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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-third Meeting
Montreal, 12-14 November 1997

PROJECT PROPOSAL: ALGERIA

This documents includes the comments of the Fund Secretariat on the following project proposal:

Foam

- Phasing out CFC-11 at La Mousse du Sud flexible polyurethane foam plant UNIDO

PROJECT EVALUATION SHEET
ALGERIA

SECTOR: FOAM ODS use in sector (1996): 400 ODP tonnes

Sub-sector cost-effectiveness thresholds: Flexible US $6.23/kg

Project Title:
Phasing out CFC-11 at LA MOUSSE DU SUD flexible polyurethane Foam plant.

Project Data	Flexible
	LA MOUSSE DU SUD
ODS phase-out (ODP tonnes)	95
Proposed project duration (months)	12
Incremental capital cost (US $)	511,500
- including contingency (%)	10
Incremental operational cost (US $)	110,000
Total project cost (US $)	621,500
Local ownership (%)	100
Export component (%)	
Amount requested (US $) {Original}	621,500
{Revised}	
Cost effectiveness (US $/kg)	6.54
National Coordinating Agency	Ministere de l'Interieur, des Collectivites Locales, et de l'Environnement
Implementing Agency	UNIDO
Technical review completed?	

Secretariat's Recommendations:	
Amount recommended (US $)	Pending
Project impact (ODP tonnes)	
Cost effectiveness (US $/kg)	
Implementing Agency support cost (US $)	
Total cost to Multilateral Fund (US $)	

PROJECT DESCRIPTION

Foam Sector Profile

Sector ODS consumption (1993) reported in country programme	400 tonnes ODP
Most recent consumption data	not available
ODS to be phased out in approved projects (as at July 1997)	276 tonnes ODP
ODS phased out (as at July 1997)	0
ODS to be phased out in current proposed project	95 tonnes ODP
Latest (1995) CFC-11 consumption reported according to Art.7	896 tonnes ODP

Phasing out CFC-11 at LA MOUSSE DU SUD flexible polyurethane foam plant.

1. La Mousse Du Sud will convert from the use of CFC-11 in the manufacture of flexible slabstock foam used for the production of furniture and mattresses industry. It operates a Hennecke machine.

2. The chosen replacement alternative is Liquid Carbon Dioxide (LCD), a method of blowing low density foam utilizing liquid carbon dioxide as a blowing agent. The project will be implemented through modification of existing production facilities and installation of supplementary equipment and instruments. The associated cost of equipment amounts to US $465,000 including US $310,000 for LCD systsem. The capital cost associated with trials, technology transfer and training is US $100,000, while the cost of contingency is US $56,500. Incremental operating costs and savings are to be determined following completion of the guidelines on LCD technology.

Equipment or Components to be Destroyed or Rendered Unusable

3. The company agrees that the old equipment or components to be replaced under this investment project by a new one, will have to be destructed or rendered unusable. a certification of the destruction should be issued by an independent international inspection agency.

Impact of Project on 1999 Freeze

4. By the elimination of 95 MT of ODP and assuming that soon after its approval the project will be implemented before the end of 1999, this project will contribute towards achieving the 1999 freeze obligation of the country..

SECRETARIAT'S COMMENTS

COMMENTS

1. The Executive Committee at its Twenty-second Meeting requested the Fund Secretariat and the Implementing Agencies to finalize their discussions on the guidelines for LCD projects and present their recommendations to the Committee alongside the projects which may be submitted to the Twenty-third Meeting for approval. As at 20 October 1997 there were still ongoing discussions among the Implementing Agencies and the Fund Secretariat with the view to finalizing the recommendations.

2. The final project cost of this and the other LCD projects will be communicated to the Sub-Committee on Project Review should agreement be reached on the guidelines.