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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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PROJECT PROPOSAL: SYRIAN ARAB REPUBLIC

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase-out

- National CFC phase-out plan (second tranche)

UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Syrian Arab Republic

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)		Year: 2007	
CFC: 282	CTC: 0	Halons: 0	MB: 45
			TCA: 0

(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		5		96.5	115.2	13.6		51.7					282
CTC													0
Halons													0
Methyl Bromide										16.2	45		61.2
TCA													0

(IV) PROJECT DATA			2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	1,112.3	1,112.3	333.7	333.7	333.7	0	
Maximum Allowable Consumption (ODP Tonnes)		CFC	869.7	869.7	328.7	207.2	70	0	
Project Costs (US\$)	UNIDO	Project Costs		430,000		170,000	154,050		754,050
		Support Costs		32,250		12,750	11,554		56,554
Total Funds Approved in Principle (US\$)		Project Costs		430,000		170,000	154,050		754,050
		Support Costs		32,250		12,750	11,554		56,554
Total Funds Released by the ExCom (US\$)		Project Costs		430,000		0	0		430,000
		Support Costs		32,250		0	0		32,250
Total Funds Requested for Current Year (US\$)		Project Costs				170,000			170,000
		Support Costs				12,750			12,750

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

1. On behalf of the Government of the Syrian Arab Republic (Syria), UNIDO has submitted a request for approval of the second tranche of the National CFC Phase-out Plan (NPP) for Syria amounting to US \$170,000 plus agency support cost of US \$12,750. The request was accompanied by a report on the implementation of the first tranche, the annual implementation programme for the second tranche and verification report for the year 2007.

Background

2. The NPP for Syria was approved by the Executive Committee at its 49th Meeting to completely phase out CFC consumption in the country by 2010. Total funding of US \$754,050 plus agency support costs of US \$56,554 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$430,000, plus agency support costs of US \$32,250 for the implementation of the first tranche of the NPP.

Verification Report

3. The verification report prepared by an independent auditor contains information on government policies and the operation of the import/export licensing system controlling ODS consumption in Syria. The report demonstrated that the country fulfilled its obligations to comply with targets of the Montreal Protocol as well as with ODS consumption targets established in the Agreement. The verified 2007 consumption of 281.9 ODP tonnes is by 46.8 ODP tonnes lower than the maximum allowable level established in the Agreement for the year 2007.

2007 Progress Report

4. The main activity in the year 2007 which was completed relates to the solvent sector. It consisted of identifying remaining end-users in the solvent sector through the survey conducted by the NOU. Two technology transfer workshops have addressed and successfully phased out the remaining consumption in that sector of 17 ODP tonnes.

5. Activities in the refrigeration service sector included international bidding and awarding of contracts for recovery and recycling equipment and servicing tools for refrigeration technicians. In 2007, this equipment could not be provided to beneficiaries. The servicing tools will be distributed in the course of workshops for refrigeration technicians planned for the 4th quarter of 2008.

6. The implementation of a public awareness campaign has been continuing in the reporting period. The Project Management Unit was established under the supervision of the National Ozone Unit (NOU). The monitoring of ongoing projects has been continuously carried out by the NOU. In total, US \$260,000 were disbursed, representing about 60 per cent of the total allocation approved under the first tranche.

2008-2009 Implementation Programme

7. For the implementation programme of 2008-2009, a number of activities have been listed: awareness campaign addressing industry and general public; additional training programmes for refrigeration technicians and custom officers; the enhancement of the recovery and recycling scheme through delivery of equipment and follow-up; and monitoring / inspection of on-going projects.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The verification report indicated that the reduction in the national consumption between 2006 and 2007 can be attributed to three different causes, namely, reduction through projects funded by the Multilateral Fund before the NPP, activities under the NPP, and reductions through market forces, that might include conversion of ineligible enterprises etc. For the purpose of project management and appropriate allocation of resources, it is important that there is an understanding about how much these different causes were actually contributing to the reduction. The Secretariat noted inconsistencies in the related reporting, largely discarding results of previous projects implementation and market forces. In its clarifications, UNIDO addressed some of the inconsistencies perceived by the Secretariat.

9. The Secretariat has discussed the implementation of the recovery and recycling (R&R) programme under the NPP and sought clarification on the coordination of these activities with actions previously taken in the country under the Refrigeration Management Plan (RMP). Prior to approval of the NPP, the RMP was implemented in Syria resulting in establishing a refrigerant recovery and recycling scheme in 6 major cities. The Agreement between the Executive Committee and the Government of Syria stipulates in its Article 8 (b) that the recovery and recycling programme for the refrigeration-servicing sector requires a review of the utilization of equipment delivered and a sound estimate of further demand for R&R equipment before procuring and distributing it.

10. The 2007 country programme report provided by the NOU to the Secretariat does not contain information on the number of recovery and recycling machines in operation or on the amount of recovered, recycled and reused refrigerants. The Secretariat has also requested UNIDO to incorporate measures improving the monitoring functions of the NOU into the 2008-2009 implementation plan and include the verification of these measures in future verification reports. UNIDO assured that funds allocated for the R&R programme are so far only partially utilized. Further development of the R&R programme would be based on the analysis of results achieved. The establishment of the complete monitoring and reporting system, including collection of data on recovered and reused refrigerant, is under implementation by the project management unit.

11. The Secretariat indicated to UNIDO the possible improvements in the verification report and recommended these be incorporated accordingly through changes to future verifications.

RECOMMENDATION

12. The Fund Secretariat recommends approval of the second tranche of the NPP with associated support costs at the funding level shown in the table below, with a proviso requesting the Government of Syria and UNIDO to ensure that, in line with the conditions of the Agreement, future verification will include the country's monitoring of its activities under the Agreement through the monitoring institutions defined in Appendix 5-A of the Agreement.

	Project title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	National CFC phase-out plan (second tranche)	170,000	12,750	UNIDO
