



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/62/36/Add.1
23 November 2010



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

Addendum

PROJECT PROPOSALS: ISLAMIC REPUBLIC OF IRAN

This document is being issued to:

- **Add** the following text after paragraph 63:

63bis. Based on additional information provided by UNDP on 28 October 2010, the Secretariat was able to analyze and assess the eligibility and incremental cost related to the conversion of the air conditioning sector and the servicing sector, and to provide specific comments on the funding levels being requested for several equipment items. In regard to the servicing sector, the Secretariat noted with interest the innovative approaches proposed by the Government of Germany (as the lead agency for the servicing sector), in cooperation with UNEP. However, it also noted that, in accordance with decision 60/44, activities in the servicing sector can only be supported in a limited manner for a non-LVC country in the event that insufficient levels of HCFCs could be phased out in the manufacturing sector to enable the first reductions to be met. As this is not the case for the Islamic Republic of Iran, the Secretariat would be able, at this time, to recommend only a small portion of the overall funding requested for the servicing sector.

63ter. The Secretariat has exchanged comments with the Government of Germany (as the lead agency for the foam sector), with regard to the selection of the hydrocarbon technology as replacement for HCFC-141b in that sector. The Secretariat was in particular concerned that the enterprises in the sector are predominantly SMEs with limited technical support and financial resources, and that the introduction of hydrocarbon technology would not be economically viable and technically feasible under these circumstances. Furthermore, given the low levels of HCFC consumption, conversion to hydrocarbon would require major counterpart contributions as the funding available under the cost-effectiveness threshold (even with the additional 25% for the introduction of low GWP alternatives) would not be sufficient to address all safety related issues. In this regard, the Secretariat pointed to the potential use of methyl formate pre-blended polyol systems as a replacement technology, in view of the promising results and the good cost effectiveness level. On the basis of conversion to hydrocarbon for sufficiently large

enterprises and methyl formate for SMEs, the Secretariat suggested an alternative approach for the phase-out in the foam sector.

63quater. As of the writing of this document, the Secretariat and UNDP (as the lead agency for the Islamic Republic of Iran) have not been able to finalize discussion on a few outstanding technical and cost related issues pertaining to the foam, air-conditioning and servicing sectors. The Secretariat will inform the Executive Committee during its 62nd Meeting about any further progress made.
