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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-first Meeting
Montreal, 17 - 19 December 2003

Addendum and Corrigendum

PROJECT PROPOSAL: LIBYAN ARAB JAMAHIRIYA

This document is issued to:

- **Add** the following paragraphs on page 7 under comments:

22(bis) The Secretariat has concluded its discussion with UNIDO on issues raised in its initial comments on the National ODS Phase-out Plan for Libyan Arab Jamahiriya as presented in document UNEP/OzL.Pro/ExCom/41/44.

22(ter) UNIDO withdrew components related to phase-out of methyl bromide and halons from the national plan. The consumption of methyl bromide and halons will be addressed through submission of funding proposals at a later stage. The proposal addresses the CFC consumption in flexible and rigid foam sectors, in commercial, transportation refrigeration and servicing sectors with the total phase-out of 450.5 ODP tonnes. The revised proposal aims at phasing out of the total remaining consumption of Annex A, Group I substances (CFCs) in Libya over the period 2003-2009 CFC according to the action plan for a return to compliance prepared by the Government of Libyan Arab Jamahiriya and adopted by the Parties at their 15th Meeting. Under the National CFC Phase-out Plan, Libya specifically commits itself:

- a) To reduce CFC consumption from 985 ODP tonnes in 2001 as follows:
 - i) To 710.0 ODP tonnes in 2003;
 - ii) To 610.0 ODP tonnes in 2004;
 - iii) To 303.0 ODP tonnes in 2005;
 - iv) To 107.0 ODP tonnes in 2007;

- v) To phase out CFC consumption by 1 January 2010 as required under the Montreal Protocol save for essential uses that might be authorized by the Parties;
- b) To establish, by 2004, a system for licensing imports and exports of ODS, including quotas.

22(quarter) UNIDO addressed all the issues raised in the Secretariat's comments in relation to the CFC consumption in the refrigeration servicing and manufacturing sectors. Subsequently, the necessary adjustments to the calculation of incremental costs have been made in the revised version of the national plan. UNIDO also recalculated grant amounts in the flexible foam sector using the existing cost-effectiveness threshold. All the incremental costs were agreed between the Secretariat and UNIDO. The total eligible incremental cost of the national CFC phase-out plan is US \$2,497,947, including the project management component at US \$150,000. The overall cost-effectiveness of the proposal is US \$5.54/kg ODP. The breakdown of the requested incremental costs agreed between the Secretariat and UNIDO is reproduced in the Table below.

| Sector | ODP tonnes* | Project cost US \$ |
|--|--------------|-----------------------|
| Flexible PU foams | 262 | 1,056,660 |
| Rigid PU foams | 46.3 | 354,800 |
| Commercial/Transportation Refrigeration manufacturing | 40.6 | 412,057 |
| RMP | 101.6 | 524,430 |
| Sub-total | 450.5 | 2,347,947 |
| Management | | 150,000 |
| Total | | 2,497,947 |

* The actual ODP phase-out targets have been taken into account due to the substitution of CFC-11 by HCFC-141b in rigid foam and refrigeration manufacturing sub-sectors.

22(quinquies) The enterprises in the rigid foam and refrigeration sectors are predominantly SMEs. They have selected HCFC-141b technology in foam operations. Cyclopentane technology was considered but not accepted based on safety and economic considerations. UNIDO indicated that the choice of HCFC-141b as an interim technology was made by the enterprises following a discussion with them on available alternatives and relevant decisions of the Executive Committee regarding the use of HCFC-141b as interim substitute foam blowing agent. The justification for the use of transitional technologies is presented in the Plan. In accordance with relevant decisions of the Executive Committee on the use of HCFCs, a letter of transmittal from the Government of Libyan Arab Jamahiriya endorsing the use of HCFC-141b is attached.

22(sixties) The project document includes a first annual implementation programme which is consistent with the above conclusions. A draft agreement is being prepared and will be distributed upon completion.

- **Replace** paragraph 23, on page 7, under recommendations **with** the following:

23. On the basis of the above comments, and subject to the timely provision of a draft agreement, the Executive Committee may wish to consider:

- (a) Approving in principle funding of US \$2,497,947 and US \$187,346 in agency support costs for the national CFC phase-out plan for the Libyan Arab Jamahiriya;
- (b) Approving the draft agreement for the national CFC phase-out plan; and
- (c) Approving funding of US \$1,500,000 and US \$112,500 in support costs for UNIDO for the first annual implementation programme;

*41st Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol***Annex XII****GOVERNMENT NOTE OF TRANSMITTAL OF INVESTMENT PROJECTS TO THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL****PROJECT OF THE GOVERNMENT OF LIBYAN ARAB JAMAHIRIYA**

The Government of Libya requests UNIDO to submit the project indicated in the Table 1 below to the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol for consideration at its 41st Meeting.

Section I: ODS Consumption Data

1. The ODS consumption figure(s) of the project(s) has/have been validated by the National Ozone Unit (NOU).
2. The consumption data have been retained in the records of the NOU for reference and/or future verification.
3. The Government has been advised by the NOU that the agreement to the project provides a commitment to ensure that the phase-out of the validated consumption indicated in Table 1 below is realized and yields a sustained permanent aggregate reduction in the country's consumption of Annex A Group I substances. Accordingly, Libya acknowledges that its remaining consumption of Annex A Group I substances calculated in accordance with Decision 35/57 will be reduced by the amount of the phase-out realized.

Table 1: Projects Submitted to the 41st Meeting of the Executive Committee

| Project Title/Sector | Type of ODS | Validated Consumption (ODP Tonnes), (Year) | ODP to be Phased Out (ODP Tonnes) | Residual ODP (ODP Tonnes) | Implementing Agency |
|-----------------------------|---|--|-----------------------------------|---------------------------|---------------------|
| National CFC Phase-out Plan | CFC-11, CFC-12, CFC-13, CFC-14 and CFC-15 | 450.5 | 442.5 | 8.0 | UNIDO |
| (excluding halon sector) | | | | | |
| Total | | 450.5 | 442.5 | 8.0 | |

| | |
|--|--------------------|
| Remaining amount of Annex A Group I substances prior to submission of the above project(s) calculated according to Decision 35/57. | (450.5) ODP tonnes |
| Remaining amount of Annex A Group I substances following approval of the above project(s). | (0) ODP tonnes |

Section II: Other Relevant Actions Arising from Decision 33/2

4. It is understood that, in accordance with the relevant guidelines, the funding received for a project would be partly or fully returned to the Multilateral Fund in cases where

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technology was changed during implementation of the project without informing the Fund Secretariat and without approval by the Executive Committee;

5. The National Ozone Unit is requested to monitor closely, in cooperation with customs authorities and the environmental protection authorities, the importation and use of CFCs and to combine this monitoring with occasional unscheduled visits to importers and recipient manufacturing companies to check invoices and storage areas for unauthorized use of CFCs.
6. The implementing agency in cooperation with the National Ozone Unit is requested to conduct safety inspections where applicable and keep reports on incidences of fires resulting from conversion projects.

Section III: Projects Requiring the Use of HCFCs for Conversion

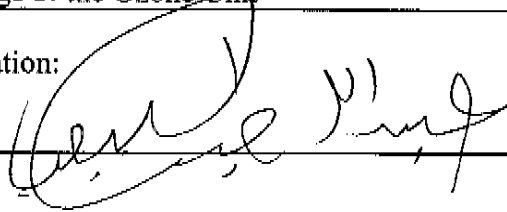
7. In line with Decision 27/13 of the Executive Committee and in recognition of Article 2F of the Montreal Protocol, the Government
 - (a) has reviewed the specific situations involved with the project (enterprises in the rigid PU foam as well as in the commercial refrigeration sub-sectors to be converted using HCFC-141b are listed in the project document as well as its HCFC commitments under Article 2F; and
 - (b) has nonetheless determined that, at the present time, the projects needed to use HCFCs for an interim period with the understanding that no funding would be available for the future conversion from HCFCs for the company/companies involved.

Name and signature of responsible Officer:

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Designation:

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 10/12/2003

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