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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty third Meeting
Geneva, 5-9 July 2004

COUNTRY PROGRAMME UPDATE: LEBANON

This document consists of:

- Comments and Recommendations of the Fund Secretariat
- Letter from the Government of Lebanon
- Country Programme (Executive Summary submitted by the Government of Lebanon)

LEBANON COUNTRY PROGRAMME UPDATE

1. The Government of Lebanon submitted to the 43rd Meeting of the Executive Committee Lebanon's country programme update, prepared with the assistance of UNDP, with funds in the amount of US \$37,500 approved at the 36th Meeting of the Executive Committee.

ODS phase out projects approved for funding

2. So far, the Executive Committee has approved 55 projects and activities for Lebanon at a total cost of US \$10,549,124, to phase-out 1,120 ODP tonnes of ODSs. As of December 2003, a total of 585.4 ODP tonnes had been phased out and US \$6,556,525 had been disbursed.

ODS consumption

3. The ODS consumption baselines for compliance in Lebanon and allowable ODS consumption for 2005-2015 are as follows:

Allowable consumption (ODP tonnes)	CFC	MB
Baseline consumption	725.5	152.4
2005	362.8	121.9
2007	108.8	121.9
2010	0	121.9
2015	0	0

4. In 2002, the Government of Lebanon reported to the Ozone Secretariat a total CFC consumption of 491.7 ODP tonnes and 197.3 ODP tonnes of methyl bromide (MB).

5. According to the Government of Lebanon, the CFC consumption forecasted for the period 2003-2010 is presented in the following table (in ODP tonnes):

Sector	2003	2004	2005	2006	2007	2008	2009	2010
Aerosol sector	45	34	25	10	0	0	0	0
Foam sector	45	37	15	0	0	0	0	0
Domestic refrigeration	5	0	0	0	0	0	0	0
Commercial refrigeration	35	15	10	5	0	0	0	0
Refrigeration servicing	340	314	300	235	150	100	50	0
Total	470	400	350	250	150	100	50	0

6. The Government of Lebanon has also agreed to completely phase-out consumption of MB by the end of 2006.

7. During the preparation of the country programme update for Lebanon it was found that the levels of CFC consumption reported in the aerosol and commercial refrigeration manufacturing sectors and in the refrigeration servicing sector were higher than the expected consumption levels. The higher consumption levels were related to the use of CFCs for the production of aerosol products and commercial refrigerators and for servicing refrigeration

equipment located in the Southern part of Lebanon; this consumption was not reported in the past due to special circumstances in that part of Lebanon.

Policy measures

8. The specific ODS related policy and regulatory actions prepared and implemented by the Government of Lebanon are:

- (a) In 1998, ODSs were included in the list of items that require import license; any request for importing ODSs must be endorsed by the Ministry of Environment. Also, the Ministry of Environment enacted regulations banning imports of halons; and the Ministry of Finance exempted all taxes for equipment inputs from Multilateral Fund assisted projects;
- (b) In 2000, the establishment of new manufacturing enterprises using ODSs was banned; and
- (c) In 2003, regulations to control and monitor usage of ODSs were enacted.

ODS phase-out plan

9. The Government of Lebanon has decided to prepare a national phase-out management plan to address the remaining consumption in the country estimated at 417 ODP tonnes, with the following sectoral distribution: 17 ODP tonnes in the aerosol sector; 65 ODP tonnes in the foam sector (SMEs); 45 ODP tonnes used for the manufacture of commercial refrigerators (34 SMEs) and 290 ODP tonnes used in the refrigeration servicing sector. The national phase-out plan would be submitted to a future Meeting of the Executive Committee.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

Remaining CFC consumption eligible for funding

10. According to Decision 35/57 of the Executive Committee, the remaining consumption eligible for funding for Lebanon was calculated at 47.1 ODP tonnes of CFCs on the basis of Option 1 (Montreal Protocol baseline) or 224.5 ODP tonnes on the basis of Option 2¹ (very recent consumption) (document UNEP/OzL.Pro/ExCom/35/61). However, based on a draft national phase-out management plan for Lebanon, the remaining eligible consumption in the country has been estimated at 417 ODP tonnes.

¹ According to Proviso A of Decision 35/57, if a country selects Option 2, it should be with the understanding that the Executive Committee may agree in exceptional cases to adjust the resulting baseline at the first instance a project from a country is considered, to take into account the demonstrated non-representative nature of the last year's data for reasons such as clearly demonstrated stockpiling in the specific 12-month period, and/or national economic difficulties in the specific 12-month period. This is the only provision under which the remaining eligible consumption can be varied from the figures endorsed in Decision 35/57.

11. In this regard, the Secretariat pointed out that for an adjustment to the level of the remaining CFC consumption eligible for funding in Lebanon to be considered, the country would be required to:

- (a) Clearly demonstrate that the additional CFC consumption is related to activities in the Southern part of the country (a region which was not accessible during the formulation of the original country programme), namely aerosol and commercial refrigeration manufacturing enterprises plus an additional consumption used for servicing the refrigeration equipment of the population living in the region; and
- (b) Demonstrate the eligibility of the additional consumption according to existing Multilateral Fund policies and decisions.

12. Consequently, UNDP reported that the Lebanon country programme was finalized in December 2003, following a comprehensive survey to assess all remaining consumption of CFCs in the country. In particular, the survey targeted Southern Lebanon and the West Bekaa regions that had never been surveyed since they were under occupation. As a result, it was found that 88 ODP tonnes of CFCs are still used in these areas, with the following sectoral distribution: one aerosol plant (Chamsine) with a total consumption of 17 ODP tonnes of CFCs; eight small foam plants (out of 11 enterprises identified), with an average consumption of 53 ODP tonnes of CFCs; and eleven out of 34 SMEs manufacturing commercial refrigerators with an average consumption of 18 ODP tonnes. UNDP also indicated that all of the eligible enterprises identified were established prior to 25 July 1995.

13. From the results of the survey conducted in the formerly occupied territories of Lebanon, on the basis of Proviso A of Decision 35/57, the remaining CFC consumption eligible for funding calculated under Option 2 could be increased from 224.5 ODP tonnes to 312.5 ODP tonnes.

MB consumption

14. The Secretariat also noted that the 2002 MB consumption reported by the Government of Lebanon under Article 7 was 197.3 ODP tonnes, while the MB baseline is 152.4 ODP tonnes. Therefore, it would appear that Lebanon is in non-compliance with the MB freeze. Subsequently, the Secretariat received a copy of the letter sent on 30 April 2004 by the Minister of the Environment of Lebanon to the Executive Secretary of the Ozone Secretariat with a detailed description of all relevant actions that have been taken in Lebanon regarding MB consumption and phase-out. It is also reported that, in a letter of 11 April 2001, the Government of Lebanon requested a change of the MB baseline for compliance based on the data collected during the preparation and implementation of demonstration and investment projects.

Funded projects

15. The Secretariat sought a clarification on the current status of implementation of three investment projects for the phase-out of 158 ODP tonnes of CFCs in the aerosol sector; and one stand-alone project and three umbrella projects for the phase-out of 70 ODP tonnes of CFCs in the commercial refrigeration sub-sector. As reported in the Lebanon country programme update,

these projects which were approved prior to 2001, have not yet been completed. Subsequently, UNDP reported that the Government of Lebanon has advised that these projects were all completed in late 2003.

RECOMMENDATIONS

16. The Fund Secretariat recommends approval of the Lebanon country programme update, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels.

17. The Executive Committee may also wish to consider establishing a consumption of 312.5 ODP tonnes of CFC under Option 2 as the level of consumption remaining eligible for funding for Lebanon (an increase of 88 ODP tonnes) to address the previously unsurveyed consumption in the Southern Lebanon and the West Bekaa regions.



REPUBLIC OF LEBANON
MINISTRY OF ENVIRONMENT

THE DIRECTOR GENERAL

Mr. Yves de San
Resident Representative
UNDP-Lebanon

Date: April 01, 2004
 Ref. No. 1170/B

Dear Mr. de San,

SUBJECT: Submission of Lebanon's Country Programme Update to the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer

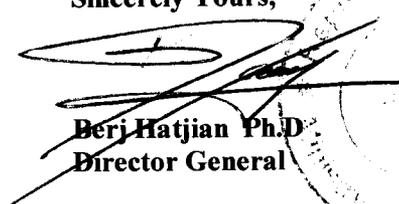
I am pleased to present your office with a copy of Lebanon's Montreal Protocol Country Programme Update. The Country Programme Update (CPU) will be presented to the Executive Committee of the Multilateral Fund of the Montreal Protocol (MLF) for information, and in support of the submission of Lebanon's National Phase-out Management Plan for Group I, Annex A Substances (NPMP), at its 43rd Meeting in July 2004.

In accordance with Decision 35/57 of the Executive Committee of the MLF, the Government of Lebanon received US \$37,500 at the 36th Meeting of the ExCom to allow us to undertake the update of our Country Programme. The CP Update was prepared by national consultants who worked in close cooperation with Lebanon's Ozone Office. The survey work completed during the preparation of the CP Update includes, for the first time, data from South Lebanon, a region which was not accessible during the formulation of Lebanon's original Country Programme. As a result, the CPU presents the most up-to-date and comprehensive analysis of the status of ODS elimination and remaining eligible consumption in Lebanon.

Please accept this letter as an official request on the part of the Government of Lebanon to have your office make the necessary arrangements to advise the Montreal Protocol Unit of UNDP to proceed with submission of Lebanon's CPU to the Multilateral Fund Secretariat for the information of the Executive Committee at its 43rd Meeting.

Thanking you for your ongoing cooperation and support, I remain

Sincerely Yours,


Berj Hatjian Ph.D.
Director General

UNDP OFFICE IN BEIRUT		
FILE: <i>Lib/02/062</i>		
16 APR 2004		
NO ACTION	Init.	Date
INFO	<i>RR</i>	
ACTION	<i>DR</i>	

- cc. Ms. Dima Al-Khatib, Programme Manager - UNDP Lebanon
- Mrs. Dominique Kayser - Programme Coordinator, Montreal Protocol Unit -UNDP
- Ms. Rola Sheikh, Ozone Office Focal Point - MoE *R.SL*
- Mr. Mazen K. Hussein, Project Manager Ozone Office - MoE *MKH*

EXECUTIVE SUMMARY

This Country Programme Update (CPU) for Lebanon provides an overview of activities implemented under the Montreal Protocol (MP) on Substances that deplete the Ozone Layer. This overview includes an assessment of the initial Country Programme, and an analysis for the remaining Ozone Depleting Substances (ODS) phase-out in the Country and presents a strategy and action plan for the complete phase-out.

Lebanon is committed to the complete phase-out of ODS in accordance with the Montreal Protocol control schedule. Lebanon ratified the Vienna Convention and the Montreal Protocol in March 1993 (*Table 1*). Since the per capita consumption of ODS in Lebanon was less than 300 gm, Lebanon was classified as a country operating under Article-5(1) of the Montreal Protocol and therefore became eligible to receive assistance from the Multilateral Fund (MLF) in order to meet its obligations under the MP. Lebanon received financial assistance from the MLF for the development of a Country Programme and the development of a national strategy for phase-out of ODS in accordance with the milestones applicable to Article 5(1) countries. Lebanon's CP was completed with the assistance of the UNDP in 1994. The Executive Committee (ExCom) to the Multilateral Fund subsequently approved the Lebanon CP in its 19th Meeting in May 1996.

Table 1: Ratification of the Montreal Protocol and its Amendments

Instrument	Date of ratification	Date entered into force
Vienna Convention	30 March 1993	June. 28, 1993
Montreal Protocol	30 March 1993	June. 28, 1993
London Amendment	31 March 1993	June.29, 1993
Copenhagen Amendment	31 July 2000	July. 31, 2000
Montreal Amendment	31 July 2000	July. 31, 2000

Lebanon's total ODS consumption was estimated in 1993 at about 923.1 tonnes ODP. The CP identified the aerosol sector; the refrigeration sector and the foam sector as the three key areas in which ODS were used. Hence, developing a national strategy for managing the ODS phase-out programme and prioritizing the ODS phase-out activities in these three main sectors were seen as essential. The National Ozone Unit (NOU) of Lebanon, set up within the Ministry of Environment, has played a key role as the national focal point for managing the ODS phase-out program. Through a grant from the MLF channeled through UNDP, Lebanon commenced its ODS phase-out program with the approval of projects for conversion of two aerosol factories, six foam factories, one domestic and fifteen commercial refrigeration factories (*Annex I*).

In accordance with the MP control schedule, the phase-out date for Annex A, Group I substances (CFC) for Article 5 countries stands at 2010 with intermediate targets for a freeze in consumption by 1999 (to the level of the average consumption during 1995-1997 – also termed as the baseline consumption), 50% reduction of the baseline consumption by 2005 (from the average consumption for 1995-1997) with a further reduction to 85% of the baseline consumption by 2007, and a total phase-out in 2010. Lebanon's CP stated, "The phase-out will be mostly completed by 2005, while some ODS uses will continue until 2010".

Lebanon has made significant progress in ODS phase-out over the past few years. The original CP did not set quantitative targets for ODS phase-out. This report provides an assessment of all the sectors and all regions of Lebanon including, for the first time, the South of Lebanon which was adversely affected by war in the early nineties. The findings have been compared with the MP targets and the original Country Programme. Lebanon has met the first MP milestone: the 1999 freeze level for Annex A Group I substances (CFCs) as its consumption was 528 tonnes CFC which is 73% of the freeze level for CFC consumption. The findings of the survey (2003) indicate a total consumption of 595 tonnes for the year 2002.

The CPU has been prepared based on a review of current phase-out results, as compared to consumption identified in the original CP, as well as to additional activities undertaken in the refrigeration sector, the methyl bromide sector, through assessment of policies needs, and strategic planning and actions required to complete phase-out of remaining ODS in the country. Ongoing actions will continue as shown below:

- Completion of ongoing Aerosol, Halon, Foam and Refrigeration projects;
- Completion of the ongoing Methyl Bromide project.

All remaining phase-out actions will be addressed through a National Phase-out Management Plan for Annex A, Group I Substances (CFCs) in Lebanon (NPMP).

The NPMP will be implemented through a series of annual action plans, prepared by the Ozone Office-Ministry of the Environment with the assistance of the Implementing Agencies coordinated by the lead implementing agency, UNDP.
