



**United Nations
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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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PROJECT PROPOSAL: EGYPT

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

Halon:

- Halon management bank programme

UNDP

**PROJECT EVALUATION SHEET
EGYPT**

SECTOR: Halon ODS use in sector (1999): 810 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

(a) Halon management bank programme

Project Data	Banking
Enterprise consumption (ODP tonnes)	
Project impact (ODP tonnes)	754.00
Project duration (months)	36
Initial amount requested (US \$)	500,000
Final project cost (US \$):	
Incremental capital cost (a)	182,500
Contingency cost (b)	
Incremental operating cost (c)	222,500
Total project cost (a+b+c)	405,000
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	405,000
Cost effectiveness (US \$/kg.)	
Counterpart funding confirmed?	
National coordinating agency	EEAA
Implementing agency	UNDP

<i>Secretariat's Recommendations</i>	
Amount recommended (US \$)	405,000
Project impact (ODP tonnes)	754.00
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	52,650
Total cost to Multilateral Fund (US \$)	457,650

PROJECT DESCRIPTION

(a) Halon Management Bank Programme in Egypt

1. The project includes several activities to achieve its objectives and goals. Through establishing a halon management bank, the project will provide for the following:

- Identification of current halons users.
- Implementation of the Halon Phase-out Programme.
- Establishment a database for existing halons systems.
- Conduct fire protection & engineering courses and training workshops
- Conduct environmental awareness seminars and workshops.
- Provision of information and documentation as to Halon alternatives and the suitability for different applications.
- Provision of enough halon for refill to serve essential users.
- Development and operation of the halon bank, set up of the reclamation center and collection of used halon from throughout the country for recycling.

2. It is expected that not all halon users in the commercial sectors will go into the halon alternatives replacement scheme at one time unless a ministerial decree is enforced. The Egyptian Environment Affairs Authority (EEAA) has begun the process for the decree. The ministerial decree is ready to be issued with the establishment of the Halon Bank to avoid the creation of a black market for halons. A similar decree has already been issued and is being implemented for other ODSs.

3. The plan for achieving indicated activities is based on a voluntary halon decommissioning programme, which will follow two parallel routes:

- (i) The establishment of a halon storage and recycling facility
- (ii) The development of a complete database of halon technology users in Egypt and including halon users as members of the halon bank.
- (iii) Members of the halon bank would be expected to commit to a replacement date, phase-out plan, or schedule for servicing needs for their systems using halons in return for a commitment from the Halon Bank to provide halon for refill in the case of discharges due to fires.

4. A non-governmental implementing organization under the supervision and monitoring of the Egyptian Environmental Affairs Authority (EEAA) will carry out the project. An example of such an organization is the Egyptian Fire Protection Association (EFPA) which has been active since 1995 and represents a suitable, potential implementing entity with good representation of the fire protection industry. The board of directors of this not-for-profit organization consists of representatives from all different categories of the industry, i.e. civil defense, petroleum sector, consultants and others.

5. The implementation of this project would be completed in 36 months. During this time, the physical bank would be established, the equipment would be set up, an awareness campaign would be initiated, a database would be established and potential Halon Bank group members would be contacted.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. UNDP indicated that the Government of Egypt informed it that since 1998, all fire extinguisher manufacturers have converted to other fire fighting techniques.

2. The costs and components of the halon banking project for Egypt are consistent with previous approvals and the guidelines for halon banking (Decision 18/11).

3. The Government of Egypt has regulations that require compliance with the control measures for halon with a total phase out and ban by 1 January 2010. The project document indicates that the Government is now preparing modified regulations to enable the Ozone Unit to control the import of all ODSs including halon. The Minister of State for Environmental Affairs issued a decree stating that customs clearance of imported ODSs, including halon, should be subject to EEAA approval.

4. To comply with the guidelines for halon banking, Egypt has indicated that it will modify its regulations so that the importation of halons will be banned at the time of the establishment of a reclamation centre for halons.

RECOMMENDATIONS

1. The Sub-Committee on Project Review may wish to recommend to the Executive Committee to approve this project in the amounts indicated in the following table with the understanding that the importation of halons will be banned at the time of the establishment of a reclamation centre for halons and that no more fire extinguisher manufacturers are consuming halon in Egypt.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Halon management bank programme	405,000	52,650	UNDP