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

Eighteenth Meeting
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PROJECT PROPOSAL: SUDAN

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

- Phasing out CFCs at Sudanese Cosmetics & Household Products Ltd. UNIDO

SECTOR:	AEROSOL	ODS use in sector (1993):	281.5 ODP tonnes
Sub-sector cost-effectiveness threshold:	Hydrocarbons		US \$4.40/kg

Phasing out CFCs at Sudanese Cosmetics & Household Products Ltd.

<i>Secretariat's Recommendations</i>	
Amount recommended (US \$)	497,612
Project impact (ODP tonnes)	281.5
Cost effectiveness (US \$/kg)	1.78
Implementing Agency support cost (US \$)	64,690
Total cost to Multilateral Fund (US \$)	562,302

PROJECT DESCRIPTION

1. Sudanese Cosmetics & Household Product Ltd. is the only aerosol manufacturing enterprise in the country. The company produces different size presentations of deodorants (1,500,000 cans/year), eau de parfum (1,000,000 cans/year) and insecticides (500,000 cans/year). The present aerosol filling plant consists of two-small capacity manual Dual Pack filling machines, two stand-by electric generators (300 kW total capacity), and a research laboratory for developing product formulations.
2. The enterprise will convert to HAPs technology, using the open air filling room method. Due to the switch to HAP technology and taking into consideration that the enterprise intends to expand its production capacity, the enterprise has decided to transfer the production line to a new location where it could be possible to use hydrocarbons. Conversion to HAP technology entails installation of an open air filling station with one semi-automatic filling machine (15 cans/min) including crimping, propellant handling and filling, two rotary tables and conveyors, a water bath for testing filled cans, HAP storage and purification system, and a fire control systems including a water reservoir, pumps, hoses and fire extinguishers. 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 and production of trials.
3. The enterprise will finance costs associated with engineering designs for the completion of the plant facilities and LPG storage and purification systems, additional civil construction works including construction of the pump house, water storage tank, and a quality control laboratory able to work with flammable substances.
4. The capital cost of conversion is US \$740,900, including 10% contingency. The operational savings (NPV) for four years is estimated at US \$243,288.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The project is well designed to completely phase out the consumption of CFCs in the aerosol sector. The calculations of incremental costs account for savings to be accrued from converting to cheaper HAP substitutes.

RECOMMENDATIONS

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

Project	Project Cost US \$	Support Cost US \$	Implementing Agency
Phasing out CFCs at Sudanese Cosmetics & Household Products Ltd	497,612	64,690	UNIDO

2. The Fund Secretariat further recommends that the project be included in the Consolidated List.