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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fifth Meeting
Montreal, 4-8 April 2005

PROJECT PROPOSAL: ISLAMIC REPUBLIC OF IRAN

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

Phase-out

- National CFC phase-out plan: 2005 annual implementation programme Germany, France, and UNIDO

**PROJECT EVALUATION SHEET
(MULTI-YEAR PROJECTS)
ISLAMIC REPUBLIC OF IRAN**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

| | |
|---|---------------------------------------|
| National CFC phase-out plan: 2005 annual implementation programme | Germany, France, UNEP, UNDP and UNIDO |
|---|---------------------------------------|

SUB-PROJECT TITLES

| | |
|---|---------|
| (a) Investment projects - CFC 113 solvents | UNIDO |
| (b) Investment projects – foam | Germany |
| (c) Investment projects - refrigeration manufacturing | UNDP |
| (d) Investment projects - refrigeration assembly | UNIDO |
| (e) Refrigeration manufacturing sector - management support | UNIDO |
| (f) Investment project - MAC R&R project | FRANCE |
| (g) MACTAP training projects – MAC | Germany |
| (h) Domestic & commercial refrigeration R&R project | UNIDO |
| (i) Domestic & commercial refrigeration - technician training project | UNIDO |
| (j) Custom training | UNIDO |
| (k) Project implementation & monitoring unit | Germany |
| (l) Regulation and policy support | UNEP |

NATIONAL CO-ORDINATING AGENCY:**National Ozone Unit****LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP tonnes, 2003, as of November 2004)**

| | | | |
|-----------------------|---------|--|--|
| Annex A Group I, CFCs | 4,088.8 | | |
|-----------------------|---------|--|--|

B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2003, as of November 2004)

| ODS | Foam | Ref. | Aerosol | Solvents | Process agent | Fumigant |
|---------|-------|-------|---------|----------|---------------|----------|
| Annex A | 1,920 | 2,030 | 53 | 64.8 | 0 | 0 |
| Annex B | 0 | 0 | 0 | 2,169 | 0 | 0 |
| Annex C | 10.45 | 79.8 | 0 | 0 | 0 | 0 |
| Annex E | 0 | 0 | 0 | 0 | 0 | 2,320 |

CFC consumption remaining eligible for funding (ODP tonnes)

0

CURRENT YEAR BUSINESS PLAN: Total funding US \$1,885,475: total phase-out 397 ODP tonnes

**PROJECT EVALUATION SHEET (MULTI-YEAR PROJECTS)
ISLAMIC REPUBLIC OF IRAN**

(continuation)

| PROJECT DATA | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|---|--------------------------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|-------------|-------------------|
| CFCs (ODP tonnes) | Montreal Protocol limits | 4,571.0 | 4,571.0 | 2,285.0 | 2,285.0 | 685.0 | 685.0 | 685.0 | - | n/a |
| | Annual consumption limit | n/a | 3,889.4 | 2,269.2 | 965.6 | 578.7 | 328.4 | 132.7 | - | n/a |
| | Annual phase-out ongoing projects | n/a | 1,120.0 | 988.0 | 73.0 | 0 | 0 | 0 | - | 2,181 |
| | Annual phase-out newly addressed | n/a | 500.3 | 315.5 | 313.9 | 250.3 | 195.7 | 132.7 | - | -1,708.4 |
| TOTAL ODS CONSUMPTION TO BE PHASED OUT⁰ | | | 1,620.3 | 1,303.5 | 386.9 | 250.3 | 195.7 | 132.7 | - | 3,889.4 |
| Final Project costs (US \$): | | | | | | | | | | |
| | Funding for lead agency GERMANY | 694,124 | 946,405 | 479,044 | 1,007,124 | 920,868 | 729,846 | 717,630 | 0 | 5,495,042 |
| | Funding for FRANCE | 1,006,620 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 1,506,620 |
| | Funding for UNEP | 140,253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 140,253 |
| | Funding for UNIDO | 361,840 | 2,104,066 | 742,449 | 66,224 | 36,179 | 27,328 | 0 | 0 | 3,338,085 |
| | Funding for UNDP | 0 | 770,000 | 0 | 0 | 0 | 0 | 0 | 0 | 770,000 |
| | Total project funding | 2,202,837 | 3,820,470 | 1,721,493 | 1,073,348 | 957,047 | 757,175 | 717,630 | 0 | 11,250,000 |
| Final Support costs (US \$): | | | | | | | | | | |
| | Support cost for lead agency GERMANY | 76,354 | 104,105 | 52,695 | 110,784 | 101,295 | 80,283 | 78,939 | 0 | 604,455 |
| | Funding for FRANCE | 110,728 | 0 | 55,000 | 0 | 0 | 0 | 0 | 0 | 165,728 |
| | Funding for UNEP | 18,233 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,233 |
| | Funding for UNIDO | 27,138 | 157,805 | 55,684 | 4,967 | 2,713 | 2,050 | 0 | 0 | 250,356 |
| | Funding for UNDP | 0 | 57,750 | 0 | 0 | 0 | 0 | 0 | 0 | 57,750 |
| | Total support costs | 232,453 | 319,659 | 163,379 | 115,750 | 104,009 | 82,333 | 78,939 | 0 | 1,096,522 |
| TOTAL COST TO MULTILATERAL FUND (US\$) | | 2,435,289 | 4,140,130 | 1,884,872 | 1,189,098 | 1,061,056 | 839,507 | 796,570 | 0 | 12,346,523 |

FUNDING REQUEST: Approval of funding for the 2005 tranche as indicated above.

| | |
|-------------------------------------|------------------|
| SECRETARIAT'S RECOMMENDATION | Blanket approval |
|-------------------------------------|------------------|

PROJECT DESCRIPTION

INTRODUCTION

1. In December 2003, at its 41st Meeting, the Executive Committee approved in principle the National CFC Phase-out Plan (the Plan) for the Islamic Republic of Iran at a funding level of US \$11,250,000 (excluding agencies' support costs) as the total funds that would be available to the Government of the Islamic Republic of Iran to achieve its commitments for the complete phase-out of CFCs used in the manufacturing and servicing of refrigeration equipment, and in the foam, MAC and solvent sectors. The Executive Committee also approved funding of US \$2.2 Million for implementation of the first tranche by the Government of Germany, the Government of France, UNIDO and UNEP.

2. At its 42nd Meeting, the Executive committee approved the second tranche at the amount of US \$3,820,470 for the Government of Germany and UNIDO, and the 2004 Annual Implementation Programme.

3. The Government of Germany, as a lead agency in the implementation of the National CFC phase-out Plan in Iran, submitted a request for the third funding tranche amounting to US \$1,721,493 plus the corresponding support costs. The 2005 Annual Implementation Programme and the 2004 Progress Report were also submitted as part of the documentation.

4. The CFC consumption and reduction targets in Iran, which are part of the Agreement approved at the 41st Meeting, are reproduced in the following table:

| Year | 2001 | 2002 | 2003(*) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|------|
| 1. Compliance Targets | | | | | CFC-50% | | CFC-85% | | | |
| 2. Max allowable total consumption of Annex A Group I substances (ODP tonnes) | 4,571.0 | 4,571.0 | 4,571.0 | 4,571.0 | 2,285.0 | 2,285.0 | 685.0 | 685.0 | 685.0 | |
| 2-A. Max agreed total consumption of Annex A Group I substances (ODP tonnes) | 4,156.5 | 4,005.4 | 3,889.4 | 3,889.4 | 2,269.2 | 965.6 | 578.7 | 328.4 | 132.7 | 0.0 |
| 3. Reduction from ongoing projects | 151.1 | 116.0 | | 1,120.0 | 988.0 | 73.0 | | | | |
| 4. New reduction under plan (total)(**) | | | | 500.3 | 315.5 | 313.9 | 250.3 | 195.7 | 132.7 | |
| 5. Total annual reduction of Annex A Group I substances (ODP tonnes) | 151.1 | 116.0 | | 1,620.3 | 1,303.5 | 386.9 | 250.3 | 195.7 | 132.7 | |

(*) Estimated consumption figure

(**) Completion of phase-out targets by end of year

Progress report

5. The progress report covers the period from January 2004 to April 2005 and provided information on actual achievements during 2004 and those expected by April 2005. The first implementation phase initiated the completion of ongoing projects on a national level and the implementation of additional projects in order to meet the 2005 compliance target for Iran. The term reduction describes the amount of CFCs by which imports have been reduced compared to the preceding year. The annual implementation target for reduction measures refers only to the phase-out achieved through the implementation of investment projects. It does not include the effect of non-investment activities, such as training of service technicians, customs officials and enforcement of regulations, which might be also very effective in terms of consumption reduction.

6. At the time of approval of the Plan for Iran, the 2003 CFC consumption data was not available. The 2003 estimated consumption of 3,889.4 ODP tonnes was assumed as a starting point for the NPP in 2004.

7. In order to bridge the start-up time effectively, the NOU, together with implementing agencies, pressed for accelerated implementation of old ongoing projects. These efforts have led to outstanding success. During the time between the submission of the NPP and the end of the first implementation phase, a total of 1,327.0 ODP tonnes have been replaced with CFC-free technology in ongoing projects compared to a target of 1,210 ODP tonnes as laid down in the Agreement. Such a high completion rate will allow Iran to stay comfortably below the maximum consumption schedule for 2005 and meet the compliance target under the Montreal Protocol.

8. The progress of implementation of new projects has been hampered by some administrative requirements, such as authorization of procurement procedures by national bodies. Other difficulties arose from the tightened regulations regarding exports to the Islamic Republic of Iran in some of the supplier countries. The total 2004 reduction target from new phase-out activities is determined at 500.3 ODP tonnes in the Agreement. The reduction measures are planned to be completed within the 12-month period (Iranian financial year April to April). Outstanding projects, such as refrigeration manufacturing and RMP activities, will be completed in due course in 2005. In total, 375.9 ODP tonnes are expected to be phased out by April 2005.

9. Because the activities are planned to be implemented within 12 months, the phase-out target has to be divided between 2004 and 2005. Therefore, the phase-out of 297.5 ODP tonnes is assigned to 2004 and a remaining consumption of 202.8 from the total reduction target will be phased out only in 2005.

10. It should be mentioned here that these figures do not in fact reflect the phase-out currently resulting from the training completed in 2004 for customs officers, technicians in the domestic and commercial refrigeration and air-conditioning (AC) sector, and technicians in the mobile AC sector. The reduction attributed to reduced emissions due to better servicing practices might be important and will contribute to the achievement of the 2004 target.

11. The consolidated overview of the progress achieved (in ODP tonnes) is presented in the following table:

| | As per Agreement | Actual 04/05 |
|--|------------------|--------------|
| Impact of implementation of on-going projects | 1,120.0 | 1,327.0 |
| Impact of implementation of new reduction measures | 500.3 | 297.5 |
| Total CFC phase out targets/actual | 1,620.3 | 1,624.5 |

12. The progress report provides detailed information on the distribution of responsibilities among the implementing agencies involved, their progress and the financial status of ongoing activities.

13. The progress report indicates that a licensing system was set up, although it has not yet approved by all the necessary legislative bodies. The report provides the list of Government actions and their status of implementation.

2005 Annual Implementation Programme

14. The 2005 Programme presents planned activities to achieve targets established under the Agreement. Each activity is related to the associated reduction in CFC consumption, where applicable. The document contains the budget with allocations for proposed activities and the distribution of funds among the implementing agencies, indicating respective support costs. The 2005 Annual Implementation Programme is attached to this document.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

15. At the time of approval of the Plan for Iran, 2003 CFC consumption data was not available. Estimated 2003 consumption of 3,889.4 ODP tonnes was assumed as a starting point of the Plan in 2004. In 2004, the Government of Iran reported its 2003 CFC consumption at the level of 4,088.8 ODP tonnes, which is 199.4 ODP tonnes above maximum agreed consumption for 2004. The Secretariat sought an explanation from the Government of Germany on this issue. The Government of Germany clarified that the excess import of 199.4 ODP tonnes has been stockpiled by some importers because of their market expectations for the time after 2007. The CFC is not entering the market and the Government closely monitors the use of such stockpiles. Information on stockpiles is gathered from the customs and supplier reports, and will be compiled in a national inventory in order to manage residual demands that may exist in the servicing sector after 2009. After the final closure of imports in 2010, the management of stockpiles will help Iran deal with residual demands in the servicing and MDI sector and allow the country to strictly comply with its final phase-out obligations.

16. The Secretariat commented on the system of accounting phase-out with one year of delay, which was used in the first version of the 2004 Progress Report and in the 2005 Implementation Programme. The Secretariat emphasized that reductions would be achieved in the year following the completion of projects. Therefore, it is important for any shortfall in 2004 phase-out to be compensated through accelerated phase-out in 2005 in order to ensure compliance with the 2005 target. The Secretariat analyzed the progress in the implementation of activities in 2004 and planning targets for 2005 on a sector-by-sector basis and proposed specific revisions. The Government of Germany revised the proposal and devised a system of monitoring and accelerating implementation which will ensure the achievement of the 2005 target. The 2005 Annual Implementation Programme is attached to the present document in its revised form.

RECOMMENDATION

17. The Fund Secretariat recommends blanket approval of the third tranche of the project with associated support costs at the funding levels shown in the table below:

| | Project Title | Project Funding (US\$) | Support Cost (US\$) | Implementing Agency |
|-----|---|-------------------------------|----------------------------|----------------------------|
| (a) | National CFC phase-out plan: 2005 annual implementation programme | 742,449 | 55,684 | UNIDO |
| (b) | National CFC phase-out plan: 2005 annual implementation programme | 500,000 | 55,000 | France |
| (c) | National CFC phase-out plan: 2005 annual implementation programme | 479,044 | 52,695 | Germany |

18. There are no funds to be disbursed to UNEP and UNDP during 2005 for this phase-out plan.



SECTION 2

Second Annual Implementation Plan of the National CFC phase Out Plan for 2005 for the Islamic Republic of Iran

3rd tranche - 2005 Activities

**The Department of Environment,
Human Environment Affairs, Iran**

prepared under assistance from the lead agency
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), financed by
**Federal Ministry For Economic Co-Operation And Development
(BMZ), Germany**

and the co-operating agencies
France, UNIDO, UNDP, UNEP

January 2005

PLAN TO BE SUBMITTED FOR THE 45th MEETING OF THE EXECUTIVE COMMITTEE OF THE
MULTILATERAL FUND OF THE MONTREAL PROTOCOL

Section 2: 2nd ANNUAL IMPLEMENTATION PROGRAMME FOR 2005 (3rd tranche)

Introductory Remark

The National Phase Out Plan had been approved at the 41st Meeting of the ExCom. A first tranche for preparatory activities had been approved in December 2003.

The first annual implementation of the I.R. Iran had been submitted to the first meeting in 2004. The presently submitted plan represents the third tranche and 2nd Annual Implementation Plan (2005).

The following tables refer to

Table of Content

| | | |
|---|-------------------------------------|----|
| 1 | Data | 33 |
| 2 | Targets (all ODP T)..... | 34 |
| 3 | Industry Action (all ODP T)..... | 34 |
| 4 | Technical Assistance for 2005 | 35 |
| 5 | Government Action | 39 |
| 6 | Annual Budget | 41 |
| 7 | Administrative Fees..... | 41 |

ANNEX 1 Revised implementation and compliance strategy for the year of plan

ANNEX 2 List of old ongoing projects completed in 2004

1. Data

| | |
|--|--------------------------|
| Country | Islamic Republic of Iran |
| Year of plan | 2005 |
| # of years completed | 1* |
| # of years remaining under the plan | 5 |
| Target CFC Consumption of the Preceding Year | 3,889.4 |
| Target CFC Consumption of the Year of the Plan (YoP) | 2,269.2 |
| Level of funding requested | 1,885,475 |
| Lead implementing agency | Germany (GTZ) |

* The plan started only in 2004

2. Targets (all ODP T)

| Indicators | | Target Preceding Year | Year of Plan | Reduction |
|---------------|------------------|-----------------------|--------------|-----------|
| Supply of ODS | Import | 3,889.4 | 2,269.2 | 1,620.2 |
| | Total (1) | 3,889.4 | 2,269.2 | 1,620.2 |
| Demand of ODS | Manufacturing | 2,989.9 | 1,558.6 | 1,431.3 |
| | Servicing | 899.5 | 710.6 | 188.9 |
| | Stockpiling | | | |
| | Total (2) | 3,889.4 | 2,269.1 | 1,620.3 |

3. Industry Action (all ODP T)

| Sector | Consumption Preceding Year (1) | Target Consumption Year of Plan (2)* | Reduction within Year of Plan (1) – (2) | Number of Projects Completed | Number of Servicing Related Activities | CFC Phase-out ODP tonnes |
|----------------------|--------------------------------|--------------------------------------|---|------------------------------|--|--------------------------|
| Manufacturing | | | | | | |
| Aerosol | 0 | 0 | 0.0 | N/A | | N/A |
| Foam | 1,890.0 | 1,274.1 | 615.9 | 21 | | 615.9 |
| Refrigeration | 1,090.4 | 284.5 | 805.9 | 129 | | 805.9 |
| Solvents | 9.6 | 0.0 | 9.6 | N/A | | N/A |
| Other | 0 | 0 | 0.0 | N/A | | N/A |
| Total | 2,990.0 | 1,558.6 | 1,431.4 | 150 | | 1,431.4 |
| Servicing | | | | | | |
| Refrigeration | 899.4 | 710.6 | 188.8 | N/A | 4 | 188.8 |
| Total | 899.4 | 710.6 | 188.8 | N/A | 4 | 188.8 |
| Grand total | 3,889.4 | 2,269.2 | 1,620.2 | N/A | 4 | 1,620.2 |

* this consumption will be the baseline for the Implementation Plan 2005

4. Technical Assistance for 2005

| | | | | | | | | | |
|--|---|-------------------------|-------------|--------------------------|------------|--------------------------|-------------|--------------------------|-------------|
| 4.1 Proposed Activity: | Continuation of assistance for market based conversion of CFC 113 as solvents for the use as cleaning agent. Strategy development and implementation to be continued in 2005. | | | | | | | | |
| Objective: | Phase out the use 113 as cleaning spray | | | | | | | | |
| Target Group: | Spray can manufacturers | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>9,6 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>9,6 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>0 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>9,6 ODP T</td> </tr> </table> | Funding preceding years | 9,6 ODP T | Remaining implementation | 9,6 ODP T | New funding year of plan | 0 ODP T | Under implementation YoP | 9,6 ODP T |
| Funding preceding years | 9,6 ODP T | | | | | | | | |
| Remaining implementation | 9,6 ODP T | | | | | | | | |
| New funding year of plan | 0 ODP T | | | | | | | | |
| Under implementation YoP | 9,6 ODP T | | | | | | | | |
| 4.2 Proposed Activity: | Continuation of investment projects in the foam sector. The conversion of the first enterprises with an expected impact of 110.8 ODP T is under finalisation. In 2005 it is planned to phase out CFCs in enterprises in various foam sub sectors. This year large enterprises in the rigid and flexible foam sector, doing panel and insulation foams, will be converted. The enterprises will be selected on the basis of their commitment and ability to rapidly convert and phase out CFC. | | | | | | | | |
| Objective: | Phase out of the use CFC as blowing agent in the manufacture of flexible and rigid foams. | | | | | | | | |
| Target Group: | Manufacturers of flexible and rigid PU foams | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>110,8 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>36,7 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>108,7 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>145,4 ODP T</td> </tr> </table> | Funding preceding years | 110,8 ODP T | Remaining implementation | 36,7 ODP T | New funding year of plan | 108,7 ODP T | Under implementation YoP | 145,4 ODP T |
| Funding preceding years | 110,8 ODP T | | | | | | | | |
| Remaining implementation | 36,7 ODP T | | | | | | | | |
| New funding year of plan | 108,7 ODP T | | | | | | | | |
| Under implementation YoP | 145,4 ODP T | | | | | | | | |
| 4.3 Proposed Activity: | Conversion of enterprises in the refrigeration manufacturing sector with an expected impact of 56 OODP T is under finalisation. Based on the results of the bidding process, purchase order will be issued by end February 2005 for the low-pressure foaming machines, with estimated delivery of May 2005. The beneficiary enterprises, in cooperation with the Ozone Office and UNDP, will undertake the necessary civil works to enable equipment suppliers to conduct installation, trail run and commissioning of the equipment during June 2005. It is expected that commissioning and subsequent destruction of baseline equipment will take place during June – September 2005, with the aim that ODS consumption at these 25 enterprises will be completely phased out by September 2005. It is expected that the \$770,000 will be fully disbursed by end of 2005. | | | | | | | | |

| | | | | | | | | | |
|--|--|-------------------------|-------------|--------------------------|------------|--------------------------|------------|--------------------------|-------------|
| Objective: | Phase Out of CFC in the refrigeration manufacturing sector | | | | | | | | |
| Target Group: | Manufacturer of domestic and commercial refrigeration equipment | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>56.0 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>42.0 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>0 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>42.0 ODP T</td> </tr> </table> | Funding preceding years | 56.0 ODP T | Remaining implementation | 42.0 ODP T | New funding year of plan | 0 ODP T | Under implementation YoP | 42.0 ODP T |
| Funding preceding years | 56.0 ODP T | | | | | | | | |
| Remaining implementation | 42.0 ODP T | | | | | | | | |
| New funding year of plan | 0 ODP T | | | | | | | | |
| Under implementation YoP | 42.0 ODP T | | | | | | | | |
| 4.4 Proposed Activity: | Conversion of enterprises in the refrigeration assembly sector with an expected impact of 135 ODP T is under finalisation. Equipment has been already delivered and installed. Technical assistance to small assemblers will be maintained in 2005 in order to sustain their converted production. Activity is to be finalised by | | | | | | | | |
| Objective: | Phase out CFCs in the refrigeration assembly sector | | | | | | | | |
| Target Group: | Small enterprises assembling commercial refrigeration systems | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>135.0 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>67,5 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>0 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>67,5 ODP T</td> </tr> </table> | Funding preceding years | 135.0 ODP T | Remaining implementation | 67,5 ODP T | New funding year of plan | 0 ODP T | Under implementation YoP | 67,5 ODP T |
| Funding preceding years | 135.0 ODP T | | | | | | | | |
| Remaining implementation | 67,5 ODP T | | | | | | | | |
| New funding year of plan | 0 ODP T | | | | | | | | |
| Under implementation YoP | 67,5 ODP T | | | | | | | | |
| 4.5 Proposed Activity: | The equipping of large consuming MAC enterprises with R&R machines is under finalisation with an expected impact of 59.4 ODP T. In 2005 Investment support for R&R equipment in the MAC sector will be extended to a larger number of companies with an expected impact of 91.4 ODP T. | | | | | | | | |
| Objective: | Reduce the demand for virgin CFCs through R&R during service and repair of MAC systems | | | | | | | | |
| Target Group: | MAC service workshops | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>59.4 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>14.9 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>91.4 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>106.3 ODP T</td> </tr> </table> | Funding preceding years | 59.4 ODP T | Remaining implementation | 14.9 ODP T | New funding year of plan | 91.4 ODP T | Under implementation YoP | 106.3 ODP T |
| Funding preceding years | 59.4 ODP T | | | | | | | | |
| Remaining implementation | 14.9 ODP T | | | | | | | | |
| New funding year of plan | 91.4 ODP T | | | | | | | | |
| Under implementation YoP | 106.3 ODP T | | | | | | | | |
| 4.6 Proposed Activity: | Continuation of Training and Technical assistance in the MAC sector. The project will train technicians in the MAC service sector in the application of CFC conserving and best practices in the fields of better hermetisation, leakage detection, storage, handling, charging, R&R and retrofit. | | | | | | | | |
| Objective: | Eliminate the excessive use and losses during maintenance, repair and operation of MAC systems | | | | | | | | |
| Target Group: | Technicians doing service and repair for MAC systems | | | | | | | | |

| | | | | | | | | | |
|--|---|-------------------------|-------------|--------------------------|------------|--------------------------|-------------|--------------------------|-------------|
| ODP value of reduction measure | covered under MAC R&R component | | | | | | | | |
| 4.7 Proposed Activity: | Continuation of the Domestic & Commercial Refrigeration R&R project. The equipping of large consuming enterprises with R&R machines is under finalisation with an expected impact of 129.5 ODP T. In 2005 a larger number of new service enterprises will receive R&R equipment in order to effectively recover and reuse CFCs during service and repair | | | | | | | | |
| Objective: | Reduce the demand for virgin CFCs through R&R during service and repair | | | | | | | | |
| Target Group: | Enterprises doing service and repair for domestic & commercial refrigeration equipment | | | | | | | | |
| Implementation Schedule (Annual ODP value of reduction measures) | <table> <tr> <td>Funding preceding years</td> <td>129.4 ODP T</td> </tr> <tr> <td>Remaining implementation</td> <td>43.2 ODP T</td> </tr> <tr> <td>New funding year of plan</td> <td>115.5 ODP T</td> </tr> <tr> <td>Under implementation YoP</td> <td>158.7 ODP T</td> </tr> </table> | Funding preceding years | 129.4 ODP T | Remaining implementation | 43.2 ODP T | New funding year of plan | 115.5 ODP T | Under implementation YoP | 158.7 ODP T |
| Funding preceding years | 129.4 ODP T | | | | | | | | |
| Remaining implementation | 43.2 ODP T | | | | | | | | |
| New funding year of plan | 115.5 ODP T | | | | | | | | |
| Under implementation YoP | 158.7 ODP T | | | | | | | | |
| 4.8 Proposed Activity: | Continuation of the Domestic & Commercial Refrigeration - Technician Training Project. The project will continue to train technicians in the domestic and commercial refrigeration service sector in the application of CFC conserving and best practices in the fields of better hermetisation, leakage detection, storage, handling, charging, R&R and retrofit. | | | | | | | | |
| Objective: | Eliminate the excessive use and losses during maintenance and operation of refrigeration equipment | | | | | | | | |
| Target Group: | Technicians doing service and repair for domestic & commercial refrigeration equipment | | | | | | | | |
| ODP value of reduction measure: | covered under the R&R component | | | | | | | | |
| 4.9 Proposed Activity: | Continuation of Training of custom officers in ODS Control and monitoring is continued throughout the country is going to be completed in 2005. | | | | | | | | |
| Objective: | Control ODS imports and eliminate illegal imports | | | | | | | | |
| Target Group: | Customs officer and trainers | | | | | | | | |
| ODP value of reduction measure: | n.A. | | | | | | | | |
| 4.10 Proposed Activity: | Establishment of a CFC import control enforcement Unit The enforcement unit will be operational from early 2005 onwards | | | | | | | | |
| Objective: | Effective control CFC Import and Trade through legislation and regulatory systems | | | | | | | | |

| | |
|--|---|
| Target Group: | Officials in environment, customs, finance, commerce and others related |
| ODP value of reduction measure: | n. A. |
| 4.11 Proposed Activity: | <p>Assistance for Awareness, Project Implementation & Monitoring Unit</p> <p>Further operationalisation of the Implementation and Monitoring Facility. The National Project Manager will continue to employ national technical experts in early 2005 onwards to monitor completed ongoing projects and newly implemented projects following the first year implementation plan. The Monitoring unit will finalise the integration of data resources from various stakeholders and build an accessible infrastructure for data processing and networking.</p> <p>Independent verification of import data is going to be carried as soon as information is received in 2005 from customs offices and will be submitted with the implementation plan 2006.</p> <p>Verification of individual enterprises will also be sampled and provided to the ExCom as additional information to support findings on consumption data. A decentral network with the regional ozone cells and sampling procedures for monitoring province based enterprises will be established in 2005.</p> <p>PR with stakeholders and target groups will be continued. The communication strategy is going to implemented and developed materials are to be produced and distributed in 2005. Government actions will be supported.</p> <p>Implementation and progress of activities and accomplishment of annual targets will be closely followed up.</p> |
| Objective: | Continue effective coordination and process management to verify and enhance compliance of all activities with the NPP targets |
| Target Group: | NOU and other government bodies, enterprises, sector stakeholders and public |
| ODP value of reduction measure: | n.A. |

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|---|--|
| (a) Policy Decisions & Regulatory Actions: | |
| To review and amend all the licensing system related to the imports of Annex A Group I CFCs, revision of the CFC-12 import quota allocation system so as to safeguard the availability of CFC-12 according to the permitted import levels, to provide adequate distribution of the quotas between major importers, and to permit transfers of unused quotas from one authorised importer to another. | Implementation continued in 2005 |
| To review and amend all the existing legislation related to the imports, and uses, of Annex A Group I CFCs, as pure substance, and in mixtures (including CFC-11/Polyol pre-mixes), to be consistent with the NPP, and to guarantee compliance with the maximum permitted consumption levels as defined in the Agreement with the MLF ExCom related to the NPOP. | Implementation continued in 2005 |
| To include in the review and amendment CFC-11 import quotas to guarantee a supply for the service of CFC-11 based chillers in the central air-conditioning and industrial refrigeration sectors, up to and including the year 2009. | Implementation continued in 2005 |
| To include in the review and amendment of all the existing legislation related to the use of Annex A Group I CFCs in the foam and refrigeration manufacturing and introduce a timeline for a ban on the use of CFC-11 and CFC-12 as foam blowing agents in all foam manufacturing that are not registered under the NPP scheme. | Implementation in 2005 |
| To include in the review and amendment of all the existing legislation related to the imports of Annex A Group I CFCs, a requirement to attach a condition to all import licenses for CFC prohibiting the sales of CFC to any manufacturing enterprise that does not participate in the NPP scheme by the Government. | Implementation process continued in 2005 |
| To include in the review and amendment of all the existing legislation related to the imports of Annex A Group I CFCs, a ban on the import of all Annex A Group I CFCs with effect from 01 January 2010 (earlier dates may be determined for specific CFCs), except for any quantities needed for uses defined as "essential". | Implementation continued in 2005 |
| To introduce a regulation on the reuse of recovered and recycled CFC-12. | Implementation in 2005 |
| (b) Public Awareness Actions: | |
| Develop, improve, and implement a focussed Awareness Campaign to inform stakeholders and the public about the National CFC Phase-out Plan. It will create awareness about the increasingly reduced availability of CFCs and the final phase out from 01 January 2010. The CFC consuming industries will be informed on available alternatives and possible support and its criterias for eligibility. Furthermore the need for R&R of CFC refrigerants will be promoted in addition to the encouraged conversion and use of CFC-free refrigerants during the service and repair of refrigeration and | Implementation continued in 2005 |

| | |
|--|--|
| air-conditioning systems. | |
| The public will be informed on the ongoing activities under the NPP and the support they may give to request CFC free services and products | Implementation process continued in 2005 |
| The government will issue official recognition to enterprises applying CFC conservation and replacement activities. This "Recognition" should be withdrawn in the event of non-compliance with the operating conditions. | Implementation process continued in 2005 |
| (c) Other Actions: | |
| Develop, publish, and promote Guidelines for the safe filling, handling, labelling, and transportation of containers for "Recovered Non-flammable Liquefied Gas Refrigerants" by Service Technicians in the Refrigeration and Air-conditioning Service Sector. | Implementation continued in 2005 |
| Develop databases needed for registration and follow up of beneficiaries of the training activities and initiate a process for Certification of enterprises employing trained technicians. | Implementation continued in 2005 |
| Monitor and enforce the existing prohibition on the use of CFCs in all new, domestic or imported, equipment, products, installations and systems. | Implementation continued in 2005 |
| Further identify all existing "Essential Uses" of CFCs the CFC involved, and the level of annual consumption of each CFC. | Implementation continued in 2005 |
| Establish a monitoring and enforcement unit for continued control of CFC import and consumption. | Implementation continued in 2005 |

6. Annual Budget

| Activity (detailed description under chapter 4 and NPP) | Planned Expenditures (US \$) |
|---|---------------------------------|
| 4.1 CFC 113 Solvents - Technical assistance | |
| 4.2 Foam (all sub-sectors) - Investment Projects | 214,159 |
| 4.3 Refrigeration Manufacturing - Investment Projects - | |
| 4.4 Refrigeration Assembly - Technical Assistance Projects - | |
| 4.5 MAC R&R Project - Investment Project | 500,000 |
| 4.6 MAC - Sector assistance | 132,514 |
| 4.7 Domestic & Commercial Refrigeration R&R project | 643,582 |
| 4.8 Domestic & Commercial Refrigeration - Technician Training Project | 98,867 |
| 4.9 Custom Training | |
| 4.10 Regulatory Support | |
| 4.11 Awareness, Project Implementation & Monitoring Unit | 132,371 |
| TOTAL | 1,721,437 |

7. Administrative Fees

| Agency | 2005 |
|----------------------------------|----------------|
| Lead Agency | |
| GTZ annual funding | 479,044 |
| Support costs GTZ | 52,695 |
| Total GTZ | 531,739 |
| Cooperating Agencies | |
| UNIDO annual funding | 742,449 |
| Support costs UNIDO | 55,684 |
| Total UNIDO | 798,132 |
| France annual funding | 500,000 |
| Support costs France | 55,000 |
| Total France | 555,000 |
| Overall | |
| Total grant requested | 1,721,493 |
| Accumulated Support Costs | 163,379 |
| Total Costs | 1,884,872 |

ANNEX 1

Revised implementation and compliance strategy for the year of plan (2005)

The following table provides an overview on the revised implementation and compliance strategy for the year of plan (2005), taking into account the progress of implementation of the first phase and the accelerated implementation of reduction measures in 2005.

The overview illustrates how the target consumption of 2,265 ODP T can be achieved in the year 2005 and provides a monthly based overview of consumption from the individual reduction measures under plan and their expected completion.

In the first data column the baseline situation in 2004 is summarized. In the second column the consumption of not completed projects from 2004 and the expected progress of newly implemented projects in 2005 is listed. Finally, in order to achieve the targets in 2006, the revised strategy provides already an outlook on the development after 2005 and the expected consumption in 2006.

As the overview clearly explains, the revised target for the implementation of new reduction measures under plan will be 1,299.3 ODP T for 2005. The individual reduction measures adding up to this value are completed consecutively month by month in 2005 and consequently the expected total consumption in 2005 from these consumers will be equal or less than their annual ODP equivalent. In the table, columns showing the consumption in the year of plan and the year after have a column next to it describing the time by end of month when the consumers will be latest converted to CFC free service or production expressed by numbers from 1 to 12. However, in order to keep the overview transparent the impact of measures are consolidated and provided as a weighted average for all individual measures. It does not list each and every month of completion for each individual enterprise. This is going to be monitored and listed in the monitoring database and will be part of the progress report in 2006.

The aim of this strategy to keep close with the target of reduction measures to the consumption targets in each individual year. However, it has to be kept in mind that the strategy only considers investment activities and has some other shortcomings. It does not include the reduction of CFC emissions from better practice and leakage tight servicing as a result of the training activities. The effectiveness of such training measures for CFC reduction has recently demonstrated by an evaluation of the MF.

The overview does also not include reductions that are in fact resulting from enforcement of legislation. It has also to be kept in mind that under the NPP customs training has taken place and that by itself will contribute to significant reductions of total imported CFCs. Last not least the table cannot include market related factors such as reduced demand for CFC products for example which may have a tremendous impact in real life situations.

The implementation of reduction measures cannot replace the import figures as an absolute indicator and their impact may vary with time. The licensing and control of imports will remain the most effective and single outstanding indicator of compliance.

The overview refers to phase out activities as reduction measures. Reduction describes the actually reduced consumption that follows the completion of a reduction measures.

Revised implementation and compliance strategy for the year of plan (2005)

| | Baseline consumption (ODP T) | CFC free latest by end of (month) | Estimated Consumption (ODP T) | Remaining conversion by end of (month) | Consumption forecast (ODP T) |
|--|------------------------------|-----------------------------------|-------------------------------|--|------------------------------|
| | Preceding year (2004) | Year of Plan (2005) | | Year after Plan (2006) | |
| | | | | | |
| Consumption from reduction measures under plan | | | | | |
| 1.0 Reduction measures scheduled in preceding years | 500,3 | | 202,8 | | 3,2 |
| Solvents | 9,6 | 12 | 9,6 | 4 | 3,2 |
| Foam | 110,8 | 4 | 36,9 | 0 | 0,0 |
| Refrigeration Manufacturing | 56,0 | 9 | 42,0 | 0 | 0,0 |
| Assembly | 135,0 | 5 | 56,3 | 0 | 0,0 |
| MAC | 59,4 | 3 | 14,9 | 0 | 0,0 |
| RMP | 129,5 | 4 | 43,2 | 0 | 0,0 |
| 2.0 Reduction measures scheduled in year of plan | 315,6 | | 289,5 | | 81,0 |
| Foam sector | 108,7 | | 88,4 | | 15,9 |
| Foam projects (equipm.already procured & shipped) | 60,9 | 8 | 40,6 | 0 | 0,0 |
| New Foam Projects under plan | 47,8 | 12 | 47,8 | 4 | 15,9 |
| Refrigeration & AC sector (206,9 ODP T) | 206,9 | | 201,1 | | 65,1 |
| RMP | 115,5 | 12 | 115,5 | 4 | 38,5 |
| MAC Equipment | 79,8 | 12 | 79,8 | 4 | 26,6 |
| MAC (equipment already procured & shipped) | 11,6 | 6 | 5,8 | 0 | 0,0 |
| 3.0 Reduction measures scheduled in year after YoP | | | 313,9 | | 261,6 |
| Foam sector | | | 99,5 | 10 | 82,9 |
| RMP | | | 110,1 | 10 | 91,8 |
| MAC Sector | | | 104,3 | 10 | 86,9 |
| 4.0 Remaining reduction measures planned not mentioned under 1.0 to 3.0 | 892,5 | | 578,6 | | 578,6 |
| Consumption from old ongoing reduction measures (Pre-NPP) | | | | | |
| 5.0 Schedule of old ongoing project completion | 2.181,0 | | 764,2 | | 41,2 |
| Total ODP value of projects converted by end of preceding year (2004) | 1.327,0 | 0 | 0,0 | 0 | 0,0 |
| Old ongoing projects with already confirmed commissioning date by supplier | 179,6 | 6 | 89,8 | 0 | 0,0 |
| Old ongoing projects with equipment already on Site | 550,7 | 12 | 550,7 | 0 | 0,0 |
| Remaining old ongoing projects after year of plan | 123,7 | 12 | 123,7 | 4 | 41,2 |
| 6.0 Total consumption (1.0 to 5.0) | 3.889,4 | | 2.149,0 | | 965,6 |
| 7.0 Annual Target consumption as per NPP | 3.889,4 | | 2.269,2 | | 965,6 |
| 8.0 Target of reduction measures implementation as per NPP (annual ODP T equivalent) | 1.620,2 | | 1.303,6 | | 386,9 |
| 9.0 Revised targets of reduction measure implementation as per year of plan | 1.624,5 | | 1.299,3 | | 386,9 |
| 9.1 Revised target new reduction measures under plan | 297,5 | | 437,4 | | 345,7 |
| 9.2 Revised target old ongoing projects | 1.327,0 | | 812,8 | | 41,2 |