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

Seventeenth Meeting
Montreal, 26-28 July 1995

PROJECT PROPOSAL: VIETNAM

This document includes the Comments and Recommendations from the Fund Secretariat.

PROJECT EVALUATION SHEET

COUNTRY OR REGION:	Viet Nam
PROJECT TITLE:	Conversion to hydrocarbon aerosol propellant technology at Saigon Cosmetics Company
BUDGET:	Capital Costs: US $418,200 Operational savings US $(75,443)
INCREMENTAL COSTS:	US $342,757[1]
ODS PHASE-OUT:	80 MT
COST EFFECTIVENESS[2]:	US $4.28. per kg. ODP saved
PROJECT DURATION:	18 months
IMPLEMENTING AGENCY:	UNDP
NATIONAL COORDINATING AGENCY:	Hydrometereological Services
TECHNICAL REVIEW COMPLETED:	YES _X_ NO____

SECRETARIAT'S COMMENTS

1. The project proposal is to replace the use of CFC with hydrocarbon aerosol propellant (HAP) in the manufacture of cosmetics. The project will result in the elimination of 80 tonnes of CFC.

2. The project includes replacement of the existing ten manual filling machine with an automatic pneumatic filling machine (40 can/min), an explosion proof modular gassing room, a water bath for testing, installation of an open-air filling room, safety equipment and plant training.

3. Three 6,000-gallon capacity isotainer containers for overseas transportation of HAPs is also requested. The Secretariat indicated that the request was not eligible.

[1] Including contingency (10 per cent).

[2] Determined as the ratio of incremental costs to the estimated annual saving of ODP ($/ODPkg). For CFC-11, ODS=ODP.

4. After discussion with the Implementing Agency, the proposed explosion proof modular gassing room was replaced with installation of an "open air gassing room" at a lower cost and the request for the isotainer containers was removed. Subsequently, the cost of the equipment was adjusted to US $275,200.

5. Incremental operational savings have been calculated on the basis of the difference in costs per can when filling with CFC or HAPs. Annual operating saving were estimated at US $11,600 and US $36,770 for a four-year period.

6. The adjusted cost-effectiveness value is US $2.98/kg ODP.

SECRETARIAT'S RECOMMENDATIONS

7. The Secretariat recommends final approval of this project and funding in the amount of US $238,430.

8. To approve US $30,996 as support cost to UNDP.