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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

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PROJECT PROPOSAL: CENTRAL AFRICAN REPUBLIC

This document includes the Comments and Recommendations from the Fund Secretariat on the following project:

Foam

- Continuation of conversion to CFC-free technology in manufacturing of flexible polyurethane foam at Vita-Centrafrigue UNDP

**PROJECT EVALUATION SHEET
CENTRAL AFRICAN REPUBLIC**

SECTOR: FOAM ODS use in sector (1993): 4 ODP tonnes

Sub-sector cost-effectiveness thresholds: Flexible (Slabstock) foam US \$6.23/kg

Project Title:

Continuation of conversion to CFC-free technology in manufacturing of flexible polyurethane foam at Vita-Centrafrigue

Project Data	Flexible Foam
	Vita Centrafrique
ODS phase-out (ODP tonnes) ¹	1.7
Proposed project duration (Yrs)	1
Incremental capital cost (US\$)	62,000
Contingency (%)	10.32
Incremental operational cost (US\$)	0
Total project cost (US\$)	62,000
Local ownership (%)	100
Export component (%)	0
Amount requested (US\$) { Original	62,000
{ Revised	
Cost effectiveness (US\$/kg)	36.5
National Coordinating Agency	Ministère de l'environnement et du tourisme
Implementing Agency	UNDP
Technical review completed?	Yes

Secretariat's Recommendations	
Amount recommended (US \$)	62,000
Project impact (ODP tonnes)	1.7
Cost effectiveness (US \$/kg)	36.5
Implementing Agency support cost (US\$)	8,060
Total cost to Multilateral Fund	70,060

¹ Figures for average of 1993-1995.

PROJECT DESCRIPTION

Continuation of conversion to CFC-free technology in manufacturing of flexible polyurethane foam at Vita-Centrafrigue

1. Vita-Centrafrigue, formerly a subsidiary of Vita International of U.K. is currently 100 per cent owned by nationals of Central African Republic (CAR).
2. The company is the only manufacturer of foam in CAR, a low volume ODS consuming country (Total consumption 1993: 31 tonnes ODP). The company's output of foam for 1995 was 120 tonnes. It has over the years been reducing its use of CFC-11 as auxiliary blowing agent substituting with methylene chloride, not without technical and commercial difficulties. Its average consumption of CFC-11 for 1993-1995 was consequently 1.7 tonnes.
3. The company proposes to substitute the residual CFC-11 completely with methylene chloride. This will require improvements to the methylene chloride metering system, installation of exhaust fans and hoods, powered take away conveyor and water lances for fire protection since access to the foam will be restricted by the hood.
4. Major items of capital cost include the cost of main conveyor hood (US \$10,000), cut-off saw hood (US \$18,000), and exhaust fans (US \$10,000). Operational costs/savings are negligible and are not considered.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The cost-effectiveness of the project is US \$36.5/Kg./Yr., which far exceeds the sector cost-effectiveness threshold of US \$6.23/Kg./Yr. However, the consideration of the project may be done against the following background:

- (a) The project cost represents the minimum level of expenditure required for safe conversion.
- (b) Vita-Centrafrigue is the only manufacturer of foam in CAR and the conversion will complete the phase-out in the sector.
- (c) CAR is a very low volume ODS consuming country which currently does not appear to have any other investment project beside this project.

RECOMMENDATION

1. The Fund Secretariat recommends consideration of approval of the project subject to conditions of approval applicable to low volume ODS consuming countries, with associated support cost and the funding level shown below.

	Project Cost US \$	Support Cost US \$	Cost Effectiveness US \$/kg.
Continuation of conversion to CFC-free technology in manufacturing of flexible polyurethane foam at Vita-Centrafrigue	62,000	8,060	70,060