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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-first Meeting
Montreal, 2-6 December 2013

PROJECT PROPOSAL: IRAN (Islamic Republic of)

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

Phase-out

- HCFC phase-out management plan (stage I, third tranche) UNDP/Germany/UNEP/UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**Iran (Islamic Republic of)**

(I) PROJECT TITLE	AGENCY
HCFC phase out plan (Stage I)	Germany, UNDP (lead), UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2012	376.3 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2012	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC-141b		115.5		94.4					209.9
HCFC-22		1.5		79.3	86.0				166.7

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	380.5	Starting point for sustained aggregate reductions:	380.5
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	101.3	Remaining:	279.2

(V) BUSINESS PLAN		2013	2014	2015	Total
UNIDO	ODS phase-out (ODP tonnes)	1.0	0.0	2.7	3.7
	Funding (US \$)	109,059	0	295,439	404,498
UNDP	ODS phase-out (ODP tonnes)	4.7	0.0	4.7	9.5
	Funding (US \$)	513,652	0	511,625	1,025,277
Germany	ODS phase-out (ODP tonnes)			2.86	2.86
	Funding (US \$)			412,198	412,198

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	Total
Montreal Protocol consumption limits			n/a	n/a	380.5	380.5	342.5	342.5	342.45	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	380.5	380.5	342.5	342.5	323.42	n/a
Agreed Funding (US\$)	Germany	Project costs	2,063,000	534,233			288,582			2,885,815
		Support costs	234,079	60,617			32,744			327,440
	UNDP	Project costs	2,242,000	1,370,000	477,816		475,930			4,565,746
		Support costs	168,150	102,750	35,836		35,695			342,431
	UNEP	Project costs	262,000							262,000
		Support costs	34,060							34,060
	UNIDO	Project costs	1,300,000	830,000	101,450		274,827	0	0	2,506,277
		Support costs	97,500	62,250	7,609		20,612	0	0	187,971
Funds approved by ExCom (US\$)	Project Costs	5,867,000	2,734,233	0	0	0	0	0	8,601,233	
	Support Costs	533,789	225,617	0	0	0	0	0	759,406	
Total funds requested for approval at this meeting (US\$)	Project Costs	0	0	579,266	0	0	0	0	579,266	
	Support Costs	0	0	43,445	0	0	0	0	43,445	

Secretariat's recommendation:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of the Islamic Republic of Iran, UNDP as the lead implementing agency, has submitted to the 71st meeting of the Executive Committee a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP)¹ at the amount of US \$622,711, consisting of US \$477,816, plus agency support costs of US \$35,836 for UNDP, and US \$101,450, plus agency support costs of US \$7,609 for UNIDO, as originally submitted. The submission includes a progress report on the implementation of the second tranche of the HPMP together with the tranche implementation plan for 2014 to 2015.

Progress report on the implementation of the second tranche of the HPMP

2. The main activities to be implemented during stage I of the HPMP are: the foam sector plan to eliminate the consumption of 62.7 ODP tonnes of HCFC-141b, the conversion of one air-conditioning manufacturing enterprise to phase out 29.3 ODP tonnes of HCFC-22, and the sector plan for the refrigeration and air-conditioning servicing sector, which is expected to reduce 9.3 ODP tonnes of HCFC-22. The results achieved so far are described below.

Activities in the foam manufacturing sector

3. *Conversion of one systems house (UNDP):* The Memorandum of Agreement (MOA) has been finalized but has not been signed yet by the enterprise which is exploring low-global warming potential (GWP) technology options that are technically and commercially feasible for its customer enterprises. The MOA is expected to be signed during the first quarter of 2014.

4. *Conversion of 15 enterprises in the rigid polyurethane foam and integral skin subsector (UNIDO):* Seven enterprises have completed equipment procurement process, started to receive the equipment, and will complete installation and commissioning between November 2013 and March 2014. One additional enterprise has also started the bidding process.

5. According to the progress report submitted by UNIDO, the current status of the foam industry in the Islamic Republic of Iran can be categorized as follows:

- (a) A substantial increase in the consumption of HCFC-141b used for the manufacturing of insulation foam for domestic refrigerators (as the local production of equipment has increased given that the cost of imported ones has more than tripled) and for the manufacturing of discontinuous panels used in the construction sector;
- (b) A decline in the consumption of HCFC-141b used for integral skin foam components for the automobile industry, which is not growing due to import embargos;
- (c) The use of cyclopentane-polyol formulations available in the local market (the technology selected by four integral skin foam enterprises included in stage I of the HPMP), is not technically and economically viable. Furthermore, the use of water-blown technology tested as an alternative technology by two integral skin foam enterprises was also unviable. Methyl formate was also considered as a potential technology, however, under the current circumstances in the country, this technology is not yet available; and
- (d) After site verification, it was confirmed that two foam enterprises (Yakhchavan and Nobough) included in stage I of the HPMP are non-eligible.

¹ The HPMP for the Islamic Republic of Iran was approved by the Executive Committee at its 63rd meeting to reduce HCFC consumption by 10 per cent of the baseline by 1 January 2015.

6. Based on the above circumstances, the Government of the Islamic Republic of Iran is proposing, under the flexibility clause of the Agreement, modifications to the activities in the foam manufacturing sector included in stage I of the HPMP as follows:

- (a) Defer to stage II of the HPMP conversion of the following four integral skin foam enterprises: Erish Khodro (with a total consumption of 2.3 ODP tonnes of HCFC-141b); Sanat Foam Iran (2.0 ODP tonnes); Royan Polymer Co. (1.3 ODP tonnes); and Zivar Khodro Co. (2.0 ODP tonnes);
- (b) Defer to stage II of the HPMP conversion of Homa Sanat, a discontinuous sandwich panels manufacturer, which consumption decreased from a baseline of 0.7 ODP tonnes of HCFC-141b to 0.2 ODP tonnes in 2012;
- (c) Include in stage I of the HPMP the conversion of two enterprises manufacturing insulation foam for domestic refrigerators and one enterprise manufacturing discontinuous panels with a total consumption baseline of 33.9 ODP tonnes as shown in Table 1²; and

Table 1. New foam enterprises to be included in stage I of the HPMP

Enterprise	Subsector	HCFC-141b consumption (ODP tonnes)				Baseline equipment
		2010	2011	2012	Baseline	
Himalia	Refrigeration	11.6	12.1	13.2	10.7	4 high-pressure (HP)
Emersun	Refrigeration	36.3	34.1	34.1	18.4	2 HP
Arya Baron Toos	Discontinuous panels	14.3	16.5	16.5	4.8	3 HP
Total		62.2	62.7	63.8	33.9	

- (d) Reallocate the funds associated with the four integral skin foam (US \$840,105) and the discontinuous panels manufacturers (US \$150,000) to be deferred to stage II and the costs associated with only one³ of the two non-eligible enterprises (i.e., Nobough (US \$97,172)) to the cost of the conversion of the three new plants.

7. The three new enterprises to be included in stage I of the HPMP are locally owned and were established before the cut-off date. All of them will convert to cyclopentane technology. Conversions will include installation of storage tanks and handling systems; premixing stations; additional polyol buffer tanks; retrofitting of high-pressure foam machines; safety-related equipment for the use of a flammable blowing agent; retrofit of jigs and moulds; civil and electrical works; training, trials, testing and certification; and contingencies. The funding to be reallocated to these conversions is US \$1,087,277 with an impact of 33.9 ODP tonnes (or 63.8 ODP tonnes if their 2012 consumption is taken as reference). Given the number of production lines and size of the operation by these enterprises, they have agreed to contribute with a significant level of co-financing.

8. *Conversion of eight enterprises in the continuous panels sector (Government of Germany):* Further to delays that were experienced in the procurement process (as the suppliers did not meet the equipment specifications), the equipment has been ordered and is expected to be installed by November 2013. The development of the standard for foam manufacturing is underway and expected to

² The following two enterprises are second-stage conversions: Emerson received funding at the 28th meeting (IRA/REF/28/INV/42), and Himalia received funding at the 31st meeting (IRA/REF/31/INV/69) to convert to HCFC-141b in both cases.

³ At its 68th meeting, the Executive Committee decided to deduct the cost associated to Yakhchavan (US \$173,550) from the third tranche of stage I of the HPMP (decision 68/26 (a) (ii)).

be completed before enterprises start to manufacture with hydrocarbon-based formulations. A foam technology workshop organized resulted in signing of a Memorandum of Understanding by foam enterprises to form a legally recognised foam association.

Activities in the air-conditioning manufacturing sector (UNDP)

9. The MOA for the implementation of the project for the conversion of one enterprise in the residential air-conditioning manufacturing sector to phase out 29.3 ODP tonnes of HCFC-22, was signed in October 2012; and the redesign of products and plant layout to manufacture air-conditioners using HFC-410A was completed in December 2012. Equipment procurement process is underway and by the end of 2013 or early 2014, the enterprise is expected to commence prototype manufacturing of air-conditioners.

Activities in the refrigeration and air-conditioning servicing sector

10. The following activities have been implemented in the refrigeration and air-conditioning servicing sector with the assistance of UNEP and the Government of Germany:

- (a) Five supermarkets were selected for demonstration of reductions in HCFC leakage rates. They will receive monitoring tools to track leakage and refrigerant consumption by their existing refrigeration and air-conditioning systems. After a period of leakage monitoring and review of the results, parts of these systems will be modified to demonstrate leakage reductions;
- (b) A workshop on the use of refrigeration and air-conditioning equipment in supermarkets was organized, including leak reduction and energy efficiency, good practices in servicing, alternative refrigerants and standards;
- (c) The web-based monitoring tool was developed and will formally be introduced on-line when the translation to local language and first test runs are completed in December 2013;
- (d) The development of the monitoring and documentation system, including logbooks is on-going; and
- (e) A three-day train-the-trainer workshop on good practices in refrigeration servicing was conducted in February 2013. A total of 34 trainers from 20 provinces of the country attended this programme who, in turn, will train other technicians.

Project implementation and monitoring unit (PMU)

11. The PMU continued to provide support to the National Ozone Unit (NOU) on the implementation of HCFC quotas for the registered and licensed importers, coordination and interaction with beneficiary enterprises on project implementation and on day-to-day management of the HPMP activities including administration and coordination with other agencies.

Status of fund disbursement

12. As of 7 October 2013, of the US \$8,601,233 approved for the first and second tranches, US \$3,147,694 had been disbursed. The balance of US \$5,453,539 will be disbursed in 2014 and 2015 (Table 2). UNDP also indicated that disbursements for US \$180,000 (UNIDO) and US \$658,000 (UNDP) corresponding to the second tranche were expected in November 2013.

Table 2. Financial report of the first and second tranches of the HPMP for the Islamic Republic of Iran

Tranches		UNDP	UNIDO	Germany	UNEP	Total	Percentage disbursed
First	Approved	2,242,000	1,300,000	2,063,000	262,000	5,867,000	53%
	Disbursed	809,000	1,239,733	936,830	137,324	3,122,887	
Second	Approved	1,370,000	830,000	534,233	0	2,734,233	1%
	Disbursed	0	24,807	0	0	24,807	
Total	Approved	3,612,000	2,130,000	2,597,233	262,000	8,601,233	37%
	Disbursed	809,000	1,264,540	936,830	137,324	3,147,694	

Annual plans for the third tranche of the HPMP

13. During the third funding tranche of the HPMP, the Government of the Islamic Republic of Iran will continue to enforce the HCFC licensing and quota system, the MOA for the systems house will be signed to start the development of low-GWP polyols formulations, the implementation of the investment project in the air-conditioning manufacturing sector will be completed, the projects for six enterprises in the continuous panels sector and seven enterprises in the discontinuous panels sector will also be finalized. If a request for replacement of enterprises in the foam sector is approved by the Executive Committee, conversion of three new projects in the discontinuous panels and refrigeration sectors will start and be completed by 2015.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Operational licensing system

14. The Government of the Islamic Republic of Iran has already issued HCFC import quotas for 2013 and 2014 in accordance with the Montreal Protocol control targets.

HCFC consumption

15. The HCFC consumption reported under Article 7 of the Montreal Protocol for 2009 to 2012 is shown in Table 3. HCFC consumption was 376.31 ODP tonnes in 2012, which is already 4.19 ODP tonnes below the allowable level of consumption for 2013.

Table 3. HCFC consumption in the Islamic Republic of Iran (Article 7, 2009-2012)

HCFC	2009	2010	2011	2012	Baseline
Metric tonnes					
HCFC-22	2,841.75	3,107.31	3,024.98	3,029.06	2,974.6
HCFC-141b	1,870.90	2,071.54	1,913.72	1,906.46	1,971.2
Total (mt)	4,712.65	5,178.85	4,938.70	4,935.52	4,945.8
ODP tonnes					
HCFC-22	156.30	170.90	166.37	166.60	163.6
HCFC-141b	205.80	227.87	210.51	209.71	216.9
Total (ODP tonnes)	362.1	398.8	376.88	376.31	380.5

Proposal to replace enterprises in the foam sector

16. In reviewing UNIDO's proposal to postpone the conversion of five enterprises to stage II and use the associated funds to include three new enterprises in stage I, the Secretariat noted the following:

- (a) The conversion of the three new enterprises is more cost-effective than that of the ones being deferred to stage II. The cost-effectiveness of the foam component being implemented by UNIDO would change from US \$9.15/kg as originally approved to US \$5.58/kg;
- (b) Taking into account the baseline consumption, for the same cost to the Multilateral Fund, 308 mt (33.9 ODP tonnes) will be phased out from the new enterprises instead of 75 mt (8.3 ODP tonnes) from the enterprises to be deferred to stage II. In 2012, the consumption of the new enterprises proposed has increased to 580 mt (63.8 ODP tonnes) while that of the enterprises to be deferred is 86.36 mt (9.5 ODP tonnes);
- (c) The funding associated to the non-eligible enterprise Yakchavan had been already returned at the 68th meeting. UNIDO proposes that the funds associated to Nobough (US \$97,172) are reallocated to the new eligible enterprises to be included in stage I. The enterprise's consumption of 3.8 ODP tonnes will remain deducted from the starting point as the enterprise will be converted to non-HCFC technology with its own resources; and
- (d) The new proposal would ensure that the majority of the eligible refrigerator and rigid panel enterprises receive comparable assistance, thus minimizing distortions in the sectors.

17. The revised activities in the foam component being implemented by UNIDO in stage I of the HPMP for the Islamic Republic of Iran are presented in Table 4.

Table 4. Revised activities in UNIDO's foam component in stage I of the HPMP

Subsector	Enterprise	Consumption (ODP tonnes)	Cost US \$)	Action
Enterprises currently in implementation				
Domestic refrigerator	Azar Soozan Tabriz (Silwan)	2.0	1,419,000	Finalize by 2014
Domestic refrigerator	Gol Asay Sarma	2.6		Finalize by 2014
Domestic refrigerator	Golbin	1.2		Finalize by 2014
Domestic refrigerator	Soren Neishaboore	1.3		Finalize by 2014
Discontinuous panels	Ammut panel	1.1		Finalize by 2014
Discontinuous panels	Paya Telec. Industries Co.	1.4		Finalize by 2014
Discontinuous panels	Poushesh Fomdare Gharb Co.	2.0		Finalize by 2014
Discontinuous panels	Parsin Gostar Jonoub Co.	3.9		Finalize by 2014
Sub-total		15.5		
New additional enterprises				
Refrigeration	Himalia	10.7	390,000	Start implementation
Refrigeration	Emerson	18.4	477,277	Start implementation
Discontinuous panels	Arya Baron	4.8	220,000	Start implementation
Sub-total		33.9	1,087,277	
Impact revised plan (funded activities)		49.4	2,506,277	
Non-eligible enterprises				
Discontinuous panels	Nobough Sarmayesh Co.	3.8	0	Non-eligible
Domestic refrigeration	Yakhchavan Co.	4.6	0	Non-eligible
Sub-total non-eligible enterprises		8.4	0	
Total impact eligible and non-eligible enterprises		57.8	2,506,277	

18. Stage I of the HPMP for the Islamic Republic of Iran was approved at the 63rd meeting to meet the 10 per cent reduction of the HCFC baseline by 1 January 2015. The activities approved under stage I had HCFC consumption reductions for 101.3 ODP tonnes (26 per cent of the baseline). With the revised foam sector plan proposed by UNIDO, funded activities would reduce 118.7 ODP tonnes, which

corresponds to 31 per cent of the baseline. Taking this into account and keeping in mind the timeline associated with project implementation, the Government commits to reduce its HCFC consumption by 15 per cent of the baseline by 1 January 2017.

Second stage conversions analysis

19. As two of the three enterprises are second-stage conversions⁴, the following analysis was undertaken in line with decision 60/44(b) and 62/16 (Table 6).

Table 6. Second-stage conversions analysis

Description	Impact (ODP)	Funding (US\$)	CE (US\$/kg)	CE (US\$/ODPt)	COMMENTS
Foam (continuous panels) stage I	24.4	1,725,240	7.78	70.71	As approved
Foam (panels) future stages	37.3		7.78	70.71	Estimated
Foam (rigid) included in stage I	6.1	377,575	6.81	61.90	As approved
Foam (rigid PU others) future stages	18.4		6.81	61.90	Estimated
Foam (integral skin) stage I	7.6	840,105	12.16	110.54	As approved
Foam (integral skin) future stages	7.6		12.16	110.54	Estimated
Foam (discount. panels) stage I	9.1	1,003,175	12.13	110.24	As approved
Foam (discount. panels) stage I but found non-eligible – Nobough	3.8	97,172	2.81	25.57	As approved
Foam (domestic refrigeration) stage I but found non-eligible – Yakhchavan	4.6	173,550	4.15	37.73	As approved
Foam (domestic refr.) stage I	7.2	565,825	8.64	78.59	As approved
Foam (domestic refr.) future stages	22.1		8.64	78.59	Estimated
XPS Foam (not included)	2.3		5.23	77.26	Estimated
Residential air-conditioning stage I	29.3	3,860,246	7.25	131.75	As approved
Residential air-conditioning future stages	11		7.25	131.75	Estimated
Commercial air-conditioning (not included)	1.7		4.50	81.82	Estimated
Industrial air-conditioning (chillers)	19.4		4.50	81.82	Estimated
Commercial refrigeration (future stages)	39.2		4.50	81.82	Estimated
Industrial refrigeration (future stages)	9.9		4.50	81.82	Estimated
Transport refrigeration(future stages)	0.6		4.50	81.82	Estimated
Foam (domestic refrigeration) added to stage I - 2nd stage (Himalia)	10.7	390,000	4.01	36.45	Being requested
Foam (domestic refrigeration) added to stage I - 2nd stage (Emerson)	18.4	477,277	2.85	25.94	Being requested
Foam (panels) added to stage I - (Arya Baron)	4.8	220,000	5.04	45.83	Being requested
Total manufacturing	295.4				
Servicing	85.2				
Total baseline	380.5				

20. Based on Table 6, it is concluded that although the second-stage conversions are not required to achieve the 35 per cent reduction target, they are the most cost-effective activities in ODP tonnes that can be carried out in the manufacturing sector in the Islamic Republic of Iran. Therefore, in accordance with existing policies, these enterprises would be eligible for total incremental cost funding.

⁴ Emerson received funding at the 28th meeting (IRA/REF/28/INV/42) and Himalia received funding at the 31st meeting (IRA/REF/31/INV/69) to convert to HCFC-141b in both cases.

Status of fund disbursement

21. The Secretariat noted that as of 7 October 2013 the level of disbursement of US \$24,807 from the funding available from the previously approved tranche was below the 20 per cent threshold of disbursement⁵. Therefore, the precondition for the release of the third tranche was not fulfilled. However, it was noted that the level of disbursement for all tranches was US \$3,147,694, which is 37 per cent of the overall level of funds approved.

22. UNDP provided information on an additional disbursement of US \$658,000 expected by 18 November 2013, related to the payment of equipment that was already delivered to the air-conditioning manufacturer and was only waiting for verification by the second week of November 2013 and payment. If this disbursement takes place, the level of disbursement from the previously approved tranche would be 25 per cent.

Revision to the Agreement of the HPMP

23. Based on the revised foam sector plan submitted by UNIDO, the relevant paragraphs of the Agreement have been updated, and a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 68th meeting, as shown in Annex I to this document. The full revised Agreement will be appended to the final report of the 71st meeting.

Conclusion

24. The Secretariat notes that the implementation of the HPMP for the Islamic Republic of Iran is progressing. The investment projects in the air-conditioning and foam manufacturing sectors continue to be implemented for completion in 2014, and activities in the refrigeration servicing sector continue to be implemented as planned. Although the systems house project has encountered difficulties with the selection of a low-GWP technology, the conversion will assist foam enterprises during stage II. The overall level of disbursement of funding is 37 per cent of the total funds approved so far, and although the disbursement from the second tranche was below 20 per cent at the time of submission, UNDP has provided additional information to demonstrate that equipment was delivered to the air-conditioning manufacturing enterprise and the corresponding payment (that would increase the level of disbursement for the second tranche to 25 per cent) is taking place in November 2013.

25. The Government is requesting approval of a proposal to replace five eligible enterprises in the integral skin and discontinuous panels foam sector by three enterprises in the domestic refrigeration and discontinuous panels sectors at the same cost but with a larger amount of HCFC to be phased out. The cost allocated to one enterprise found non-eligible would also be reallocated to the new enterprises. Addressing the new enterprises, as soon as possible, will assist the Government to better achieve sustainable compliance with the consumption targets. In addition, the proposal results in a more cost-effective plan, larger HCFC reductions and a commitment by the Government to reduce HCFC consumption by 15 per cent of the baseline by 1 January 2017.

RECOMMENDATION

26. The Executive Committee may wish to consider:

- (a) Noting the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) in the Islamic Republic of Iran;

⁵ Paragraph 5 c) of the agreement establishes as precondition for tranche funding approval that the country had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent at least 60 days prior to the applicable Executive Committee meeting.

- (b) Noting the change in the foam sector plan proposed by UNIDO and that the amount of US \$97,127 associated to one non-eligible foam enterprise (Nobough) will be reallocated to new eligible enterprises added to stage I but its tonnage reduction (3.8 ODP tonnes) will continue to be deducted from the starting point;
- (c) Noting that the Government of the Islamic Republic of Iran commits to reduce its HCFC consumption by 15 per cent of the baseline by 1 January 2017;
- (d) Noting that the Fund Secretariat had updated paragraph 1, Appendix 2-A of the Agreement between the Government of the Islamic Republic of Iran and the Executive Committee, based on the revised sector plan submitted by UNIDO, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 68th meeting, as contained in Annex I to the present document; and
- (e) Approving the third tranche of stage I of the HPMP for the Islamic Republic of Iran, and the corresponding 2014-2015 tranche implementation plan, at the amount of US \$622,711, consisting of US \$477,816 plus agency support costs of US \$35,836 for UNDP, and US \$101,450, plus agency support costs of US \$7,609 for UNIDO.

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

(Relevant changes are in bold font for ease of reference)

1. This Agreement represents the understanding of the Government of the Islamic Republic of Iran (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of **323.42** ODP tonnes by 1 January 2017 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of the Islamic Republic of Iran and the Executive Committee at the 68th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2011	2012	2013	2014	2015	2016	2017	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes) *	n/a	n/a	380.5	380.5	342.45	342.45	342.45	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	380.5	380.5	342.45	342.45	323.42	n/a
2.1	Lead IA UNDP agreed funding(US \$)	2,242,000	1,370,000	477,816	0	475,930	0	0	4,565,746
2.2	Support costs for Lead IA(US \$)	168,150	102,750	35,836	0	35,695	0	0	342,431
2.3	Cooperating IA UNEP agreed funding (US \$)	262,000	0	0	0	0	0	0	262,000
2.4	Support costs for Cooperating IA (US \$)	34,060	0	0	0	0	0	0	34,060
2.5	Cooperating IA UNIDO agreed funding (US \$)	1,300,000	830,000	101,450		274,827	0	0	2,506,277
2.6	Support costs for Cooperating IA (US \$)	97,500	62,250	7,609		20,612	0	0	187,971
2.7	Cooperating agency Germany agreed funding (US \$)	2,063,000	534,233	0	0	288,582	0	0	2,885,815
2.8	Support costs for Cooperating agency (US \$)	234,079	60,617	0	0	32,744	0	0	327,440
3.1	Total agreed funding (US \$)	5,867,000	2,734,233	579,266	0	1,039,339	0	0	10,219,838
3.2	Total support cost (US \$)	533,789	225,617	43,445	0	89,051	0	0	891,902
3.3	Total agreed costs (US \$)	6,400,789	2,959,850			1,128,390			11,111,740
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								38.6
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								-
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								125.0
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								88.3
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)								-
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								128.6