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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fourth Meeting
Montreal, 7-11 April 2008

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: 2008 annual implementation programme

France, Germany, UNDP,
UNEP and UNIDO

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PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Iran

(I) PROJECT TITLE	AGENCY
CFC phase out plan	France, Germany, UNDP, UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2006	
CFC: 1032.6	CTC: 11	Halons: 0	MB: 9	TCA: 4	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)						Year: 2006							
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC		388.9			473.7			96.4					959
CTC						11.							11
Halons													0
Methyl Bromide									18.6	9.			27.6
TCA						4.2							4.2

(IV) PROJECT DATA			2003	2004	2005	2006	2007	2008	2009	Total
Maximum Allowable Consumption (ODP Tonnes)		CFC	4,571.	4,571.	2,285.	2,285.	685.	685.	685.	
Project Costs (US\$)	France	Project Costs	1,006,620.		500,000.					1,506,620.
		Support Costs	110,728.		55,000.					165,728.
	Germany	Project Costs	694,124.	946,405.	479,045.	1,007,124.	920,868.	729,846.	512,208.	5,289,620.
		Support Costs	76,354.	104,105.	52,695.	110,784.	101,295.	80,283.	56,343.	581,859.
	UNEP	Project Costs	140,253.							140,253.
		Support Costs	18,233.							18,233.
	UNIDO	Project Costs	361,840.	2,104,066.	742,449.	66,224.	36,179.			3,310,758.
		Support Costs	27,138.	157,805.	55,684.	4,967.	2,713.			248,307.
	UNDP	Project Costs		770,000.						770,000.
		Support Costs		57,750.						57,750.
Total Funds Approved in Principle (US\$)		Project Costs	2,202,837.	3,820,471.	1,721,494.	1,073,348.	957,047.	729,846.	512,208.	11,017,251.
		Support Costs	232,453.	319,660.	163,379.	115,751.	104,008.	80,283.	56,343.	1,071,877.
Total Funds Released by the ExCom (US\$)		Project Costs	2,202,837.	3,820,471.	1,721,493.	1,073,348.	957,047.	0.	0.	9,775,196.
		Support Costs	232,453.	319,660.	163,379.	115,751.	104,008.	0.	0.	935,251.
Total Funds Requested for Current Year (US\$)		Project Costs						729,846.		729,846.
		Support Costs						80,283.		80,283.

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Islamic Republic of Iran (Iran), Germany has submitted to the 54th Meeting of the Executive Committee a funding request for the sixth tranche of the national CFC phase-out plan (NCP) for Iran, at a total cost of US \$729,846 plus agency support costs of US \$80,283. The request for funding is accompanied by the report on the implementation of the fifth tranche, the annual implementation programme for the sixth tranche, and a verification report. As per the revised Agreement, funding is being requested only for Germany for this sixth tranche. There are no funds to be disbursed to the cooperating agencies France, UNEP, UNIDO and UNDP during 2008 for this phase out plan.

Background

2. The NCP for Iran was approved at the 41st Meeting of the Executive Committee, with Germany as the lead agency and France, UNEP, UNIDO and UNDP as the cooperating implementing agencies. The implementation of this NCP supports the Government of Iran in meeting its Montreal Protocol obligations, including the complete phase-out of CFCs by 1 January 2010. In order to achieve these targets, a series of investment, non-investment, technical assistance and capacity building activities will be, and are being, implemented by Iran with the assistance of Germany, France, UNEP, UNIDO and UNDP. The total funds approved in principle for the NCP amounted to US \$11,250,000 plus agency support costs of US \$1,096,523.

Status

3. The plan covers activities in multiple sub-sectors. An overview of the current status in the main sub-sectors is provided in the following table:

Activity / Sector	Overview
Foam (all sub-sectors) (Germany)	The implementation of all projects ongoing at the beginning of the year was completed. It was planned that 3 more companies would be provided with equipment, but the implementation was delayed due to the slow approval of the technical specifications by the companies.
Refrigeration manufacturing (UNDP)	Activities in the refrigeration manufacturing sector have been completed at all 25 enterprises. 165.9 ODP tonnes of CFC were phased out.
MAC recovery and recycling project (France/Germany)	The implementation of the MAC recovery and recycling project was continued, albeit at a slower pace than planned. Preparatory work for workshops has been done. The remaining training, and the associated delivery of units, will be carried out in the future.
Domestic and commercial refrigeration recovery and recycling (UNIDO)	Work under this sub-sector had been completed in the previous year.

Activity / Sector	Overview
CFC 113 solvents (UNIDO)	The Government has not allowed imports of CFC-113, consequently no related consumption has taken place.

4. As shown above, a number of activities planned for 2007 have not been carried out. Independently, the progress in the overall plan seems to be acceptable, largely because of previous strong implementation. This is demonstrated by the following table:

Sub-sector	Achievements compared to plan (basis: expenditures)	
	2007 only	Total plan until 2007
Refrigeration service investment component	342.3%	69.6%
Foam component	16.6%	66.6%
Solvent phase-out project	25.1%	74.9%
PMU and monitoring	111.6%	46.2%
Overall (weighted average)	52.3%	65.9%

5. The annual plan for 2008, with planned expenditures of US \$2,267,120 including unspent balances, foresees the continuation of investment projects in the foam sector (about 2/3rd of the expected budget for 2008), activities in training and supply of equipment in the MAC sub-sector (26%), while the remaining funds are planned for the PMU.

6. The verification of the 2006 consumption showed a level of 953.33 ODP tonnes that is below the agreed target of 965.6 ODP tonnes specified in the Agreement between the Government of Iran and the Executive Committee. The verification fulfilled the conditions of the Agreement.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. The report of the previous year's implementation indicates slow progress on significant phase-out activities. The monitoring activity, which formed part of the MYA table and is not shown in this report, also demonstrates a slow-down of implementation. This appears to be linked to issues related to the departure of the previous ozone officer. The plan for 2008 is detailed, showing a decreasing number of new activities in line with the progress on ODS phase-out. The verification not only indicated that consumption in 2006 was within agreed limits, but that a licensing and enforcement system is in place and by and large functioning well.

RECOMMENDATION

8. The Fund Secretariat recommends blanket approval of the sixth tranche of the phase out plan 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: 2008 annual implementation programme	729,846	80,283	Germany
