



**United Nations  
Environment  
Programme**

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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**Corrigendum**

**PROJECT PROPOSAL: EGYPT**

This document is issued to replace page 2 with the attached; to add paragraphs 29 (bis), 29 (ter), 29 (quater) in the comments section; and to add paragraph 30 to the recommendation section.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECTS  
EGYPT**

<b>PROJECT TITLES</b>	<b>BILATERAL/IMPLEMENTING AGENCY</b>
Terminal solvent sector umbrella project	UNIDO

<b>NATIONAL CO-ORDINATING AGENCY</b>	Egyptian Environmental Affairs Agency
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP tonnes, 2003, as of October 2004)**

Annex A, Group I CFCs	1,102.20	Annex B, Group III TCA	18.00
Annex B, Group II CTC	13.00		

**COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2003, as of October 2004)**

ODS	Aerosol	Foam	Ref.	ODS	Solvents	Process agent	Fumigant
CFCs	121	30	885.2	CFCs	15	51	
CTC	--	--	--	CTC	13	--	
TCA	--	--	--	TCA	18	--	

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	765.70
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<b>CURRENT YEAR BUSINESS PLAN ALLOCATIONS</b>	<b>Funding US \$ million</b>	<b>Phase-out ODP tonnes</b>
	0.667	115.9

<b>PROJECT TITLE:</b>	<b>Terminal umbrella</b>
<b>ODS use at enterprise (ODP tonnes):</b>	40.98
<b>ODS to be phased out (ODP tonnes):</b>	40.98
<b>ODS to be phased in (ODP tonnes):</b>	0
<b>Project duration (months):</b>	18
<b>Initial amount requested (US \$):</b>	1,440,964
<b>Final project cost:</b>	
Incremental Capital Cost (US \$)	715,265
Contingency (10%) (US \$)	56,527
Incremental Operating Cost (US \$)	6,672
Total Project Cost (US \$)	778,464
<b>Local ownership (%):</b>	100
<b>Export component (%):</b>	<10
<b>Requested grant (US \$):</b>	778,464
<b>Cost-effectiveness (US \$/kg):</b>	18.99
<b>Implementing agency support cost (US \$):</b>	58,385
<b>Total cost of project to Multilateral Fund (US \$):</b>	836,849
<b>Status of counterpart funding (Y/N):</b>	Y
<b>Project monitoring milestones included (Y/N):</b>	Y

<b>SECRETARIAT'S RECOMMENDATION</b>	Blanket approval at the costs indicated above
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29(bis). Following additional discussions, the proposal for retroactive funding for the aerosol enterprise that had converted in 1993 was withdrawn from the project. The technical comments provided by the Secretariat have been fully addressed. A number of technological refinements were made to individual sub-project proposals which resulted in more costs-effective solutions and consequent reductions in incremental costs. All outstanding data and technical issues have been resolved and incremental costs have been established.

29(ter). UNIDO confirmed that the technical assistance funding will be used to address remaining CFC-113 consumption by small users as well as any residual consumption of TCA or CTC not so far identified: no additional funding will be sought for phase-out in this sector. The project will therefore result in the permanent phase-out of the consumption of CTC and TCA in Egypt and also the permanent phase-out of CFC-113 in the solvent sector. Consumption of some 5 ODP tonnes of CFC-113 remains in the non-MDI medical aerosol sector. UNIDO has indicated that this consumption will be addressed in 2005 in an MDI project involving the same enterprise.

29(quarter). The final incremental cost of the project is US \$778,464. The average cost-effectiveness of the two CTC investment projects is US \$11.6/kg, which is consistent with the figures for approved CTC solvent sector projects (no threshold has been established for CTC projects). The average cost-effectiveness of the three TCA investment projects is US \$24.7/kg (threshold US \$38.5 per kg). It is proposed that the funding be approved in a single tranche at the 44<sup>th</sup> Meeting, together with conditions indicating that it will result in permanent phase-out of ODS consumption in the solvent sector in Egypt by 2007.

## **RECOMMENDATION**

30. The Fund Secretariat recommends blanket approval of the terminal umbrella project in the solvent sector in Egypt at a level of funding amounting to US \$778,464 plus US \$58,385 in agency support costs for UNIDO on the condition that, without requesting additional funding from the Multilateral Fund, Egypt will meet the 2005 Montreal Protocol control measures for CTC and TCA; permanently phase-out the consumption of CTC and TCA by 2007; and permanently phase-out the consumption of CFC-113 in the solvent sector by 2007.

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