/a
Project impact (ODP tonnes)	8.7
Project duration (months)	42
Initial amount requested (US \$)	325,000
Final project cost (US \$):	
Incremental capital cost (a)	
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	200,000
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	200,000
Cost effectiveness (US \$/kg.)	22.98
Counterpart funding confirmed?	n/a
National coordinating agency	Ozone Protection Unit
Implementing agency	UNDP

Secretariat's Recommendations	
Amount recommended (US \$)	
Project impact (ODP tonnes)	
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	
Total cost to Multilateral Fund (US \$)	