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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March - 3 April 2009

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: 2009 annual implementation programme France, Germany, UNDP, UNEP, and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Iran (Islamic Republic of)

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

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)			Year: 2007		
CFC: 549.5	CTC: 0	Halons: 0	MB: 4.2	TCA: 0.5	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC		238.8			200.3			120.2					559.3
CTC						3.7							3.7
Halons													0
Methyl Bromide										20.4	4.2		24.6
Others													0
TCA						4.2							4.2

(IV) PROJECT DATA			2003	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits			CFC	4,571.7	4,571.7	2,285.9	2,285.9	685.8	685.8	685.8	
Maximum Allowable Consumption (ODP Tonnes)			CFC	3,889.4	3,889.4	2,269.2	965.6	578.7	328.4	132.7	0.
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.	729,846.	0.	10,505,042.
			Support Costs	232,453.	319,660.	163,379.	115,751.	104,008.	80,283.	0.	1,015,534.
Total Funds Requested for Current Year (US\$)			Project Costs							512,208.	512,208.
			Support Costs						56,343.		56,343.

(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, Germany (GTZ) has submitted a request for the seventh tranche (2009-2010) of the national CFC phase-out plan (NPP) to the 57th Meeting of the Executive Committee, amounting to US \$512,208 plus agency support costs of US \$56,343. The request was accompanied by a progress report on the implementation for the year 2008, the implementation programme for 2009, multi-year agreement tables and a verification report on consumption for 2007.

Background

2. The national CFC phase-out plan of the Islamic Republic of Iran was approved at the 41st Meeting of the Executive Committee at a total value of US \$11,250,000 with agency support costs of US \$1,096,522 to completely phase out CFC consumption in the country by 1 January 2010. Subsequently, in its decision 52/33 the Executive Committee approved an MDI conversion project and, to avoid double-counting, requested deductions of specified funds from either or both projects at the discretion of the country. This subsequently led to a deduction of US \$232,750 against the approved amount for the NPP for Iran, and changes to the Agreement were approved by decision 53/14. The total funding for the Plan became US \$11,017,250 plus agency support costs of US \$1,071,876. In order to achieve the targets specified in the plan, a series of investment, non-investment, technical assistance and capacity building activities will be, and are being, implemented by Germany in cooperation with France, UNEP, UNIDO and UNDP.

Verification report

3. The verification report indicates that the 2007 import quotas have been established at 550 ODP tonnes of CFCs, i.e. below the annual CFC consumption limit of 578.7 ODP tonnes set up in the Agreement; however, the report also indicates that licenses for imports up to 644 ODP tonnes were valid in 2007, the difference being licenses from earlier years that were still valid for some time in 2007. The report shows that 76.36 ODP tonnes of CFC-11 and 472.36 ODP tonnes of CFC-12 were imported in 2007, resulting in a CFC consumption of 549 ODP tonnes.

2008 Progress report

4. A number of activities were implemented:
- (a) In previous years, 16 foam companies had received assistance. In 2008, only, one new foam company was selected for support, and no commissioning of equipment took place;
 - (b) In the refrigeration manufacturing sector all conversion activities are completed. During 2008 the enterprises were visited and as a result a training course was organized;
 - (c) One hundred eighty MAC recovery and recycling units were delivered in early 2008, as well as 125 other R&R units. In addition, 125 technicians from MAC servicing workshops received training, bringing the total to 345 at the end of 2008, representing 86 per cent of the total planned for the whole NPP;
 - (d) Activities in domestic and commercial refrigeration were completed. As part of monitoring 195 workshops were visited, of which 167 received additional training;

- (e) For activities related to regulation, policy support and enforcement, the first stakeholder consultation meeting on illegal trade of ODS and ODS-containing products was held in June 2008, and attended by 54 representatives (managers and officers). A database on illegal trade is now available in Farsi, and provincial Ozone Officers were provided with necessary trainings in a one-day workshop on the application of information technology in ODS monitoring; and
 - (f) A number of monitoring, project management and public awareness activities also took place.
5. The project had a remaining balance of US \$726,789 as of December 2008.

2009 Annual implementation plan

6. Some activities are foreseen for the 2009 annual programme. In the foam sector a number of activities at five companies will lead to a total of 21 companies that will have received support under the plan; this will complete the activities in the foam sector. Fifty-five remaining MAC R&R units will be delivered in 2009 and 55 technicians will receive training. Regulatory measures are foreseen in 2009. Monitoring of NPP projects and public awareness activities will continue as well.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. The Secretariat raised with GTZ a number of issues, such as licenses valid in two calendar years because of using the Islamic calendar and of a licence validity duration of six months. GTZ informed the Secretariat that the NOU has requested to the Ministry of Commerce to set the quota for 2009 according to the Gregorian calendar by the end of 2009. For the interim, the NOU required importers of CFCs to sign a commitment letter to realize their import within three months from the date of receipt of the license. In addition, issuance of permits for licenses will be closed in June 2009 to ensure that all licenses will be used timely. Several other issues were clarified, such as the CFC consumption for MDI uses, activities in the foam sector planned for 2010, and provision made for potential CFC consumption because of chillers.

8. The Secretariat asked about the chances to complete phase-out of the CFC consumption before 2010, Germany replied that the Government of Iran has taken strong measures to ensure complete phase out of CFCs in all sectors by the end of 2009. Therefore the Germany indicated no doubts that Iran will comply with the complete phase-out of CFC in 2010.

RECOMMENDATION

9. The Secretariat recommends that the Executive Committee:
- (a) Takes note of the annual implementation report of the national CFC phase-out plan in Iran for 2008 and the verification report for 2007;
 - (b) Approves the implementation programme for 2009; and
 - (c) Requests Germany to provide an annual implementation programme for 2010 not later than the 60th Meeting.

10. The Secretariat further recommends blanket approval of the seventh and final tranche (2009) of the National CFC phase-out plan for the Islamic Republic of Iran with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National CFC phase-out plan: 2009 annual implementation programme	512,208	56,343	Germany
