

Enabling Activities for Kigali Amendment

As per Executive Committee decision 79/46

Date

April, 2018

Services Performed For:

Country: Egypt

Local Executing Authority:

National Ozone Unit (NOU)

Egyptian Environmental Affairs Agency (EAA)



Funding Request for Enabling Activities for Kigali Amendment in EGYPT

Background

Egypt is an independent republic situated in Northern Africa at Latitude 27° 00' North of the Equator and 30° 00' East of the Greenwich meridian, bordering on the Mediterranean Sea, between Libya and the Gaza Strip and the Red Sea north of Sudan, and includes the Asian Sinai Peninsula. Egypt has a coastline of 2,450 km and land boundary 2,689 km long shared with Gaza Strip (11 km), Israel (255 km), Libya (1,150 km) and Sudan (1,273 km). Egypt covers a total area of 1,001,450 km² divided into 27 governorates.

The climate of Egypt is desert of hot, dry summers with moderate winters while the terrain is a vast desert plateau interrupted by the Nile valley and delta. Five urban areas including, Cairo (the capital city), Alexandria, Giza, Subra al-Haymah and Port Said accounted for about 43 per cent of the population of Egypt in 2015, with Cairo and Alexandria accounting for 18.8 per cent and 4.8 per cent respectively.

The Government of Egypt became a Party to the Vienna Convention in September 1988 and was a signatory to both the Vienna Convention and the Montreal Protocol, as well as a start-up member of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol representing Article 5 Parties from 1991 to 1994. It is classified as an Article 5 Party to the Montreal Protocol. The Amendments to the Montreal Protocol were further early acceded/ ratified by Egypt as follows:

Multilateral Environmental Agreement	Date of Ratification
Vienna Convention on the Protection of the Ozone Layer	9 May 1988
Montreal Protocol on Substances that Deplete the Ozone Layer	2 Aug 1988
London Amendment	13 Jan 1993
Copenhagen Amendment	28 Jun 1994
Montreal Amendment	20 Jul 2000
Beijing Amendment	6 Mar 2009

ExCom-65 (Decision 65/38) approved stage I of the HCFC phase-out management plan (HPMP) for Egypt for the period 2011 to 2018 to reduce HCFC consumption by 25 per cent, at the amount of US \$6,610,148, consisting of US \$ 1,432,575, plus agency support costs of US \$107,443 for UNIDO, and US \$4,716,400, plus agency support costs of US \$353,730 for UNDP, and to note that two foam projects to phase out 17.60 ODP tonnes of HCFC-141b at the amount of US \$892,840, plus agency support costs of US \$66,963 for UNIDO, as well as four foam projects to phase out 37.40 ODP tonnes of HCFC-141b at the amount of US \$1,479,000, plus agency support costs of US \$115,463 for UNDP, had already been approved at the 62nd meeting and had subsequently been included in stage I of the HPMP;

ExCom-79 (Decision 79/34) approved, in principle, stage II of the HCFC phase-out management plan (HPMP) for Egypt for the period from 2017 to 2025 to reduce HCFC consumption by 67.5 per cent of its baseline, in the amount of US \$11,786,341 consisting of US \$5,996,841, plus agency support costs of US \$419,779 for UNIDO, US \$3,695,722, plus agency support costs of US \$258,701 for UNDP, US \$1,055,000, plus agency support costs of US \$126,050 for UNEP, and US \$207,300, plus agency support costs of US \$26,949 for the Government of Germany;

The country didn't benefit of the ODS alternatives survey funding window offered by MLF prior to Kigali Amendment. For that reason, the government has decided to take early steps to address HFCs, herewith submitting a proposal for activities to facilitate ratification of the Kigali amendment and related development of a licensing system, as well as capacity building related activities for adopting alternatives to HFCs. Based on the decision of the Executive Committee 79/46, eligible funding for enabling activities for Egypt is US\$ 250,000.00.

Institutional Arrangements for Implementation of Enabling Activities

Implementation of the enabling activities will be accomplished using the existing national infrastructure and institutional setting already established for ODS phase-out activities. Institutional arrangement in Egypt is such that management of ozone depleting substances and some climate change related projects are executed by the same office, which will facilitate the streamlining of activities.

Following ratification of the Montreal Protocol by Egypt, a Presidential Decree (No.239 of 1988) approving the Protocol was issued. The Decree enjoined all ministries and institutions to take the Articles of the Protocol and its amendments into consideration when formulating their policy actions and to notify EEAA of these actions.

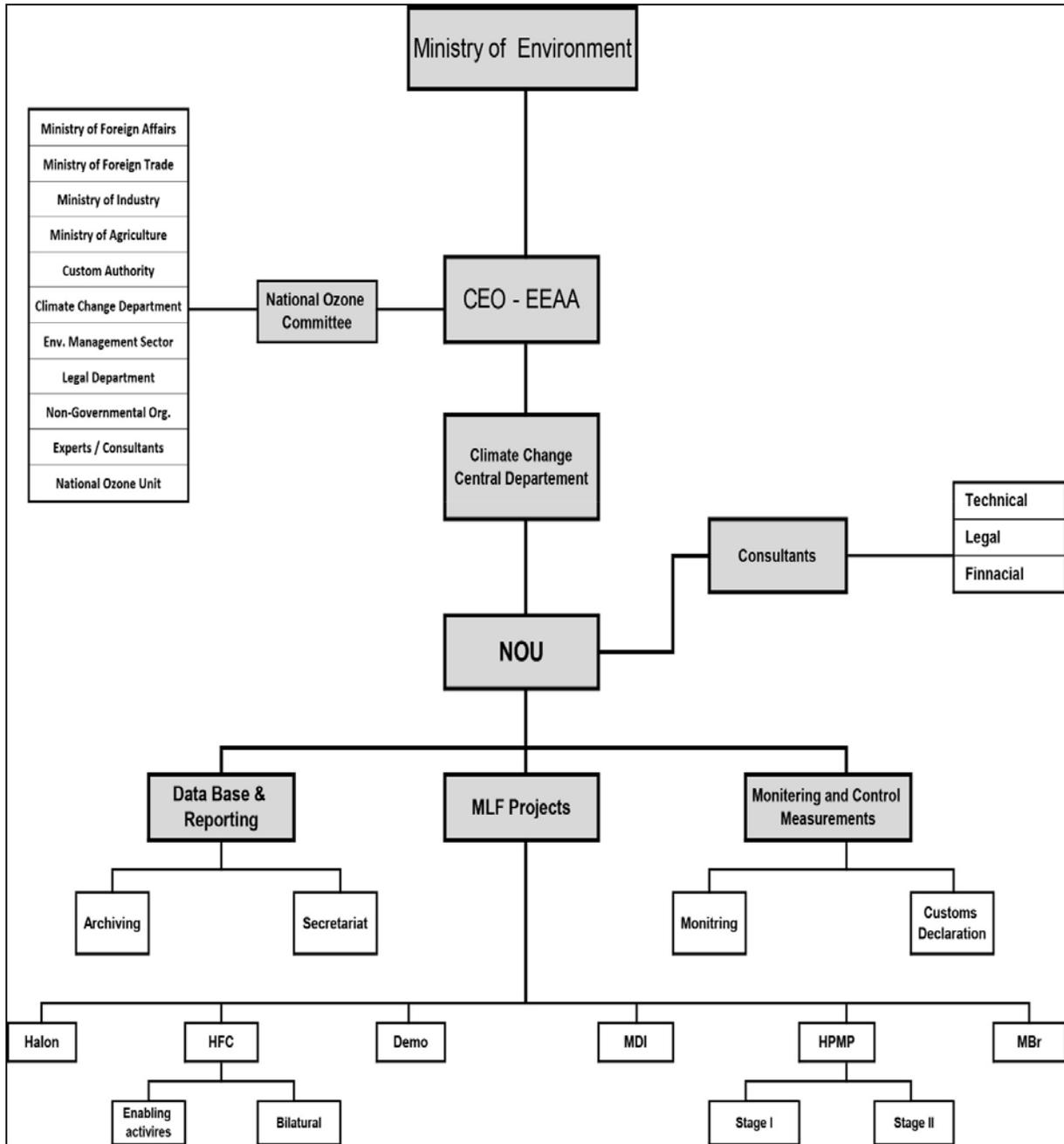
Minister of State for Environmental Affairs Decree No. 80 of 8th April, 2013 for the re-establishment of the National Ozone Committee with the mandate of assisting the Egyptian Environmental Affairs Agency in the implementation of Egypt's obligations, by selecting the mechanism to regulate the import and export of quantities of ozone-depleting controlled substances to achieve schedules of gradual reduction, in order to ensure verification of compliance by Egypt with the provisions of the Montreal Protocol to protect the ozone layer.

The National Ozone Committee is to convene once every three months at the time determined by the Chairman of the Committee or whenever he deems. The Committee may seek the assistance it deems of experts and advisers to attend its meetings at the invitation of the Chairman of the Committee. The Chairman of the Committee presents a summary of the results of its work to the Minister of Environmental after each committee meeting.

Members of the National Ozone committee:

1. Chief Executive Officer of the EEAA (Chairman of the committee)
2. The General Authority for Industrial Development - Ministry of Foreign Trade and Industry.
3. Foreign Trade Sector - Ministry of Foreign Trade and Industry.
4. Trade Agreements Sector - Ministry of Foreign Trade and Industry.
5. General Authority for the control of exports and imports - Ministry of Foreign Trade and Industry.
6. Union of Chambers of Commerce - Ministry of Foreign Trade and Industry.
7. Central department for customs policies in Customs Authority policies - Ministry of Finance.
8. Central department for Agricultural Quarantine - Ministry of Agriculture and Land Reclamation.
9. Department of the environment and sustainable development - Ministry of Foreign Affairs.
10. Consumer Protection Agency- Ministry of Supply & Internal Trade.
11. Egyptian Competition Authority.
12. Chamber of Engineering & Chemical Industries - Federation of Egyptian Industries.
13. Environmental Management Sector - Egyptian Environmental Affairs Agency - Ministry of Environmental.
14. Directorate General for Legal Affairs – Egyptian Environmental Affairs Agency - Ministry of Environmental.
15. National Ozone Unit - Environmental Affairs Agency - Ministry of Environmental Affairs (secretariat of the committee)

Below figure illustrates the organizational setup of Montreal Protocol operation in Egypt and relation to different governmental bodies and within the Environment Authority.



Components Proposed for Enabling Activities

Proposed Component 1:	Facilitation of Early Ratification of the Kigali Amendment
Objective	To achieve a broader understanding of the Kigali amendment provisions and to prepare technical and legislative bases for the ratification.
Target Group:	High-level decision makers, relevant governmental institutions, private companies and servicing technicians in the sectors that are using HFCs
Description of activities	<p>43. Analysis of existing Ozone and Climate Policy and Legislation and drafting the amendments in the existing legislation to allow for ratification of the Kigali amendment (HFC phase-down schedule, licensing requirements, HFC reporting requirements).</p> <p>44. Stakeholder consultations to facilitate the ratification process at the national level.</p> <p>45. Translation of the Kigali amendment support documents into Arabic</p> <p>46. Drafting the Law on ratification of the Kigali amendment with the justification document, as required by the national legislative process</p> <p>47. Production of information sheets on the Kigali amendment to facilitate consultations and speed up the ratification (translation of the Ozone Secretariat’s briefings and relevant OzonAction factsheets and other documentation into national language and printing 100 copies of each of the translated documents)</p> <p>48. Finalizing the package on the ratification of Kigali amendment and advancing the ratification process.</p> <p><i>Note: The ultimate target of this component is ratification of the Kigali amendment. The ratification process itself is done outside of the mandate of the NOU, and the NOU does not have direct influence on the timing of the process. For that reason, the NOU will consider this component finalized when all necessary documents and legal changes (Law on ratification of the Kigali amendment and updated existing ODS legislation) are ready and the process of adoption is advanced.</i></p>
Outputs	<p>qq) Draft document for analyzed/revised existing Ozone and Climate Policy and Legislation in place.</p> <p>rr) At least 3 stakeholder consultative meetings during the legislation drafting process.</p> <p>ss) National language Kigali amendment translated document in place.</p> <p>tt) Ratification documents to National Legislation prepared and submitted</p> <p>uu) Awareness materials on HFC phase down produced</p> <p>vv) Final package on the ratification of Kigali amendment in place.</p>

Proposed Component 2:	Needs Assessment and Capacity Building
Objective	Main Objective is to facilitate development of detailed technical analysis that should support the respective consultation during ratification process. This component includes the following key objectives: <ul style="list-style-type: none"> - To understand HFCs consumption at different sectors - Assessing the needs of special sectors i.e. MAC and Fire Frightening - Building the Capacity of different stakeholders to facilitate the introduction of Kigali commitments and technological trends
Target Group:	Different governmental and private stakeholders consuming HFCs or involved in the implementation of MP commitments.
Description of activities	<p>16. Comprehensive survey on the use and trends of HFCs at different consuming sectors mainly refrigeration, air-conditioning and foam with analysis on market directions and projection of growth. MLF guidelines for ODS alternatives survey will be used as useful reference.</p> <p>17. Assess the HFCs and other alternatives use and needs of the MAC and Fire Frightening sectors including mapping the size and stakeholders of both sectors</p> <p>18. Design and carryout capacity building program for different key groups (stakeholders) to introduce the Kigali commitments and technological trends in conjunction with within the ongoing HCFCs phase-out programs. The program will target mainly the following: procurement departments at governmental bodies, engineering departments at governmental bodies, Industrial sectors & electromechanical consulting and contracting firms/companies)</p>
Outputs	<p>p) Comprehensive analysis of HFCs uses, trends and projection</p> <p>q) Detailed report and map on the MAC and Fire Frightening sectors</p> <p>r) At least Three (3) sensitization workshops on Kigali commitments and technological trends</p>

Proposed Component 3:	Upgrade the local Licensing and Reporting System
Objective	To develop a required regulatory package for HFC import/export licensing system
Target Group:	National Customs Service and importers/exporters of HFCs and HFC containing equipment
Description of activities	<ul style="list-style-type: none"> - Revise the existing National Ozone Depleting Substances Legislation (and ODS based equipment) and drafting the ODS alternative regulation to allow early ratification of the Kigali Amendment (HFC phase-down schedule, licensing requirements, HFC reporting requirements). - Upgrading national registry and management of imports/exports to accommodate HFCs and HFCs based equipment and include database system for all stakeholders and users
Outputs	<p>o) National ODS regulation revised</p> <p>p) Registry System and Database for HFCs and all stakeholders and users</p>

Proposed Budget

Activities	Proposed cost to UNEP (US\$ excl. PSC.)	Proposed cost to UNIDO (US\$ excl. PSC.)	Total cost (US\$ excl. PSC.)
Component 1: Facilitation of Early Ratification of the Kigali Amendment			
15. National Committee to undertake: a. Analysis of existing legislation and drafting amendments b. Drafting the Law on ratification of the Kigali amendment c. Production of information sheets (National Team x 12 months x US\$ 1,000.00)	12,000		12,000
16. Stakeholder consultations to facilitate the ratification process at the national level (3 stakeholders' consultation meetings x US\$ 3,000)	9,000		9,000
17. Translation of the Kigali amendment support documents into Arabic - (Translation Services x US\$ 5,000)	5,000		5,000
18. Preparing the package on the ratification of Kigali amendment (miscellaneous expenses – printing, copying, editing etc.)	4,000		4,000
Sub-Total	30,000		30,000
Component 2: Needs Assessment and Capacity Building			
1. Comprehensive survey on the use and trends of HFCs at different consuming sectors mainly refrigeration, air-conditioning and foam with analysis on market directions and projection of growth. (Contracting local Institute to conduct the survey @ 70,000)	70,000		70,000
2. Assess the HFCs and other alternatives use and needs of the MAC and Fire Frightening sectors including mapping the size and stakeholders of both sectors (Contracting two local consultant @ US\$ 3,000 x 5 months for each consultant)		30,000	30,000
3. Design and carryout capacity building program for different key groups (stakeholders) to introduce the Kigali commitments and technological trends in conjunction with within the ongoing HCFCs phase-out programs. (3 sensitization workshops UD\$ 5,000)	15,000		15,000
Sub-Total	85,000	30,000	115,000
Component 3: Upgrade the local Licensing and Reporting System			
7. Review of the national licensing system of ODS,s and prepare a proposal for how to include HFCs (National Team x 12 months x US\$ 2,000.00) + support cost to the operation of the team and documentation (@ US\$ 6,000)	30,000		30,000
8. Upgrading national registry of imports/exports to accommodate HFCs and HFCs based equipment and include database system for all stakeholders and users including: - (National taskforce for development, review and manage the registry/database system for 10 months @ US\$ 2,000 per month). - Contracting service for development of registry/database system including the supporting S/W and H/W (US\$ 55,000).		75,000	75,000
Sub-Total	30,000	75,000	105,000
Total (US\$ excl. PSC.)	145,000	105,000	250,000

Implementation Plan

Activity	Responsible Entity	Target Group	Start Date (Month/Yr.)	Date of Completion (Month/Year)	Budget (US\$)	Milestones	Expected Outputs
Component 1: Facilitation of Early Ratification of the Kigali Amendment							
5. National Committee to undertake: - Analysis of existing legislation and drafting amendments - Drafting the Law on ratification of Kigali - Production of information sheets	NOU - EEAA	RAC, Govt. Ministries, Customs Authority	October 2018	September 2019	12,000	Report on analyzed legislations	Provision of the document on analyzed legislations and draft amendments + Draft law on ratification + Production of Information Sheets
6. Stakeholder consultations to facilitate the ratification process at the national level	NOU- EEAA	RAC, Govt. Ministries, Customs Office	November 2018	July 2019	9,000	Meeting minutes	At least 3 stakeholder consultative meetings
7. Translation of the Kigali amendment support documents Arabic	NOU- EEAA	RAC, Govt. Ministries, Customs Office	August 2018	March 2019	5,000	Reports	Provisions of the Kigali Amendment support documents and relevant information in Arabic
8. Preparing the package on the ratification of Kigali amendment	NOU- EEAA	Legislative Assembly	April 2019	October 2019	4,000	Reports	Ratification documents to the Legislative Assembly prepared and submitted
Component 2: Needs Assessment and Capacity Building							
1. Comprehensive survey on the use and trends of HFCs at different consuming sectors	NOU- EEAA	RAC & Foam Sectors	September 2018	June 2019	70,000	Reports	Survey on HFCs uses in RAC and Foam in completed
2. Assess the HFCs and other alternatives use and needs of the MAC and Fire Frightening sectors including mapping relevant stakeholders of both sectors	NOU- EEAA	MAC and Fire Frightening sectors	November 2018	September 2019	30,000	Reports	Assessment of HFCs and alternatives use in MAC and Fire Frightening is completed

Activity	Responsible Entity	Target Group	Start Date (Month/Yr.)	Date of Completion (Month/Year)	Budget (US\$)	Milestones	Expected Outputs
3. Design and carryout capacity building program for different key groups (stakeholders) to introduce the Kigali commitments and technological trends in conjunction with the ongoing HCFCs phase-out programs		Governmental bodies and RAC Consulting / Contracting companies	January 2019	November 2019	15,000	Workshops Minutes and Materials	At least 3 capacity building workshops are conducted
Component 3: Upgrade the local Licensing and Reporting System							
3. Review of the national licensing system of ODS,s and prepare a proposal for how to include HFCs (National Team x 12 months x US\$ 2,000.00) + support cost to the operation of the team and documentation (@ US\$ 6,000)	NOU	RAC sector, Enforcement Agencies, Importers	August 2018	July 2019	30,000	Review Reports	National Licensing system is reviewed and HFCs and HFC blends are included, Report printed and disseminated
4. Upgrading national registry of imports/exports to accommodate HFCs and HFCs based equipment and include database system for all stakeholders and users	NOU	Customs Office	October 2018	December 2019	75,000	Reports + Database system	National registry of imports/exports of HFCs and HFCs based equipment as well as stakeholders' database is established and operational

Timeline of Implementation

Activities	July 2018 to December 2019																	
	July 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	April 2019	May 2019	June 2019	July 2019	Aug. 2019	Sept. 2019	Oct. 2019	Nov. 2019	Dec. 2019
Component (I): Facilitate Early Ratification		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Component (II): Needs Assessment and Capacity Building			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Component (III): Upgrading Licensing & Reporting System		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Statement by the Government and Implementing Agencies

The Government of Egypt and UN Environment & UNIDO confirm that the proposed enabling activities will not delay the implementation of HCFC phase-out activities in the country.