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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-eighth Meeting
Montreal, 14-16 July 1999

PROJECT PROPOSAL: TUNISIA

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

Aerosol

- Phasing out of CFCs at Laboratoires Parcos

UNIDO

PROJECT EVALUATION SHEET TUNISIA

SECTOR: Aerosol ODS use in sector (1998): 110 ODP tonnes

Sub-sector cost-effectiveness thresholds:

Project Title:

(a) Phasing out of CFCs at Laboratoires Parcos

Project Data	Filling plant
	Parcos
Enterprise consumption (ODP tonnes)	26.00
Project impact (ODP tonnes)	29.80
Project duration (months)	18
Initial amount requested (US \$)	118,127
Final project cost (US \$):	
Incremental capital cost (a)	180,000
Contingency cost (b)	16,000
Incremental operating cost (c)	-77,873
Total project cost (a+b+c)	118,127
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	118,127
Cost effectiveness (US \$/kg.)	3.96
Counterpart funding confirmed?	
National coordinating agency	National Agency for the Protection of Environment
Implementing agency	UNIDO

<i>Secretariat's Recommendations</i>	
Amount recommended (US \$)	76,127
Project impact (ODP tonnes)	29.80
Cost effectiveness (US \$/kg)	2.55
Implementing agency support cost (US \$)	9,897
Total cost to Multilateral Fund (US \$)	86,024

PROJECT DESCRIPTION

Phasing out of CFCs at Laboratoires Parcos

1. In 1996, the total consumption of CFCs in the aerosol sector in Tunisia amounted to 222 tonnes. The progress report on the implementation of the country programme submitted by the Government of Tunisia to the Fund Secretariat reported a consumption of 150 ODP tonnes of CFCs in the aerosol sector in 1998.
2. The Executive Committee has approved seven investment projects for the phase out of 273 tonnes of CFCs in this sector and allocated US \$1,044,079 for their implementation. The progress report (as of December 1998) submitted by UNIDO to the 28th Meeting of the Executive Committee reported that three projects have already been completed, with a total phase out of 165 ODP tonnes, and US \$594,723 has been disbursed.
3. The Government of Tunisia is submitting an additional project in the aerosol sector that would lead to the elimination of 29.8 tonnes of CFCs used in the country. The Government of Tunisia has decided to accelerate the process of phasing out the use of CFCs from industry and aims to have all ODS eliminated by the year 2000.
4. Based on the CFC baseline for Tunisia's compliance with the Montreal Protocol, the elimination of 29.8 ODP tonnes would represent 3.42 per cent of the baseline.
5. Laboratoires Parcos is the only aerosol manufacturing enterprise remaining in the country. The company produces different size presentations of deodorants (160,000 cans/year) and hair spray (230,000 cans/year).
6. The aerosol filling process under operation utilises two Coster design machines and two crimping machines.
7. The enterprises will convert to HAPs technology. Conversion entails installation of a semi-automatic gas filling machine to be located in open-air filling rooms, a water bath for testing filled cans, HAP storage and purification system, gas detectors and a fire control system. Conveyor systems, explosion-proof lighting and ventilation systems are also requested.
8. Technical assistance will be provided for performance and supervision of engineering designs, equipment installation and commissioning of the plant. Training in production, quality control and safety procedures will also be provided.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The Secretariat requested information on the size of the CFC-based aerosol sector in Tunisia considering that financial assistance has been provided to seven aerosol enterprises to convert to non-CFC technologies. Accordingly, UNIDO informed the Secretariat that after discussions with the ozone office in Tunisia it was UNIDO's opinion that no new projects will be submitted for the aerosol sector in Tunisia as many companies have already converted on their own.

2. The Secretariat and UNIDO discussed the feasibility of retrofitting the current Coster aerosol equipment which is relatively new (purchased in 1992), as well as the size for the gas storage tank and the LPG purification system. UNIDO agreed to adjust the capital cost of the proposal, accordingly (reduced by US \$20,000).

3. The adjusted capital costs and operational savings (NPV for four years) of the project were US \$154,000 and (US \$77,873), respectively.

RECOMMENDATION

1. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

	Project Title	Project Cost (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Phasing out of CFCs at Laboratoires Parcos	76,127	9,897	UNIDO