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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-first Meeting
Montreal, 17 - 19 December 2003

Addendum and Corrigendum

PROJECT PROPOSAL: ISLAMIC REPUBLIC OF IRAN

- **Add** the following paragraphs on page 7 under comments:

21 (bis) The Secretariat has concluded its discussions with the Government of Germany on issues raised in its initial comments on the National CFC Phase-out Plan for Islamic Republic of Iran as presented in document UNEP/OzL.Pro/ExCom/41/38.

21(ter) It was agreed that the proposed Plan will lead to the total phase-out of Annex A, Group I substances (CFCs) in Iran in all the sectors, including the medical aerosol (MDI) and solvent sectors.

21(quarter) The government of Germany informed the Secretariat that the Government of Japan had withdrawn its initial proposal to develop a project on conversion of the Pars compressor plant in Iran.

21(quinquies) The Secretariat and the Government of Germany discussed extensively the outstanding issues related to the eligible CFC consumption and related incremental costs in different sectors. On the basis of the analysis of the approved refrigeration projects in Iran, it was agreed to use the cost-effectiveness of US \$13.75/kg for the remaining refrigeration manufacturing sector. It was agreed that the technical assistance for enterprises involved in the refrigeration servicing/assembly would require some additional assistance in comparison with the servicing sector. Subsequently, the cost-effectiveness was agreed at the level of US \$6.84/kg ODP. The level of consumption in the MAC sector as estimated in the Plan has been re-examined and agreed at 424.4 ODP tonnes. Additional consumption of about 30 ODP tonnes

CFC-113 was identified but has not been recognized as eligible for funding. Given the complexity of the Plan and the number of stakeholders involved, the project management and policy support component was agreed at US \$1,022,727, representing 9% of the cost of the plan. The Secretariat and the Government of Germany agreed on the total eligible incremental costs of the National CFC Phase-out Plan at US \$11,250,000, including the project management component and policy support component. A total consumption of 1,708.4 ODP tonnes of Annex A Group I substances could be eligible for compensation, representing the maximum eligible CFC consumption according to Decision 37/57. The overall cost-effectiveness of the proposal is US \$6.59/kg ODP. The breakdown of the incremental costs agreed between the Secretariat and the Government of Germany is presented in the table below.

	Phase-out ODP Tonnes	Cost- effectiveness US \$/kg	US \$
Refrigeration Manufacturing	56	13.75	770,000
Technical assistance in refrigeration servicing/assembly	135	6.84	923,245
Recovery/recycling and training in refrigeration servicing	475	5.00	2,375,000
MAC	424.4	5.00	2,122,000
Foam	608.4	6.57	3,999,544
Solvent/Aerosol	9.6	4.15	39,840
Sub-total	1,708.4		10,227,273
Policy support & management			1,022,727
Total	1,708.4	6.59	11,250,000

21(sexties) Foam manufacturers in the flexible foam sub-sector selected liquid carbon dioxide (LCD) technology because this technology represents a long term solution and has few safety implications compared to other technologies. However, through the application of Executive Committee decisions, incremental costs in the flexible foam sub-sector have been determined on the basis of technologies other than LCD. The enterprises in the refrigeration sector are all SMEs. These SMEs have selected HCFC-141b technology in foam operations. Cyclopentane technology was considered but not accepted based on safety and economic considerations. The technology of choice is HFC-134a for all enterprises with refrigeration operations. The Government of Germany indicated that the choice of HCFC-141b as an interim technology was made by the enterprises following a discussion with them on available alternatives and relevant decisions of the Executive Committee regarding the use of HCFC-141b as interim substitute foam blowing agent. The justification for the use of transitional technologies is presented in Section 6.6 of the Plan. In accordance with relevant decisions of the Executive Committee on the use of HCFCs, a letter of transmittal from the Government of Iran endorsing the use of HCFC-141b is attached.

21(septies) The first implementation programme is consistent with the project document and reflects the outcomes of the discussions between the Government of Germany and the Secretariat. A draft agreement is being prepared and will be distributed upon completion.

- **Replace** paragraph 22 on page 7, under recommendations **with** the following:

22. On the basis of the above comments, and subject to the timely provision of a draft agreement, the Executive Committee may wish to consider:

- (a) Approving in principle funding of US \$11,250,000 and US \$1,096,522 in agency support costs for the national CFC phase-out plan for the Islamic Republic of Iran;
- (b) Approving the draft agreement for the national CFC phase-out plan; and
- (c) Approving funding of US \$2,202,837 and US \$232,453 in support costs for the 2003 first annual implementation programme.



ISLAMIC REPUBLIC of IRAN
Department of the Environment

Date: 8 Sep. 2003
Ref: O.Z. J. 10. 946

In the Name of God, the Compassionate, the Merciful

**GOVERNMENT NOTE OF TRANSMITTAL OF INVESTMENT PROJECTS TO THE
EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL**

PROJECT(S) OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN

The Government of the Islamic Republic of Iran requests GTZ, UNIDO and UNEP to submit the project(s) listed in Table 1 below/attached Table 1 to the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol for consideration at its 41st Meeting.

Section I: ODS Consumption Data

1. The ODS consumption figure(s) of the project(s) has/have been validated by the National Ozone Unit (NOU).
2. The consumption data have been retained in the records of the NOU for reference and/or future verification.
3. The Government has been advised by the NOU that the agreement to the project(s) indicates a commitment to ensure that the validated phase-out figure(s) was/were realized and yielded a sustained reduction from the 2002 consumption of 3,377.4 ODP tonnes for the all sectors.

Table 1: Projects Submitted to the 41st Meeting of the Executive Committee

Project Title/Sector	Type of ODS	Consumption (ODP Tonnes), (Year)	Amount to be Phased Out (ODP Tonnes), (Year)	Implementing Agency
National CFC Phase Out n Management Plan	CFCs	1,708.4	1,708.4	GTZ
Plan for Phase-out of CTC and TCA in the Solvent Sector, Islamic Republic of Iran	CTC & TCA	1,669	1,669	UNIDO
Country Programme Update	---	---	---	UNEP
Total		3,377.4	3,377.4	

cc: TG
VS ✓



ISLAMIC REPUBLIC of IRAN
Department of the Environment

Date: 8 Sep. 2003
Ref. 07. (094.6)

In the Name of God, the Compassionate, the Merciful

Section II: Other Relevant Actions Arising from Decision 33/2

4. It is understood that, in accordance with the relevant guidelines, the funding received for a project would be partly or fully returned to the Multilateral Fund in cases where technology was changed during implementation of the project without informing the Fund Secretariat and without approval by the Executive Committee;

5. The National Ozone Unit undertakes to monitor closely, in cooperation with customs authorities and the environmental protection authorities, the importation and use of CFCs and to combine this monitoring with occasional unscheduled visits to importers and recipient manufacturing companies to check invoices and storage areas for unauthorized use of CFCs.

6. The National Ozone Unit will cooperate with the relevant implementing agencies to conduct safety inspections where applicable and keep reports on incidences of fires resulting from conversion projects.

Name and signature of responsible Officer:

Yousef Hojjat

Designation:
Deputy Head of the Department of Environment
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8 September 2003

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Ref: 02/11527
Date: 9 Dec. 2003



Islamic Republic of Iran
Department of Environment

In the name of God

**Projects Requiring the Use of HCFCs for Conversion
Under National CFC phase-out Management Plan of Iran**

In line with Decision 27/13 of the Executive Committee and in recognition of Article 2F of the Montreal Protocol, the Government of the Islamic Republic of Iran

- (i) has reviewed the specific situations involved with HCFC commitments under Article 2F; and
- (ii) has nonetheless determined that, at the present time, the projects needed to use HCFCs for an interim period with the understanding that no funding would be available for the future conversion from HCFCs for the company/companies involved.

Name of responsible Officer:

Yousef Hojjat

Designation: Deputy Head for Human Environment Affairs Date: 9 December 2003

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Your Sincerely

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