



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/79/34
31 May 2017

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-ninth Meeting
Bangkok, 3-7 July 2017

PROJECT PROPOSAL: LEBANON

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage I, fourth tranche) UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Lebanon

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNDP	64 th	17.5% by 2017

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2016	58.86 (ODP tonnes)
--	------------	--------------------

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2016		
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-123				0.0	0.0				0.0
HCFC-124				0.0	0.0				0.0
HCFC-141b		27.28		1.27	0.0				28.55
HCFC-142b				0.0	0.0				0.0
HCFC-22				3.74	26.68				30.42

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	73.5	Starting point for sustained aggregate reductions:	73.5
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	24.51	Remaining:	49.0

(V) BUSINESS PLAN		2017	2018	2019	2020	Total
UNDP	ODS phase-out (ODP tonnes)	1.23	0.00	0.00	0.00	1.23
	Funding (US \$)	134,117	0	0	0	134,117

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	Total
Montreal Protocol consumption limits			n/a	n/a	73.50	73.50	66.15	66.15	66.15	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	73.50	73.50	66.15	66.15	60.64	n/a
Agreed funding (US\$)	UNDP	Project costs	1,500,000	0	745,589	0	124,760	0	124,760	2,495,109
		Support costs	112,500	0	55,919	0	9,537	0	9,357	187,133
Funds approved by ExCom (US\$)		Project costs	1,500,000	0	745,589	0	124,760	0	0	2,370,349
		Support costs	112,500	0	55,919	0	9,357	0	0	177,776
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	0	0	0	124,760	
		Support costs	0	0	0	0	0	0	9,357	

Secretariat's recommendation:	Blanket approval
--------------------------------------	------------------

PROJECT DESCRIPTION

1. On behalf of the Government of Lebanon, UNDP as the designated implementing agency, has submitted to the 79th meeting a request for funding for the fourth and final tranche of stage I of the HCFC phase-out management plan (HPMP) at the amount of US \$124,760, plus agency support costs of US \$9,357.¹ The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption, and the tranche implementation plan for 2017.

Report on HCFC consumption

HCFC consumption

2. The Government of Lebanon reported a consumption of 58.86 ODP tonnes of HCFC in 2016, which is over 20 per cent below the HCFC baseline for compliance and 11 per cent below the maximum allowable consumption in the Agreement with the Executive Committee for 2016.

3. The 2012-2016 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Lebanon (2012-2016 Article 7 data)

HCFC	2012	2013	2014	2015	2016	Baseline
Metric tonnes						
HCFC-22	756.20	610.00	581.00	566.00	540.12	653.55
HCFC-123	0.00	0.49	0.00	0.00	0.00	5.00
HCFC-141b	482.50	355.00	343.00	315.75	265.00	341.18
Total (mt)	1,238.70	965.49	924.00	881.75	805.12	999.73
ODP tonnes						
HCFC-22	41.59	33.55	31.96	31.13	29.71	35.95
HCFC-123	0.00	0.01	0.00	0.00	0.00	0.05
HCFC-141b	53.08	39.05	37.73	34.73	29.15	37.53
Total (ODP tonnes)	94.67	72.61	69.69	65.86	58.86	73.5

4. The consumption of HCFC-22 and HCFC-141b has been decreasing since 2012 due to the implementation of the ODS licensing system, and the conversion of HCFC-based manufacturing plants industries to alternative technologies during stage I of the HPMP.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2016 was 58.86 ODP tonnes, which is 7.29 ODP tonnes lower than the 66.15 ODP tonnes target in the Agreement with the Executive Committee. The verification report also confirmed that institutional support, awareness activities, technical assistance and policy/regulatory actions were carried out in accordance with the annual plans.

Country programme (CP) implementation report

6. The Government of Lebanon reported HCFC sector consumption data under the 2016 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol.

¹As per the letter of 24 April 2017 from the Ministry of Environment of the Republic of Lebanon to UNDP.

Progress report on the implementation of the third tranche of the HPMP*Legal framework*

7. The ODS licensing system was amended in April 2015 to include the control and import quota management on HCFCs. The National Ozone Unit (NOU) in collaboration with the Tariff Department of the Customs Authorities incorporated the 8-digit codes on the harmonized system (HS) codes for covering HCFC substances and blends, and for a more efficient and effective quota control.

Manufacturing sector

8. The investment component of stage I of the HPMP, consisting of the conversion of one enterprise in foam manufacturing and one in air-conditioning (AC) manufacturing, were completed in 2014, resulting in the phase-out of 137.27 mt (15.10 ODP tonnes) of HCFC-141b and 90.0 mt (4.95 ODP tonnes) of HCFC-22.

Servicing sector

9. Five workshops were completed in 2015 and 2016, and 64 customs officers were trained on matters related to the Montreal Protocol including monitoring ODS imports and HS codes for HCFC substances, the phase-out schedule of HCFCs, HCFC-based equipment, refrigerant identification and the use of refrigerant identifiers.

10. Forty-eight technicians were trained on alternative refrigerants available for refrigeration and air-conditioning (RAC) equipment, and good refrigeration service practices including recovery, recycling, and retrofitting of air-conditioning split units. General awareness and outreach activities were provided for the general public (schools, universities and non-governmental organizations (NGOs)); and technical assistance was also provided to 11 vocational schools where the NOU has been working on the inclusion of Montreal Protocol-related guidelines in the curriculum.

Project implementation and monitoring unit (PMU)

11. The NOU continued to act as the PMU supporting the implementation of the HPMP activities. Three technical and thematic workshops on HCFC alternatives were organized and targeted stakeholders, end-users, importers and the public at large. A manual for training RAC technicians using updated information on new alternatives was completed. A strategy was developed to facilitate and sustain the conversion of small and medium-sized enterprises (SMEs) in the RAC and foam sectors to non-HCFC-based technologies.

Level of fund disbursement

12. As of May 2017, of the US \$2,370,349 so far approved, US \$2,354,944 had been disbursed as shown in Table 2 below. The balance of US \$15,405 will be disbursed in 2017.

Table 2. Financial report of stage I of the HPMP for Lebanon (US \$)

Tranche		Total	Disbursement rate (%)
First tranche	Approved	1,500,000	100.00
	Disbursed	1,500,000	
Second tranche	Approved	745,589	100.00
	Disbursed	745,589	
Third tranche	Approved	124,760	87.6
	Disbursed	109,355	
Total	Approved	2,370,349	99.4
	Disbursed	2,354,944	

Implementation plan for the fourth tranche of the HPMP

13. The fourth funding tranche of stage I of the HPMP will be implemented between July to December 2017, and will include the following activities:

- (a) Five capacity building workshops for enforcement of regulations (i.e., ODS import/export licensing and quota system) for 125 Government stakeholders, associations, remaining enterprises, NGOs and consultants (US \$24,020);
- (b) Five information outreach workshops to disseminate non-HCFC technology options targeted at SMEs in foam (two workshops) and RAC (three workshops) sectors for approximately 100 participants, following the strategy developed by the PMU in the previous tranche (funds from the third tranche);
- (c) Three workshops for 40-50 service technicians on good refrigeration practices, and two workshops targeting governmental organizations, NGOs, media, and schools/universities to promote general awareness and dissemination of technical information on alternatives to HCFCs (US \$25,000);
- (d) Provide four sets of equipment consisting of recovery and reclamation units, vacuum pumps, leak detectors and charging machines to four training centres; and 10 sets of service and maintenance kits for technicians (US \$55,000);
- (e) Verification of HCFC consumption for 2017 (US \$10,500); and
- (f) Project management, coordination and monitoring (US \$10,240).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Progress report on the implementation of the third tranche of the HPMP*Legal framework*

14. The Government of Lebanon has already issued HCFC import quotas for 2017 totalling 56.10 ODP tonnes which are lower than the Montreal Protocol control target of 66.15 ODP tonnes and the maximum allowable level of 60.64 ODP tonnes in the Agreement of stage I of the HPMP.

Refrigeration servicing sector

15. In responding to a query from the Secretariat, UNDP confirmed that decisions 72/17 and 73/34 with regard to retrofitting HCFC-based equipment with flammable refrigerants were taken into account during the training workshops provided to refrigeration technicians. UNDP further explained that the purpose for such a training was to build the capacity of the technicians by demonstrating how retrofitting with hydrocarbon refrigerants is done. However, no HCFC-based equipment had been or will be retrofitted with flammable refrigerants under the HPMP. Training in servicing equipment using flammable refrigerants and equipment for personal protection, as well as equipment for detecting flammable gases will be provided to technicians to ensure a safe transition to these technologies.

Conclusion

16. The Secretariat noted that the 2016 HCFC consumption in Lebanon was over 20 per cent below the HCFC baseline for compliance and the allowable level of consumption under the Agreement for stage I of the HPMP; the HCFC import quotas allocated for 2017 are below the allowable levels of HCFC consumption under the Montreal Protocol and the Agreement for stage I; and that the country has a robust legal framework that will control its imports of HCFCs. The two investment projects included under stage I of the HPMP had been successfully completed with a total phase-out of 20.0 ODP tonnes of HCFCs. In addition, the activities planned for the fourth and final tranche of stage I of the HPMP will complement those for stage II of the HPMP which was approved at the 75th meeting, and are being implemented.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress on the implementation of the third tranche of stage I of the HCFC phase-out management plan of (HPMP) for Lebanon; and
- (b) Requests the Government of Lebanon and UNDP to submit the project completion report to the last meeting of the Executive Committee in 2018.

18. The Fund Secretariat further recommends blanket approval of the fourth and final tranche of stage I of the HPMP for Lebanon, and the corresponding 2017 tranche implementation plan, at the funding level shown in the table below:

Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
HCFC phase-out management plan (stage I, fourth tranche)	124,760	9,357	UNDP