

SAMPLE MEDIUM-SIZED PROJECT CONCEPT PAPER - MAKYS

1. Project name: <i>Modifying the Assembly Line at Makys Industries, Pvt. Ltd., to Produce Electric Scooters</i>	2. GEF Implementing Agency: <i>World Bank/IFC</i>
3. Country or countries in which the project is being implemented: <i>Hydelia</i>	4. Country eligibility: <i>ratified FCCC on 15 March 1995.</i>
5. GEF focal area(s) <i>Climate Change</i>	6. Operational program/Short-term measure: <i>This proposal would fall under the short-term response measure of GEF's Operational Strategy. Experience gained under this project would also help develop GEF's long-term operational program on transportation systems.</i>
7. Project linkage to national priorities, action plans, and programs: <i>As a part of activities to prepare the first national communication to FCCC, the Government of Hydelia is exploring those strategies that simultaneously benefit the local and global environments. Reducing vehicular emissions, which have deteriorated the air quality, especially in the capital city, and reducing imports of oil are first priorities. This project will help improve air quality, reduce oil imports and benefit the global environment. The Government has announced a decision to phase out over the next seven years the manufacture and sale of two-stroke vehicles, the largest single cause of air pollution in the capital.</i>	
8. Status of national operational focal point review (dates): Submitted: <i>24 February, 1997</i> Acknowledged: <i>(By Postal Receipt) 29 February, 1997</i> Endorsed:	
9. Project rationale and objectives: <i>Given the Government's decision to phase out the use of two-stroke engines in the transport sector, Makys Industries has started negotiations with the Anodh Motor Company to replace the current two-stroke scooter engines with 4-stroke internal combustion engines long used in Anodh motorcycles. The forward-looking management of Makys Industries would like to use this opportunity to make-over the assembly line to also have the possibility of manufacturing electric scooters. Having this flexibility in manufacturing will incur incremental costs. As there is a long waiting list for scooters in Hydelia, it is certain that there will be willing customers for electric scooters (Many scooter drivers now frequently wear gas masks while traveling). As almost all of the country's electricity comes from plentiful hydro-electric sources, there will be significant global benefits from the reduction in emissions from the petrol-based scooters that would otherwise be sold.</i>	

<p>10. Expected outcomes:</p> <p><i>As a result of the extra investments made in the assembly line and in manufacturing processes, Makys expects to turn out 1000 electric scooters in the first year and gradually increase production to 10,000 units per year. Makys is positioning itself to be a market leader in producing zero emission vehicles given the virtual certainty that pollution control regulations will be tightened further.</i></p>
<p>11. Planned activities to achieve outcomes:</p> <p><i>Makys will conclude a joint venture agreement with Anodh Motor Company. Anodh has also produced a prototype electric scooter that it is willing to introduce in Hydrelia. GEF will support the in-country costs (incurred in foreign exchange) of the Makys-Anodh joint venture agreement. The joint venture agreement will also include the limited manufacture of electric scooters. The switchover of the assembly line to scooters with 4 stroke engines will be complete in 3 years, the first electric scooter will roll in four years.</i></p>
<p>12. Stakeholders involved in project:</p> <p><i>With the help of a Block A PDF, Makys will conduct a consumer survey to gauge the demand for, and features desired of, electric scooters.</i></p>
<p>13. Information on project proposer:</p> <p><i>Makys Industries was set up as a parastatal organization in collaboration with Trabant Motor Works in 1962. It was privatized in 1993 with IFC's assistance, and now runs profitably as a commercial organization.</i></p>
<p>14. Information on proposed executing agency (if different from above):</p> <p><i>Same as above.</i></p>
<p>15. Estimated budget (in US\$ or local currency):</p> <p>GEF: \$975,000</p> <p>Co-financing: - 0 -</p> <p>TOTAL: \$975,000</p> <p><i>Note : IFC does not normally make grants. The GEF grant will be used in this case to buy-down the interest rate.</i></p>

ANNOTATION