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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

PROJECT PROPOSAL: SYRIA

This document includes the comments and recommendations of the Fund Secretariat on the following project proposal:

Aerosol

- Phasing out CFCs at Mariza Co. UNIDO

PROJECT EVALUATION SHEET
SYRIA

SECTOR: AEROSOL ODS use in sector (1996): 814 ODP tonnes

Sub-sector cost-effectiveness thresholds: Hydrocarbons 4.40 US $/kg

Project Title:

Phasing out CFCs at Mariza Co.

Project Data	Hydrocarbons
	Mariza Co.
ODS phase-out (ODP tonnes)	90.0
Proposed project duration (months)	16
Incremental capital cost (US $)	256,500
- including contingency (%)	10
Incremental operational cost (US $)	(48,848)
Total project cost (US $)	207,652
Local ownership (%)	100
Export component (%)	-
Amount requested (US $) {Original}	207,652
Cost effectiveness (US $/kg)	2.3
National Coordinating Agency	General Commission for Environmental Affairs
Implementing Agency	UNIDO
Technical review completed?	Yes
Secretariat's Recommendations:	
Amount recommended (US $)	207,652
Project impact (ODP tonnes)	90
Cost effectiveness (US $/kg)	2.31
Implementing Agency support cost (US $)	26,995
Total cost to Multilateral Fund (US $)	234,647

PROJECT DESCRIPTION

Phasing out CFCs at Mariza Co.

1. In 1996, the total consumption of CFCs in the aerosol sector in Syria amounted to 814 tonnes. The Executive Committee has approved seven investment projects for the phase out of 678 tonnes of CFCs in this sector. These projects are expected to be fully implemented by the end of 1998.

2. The Government of Syria is submitting one additional project which would lead to elimination of 90.0 tonnes of CFCs.

3. In total, 768 tonnes of CFCs would be eliminated once all the projects become operational. The Government of Syria is intending to meet the 1999 freeze-target by giving priority to the elimination of CFCs in the sector, which constitute about 46% of the country's CFC consumption.

4. The project under consideration is for the replacement of CFCs with hydrocarbon propellant used in manufacturing different types and sizes of deodorant, hair spray and leaf polisher (880,000 cans /year).

5. The aerosol filling process under operation utilises two semi-automatic filling machines manufactured by Coster, one machine is used for product filling and the second for crimping and gas filling with CFCs.

6. The enterprise will convert to HAPs technology. Conversion entails installation of a semi-automatic gas filling machine to be located in open air filling rooms including a propellant handling system, manual water bath for testing filled cans, HAP storage and purification system, gas detectors and fire control system. Conveyor systems, explosion-proof lighting and ventilation systems are also requested.

7. 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 will also be provided.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

1. Upon a request by the Fund Secretariat on the CFC consumption level, the Ozone Unit reported that in 1995, a total of 793 tonnes were used in the aerosol sector in the country; taking into account the annual growth rate of 3.4% and that non of the approved projects has been completed, CFC consumption increased to 814 tonnes in 1996 and 914 tonnes in 1997.

2. There are still 10 low-CFC consuming companies in this sector, whose conversion could be done through an umbrella project.

3. The capital cost of the project is US $256,500 and the operational savings (NPV) for four years is US $48,848.

4. The project document reports that the list of equipment to be replaced and destroyed or rendered unusable will be prepared for each end-user after the bidding process for purchase of new equipment. The list will be attached to the completion reports with relevant certification of the action undertaken for destruction of the equipment.

5. The enterprises will finance other unclaimed costs (US $720,000). The Fund Secretariat has not reviewed these costs, some of which would not be eligible.

RECOMMENDATION

1. The Fund Secretariat recommends blanket approval of the project with associated support cost at the funding levels indicated below:

Project Title	Project Cost US $	Support Cost US $	Implementing Agency
Phasing out CFCs at Mariza Co.	207,652	26,995	UNIDO