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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

COUNTRY PROGRAMME: AFGHANISTAN

- Country Programme Evaluation Sheet (prepared by the Multilateral Fund Secretariat)
- Comments and Recommendations of the Multilateral Fund Secretariat
- Transmittal Letter from the Government of Afghanistan
- Country Programme Cover Sheet
- Country Programme (Executive Summary submitted by the Government of Afghanistan)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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AFGHANISTAN COUNTRY PROGRAMME EVALUATION SHEET

Ozone Unit, National Environmental Protection Agency

Status of ratification of the Vienna Convention and the Montreal Protocol

	Signature	Ratification	Entry into effect
Vienna Convention (1985)		17-Oct-04	15-Jan-05
Montreal Protocol (1987)		17-Oct-04	15-Jan-05
London Amendment (1990)		17-Oct-04	15-Jan-05
Copenhagen Amendment		17-Oct-04	15-Jan-05
Montreal Amendment (1997)		17-Oct-04	15-Jan-05
Beijing Amendment (1999)		17-Oct-04	15-Jan-05

Production of controlled substances: No controlled substances produced

Consumption of controlled substances: (2004) 180.2 metric tonnes
180.0 weighted tonnes (ODP)

(tonnes)	CFC-11	CFC-12	CFC-113	CFC-114	CFC-115	TOTAL	Halon121	Halon130	TOTAL	CTC	MCF	TOTAL	MB
ODS	22.2	157.0			0.8	180.0				0.2		0.2	
ODP	22.2	157.0			0.5	179.7	0.1		0.1	0.2		0.2	

Distribution of ODP by substance: CFC 99.8% Halon CTC and MCF 0.1% MB

Distribution of ODP by sector: Aerosol Foam Halon Refrigeration Solvent Other MB

Consumption (ODP tonnes): 0.0 22.2 0.1 157.5 0.2 0.0 0.0

Percent of total: 12.3% 87.5% 0.1%

MONTREAL PROTOCOL (ODP tonnes)	CFCs	Halons	Methyl bromide
Baseline consumption	380.0	1.9	
Allowable level of consumption in 2005	190.0	0.9	

Source: Country Programme (2005)

Country Programme

Duration of country programme: 5 years (2006-2010)

ODS phase out target: 85% reduction in ODS consumption by 2007; complete phase-out by end of 2009

Phase out priority area: Refrigeration servicing and foam sectors

Cost of activities in country \$1,842,641

Strategy:

The Government is committed to phasing out the use of ODS as per the requirements and schedule specified under the Montreal Protocol. The phase-out strategy is based on several measures that include the enactment of ODS rules and regulations, capacity building, provision of technical and financial assistance to users to facilitate changeover to non-ODS technology, public awareness and monitoring of the use of ODS in the country.

COMMENTS AND RECOMMENDATIONS

DESCRIPTION

1. The Government of Afghanistan has submitted its country programme for consideration by the Executive Committee at its 47th Meeting.

Background

2. Since the mid 1970s, and up until 2002, Afghanistan experienced extraordinary events and civil unrest, a collapse of the government's institutional framework and a complete breakdown of industrial activity. There have been changes in Afghanistan since December 2001 associated with an economic expansion that has created a demand for goods and services, including ODS and ODS-based equipment. The main challenge faced by the Government of Afghanistan is the short time available to meet the forthcoming control measures for reduction in consumption of ODS.

3. Afghanistan is a landlocked country having extensive borders with its six neighbouring countries (Pakistan with 2,430 km of border line, followed by Tajikistan with 1,206 km, Iran with 936 km, Turkmenistan with 744 km, Uzbekistan with 137 km, and China with 76 km). There are 16 official entry points to the country; however, many goods are entering unrecorded through different sites along the borders ("which are mostly porous").

ODS consumption

4. In the absence of official ODS import data in Afghanistan, the ODS consumption levels presented in the Afghanistan country programme/RMP were derived using a selective survey carried out in early 2005 and best possible estimates. In addition, an estimate of demand was also made on the basis of estimated ODS-based equipment available in the country. Furthermore, theoretical per capita consumption of CFCs was calculated on the basis of the per capita consumption of CFCs and the GDP of Afghanistan's neighbouring countries (i.e., Pakistan, Tajikistan, Iran, Turkmenistan, Uzbekistan and China). On this basis, a per capita consumption of 0.0058 ODP tonnes of CFC was estimated for Afghanistan, resulting in a total consumption of 174 ODP tonnes of CFCs.

5. Based on the results of the survey conducted in Afghanistan, it was estimated that in 2004 about 179.7 ODP tonnes of CFCs were used to service refrigeration equipment, and 157.5 ODP tonnes as a foam blowing agent (22.2 ODP tonnes used by two flexible foam manufacturers). An additional 0.06 ODP tonnes of halons and 0.22 tonnes of CTC were imported. Most of the CFCs used in the country came in small containers (i.e., 13.6 kg capacity or even smaller) mainly from Iran and Pakistan.

6. Most refrigeration servicing workshops in operation repair all types of refrigeration systems, including MAC. Only a few workshops cater exclusively for fixed systems and MAC systems.

ODS legislation and institutional support

7. Soon after Afghanistan's ratification of the Montreal Protocol in June 2004, an Ozone Unit was established under the Ministry of Irrigation, Water Resources and Environment. In January 2005, the Department of the Environment separated from the Ministry and a National Environmental Protection Agency was established reporting directly to the President's Office.

8. At its 43rd Meeting the Executive Committee approved US \$40,000 as start-up costs for the establishment of the Ozone Unit and to assist the Government in data collection and preparation of the country programme/RMP; and additional US \$20,000 in start-up costs was approved on an exceptional basis by the Executive Committee at its 46th Meeting. The country programme includes a request for additional funding for this project (US \$300,000 for a three-year period). The Secretariat's comments and recommendations on this request are presented in document UNEP/OzL.Pro/ExCom/47/14.

RMP proposal

9. The country programme includes an RMP project proposal. As originally submitted, the Government of Afghanistan was requesting a total of US \$1,467,170 for the implementation of this project. The Secretariat's comments and recommendations on this request are presented in document UNEP/OzL.Pro/ExCom/47/22.

SECRETARIAT'S COMMENTS

10. So far, the only assistance that the Government of Afghanistan has received from the Multilateral Fund has been US \$120,000 for the preparation of its country programme/RMP project and the establishment of the Ozone Unit for a one-year period.

Issues related to compliance by Afghanistan

11. At their 16th Meeting, the Parties to the Montreal Protocol noted that Afghanistan, temporarily classified as operating under paragraph 1 of Article 5, had not reported any consumption or production data to the Ozone Secretariat, placing the Party in non-compliance with its data reporting obligations under the Montreal Protocol (decision XVI/18). Subsequently, Afghanistan has submitted ODS consumption data for relevant years.

CFC consumption

12. The Secretariat was aware of the complexity of analyzing ODS consumption data in countries that have recently become Parties to the Montreal Protocol. This situation becomes even more complex in Afghanistan where, as it was stated in the country programme document, "no data on imports of ODS was available from the official records". However, within those conditions and certain limits, the Secretariat pointed out that it has to be confident about the reliability of the information presented in order to provide sound advice to the Executive Committee whether to approve or otherwise any country programme and related phase-out activities. In the case of Afghanistan, the Secretariat had major concerns on the reliability and

soundness of the consumption data as reported in the country programme and subsequently submitted to the Ozone Secretariat. Specifically,

- (a) Afghanistan is a landlocked country with extensive borders with its six neighbouring countries (nearly 5,500 km). Although there are 16 entry points in the country, many goods are introduced through different sites along Afghanistan's "mostly porous" borders, and are not officially recorded;
- (b) The total population in Afghanistan has been estimated in the country programme at 30 million inhabitants. However, no comprehensive census based upon systematically sound methods has ever been taken in Afghanistan (information sources available at the Secretariat indicates that the 2004 population was 24.9 million);
- (c) The UN Human Development Index and the Human Poverty Index for Afghanistan are amongst the lowest in the world;
- (d) About 80 percent of the population in Afghanistan lives in rural areas. In 2004, the six most populous cities accounted for less than 10 percent of the total population. Thus, the number of refrigerated systems in the country, including MAC units, must be very low;
- (e) Based on a report by the Energy Information Administration, Afghanistan's power grid has been severely damaged, and less than 10 percent of the population currently has access to electricity. In 2004, energy shortages were a critical obstacle in resuming economic activity. On this basis, the number of households and businesses with refrigeration equipment is very low. Therefore, the 44 ODP tonnes of CFCs for servicing this equipment appears to be very high;
- (f) According to the sources of information available to the Secretariat, in 2000 only 6,200 passenger automobiles and 7,000 commercial vehicles were licensed. In 2002 some 33,500 taxicabs were in operation in the country. However, according to the Afghanistan country programme, the number of vehicles in the country fitted with CFC-12 MAC units is 300,000, with an associated CFC annual consumption of 113 ODP tonnes for servicing, which is very high;
- (g) Afghanistan's economy, which has always been heavily agricultural, was shattered by the difficult situation prevailing in the 1980s and the 1990s. In spite of the extremely difficult circumstances prevailing in the country in the 90s, the CFC consumption baseline has been estimated at 380 ODP tonnes; and
- (h) According to the data gathered during the survey conducted in the first quarter of 2005, the amount of CFCs that were used in 2004 by refrigeration servicing workshops was only 18.8 ODP tonnes. This level of consumption appears to be more realistic under the current situation in Afghanistan.

13. In response to the above observations by the Secretariat UNEP responded as follows:

- (a) The comparison of the per capita consumption of neighbouring countries, excluding Iran, resulted on an average consumption of 0.0425 ODP tonnes/1,000 capita. The average consumption was then adjusted to 0.012 ODP tonnes/1,000 capita to reflect the GDP per capita of Afghanistan and the other neighbouring countries. Based on the population in Afghanistan of about 30 million inhabitants, the estimated consumption of CFCs in 2004 would be 345 ODP tonnes. However, UNEP felt that this consumption was still too high and adjusted it to 174 ODP tonnes, based on the survey results;
- (b) The survey conducted during preparation of the Afghanistan country programme/RMP covered six major cities, one medium size city and one smaller size city, covering 28 per cent of the total population and 50 per cent of the total CFC consumption. The survey also covered 53 per cent of the urban population and 21 per cent of the rural population of Afghanistan. In view of the above and the very conservative analysis of data in the region, UNEP could not accept the Secretariat's concerns on the reliability and soundness of the consumption data;
- (c) Although the GDP per capita value for Afghanistan is very low (US \$720/capita), this is a special country where parallel economic activities are not reflected in the calculated GDP. It appears that Afghanistan's parallel economy is the strongest market force;
- (d) According to a recent report by the Ministry of Energy and Water, 17 out of the 19 power plants have been operational since 2004. Similarly, some border cities have access to electricity on the basis of bilateral agreements between Afghanistan and neighbouring countries. Furthermore, there are a large number of unregistered uses of electricity and stand alone electricity generators in the country
- (e) Since 1995, import of second-hand vehicles (mainly pre-1992 models) has been a very lucrative business in the country. A recent report by the Traffic Department of Kabul estimated the number of vehicles in the city at 300,000. The latest reliable statistics on vehicles are from 1986, when 60,000 vehicles were registered in Afghanistan. The number of vehicles owned by Afghans living outside and along the borders has grown disproportionately; it can be assumed that many of these vehicles are still in operation;
- (f) The two foam manufacturing enterprises producing very low density foams, are located near the borders of Iran and Pakistan, from where raw materials are being supplied. The estimated CFC consumption of 22.2 ODP tonnes appears to be low taking into consideration the type of foam manufactured (in the absence of official statistics, the team that conducted the survey has to depend on the information provided by the owners of the factories).

14. Subsequent to the submission of the Afghanistan country programme/RMP for its consideration by the Executive Committee and during the review process by the Secretariat, the Government of Afghanistan officially reported its ODS consumption under Article 7 of the Montreal Protocol. Based on the data submitted by the Government, the Ozone Secretariat has established consumption baselines for relevant ODS with a baseline of 380 ODP tonnes for CFCs. Therefore, the Secretariat completed its review on the basis of the officially reported consumption data, which is identical to the data included in the RMP project proposal.

ODS legislation

15. At its 43rd Meeting, the Executive Committee allocated US \$60,000 to UNEP and UNDP to assist the Government of Afghanistan in the preparation of the country programme and the RMP project proposal, on the understanding that, at the time of submission of the country programme/RMP project, ODS-related legislation should have been drafted.

16. The Ozone Unit has already started work with the Ministries of Trade and Commerce, and Finance and with the ODS end-users to control the import and use of ODS in the country. The Ozone Unit has also drafted rules and regulations for monitoring and controlling the use of ODS, and is considering taking immediate steps to ban import of CFC-based equipment. In August 2004, representatives from the Ozone Units, Customs Departments and Ministries of Commerce of Afghanistan, Iran and Pakistan discussed a cooperation mechanism to control ODS import/export amongst the three countries, and procedures to adopt a harmonized legislative and regulatory mechanism for ODS.

17. However, specific work related to policy formulation, development of a licensing system and other control measures will be initiated once the Afghanistan country programme is approved by the Executive Committee.

SECRETARIAT'S RECOMMENDATIONS

18. The Executive Committee may wish to consider:

- (a) Approving the Afghanistan country programme, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels; and
- (b) Requesting the Government of Afghanistan to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on the implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para. 135). Using the approved format, the initial report, covering the period 1 December 2005 to 31 December 2006 should be submitted to the Fund Secretariat no later than 1 May 2007.

جمهوری اسلامی افغانستان
اداره ملی حفاظت محیط زیست



د افغانستان اسلامي جمهوریت
د چاپیریال ساتنې ملی اداره

Islamic Republic of Afghanistan
National Environmental Protection Agency

Our Ref: 4830/ NOU

Dated: 26th September 2005

Chief Officer
Multilateral Fund Secretariat
Multilateral Fund Secretariat for Implementation of
Montreal Protocol
Montreal, Canada

Pages: 2 including this page

Subject: Country Programme and Refrigerant Management Plan of Afghanistan

Dear Sir / Madam,

The Government of the Islamic Republic of Afghanistan ratified the Vienna Convention for the Protection of Ozone layer and the Montreal Protocol on Substances that Deplete the Ozone Layer with all its four amendments on 17th June 2004, and became the 188th Party to the Montreal Protocol.

While reiterating its commitment to the protection of Ozone layer, the Government of the Islamic Republic of Afghanistan will make additional efforts to comply with all its obligations under the Montreal Protocol, despite having ratified the Protocol quite late.

It is indeed my pleasure to submit on behalf of the Government of the Islamic Republic of Afghanistan the Country Programme and Refrigerant Management Plan Project Proposal (attached) and has followed an accelerated approach with support from UNEP and GTZ in assessing consumption and defining a road map for the implementation of Montreal Protocol in Afghanistan. As an Article 5 country, The Islamic Republic of Afghanistan needs financial assistance to follow a fast track implementation of ODS phase out activities to achieve the 50% reduction target in 2005 and 85% reduction in 2007 with the approved CPRMP to ensure timely implementation of the Montreal Protocol in Afghanistan.

The licensing system has been prepared and is in final stages to become effective , however the Islamic republic of Afghanistan has issued an interim import ban on ODS and ODS based equipments.

Afghanistan is a war ravaged and underdeveloped country, therefore we look forward to receiving enhanced assistance from the Secretariat in helping Afghanistan achieve its compliance status as defined under the Montreal Protocol.

Please accept, the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read 'Mostapha Zaher', is written over the typed name. The signature is fluid and cursive. Above the signature, there are some handwritten initials or numbers, possibly '1.1' and 'Zaher'.

Sincerely,

Mostapha Zaher
Director - General

National Environmental Protection Agency

Kabul- Afghanistan

cc: UNEP, GTZ

COUNTRY PROGRAMME

COVER SHEET

Country: Islamic Republic of Afghanistan

Lead National Agency: National Environmental Protection Agency
(NEPA) Ministry of Environment

Lead Implementing Agency: UNEP/GTZ

**Period Covered by
Country Programme Phase Out Plan:** 2005-2007

1. PHASE OUT SCHEDULE

Substances	Base line	2004	2005	2006	2007	2008	2009	2010
Annex A Group-I								
CFC-11		22.2	22.2	10	-	-	-	-
CFC-12		157	157	100	52	41	30	-
Total CFCs	380	179	179	110	52	41	30	
Annex A Group-II								
Halons 1211	1.8	0.0576	0.0576	-	-	-	-	-
Annex B Group-II								
CTC	0.88	0.198	0.13	0.13	0.13	-	-	-

THE ACTION PLAN

Sector	Action	Date	Expected results
All	<ul style="list-style-type: none"> • Institutional Strengthening of the National Ozone Cell. • Collect and disseminate information on ODS phase-out and alternatives • First Capacity building workshop for Project steering Committee • Preparation of Country Program and RMP 	<p>November 2004</p> <p>Ongoing</p> <p>March 2005</p> <p>April – Sept 2005</p>	<ul style="list-style-type: none"> • Build capacity to implement the Protocol. • Increase public awareness by involvement of stake holders • Create awareness among Project steering Committee members • Country Program approval in 47th Meeting of the Parties November 2005
Regulations	<ul style="list-style-type: none"> • Introduction of comprehensive ODS rules • Registration and licensing of ODS and ODS equipment importers. • Introduction of licensing systems to regulate the import of all ODS • Ban on imports of CFC based refrigeration equipment. • Ban on import of cars using CFC based mobile air conditioner. • Ban on installation of industrial equipment using CFCs. • Tariff incentives for import of NON ODS and disincentive for import of ODS 	<p>Dec. 2005</p> <p>January 2006</p> <p>January 2006</p> <p>September 2005</p>	<ul style="list-style-type: none"> • These rules will be a starting point to introduce and implement regulations. • These regulations will help reduce future demand for ODS but will have no adverse affect on consumers. • Effective monitoring and control on ODS imports • This ban can be implemented after the ODS rules are approved. This will help stop further increase in inventory of ODS and ODS based equipment. • These regulations have to be implemented in conjunction with Customs training to be effective.
Refrigeration and air conditioning	<ul style="list-style-type: none"> • Training of technicians on good practices in refrigeration • Establish sites for Recovery 	<p>Jan 2006 Onwards</p>	<ul style="list-style-type: none"> • Better servicing practices and reduced ODS consumption • Reduce consumption of

Sector	Action	Date	Expected results
	and Recycling and their operation.	March 2006	virgin CFC
Training of customs officers and networking	<ul style="list-style-type: none"> • Training of customs officers on ODS trade and prevention of illegal trade • Networking of customs officers with the Pakistan and Iran Custom authorities 	Jan 2006 Onwards	<ul style="list-style-type: none"> • Monitoring and control of imports of ODS.
Foam sector	<ul style="list-style-type: none"> • Investment project to phaseout CFC use 	Jan 2006 onwards	<ul style="list-style-type: none"> • Phaseout CFC use and building local capacity
Awareness education and technical information exchange	<ul style="list-style-type: none"> • Carry out awareness and education on Ozone Depletion issues for general public as well as other stake holders 	Ongoing	<ul style="list-style-type: none"> • Decrease in consumption due to greater public awareness
Monitoring and Data collection	<ul style="list-style-type: none"> • Develop a monitoring system for ODS imports with in the general administration of Customs • Develop systems for Data collection 	March 2006 ongoing	<ul style="list-style-type: none"> • Regular reporting on the progress of ODS phase out • Regular reporting of data to the ozone Secretariat

PROJECTS FOR FUNDING

Project		Year	Implementing agency	Total Cost (USD)	Requested from MF (USD)
Institutional Strengthening	Phase I	2006-2007	UNEP	150,000	150,000
	Future Phases*	2008-2010	UNEP	182,000	182,000
	<i>Total for IS</i>			<i>332,000</i>	<i>332,000</i>
Refrigerant Management Plan	Monitoring and Evaluation Policy Component	2006-2007	UNEP	100,000	100,000
	Customs Training project	2006-2007	UNEP	75,000	75,000
	Training of Technicians in Good Practices	2006-2007	UNEP	150,000	150,000
	Recovery/Recycling Program	2006-2007	GTZ	582,500	582,500
	Umbrella Foam Project	2006-2007	GTZ	138,306	138,306
	<i>Total for RMP</i>			<i>1,045,806</i>	<i>1,045,806</i>
TOTAL				1,377,806	1,377,806

*Funds to be requested at future Executive Committee Meetings

EXECUTIVE SUMMARY

The Islamic Republic of Afghanistan ratified the Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments on 17th June 2004 and became the 188th Party to the Montreal Protocol. Due to its special circumstances and history of occupation, civil war and civil unrest over the last twenty five years it was a late signatory to the Montreal Protocol. The total consumption of the Ozone Depleting Substances in the country, including HCFCs, as per the estimates for the year 2004, amounts to 210.18 Metric Tons corresponding to 181.57 ODP tons.

The Country Program /Refrigeration Management Plan has been prepared to assist the country in the implementation of the Montreal Protocol and reflects the commitment of the Government of Afghanistan for achieving compliance with the obligations of the Montreal Protocol in an expedited manner despite the difficulties and challenges that the country faces in regards to economic development and social difficulties. The Country Program/ Refrigeration Management Plan presents an overall history and profile of the ODS consumption in the country and provides a plan to achieve phase out in the use of ODS in the country in accordance with the Montreal Protocol phase out schedule. This objective will be achieved through provision of technical and financial assistance for capacity building, policy and regulatory measures and customs training. Awareness will be conducted through the Institutional Strengthening project. Major activities planned within the Refrigeration Management Plan are customs and technicians training, Recovery and Recycling programme and an umbrella foam project. A total project funding of US\$ 1,842,641 is proposed to phase out 150 ODP tons of Ozone Depleting Substances in the country.

Institutional Strengthening (UNEP)

The National Environmental Protection Agency (NEPA) has been monitoring the tasks of the Country Programme and the Refrigeration Management Plan preparation in Afghanistan with the guidance of UNEP ROAP, UNEP Post-conflict Assessment Unit and GTZ. Now it is necessary to establish a National Ozone Unit for implementing the phase-out of ODS under the Montreal Protocol.

Policy component (UNEP)

This part focuses on the development of ODS regulations and codes of good practice in refrigeration and their enforcement and monitoring. It is planned to establish an enforcement center that will collect data on imports and use of ODS as well as ensure compliance of ODS rules in the country.

Training programme on good practices in refrigeration (UNEP)

This programme is aimed at improving servicing and maintenance practices for the refrigeration and air conditioning sector by training technicians and making them aware of testing, maintaining and servicing non-ODS based systems.

Umbrella project foam sector

It is envisaged to phase out 22 ODP tons of CFC-11 in flexible foam manufacturing process. Various applications, such as mattresses, sponges, furniture foams will need to be investigated. GTZ will be the implementing agency for this project.

Recovery and Recycling

This project is to enable CFC 12 recovery throughout Afghanistan in order to decrease CFC 12 consumption during the service of domestic/ commercial refrigeration equipment and MAC to allow subsequent recycling of the recovered CFC 12. The implementation of this project will be supported by a specific legislation. IA is GTZ