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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**

**PROJECT PROPOSAL: LIBYAN ARAB JAMAHIRIYA**

- **Add** the attached Annex I:

**DRAFT AGREEMENT BETWEEN LIBYAN ARAB JAMAHIRIYA AND THE  
EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT  
OF OZONE-DEPLETING SUBSTANCES**

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**Annex I****Draft Agreement between Libyan Arab Jamahiriya and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of Libya (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (the Substances) Annex A Group I of the Montreal Protocol prior to 1st January 2010.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) That the Country has met the Target for the applicable year;
  - (b) That the meeting of these Targets has been independently verified as described in paragraph 8; and
  - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 8.

8. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the sectors listed in para 2 above or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next installment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

10. The Funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the Funding of any other consumption sector projects or any other related activities in the Country.

11. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access by the Lead IA to information necessary to verify compliance with this Agreement.

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

The ozone-depleting substances to be phased out under the Agreement are listed below.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets and Funding

	2003	2004	2005	2006	2007	2008	2009
Montreal Protocol Reduction Schedule *	710.0	610.0	358.0		107.0		0
1. Max allowable total consumption of CFC	700.0	461.0	300.0	176.0	52.0	11.6	0
2. Reduction from ongoing projects	239.0	10.5	0	0	0	0	0
3. New reduction under the plan	0	150.5	124.0	124.0	40.4	11.6	0
4. Total annual reduction of CFC	239.0	161.0	124.0	124.0	40.4	11.6	0
5. UNIDO agreed funding	1,500,000		720,000	277,947	0	0	
6. UNIDO support cost	112,500		54,000	20,846	0	0	
<b>7. Total agreed funding</b>	<b>1,612,500</b>		<b>774,000</b>	<b>298,793</b>		<b>0</b>	

*Note: \* According to the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol.*

### Appendix 3-A: Funding Disbursement Schedule

1. Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

**Appendix 4-A: Form of Annual Implementation Programme**

**1. Data**

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead implementing agency \_\_\_\_\_

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public Awareness	
Others	

## 6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The monitoring process will be covered by the Ministry of Environment through the National Ozone Unit (NOU) and Implementation Team.
2. The consumption will be monitored through receiving the data from Customs Department and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, NOU and Implementation team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.
3. The reporting process will be responsibility of both the NOU and the Implementation Team. They have to timely collect and analyze all information and regularly submit the following reports:
  - (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat (NOU);
  - (b) Annual reports on progress of implementation of NPP to be submitted to the Executive Committee of the Multilateral Fund;
  - (c) Project-related reports to UNIDO.
4. Concerning the evaluation process, the Ministry of Environment and UNIDO will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.



6. The consultant will prepare and submit to UNIDO reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures on a half – yearly basis. After consideration by UNIDO the reports will be sent to the NOU and the Implementation team for consideration and follow up.
7. The responsibilities of the consultant will also include:
  - (a) Development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
  - (b) Take into consideration comments from UNIDO and the NOU and the Implementation Team to the reports and react accordingly;
  - (c) Assist in the organization and participate in possible evaluation visits by UNIDO or the Multilateral Fund Secretariat.
8. On the other hand, UNIDO should:
  - (a) Provide the independent consultant with all relevant information;
  - (b) Provide the consultant with necessary support and advice;
  - (c) Timely consider and comment the submitted reports and issue recommendations the to Implementation Team;
  - (d) Control the performance of both the consultant and the Implementation Team in a most suitable manner.

#### **Appendix 6-A: Role of the Lead Implementing Agency**

1. UNIDO will be responsible for a range of activities to be specified in the project document along the lines of the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
  - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
  - (c) Assisting the Country in preparation of the Annual Implementation Programme;
  - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;

- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for 2004;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Co-ordinate the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$11,000 ODP tonnes of reductions in consumption not achieved in the year.