

United Nations Development Programme
Country: MALAYSIA
Project Document

Project Title Preparation of HCFC Phase-out Management Plan (HPMP) for Malaysia

Expected CP Outcome(s): Improved environmental stewardship through sustainable energy development and environmental management
(Those linked to the project and extracted from the CPAP)

Expected Output(s): Management Plan for the Phase-Out of HCFC in Malaysia
(Those that will result from the project and extracted from the CPAP)

Implementing Partner: Ozone Unit, Department of Environment

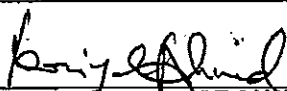
Responsible Parties: Ministry of Natural Resources and Environment


Brief Description

The objective of this project is to assist the Malaysian Government in the preparation of its HPMP. It is envisaged to cover: establishment of the national team and related institutional arrangements, review of existing regulatory and policy framework, information dissemination and industry interaction, data collection on the baseline in each HCFC consuming industrial sector, data analysis, technology selection taking into account climate change impacts, prioritization of sectors for interventions, estimation of incremental costs and associated investment, training and technical assistance needs and stakeholder consultations. The project will result in the preparation of a comprehensive HPMP (Stage-1) for Malaysia, which will incorporate the strategy and action plan for Malaysia for compliance with the 2013/2015 control targets, which is targeted for submission to the Executive Committee of the Multilateral Fund, at its 61st Meeting in July 2010.

Programme Period:	2009 - 2010
Key Result Area (Strategic Plan):	_____
Atlas Award ID:	TBD
Start date:	TBD
End Date	TBD
PAC Meeting Date	_____
Management Arrangements	NEX Execution

2009 AWP budget:	USD140,750
Total resources required	USD173,750
Total allocated resources:	_____
• Regular	_____
• Other:	_____
o MLF	USD173,750
In-kind Contributions	USD60,000

Agreed by (Implementing Partner):  **DATU' NORIYAH BT AHMAD**
 Director General
 Economic Planning Unit

Agreed by UNDP:  **Kamal Malhotra**
 Resident Representative

11/1/09



2 April 2009

Dear Mr. Kamal Malhotra,

Subject: Project approved at the 55th Executive Committee Meeting - Montreal Protocol

We are pleased to inform you that the following project was approved for Malaysia at the 55th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, held in July 2008, for preparation of Malaysia's HCFC Phase-out Management Plan (HPMP).

MLF Reference*	Short Title	US\$
MAL/PHA/55/PRP/161	Preparation of HCFC Phase-out Management Plan	173,750

* Please indicate this reference number in the cover sheet of the project document and in the ATLAS short project title.

Please find the following important clarifications related to this project.

1. Implementation Modality: We are suggesting that this project be implemented through the N-Ex modality.

2. Project Document Format: We are attaching herewith the project document prepared based on the approval by the Executive Committee of the Multilateral Fund for Implementation of the Montreal Protocol. It is important to note that no outputs, activities or inputs can be added, modified or deleted in the attached documents that were approved by the Executive Committee.

3. Entering the Budget into ATLAS: Your office is requested to enter the budget into ATLAS, using the Annual Work Plan table that is provided as Annex to this letter. The Multilateral Fund guidelines do not give us flexibility to shift funds between specific budget categories. **Please ensure that in view of the UNDP requirement for multi-year project budgeting, the total approved budget per the work plan table attached must be entered in Atlas for the current and future years as indicated. Authorized Spending Limits will not be issued where this action has not been taken.**

./..

Mr. Kamal Malhotra
UN Resident Coordinator/UNDP Resident Representative
UNDP Malaysia
Kuala Lumpur, Malaysia



-- 2 --

4. Support Costs: The General Management Support Services (GMS) fee received by UNDP in relation to these projects is managed centrally at BDP-HQ, and should NOT be part of the project budget. In ATLAS, please therefore leave the F/A field % at zero. GMS @t 3%, covering management support rendered by your office will be credited directly to your XB income account based on delivery. Implementation Support Services (ISS) may be charged to the project budget, following the 2004 UNDP guidelines on the Cost Recovery Policy (including use of the Universal Price List). However, this would have to be applied for services provided other than project management.

5. Government Counterpart: Kindly note that the National Ozone Focal Point in your country is Mr. Charanpal Singh (cp@doe.gov.my), Ozone Protection Section, Air Division, Department of Environment. While he may not be the one to sign the project document on behalf of the Government, kindly ensure that he is copied on every correspondence related to this project.

6. Over-Expenditures: We wish to remind you that over-expenditures are absolutely not allowed in Montreal Protocol projects. Please therefore ensure that total expenditures never exceed the total budget.

Based on the above, kindly finalize the project documentation and enter the proposal into ATLAS. Please inform Mr. Nandan Chirmulay (nandan.chirmulay@undp.org) using the “email notification” feature within ATLAS. After this last clearance from us, you are then authorized to sign the project document on behalf of UNDP. Please do not send the budget to KK before the project document has been signed. Once the project document has been signed please send the total approved budget, including for future years as applicable, to Commitment Control and send a copy of the signed cover page and request for ASL to MPU.

Thank you very much for your important partnership in the implementation of this programme. Elimination of Ozone Depleting Substances constitutes one of the Service Lines under UNDP’s “Energy and Environment for Sustainable Development” Practice.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Suely Carvalho', is written over a faint, stylized graphic element that resembles a signature or a logo.

Dr. Suely Carvalho

Chief, Montreal Protocol/Chemicals Unit & Principal Technical Advisor - Chemicals
Energy and Environment Group
Bureau for Development Policy



Total Project Work Plan and Budget

Award ID	000XXXXX						
Project ID	000XXXXX						
Project Title	Preparation of HCFC Phase-out Management Plan (HPMP) Stage-1 for Malaysia						
Executing Agency	Department of Environment, Ministry of Natural Resources and the Environment						
ATLAS Activity	Responsible Party	Source of Funds	ATLAS Code	ATLAS Budget Description	Budget (US\$)		
					2009	2010	Total
Activity 1:	UNDP	63030	71200	International experts	15,000	3,000	18,000
National Team	UNDP	63030	72100	Contractual Services – companies	50,000	5,000	55,000
Sub-total					65,000	8,000	73,000
Activity 2:							
Information dissemination and industry interaction	UNDP	63030	72100	Workshops	50,000	0	50,000
Sub-total					50,000	0	50,000
Activity 3:							
Data Collection and Analysis	UNDP	63030	72100	Contractual Services - companies	25,750	0	25,750
Sub-total					25,750	0	25,750
Activity 4:							
Stakeholder consultation	UNDP	63030	72100	Workshop	0	25,000	25,000
Sub-total					0	25,000	25,000
TOTAL					140,750	33,000	173,750



UNDP Project Document

UNDP-MLF

Government of the Malaysia

United Nations Development Programme

MAL/PHA/55/PRP/161

Preparation of HCFC Phase-out Management Plan (HPMP) for Malaysia

PROJECT SUMMARY

The XIXth Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6, adopted an accelerated phase-out schedule for HCFCs. The first control is the freeze on production and consumption of HCFCs which would be from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The second control step is the reduction of 10% from the Baseline Level on January 1, 2015. The decision also directed the Executive Committee of the Multilateral Fund to assist the Parties in preparation of HCFC phase-out Management Plan (HPMP), which is expected to delineate the strategy and action plan of the respective country, for compliance with the 2013/2015 control targets for HCFC consumption. The 54th Meeting of the Executive Committee in April 2008 through Decision 54/39, adopted guidelines for preparation of HCFC phase-out management plans.

UNDP has been designated as the implementing agency for preparation for Malaysia's HPMP. In order to assist Malaysia in the preparation of its HPMP, UNDP submitted a request for project preparation to the 55th meeting of the Executive Committee in July 2008, which was approved.

This project will cover establishment of the national team and related institutional arrangements, review of existing regulatory and policy framework, information dissemination and industry interaction, data collection on the baseline in each HCFC consuming industrial sector, data analysis, technology selection taking into account climate change impacts, prioritization of sectors for interventions, estimation of incremental costs and associated investment, training and technical assistance needs and stakeholder consultations. The project will result in the preparation of a comprehensive HPMP (Stage-1) for Malaysia, which will incorporate the strategy and action plan for Malaysia for compliance with the 2013/2015 control targets, which is targeted for submission to the Executive Committee of the Multilateral Fund, at its 61st Meeting in July 2010.

Executing Agency:	Department of Environment, Ministry of Natural Resources and Environment
MLF Budget:	US\$ 173,750
Starting Date:	1 March 2009

SECTION-1: NARRATIVE

1. OBJECTIVE

The objective of this project is the preparation of a comprehensive HPMP (Stage-1) for Malaysia, which will incorporate the strategy and action plan for Malaysia for compliance with the 2013/2015 control targets, which is targeted for submission to the Executive Committee of the Multilateral Fund, at its 61st Meeting in July 2010.

2. BACKGROUND

ODS Phase Out Activities in Malaysia

Malaysia is a tropical peninsular country in southeastern Asia, bordering Brunei, Thailand, Malaysia, Singapore and the South China Sea, with a coast line of about 4,700 km. The total land area is about 329,000 sq. km and with a population of about 24 million (2006). The population density is about 211 persons per sq. km and urban population is about 65% of the total population. The per capita GDP (PPP) was about US\$ 12,700 in 2006, with agriculture accounting for 8.3%, industry about 48.1% and services contributing to 43.6% of the GDP.

Malaysia ratified the Vienna Convention and Montreal Protocol on Substances that Deplete the Ozone Layer in August 1989. The table below shows the dates of ratification by Malaysia of the Montreal Protocol and its amendments:

Malaysia – Dates of Ratification of Montreal Protocol and Amendments

Agreement/Amendment	Date of Ratification
Vienna Convention	29 August 1989
Montreal Protocol	29 August 1989
London Amendment	16 June 1993
Copenhagen Amendment	05 August 1993
Montreal Amendment	26 October 2001
Beijing Amendment	26 October 2001

Malaysia's Country Programme reflecting the national strategy and action plan for controlling the use of ozone depleting substances, was approved at the 6th Meeting of the Executive Committee of the Multilateral Fund for Implementation of the Montreal Protocol in 1992. The Country Programme prioritized ODS phase-out activities in the main ODS consuming sectors, through technology transfer investments, technical assistance, capacity building, and training.

Malaysia's Country Programme Update was prepared in 1995. The Country Programme Update reassessed the ODS consuming sectors in Malaysia, reviewed the progress made in ODS phase-out and identified further activities needed for the future, thus renewing Malaysia's commitment for complying with the Montreal Protocol control targets and obligations.

Malaysia prepared a National CFC Phase-out Plan for addressing the phase-out of all remaining consumption of Annex-A Group-I substances (CFCs) and also CTC/TCA by 2010. This was approved at the 35th Meeting of the Executive Committee in December 2001. The National CFC Phase-out Plan was a performance-based multi-year agreement between Malaysia and the Executive Committee, which will enable Malaysia to comply with the 2005, 2007 and 2010 control milestones of the Montreal Protocol.

Evolution of HCFC Phase-out Management Plans

HCFCs, which have Ozone Depleting Potential (ODP) up to 15% of that of CFCs, are also classified as controlled substances under Annex-C, Group-I of the Montreal Protocol. HCFCs therefore, have use restrictions and would eventually have to be phased-out. Initially for developing countries, the scheduled phase-out date for HCFCs was 01 January 2040 with an interim control measure of freezing HCFC production and consumption at 2015 levels, from 01 January 2016.

During the implementation of the CFC phase-out under the Montreal Protocol, HCFCs were approved as interim substitutes for CFCs in many of the projects and activities supported by the Multilateral Fund. Considering the increasing demand for HCFCs, and considering the imminent restrictions on HCFCs, including the 2016 freeze in consumption for Article-5 countries, it was necessary to address the technology and environmental issues arising from HCFC use reductions. Moreover, actions to reduce HCFC consumption may need to be initiated sooner rather than later. Recognizing these challenges, the ExCom approved at its 45th Meeting in 2005, funding for UNDP to carry out HCFC surveys in 12 countries. Malaysia was one of the countries which requested to be a part of this activity. The key result of this survey was establishing the HCFC consumption profiles and projected growth rates in HCFC consumption in various sectors until 2015.

The XIXth Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6, adopted an accelerated phase-out schedule for HCFCs. The first control is the freeze on production and consumption of HCFCs from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The second control step is the reduction of 10% from the Baseline Levels on January 1, 2015. Subsequent control steps are 35% reduction by 2020, 67.5% by 2025, 97.5% by 2030 and complete phase out from January 1 2040. The decision also directed the Executive Committee of the Multilateral Fund to assist Article-5 Parties in preparation of HCFC Phase-out Management Plans (HPMP).

The 54th Meeting of the Executive Committee in April 2008, through Decision 54/39, adopted guidelines for preparation of HCFC phase-out management plans. These guidelines provide an indicative outline and content of the HCFC phase-out management plans, with the following key elements (ExCom Decision 54/39 is attached as Annex-I):

- a) Adoption of a staged approach to implementation of the HCFC phase-out management plans within the context of an overall national strategy. Stage-1 would focus on compliance with the 2013 freeze and 2015 reduction targets. The second stage would focus on HCFC phase-out in compliance with the future reduction control targets.

- b) Commitments to achieving the 2013 and 2015 control milestones through performance-based agreements

The Government of Malaysia has designated UNDP to be the lead agency to coordinate the overall development of the HCFC phase-out management plan in Malaysia.

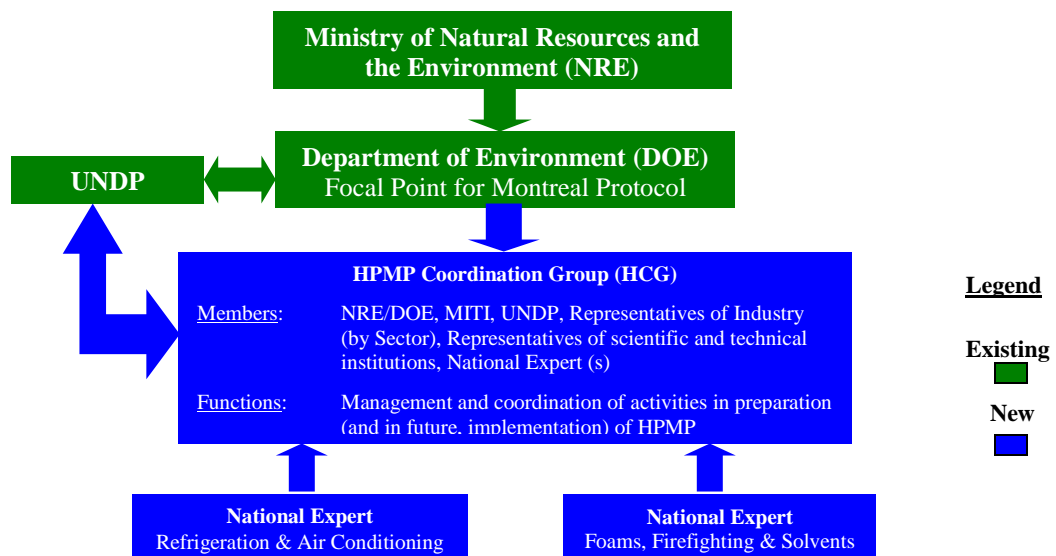
In order to assist Malaysia in the preparation of its HPMP (Stage-1) for compliance with the 2013/2015 targets, UNDP submitted a request for project preparation to the 55th meeting of the Executive Committee which was held in July 2008. As per ExCom Decision 54/39 Malaysia was eligible for a funding level of US\$ 195,000 less US\$ 21,250 to account for prior funding provided to conduct the HCFC survey approved in the 45th meeting of the ExCom in 2005. Thus the net total approved amount was US\$ 173,750.

The proposed HCFC Phase-out Management Plan (HPMP) for Malaysia would need:

- a) To reflect national context and priorities, national policies and country-drivenness and consequently would need the agreement of the Department of Environment, Ministry of Natural Resources and the Environment to the proposals contained herein;
- b) To facilitate seamless application of the proposed arrangements to the subsequent implementation stage of the HPMP, once it is approved;
- c) To draw upon the lessons learnt from functioning of institutional arrangements and operational mechanisms employed for CFC phase-out plans and to the extent possible integrate existing infrastructures;
- d) To be dynamic and evolving, and to be open for revisions and adaptation as necessary in response to evolving situations

3. PROPOSED INSTITUTIONAL ARRANGEMENTS

It is proposed to establish the following institutional framework for preparation of the HPMP, which could be subsequently adapted for implementation of the HPMP.



The key element of the proposed institutional arrangements is the formation of an HPMP Coordination Group (HCG), which will comprise of main stakeholders from the government and industry, to coordinate the implementation of various activities involved in preparation of the HPMP for Malaysia.

The HPMP Coordination Group will perform overall coordination of activities related to the preparation (and at a later stage, implementation) of the HPMP.

Members

- DOE, MITI
- UNDP
- Representatives of industry (by sector)
- Representatives of scientific and technical institutions
- National Expert (s)

Functions

- Overall coordination of implementation in collaboration with DOE
- Periodic review and monitoring/evaluation of progress of activities
- Corrective interventions as and when required
- Evolve consensus on technology and policy issues
- Ensure timely achievement of HPMP preparation milestones
- Review and inputs for draft HPMP

The HPMP Coordination Group shall meet once every two months for review and coordination of HPMP preparation activities.

4. ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS

This section outlines the roles and responsibilities of key stakeholders in the activities involved in the preparation of the HPMP (Stage-1).

Department of Environment (DOE)

The Department of Environment (DOE) was institutionalized in 1975 as the Environment Division and later in 1983 as the DOE. The DOE serves as one of the enforcement agencies of the Ministry of Natural Resources and Environment. Presently, the Department has a capacity of 1568 staff, extending its operation through 15 States Offices and 26 Branch Offices. The Department's main role is to prevent, control and abate pollution through the enforcement of the Environmental Quality Act, 1974 and its 34 subsidiary legislations made thereunder. The department consists of a number of divisions dealing with the different aspects of the environment. The Montreal Protocol programme is under the purview of the Air Division which has the following main responsibilities:

- To institute the National Air Quality Network for monitoring of air quality status throughout Malaysia;
- To monitor the implementation of air monitoring privatization programme ;
- To identify, coordinate and implement studies on air quality, noise, vibration and control of air pollution sources;
- To update database on inventory of air pollution sources;
- To formulate policies / legislation strategies and programmes on:
 - Control of air pollution point sources ;
 - Control of air pollution on mobile sources;
 - Control and phase out of Ozone Depleting Substances (ODS) ; and
 - Control of environmental noise and vibration pollution

The Ozone Protection Section under the Air Division within the Department of Environment, Ministry of Natural Resources and Environment, acts as the national focal point for Montreal Protocol. The Ozone Protection Section has a permanent staff of eight persons and contracted staff of five persons. It is assisted by experts or consultants for various activities as required by its programmes, to support its work.

A National Steering Committee comprising of relevant Ministries, Departments, industry representatives and non-governmental bodies meets at least once a year to provide policy direction to the Ozone Protection Section and endorse the various programme and activities.

The DOE will have the following roles and responsibilities in the preparation of the HPMP:

- Act as the convener and chair of the HPMP Coordination Group
- Overall responsibility for monitoring and supervision of activities
- Coordination of activities among various stakeholders
- Coordination of review of policy/regulatory framework among related Government agencies
- Validation of enterprise level, sector level and national level baseline HCFC consumption data
- Facilitate industry consultation
- Communicate and disseminate public information and conduct awareness/outreach initiatives/programmes
- Review and endorsement of draft and final HPMP document

Ministry of International Trade and Industry (MITI)

The Ministry of Commerce and Industry was established in 1956. It was renamed as the Ministry of Trade and Industry in 1972 and reconstituted as the Ministry of International Trade and Industry in 1990. The Ministry has the following main functions:

- To plan, formulate and implement policies on industrial development, international trade and investment.
- To encourage foreign and domestic investment.

- To promote Malaysia's exports of manufacturing products and services by strengthening bilateral, multilateral and regional trade relations and cooperation.
- To enhance national productivity and competitiveness in the manufacturing sector.

In the preparation process for Malaysia's HPMP, the Ministry of International Trade and Industry will have the following responsibilities:

- To participate in the meetings of the HPMP Coordination Group
- To review in collaboration with DOE, the policy and regulatory framework for HCFCs
- To provide inputs related to trade, investment and industry related issues, in formulation of new policies/regulations and/or adaptation of existing policies/regulations pertaining to HCFCs

UNDP

UNDP has been designated as the Implementing Agency for preparation of the HPMP for Malaysia, by NRE/DOE. The roles and responsibilities of UNDP during the preparation of HPMP (Stage-1) would be as below:

- Recruitment of national expert (s) and project staff
- Support NRE/DOE in ensuring an effective and smooth process in preparation of the sectoral projects/plans/activities and the integrated HPMP (Stage-1);
- Support NRE/DOE in review and endorsement process on the draft sectoral projects/plans/activities and integrated HPMP, for timely finalization and submission to the ExCom;
- Provide assistance with policy/regulatory, management and technical support to DOE as and when required
- Assist DOE in the process of consultations with industries on the technical and logistical aspects of the preparation of the HPMP;
- Assist DOE and the industries on identification and selection of alternative technologies, technology transfer and related incremental costs;
- Work in close cooperation and coordination with DOE on finalization of the integrated HPMP;
- Submit the integrated HPMP (Stage-1) to the MLF
- Undertake consultations and clarifications with MLF Secretariat on HPMP guidelines and HPMP preparation process to facilitate effective preparation;
- Assist DOE, in responding to comments on HPMP from MLF/ExCom

Representatives of Industry

The representatives of the industry in the HPMP Coordination Group would be selected from a broad spectrum of industry, ensuring representation to suppliers, manufacturers and end-users of HCFCs and HCFC-containing products. The functions of the industry representatives would be:

- To participate in the HPMP Coordination Group meetings
- To provide inputs on challenges and opportunities related to technology, availability, accessibility, feasibility and costs of HCFCs and their alternatives

Representatives of Scientific and Technical Institutions

The representatives would be chosen from premier scientific and technical institutions and would be expected to perform the following functions:

- To participate in HPMP Coordination Group meetings
- Provide high quality scientific and technological advice on HCFCs and their alternatives, particularly on their environmental impacts and long term sustainability
- Share latest and cutting edge technical information on developments related to HCFC alternatives

National Experts

It is proposed to engage two national expert entities for assisting in the HPMP preparation process. The national expert entities would need to be reputed professional bodies or specialized consulting firms, to ensure credibility and transparency.

The detailed terms of reference for the national expert entities are attached as Annex-II,

5. HPMP PREPARATION PROCESS

The preparation of the national HCFC phase-out management plan would involve the following broad activities:

- Constituting the national team (recruitment of national expert (s) and project staff, formation of the sectoral working groups and the HPMP CG)
- Consultation meetings for stakeholders (meetings with government agencies for policy review and meetings with industry representatives for sector level approaches)
- Information dissemination and industry interaction (sector level workshops)
- Data Collection
- Data Analysis
- Draft document preparation
- Stakeholder interactions/consultations (national workshop)
- Finalization of the HPMP (Stage-I) proposal

5.1 Constituting the National Team

This would include the following:

- Recruitment of national expert (s) and project staff
- Formation of the HPMP coordination group

5.2 Consultation Meetings with Stakeholders

The consultation meetings with government stakeholders will cover review of existing policy and regulatory framework and make recommendations for meeting the 2013/2015 control targets.

The consultation meetings with the industry stakeholders will aim to obtain commitment and cooperation in providing information and active participation in the HPMP preparation process.

5.3 Information Dissemination and Industry Interaction (sector level workshops)

This would include the following:

- Dissemination of information on HCFC phase-out, particularly alternative technologies, their availability, feasibility, environment impact and costs
- Industry interaction workshops for various sectors
- Documentation/reporting

5.4 Data Collection

Data on industry profiles, baselines, consumption, etc. will be collected for various HCFC-consuming sectors at enterprise level, through national expert(s). This would include the development of appropriate questionnaires and formats for reporting the information and data collected. The data collected pertaining to date of establishment, Article-5 ownership and exports to non Article-5 countries, would be cross-checked and verified through NRE/DOE whenever required.

5.5 Data Analysis

The data analysis would include the following:

- Present and historical HCFC consumption by enterprise, sector, sub-sector and application,
- List of HCFC users segregated by sector/sub-sector,
- Data on prior conversions from CFCs by sector/sub-sector,
- Projected growth trends and required reductions in HCFC consumption for meeting the 2013 freeze and 2015 reductions, by sector/sub-sector.

5.6 Preparation of draft proposal

Based on the data collected, sector-wise draft proposals containing sector-specific challenges, opportunities and strategies for compliance with the 2013/2015 control targets, would be prepared by the national experts and submitted to the HPMP Coordination Group for review and inputs. UNDP will collate and integrate these sector-wise strategies after incorporating inputs from the HPMP Coordination Group, into an overall draft national HPMP (Stage-1) proposal.

The draft HPMP (Stage-1) proposal will be prepared focusing on compliance with the 2013 freeze and 2015 reductions with respect to the baseline (average of 2009 and 2010) levels. The draft HPMP (Stage-1) proposal would be reviewed by the HPMP CG and the final draft would be forwarded to DOE for circulation among national stakeholders.

5.7 Stakeholder Consultations

The draft HPMP (Stage-1) document will be circulated by DOE to the various national stakeholders for comments. In addition, a national stakeholder consultation workshop will be arranged with participation from all national stakeholders. The comments and recommendations of the stakeholders shall be collected and collated by DOE and presented to the HPMP Coordination Group for final revisions.

5.8 Finalization of the HPMP Proposal (Stage-1)

UNDP will incorporate the required revisions and comments into the final draft HPMP (Stage-1) proposal. The finalized draft proposal will be sent to government for final approval. Any further revisions, if required, would be done by UNDP. DOE will then arrange for the final government endorsement and the final HPMP (Stage-1) document would thereafter be submitted to MLF by UNDP.

6. MANAGEMENT ARRANGEMENTS

6.1 Execution Modality

The project will be managed in accordance with standard UNDP procedures as nationally executed project (N-Ex) by the Government of Malaysia through its Ozone Protection Section, Department of Environment, Ministry of Natural Resources and Environment.

6.2 Time Frame/Monitoring Milestones

Considering the limited timeframe available for 2013 compliance, the HPMP should be ready for submission to the 61st ExCom Meeting in July 2010. This allows for a net period of about 12 months for completing the activities needed for preparation of the HPMP, after taking into consideration the lead time of submission of 14 weeks prior to the ExCom:

MILESTONE/TIME FRAME (In months)	1	2	3	4	5	6	7	8	9	10	11	12
Constituting the national team	■	■										
Information dissemination/industry interaction		■	■	■	■	■	■	■				
Data collection			■	■	■	■	■	■	■			
Data analysis				■	■	■	■	■	■	■		
Preparation of draft proposal						■	■	■	■	■	■	
Stakeholder consultations										■	■	■
Finalization and submission											■	■

SECTION-2: STRATEGIC RESULTS FRAMEWORK

The main result expected from this project is the preparation and submission of Malaysia's HPMP (Stage-1) document containing the strategy and action plan for compliance with the 2013/2015 control targets for HCFC consumption. As the project activities are limited to project preparation, no full-fledged strategic results framework is being presented herewith.

SECTION 3: TOTAL BUDGET AND WORKPLAN

Award ID	000XXXXX						
Project ID	000XXXXX						
Project Title	Preparation of HCFC Phase-out Management Plan (HPMP) Stage-1 for Malaysia						
Executing Agency	Department of Environment, Ministry of Natural Resources and the Environment						
					Budget (US\$)		
ATLAS Activity	Responsible Party	Source of Funds	ATLAS Code	ATLAS Budget Description	2009	2010	Total
Activity 1: National Team	UNDP	63030	71200	International experts	15,000	3,000	18,000
	UNDP	63030	72100	Contractual Services – companies	50,000	5,000	55,000
Sub-total					65,000	8,000	73,000
Activity 2: Information dissemination and industry interaction	UNDP	63030	72100	Workshops	50,000	0	50,000
Sub-total					50,000	0	50,000
Activity 3: Data Collection and Analysis	UNDP	63030	72100	Contractual Services - companies	25,750	0	25,750
Sub-total					25,750	0	25,750
Activity 4: Stakeholder consultation	UNDP	63030	72100	Workshop	0	25,000	25,000
Sub-total					0	25,000	25,000
TOTAL					140,750	33,000	173,750

ANNEX-I
Guidelines for development of HPMPs (ExCom Decision 54/39)

170. After having considered the revised text submitted by the contact group, the Executive Committee decided to adopt the following guidelines:

- (a) Countries should adopt a staged approach to the implementation of an HCFC phase-out management plan (HPMP), within the framework of their over-arching-strategy;
- (b) As soon as possible and depending on the availability of resources, countries should employ the guidelines herein to develop, in detail, stage one of the HPMPs, which would address how countries would meet the freeze in 2013 and the 10 per cent reduction in 2015, with an estimate of related cost considerations and applying cost guidelines as they were developed;
- (c) The elaboration of stage one of the HPMP and subsequent stages should be developed as follows:
 - (i) For countries with consumption in the servicing sector only:
 - a. To be consistent with existing guidelines for the preparation of RMPs/RMP updates pursuant to decisions 31/48 and 35/57; and, if applicable, with the preparation of TPMPs pursuant to decision 45/54;
 - b. To contain commitments to achieve the 2013 and 2015 HCFC control measures and include a performance-based system for HPMPs based on the completion of activities in the HPMP to enable the annual release of funding for the HPMP;
 - (ii) For countries with manufacturing sectors using HCFCs, HPMPs should contain a national performance-based phase-out plan (NPP) with one or several substance or sector-based phase-out plans (SPP) consistent with decision 38/65 addressing consumption reduction levels sufficient to achieve the 2013 and 2015 HCFC control measures and provide starting points for aggregate reductions, together with annual reduction targets;
- (d) For countries that choose to implement investment projects in advance of completion of the HPMP:
 - (i) The approval of each project should result in a phase-out of HCFCs to count against the consumption identified in the HPMP and no such projects could be approved after 2010 unless they were part of the HPMP;
 - (ii) If the individual project approach was used, the submission of the first project should provide an indication of how the demonstration projects related to the HPMP and an indication of when the HPMP would be submitted;

- (e) Consideration should be given to providing funding for assistance to include HCFC control measures in legislation, regulations and licensing systems as part of the funding of HPMP preparation as necessary and confirmation of the implementation of the same should be required as a prerequisite for funding implementation of the HPMP;
- (f) In cases where there were multiple implementing agencies in one country, a lead agency should be designated to coordinate the overall development of stage one of the HPMP;
- (g) HPMPs should contain cost information at the time of their submission based on and addressing:
 - (i) The most current HCFC cost guidelines at the time of submission;
 - (ii) Alternative cost scenarios based on different potential cut-off dates for new capacity if a specific cut-off date had not yet been decided, for funding eligibility of manufacturing facilities as specified in decision 53/37(k), as well as the current policy for a 25 July 1995 cut-off date;
 - (iii) Alternative cost scenarios for the operational and capital costs for second conversions;
 - (iv) The incremental costs of regulating import and supply to the market of HCFC dependent equipment once proven alternatives were commercially available in the country and describing the benefits to the servicing sector of associated reduced demand;
 - (v) Cost and benefit information based on the full range of alternatives considered, and associated ODP and other impacts on the environment including on the climate, taking into account global-warming potential, energy use and other relevant factors;
- (h) Countries and agencies were encouraged to explore potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties;
- (i) HPMPs should address:
 - (i) The use of institutional arrangements mentioned in decision 53/37(e) and (f);
 - (ii) The roles and responsibilities of associations of refrigeration technicians and other industry associations and how they could contribute to HCFC phase-out; and
- (h) HPMPs should, as a minimum, fulfill the data and information requirements, as applicable, listed in the indicative outline for the development of HPMPs, as set out in Annex XIX to the present report.

(Decision 54/39)

ANNEX-II
Terms of Reference for National Experts

Nature of Work: Providing technical assistance and expert services at the national level, for preparation of Malaysia's HCFC Phase-out Management Plan

Duration: 12 months

Starting Date: 01 April 2009

Location: Kuala Lumpur with inland travel in Malaysia as required

Responsibilities:

The National Expert will work under the supervision of the Department of Environment and in close coordination with UNDP and would have specific responsibility to carry out the following main tasks:

- a) To interact with various chemical and equipment suppliers/importers and/or their representatives and relevant industry associations:
 - To identify all current manufacturers of HCFC-based products in the Foams, Refrigeration, Air Conditioning, Firefighting, Solvents and any other sectors where HCFCs are used, to maintain continuous contact with these users and maintain an updated list of all such users.
 - To investigate the availability, maturity and prices of alternatives to HCFCs for each application along with the techno-economic advantages and disadvantages of each alternative.
 - To establish patterns of historical and projected unconstrained growth in HCFC consumption in various sectors/sub-sectors until 2015
 - To assist DOE and UNDP in establishing an aggregate projected level of HCFC consumption by sector for 2009 and 2010

- b) With the prior approval of UNDP and DOE, undertake plant visits to selected users and collect enterprise baseline information and other documentation as may be required by UNDP and DOE from the users, in accordance with the pro-forma/questionnaire provided for this purpose. The HCFC consumption data from users shall be collected from 1995 or the date of their establishment, whichever is later.

- c) Classify the data generated from a) and b) above, as below:
 - HCFC consumption by sector
 - List of HCFC users, segregated by sector
 - List of HCFC users who previously received assistance under the Montreal Protocol Programme
 - List of HCFC users who did not receive assistance under the Montreal Protocol Programme
 - Approximate population of HCFC-based equipment segregated by sector

- d) Collect and compile the following data on HCFCs, segregated by substance at the national level:
- Historical export data preferably from 1995 and segregated by destination countries
 - Historical import data preferably from 1995 and segregated by originating countries
- e) To prepare a draft strategy and action plan for each sector, containing the technological and financial interventions needed, in order for the sector to comply with the 2013/2015 control targets for HCFC consumption
- f) To assist UNDP and DOE in arranging workshops or similar information dissemination activities as may be requested, including assistance for ensuring participation of HCFC users selected for participating in such activities
- g) To assist in obtaining any other confirmations, documentation or information from the identified HCFC users as may be required by UNDP and/or DOE from time to time.
- h) To arrange as required for UNDP designated international experts and/or representatives, meetings with key managerial and technical personnel from the HCFC users and for plant visits as required, in line with their mission schedules in the country.
- i) To provide DOE and UNDP with interim progress reports on activities on a monthly basis and a final report incorporating the expected outcomes as mentioned above, at the end of the contract period.
- j) To be available and participate in meetings arranged by DOE/UNDP in context of HPMP preparation

Required qualifications and experience:

- Should preferably be a reputed and registered institution, firm, NGO or professional body involved in environmental related fields
- Should be in a position to assign the requisite number of technical personnel for the tasks required
- Wide contacts and experience in handling of refrigerants especially the HCFC consuming sectors
- Demonstrated experience in Montreal Protocol activities in Malaysia
- Proven knowledge of HCFCs, alternative technologies and technology conversions
- Knowledge and understanding of the Montreal Protocol programme in Malaysia and relevant policies and regulations
- Prior experience in working with government departments and international organizations
- Ability to prepare substantive reports related to technology and policy in a clear and concise manner in English