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

Eighteenth Meeting
Vienna, 22-24 November 1995

PROJECT PROPOSAL: SRI LANKA

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

- Conversion to CFC-Free Hydrocarbon Aerosol Propellant Technology at International Cosmetics ltd. (ICL)

UNDP

Sub-sector cost-effectiveness threshold: Hydrocarbon US \$ 4.40/kg

Conversion to CFC-free hydrocarbon aerosol propellant technology at International Cosmetics Ltd. (ICL)*

Project Data	International Cosmetics
ODS phase-out (ODP tonnes)	5.2
Proposed project duration (Yrs)	1
Incremental capital cost (US \$)	45,550
Contingency (%)	10
Incremental operational cost (US \$)	(6,582)
Total project cost (US \$)	38,968
Local ownership (%)	100
Export component (%)	-
Amount requested (US \$) {Original	38,968
{Revised	38,968
Cost effectiveness (US \$/kg)	7.49
National Coordinating Agency	Montreal Protocol Unit, Ministry of Transport, Environment and Women's Affairs
Implementing Agency	UNDP
Technical review completed?	Yes

Secretariat's Recommendations	
Amount recommended (US \$)	38,968
Project impact (ODP tonnes)	5.2
Cost effectiveness (US \$/kg)	7.49
Implementing Agency support cost (US \$)	5,066
Total cost to Multilateral Fund (US \$)	44,034

* New proposal to the 18th Meeting

PROJECT DESCRIPTION

1. Of the two aerosol fillers in Sri Lanka, ICL is the only enterprise filling with CFCs. Therefore, implementation of this project will result in the complete phase out of CFC-11 and CFC-12 used in the sector.
2. ICL manufactures deodorant sprays (106,440 cans/year) and shaving cream (8,856 cans/year) using a 5-year old semi-automatic pneumatic filling machine. The enterprise will convert to HAPs technology, using the open air filling room method. The conversion will entail repairing the current filling machine which is leaking, a locally built water bath, and control instruments. Additional fire extinguishers needs to be provided to ensure safe use of hydrocarbons. Technical support will include a training programme and on-going safety audits.
3. The capital cost of conversion is US \$45,550, including 10% contingency. The operational savings (NPV) for four years is US \$6,582.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The cost-effectiveness of the project is above the threshold values established by the Executive Committee. Sri Lanka is a low-ODS consuming country (231 ODP tonnes in 1991) and the project will lead to the complete phase out of CFCs in the aerosol sector.

RECOMMENDATIONS

1. The Executive Committee may wish to consider approving the project at a funding level of US \$38,968 plus US \$5,066 as support cost to UNDP and include it in the list of new projects submitted to the Eighteenth Meeting under the "low-ODS consuming countries" funding category as shown in the table below:

Project	Project Cost US \$	Support Cost US \$	Implementing Agency
Conversion to CFC-free hydrocarbon aerosol propellant technology at International Cosmetics Ltd. (ICL)	38,968	5,066	UNDP