

Annex 2



**United Nations Development Programme
Project of Islamic Republic of Iran**

Project Document

**Institutional Strengthening for the Phase-out of Ozone Depleting Substances
Under the Montreal Protocol – Phase XIII**

Brief Description:

This project will extend the institutional strengthening support for an additional two years from April 2021 to March 2023 to the National Ozone Layer Protection Unit, Department of Environment of the Government of the Islamic Republic of Iran. This extension will continue the efforts of the Government in coordinating all activities to effectively and efficiency phase out ODS through the adoption of the policy, technological and monitoring procedures covering the project and programmes specified in the attached Plan of Action. Management arrangement, Monitoring and Evaluation Framework can be found in the related project “HCFC Phase-out Management Plan for Iran – UNDP Component: [IRA/PHA/77/INV/226].”

Legal Context:

All legal provisions reflected in the ProDoc for “HCFC Phase Out Management Plan (HPMP) Stage-II of Islamic Republic of Iran” project, will constitute the legal basis for implementation of “Institutional Strengthening for the Phase-out of Ozone Depleting Substances under the Montreal Protocol – Phase XIII” project. The Project Document shall be governed by special procurement procedures applicable to the Montreal Protocol Programme. The project will be implemented in accordance with the Agreement between Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol and UNDP signed on 21 August 1991 and the project proposal approved by the Executive Committee at its 82nd Meeting.

Total Project Work Plan and Budget

MLF Reference	IRA/SEV/86/INS/249								
Award ID	90621								
Project ID	126889								
Project Title	Institutional Strengthening, Phase - XIII								
Executing Agency	National Ozone Layer Protection Unit (OLPU), Department of Environment (DOE)								
ATLAS Activity	Responsible Party (Implementing Agency)	Source of Funds	Donor Code	ATLAS Code	ATLAS Budget Description	2021	2022	2023	Total
Activity1: Institutional Strengthening	OLPUs	63030	10009	71300	Contractual Services - Individuals	50,000	98,000	33,000	181,000
			10009	72200	Equipment	2,000	3,000	-	5,000
			10009	75700	Training, Workshops and Confer	5,000	13,000	6000	24,000
			10009	71600	Travel	500	500	-	1,000
			10009	74500	Miscellaneous Expenses	2,500	2,500	1,094	6,094
			10009	72500	Supplies	2000	2,000	1,000	5,000
Total						62,000	119,000	41,094	222,094

Source of Funds:

Source	Amount (USD)
UNDP (MLF)	222,094
Total	222,094

**TERMINAL REPORT (PHASE – XII, 4/2019-3/2021) AND REQUEST FOR EXTENSION OF
INSTITUTIONAL STRENGTHENING FUNDING (PHASE-XIII, 4/2021-3/2023)**

Sections 1 to 12 and 15 to be completed by the country concerned prior to transmission to the implementing agency for comments in 14.

1. Country: **Islamic Republic of Iran**
2. National implementing agency/ozone unit: **National Ozone Layer Protection Unit (OLPU),
Department of Environment**
3. Implementing agency: **United Nations Development Programme (UNDP)**
4. Institutional strengthening (IS) project phases (approved):

Phase	Duration (dd/mm/yy)	Multilateral Fund funding (approved)	Multilateral Fund funding (disbursed)
I	January 1993 - December 1995	US\$ 200,200	US\$ 200,200
II	January 1998 - December 1999	US\$ 133,470	US\$ 133,470
III	January 2001 - December 2002	US\$ 133,470	US\$ 133,470
IV	January 2003 - December 2004	US\$ 173,511	US\$ 173,511
V (1 st Year)	January 2005 - December 2005	US\$ 86,755	US\$ 86,755
V (2 nd Year)	January 2006 - December 2006	US\$ 86,756	US\$ 86,756
VI (1 st year)	January 2007 - December 2007	US\$ 86,756	US\$ 86,756
VI (2 nd year)	January 2008 - December 2008	US\$ 86,756	US\$ 86,756
VII	January 2009 - December 2010	US\$ 173,511	US\$ 173,511
VIII	January 2011 - December 2012	US\$ 173,511	US\$ 173,511
IX	January 2013 - March 2015	US\$ 173,511	US\$ 173,511
X	April 2015 - March 2017	US\$ 173,511	US \$173,511
XI	April 2017 - March 2019	US\$ 222,094	US\$ 222,094
XII	April 2019 - March 2021	US\$ 222,094	US\$ 113,473*

*The disbursement is as of 31 August 2020. The remaining balance will be disbursed for planned activities by the end of March 2021.

5. a) Reporting period (mm/yy to mm/yy): **April 2019 to March 2021**
- b) Requested (phase funding (US \$), and period): **Phase-XIII (US\$ 222,094) for April 2021 to
31 March 2023**

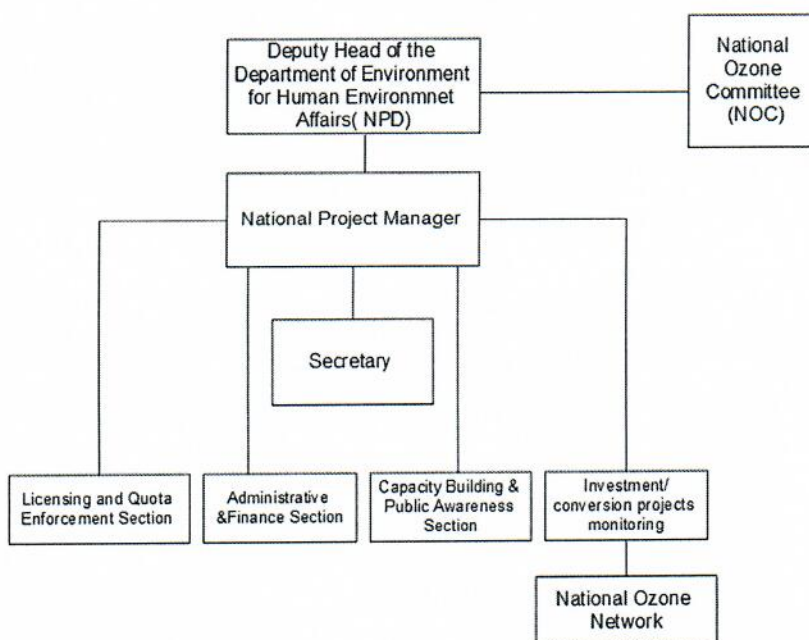
6. Data reporting:

Reporting requirement	Reported		Year Reported	Year submitted
	Yes	No		
Article 7	✓	X	01/01/2018, 01/01/2019	26/06/2019, 30/06/2020
Country programme implementation	✓	X	01/01/2018, 01/01/2019	19/03/2019, 17/03/2020

7. Describe the role and position of the National Ozone Unit (NOU) within the national administration, the way its work is supervised and its access to senior decision-makers (this may include cooperation with steering committees, advisory groups or inter-ministerial bodies).

The NOU, as the focal point for implementation of the Montreal Protocol (MP) activities in the country, is working under the direct supervision of the Deputy Director of the Department of the Environment (DOE). Director of DOE is a Vice President in the Government of the I.R. of Iran. The NOU is functionally treated as part of DOE and is obliged to report to DOE on a quarterly basis. The NOU is called Ozone Office. The Ozone Office Manager reports to the inter-ministerial National Ozone Committee (NOC). The National Ozone Committee acts as the highest decision-making body for the implementation of MP in the country and is represented by delegates from the Ministries of Industry, Mines and Commerce, Agriculture, Foreign Affairs, Meteorological Organization, Management, and Planning Organization, Petroleum, Customs Administration, and Department of the Environment.

Organogram



8. Indicate the total number of staff in the NOU: 9
- How many are paid under the IS? Full time: 7 Half time: 2
 - How many are paid by the Government? _____ Full time _____ Half time _____

9. Is the unit fully staffed?

YES NO

If no, explain _____

10. Please provide details on the status of the implementation of the activities approved from the previous IS phase and planned activities for the requested phase. Please add specific performance indicators.

Objectives (please add as necessary)	Activities in the current phase	Achievements in the current phase (XII)	Planned activities in the next phase (XIII)	Expected results for the next phase
Objective 1: Adoption/implementation of ODS legislation and regulation to control and monitor ODS consumption				
Enforcement of Quota and Licensing System	<ul style="list-style-type: none"> - Coordinated with the National Ozone Network to ensure sound operation of the licensing system through Custom Administration's national online system for the importation, called "Single Window" - Coordinated with the Trade Promotion Organization for the implementation of quota and licensing mechanism. - Selected National Ozone Representatives were capacitated through continuous training on how to properly handle importation process of HCFCs and HCFCs - based equipment to issue importation license through online system of "Single Window" 	<ul style="list-style-type: none"> - Compliance with the control targets set for HCFCs consumption under the Montreal Protocol's scheduled to phase down of HCFCs <p>(Performance indicator – fully achieved)</p>	<p>Performance indicator: <i>HCFCs quotas allocated</i></p> <ul style="list-style-type: none"> -Continuous coordination among the stakeholders including Trade Promotion Organization, Customs Administration and National Ozone Network for the proper and sound operation of the online licensing and enforcement of Quota System 	<ul style="list-style-type: none"> -Montreal Protocol's reduction Targets as stipulated in Appendix 2-A of the Agreement between the Government of the Islamic Republic of Iran and the Executive Committee of the Multilateral Fund achieved.

<p>Enforcement of control measures to sustain ODSs phase out</p>	<ul style="list-style-type: none"> - NOU continued coordinating and cooperating with the relevant key stakeholders including Custom Administration, Trade Promotion Organization and the National Ozone Network to enable effective monitoring and sound implementation of the licensing system. - National Ozone network has been cooperating with NOU for the effective enforcement of ban on the establishment and development of HCFCs based manufacturing facilities. - Coordination and cooperation between NOU and Plant Protection Organization continued to monitor use of MeBr in QPS application as well as enforcement of the ban on using the substance in Non-QPS application as foreseen by the Montreal Protocol 	<p>- Full compliance with the Montreal Protocol's measures through enforcement ban of the controlled substances under Annexes A, B, and E</p>	<p>Performance indicator: <i>Number of licenses issued</i></p> <ul style="list-style-type: none"> - Continue coordination for enforcing ban on the establishment and development of HCFCs based manufacturing facilities through coordination and cooperation with the National Ozone Network. - Continue coordination and cooperation with the Plant Protection Organization to enforce ban on the importation of Methyl Bromide in non-QPS applications and monitor use of this substance in QPS application. - Continue monitoring activities to ensure enforcement of control to sustain ODS Phase out 	<ul style="list-style-type: none"> - CFCs, Halons, MeBr (in Non-QPS application), Methyl Chloroform, Carbon tetrachloride phase out sustained - Establishment and development of new HCFCs-based manufacturing capacities prevented.
<p>Monitoring illegal ODS trade (all ODS)</p>	<ul style="list-style-type: none"> -NOU continued to collaborate with the parties to the Montreal Protocol on the exchange of information under the framework of iPIC mechanism for combating trades of illegal ODSs - NOU continued collaboration with Customs Administration to enforce controlling measures on the trade of ODSs and ODS-containing products. 	<p>NOU continued to exchange information under the iPIC mechanism to strengthen monitoring of ODSs trades. As a result of contributions to the regional/ international effort in combating illegal trade , certifications of appreciation were</p>	<p>Performance indicator <i>Number of iPIC cases responded</i></p> <ul style="list-style-type: none"> -To continue to cooperate and collaborate with the relevant national stakeholders as well as the parties to the Montreal Protocol to combat the illegal trade of ODSs under the iPIC mechanism. 	<ul style="list-style-type: none"> - ODSs phase out sustained through preventing illegal trade of ODSs in line with the Montreal Protocol's objectives.

		awarded to the Iran's NOU and Custom Administration signed by the Executive Secretary of the Ozone Secretariat for the Vienna Convention and the Montreal Protocol, the WCO's Secretary General and the Director of Law Division of the UN Environment		
Ratification of Amendments to the Montreal Protocol	-Country's policies and regulations and the existing gaps were assessed to develop legal framework of a national roadmap - Data on the HFCs and the ODSs 's alternatives are being gathered to be used as the basis of the technical component of the Enabling Activity Project.	Legal and policy aspects of the national roadmap to identify capacities for the facilitation of the ratification process of the Kigali Amendment framed.	Continue formulating national strategy for facilitation of ratification process of the Kigali Amendment as well as providing national implementation plan through integrating policy and legal framework with the technical component set as the outputs of the Enabling Activity Project.	Road map for ratification and implementation of the Kigali Amendment formulated

Objective 2: Efficient and timely data collection and reporting

Monitoring customs import/export	-Obtained data from Custom Administration and Trade Promotion Organization were analyzed on a regular basis to make sure that the licensing system complies with the controlling measures.	- Compliance to annual quotas for the year 2019 was achieved through implementation of the licensing system. Compliance to the Montreal Protocol control targets set for 2018 were assessed by an independent	<i>Performance indicator:</i> <i>Data obtained from customs on regular basis</i> - To continue close cooperation with the Customs Administration and Trade Promotion Organization on monitoring the importation data and issued licenses	- Sound implementation of the licensing and quota system to remain in compliance toward the Montreal protocol
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		auditing firm and the report was sent to the MLFS to be considered as a prerequisite for next HPMP's stage II tranche approval		control targets assured
Article 7 data reporting	Data for analysis and preparation of 2018 and 2019 A7 data was obtained.	2018 and 2019 A7 data was submitted timely to the Ozone Secretariat respectively on 26 July 2019 and 30 July 2020. (Performance indicator – fully achieved)	Performance indicator: <i>A7 data submitted on time</i> Timely preparation and submission of 2020 and 2021 A7 Data	Under the reporting requirement of the Montreal Protocol, 2020 and 2021 A7 Data Submitted timely to the Ozone Secretariat.
Country programme data reporting	Data for preparation of 2018 and 2019 Country Programme data was obtained	2018 and 2019 CP data was submitted timely to the Multilateral Fund respectively on 19 March 2019 and 17 March 2020. (Performance indicator – fully achieved)	Performance indicator: <i>CP data submitted on time</i> Timely preparation and submission of 2020 and 2021 Country Programme Data	Under the reporting requirement of the Montreal Protocol, 2020 and 2021 Country Programme Data Submitted timely to the Multilateral Fund for the implementation of the Montreal protocol.

Objective 3: Consultations and coordination with other national agencies/stakeholders				
Steering Committee	Two National Ozone Committee meeting (NOC) as a high-level coordination instrument among the key national policy makers were held on 29 th Jan 2019 and 18 Feb 2020. The subject of importation quota of HCFCs was adopted in the meeting.	Effective coordination among the key stakeholders to enable sound implementation of the regulatory and control measures to reduce HCFCs consumption as well as sustaining phase-out activities.	<p>Performance indicator: <i>Number of Steering Committee meetings per year</i></p> <p>To continue overarching activities among the key Government stakeholders through the National Ozone Committee in 2021 and 2022</p>	Strong and effective policy and decision-making mechanism secured
Industry associations	The Refrigeration and Air-conditioning Association was consulted during implementation of the Enabling activity project. In addition to few online meetings, one consultation meeting was held on 27 th June 2020.	-Data collection/analysis for formulating technical component of the Enabling Project under the Kigali Amendment was facilitated through consultation and cooperation with the RAC association.	<p>Performance indicator: <i>Number of meetings with industry associations regarding ODS phase out activities</i></p> <p>Continue cooperation/consultation with the RAC association for:</p> <p>a: enhancing quota system by projecting the consumption trends especially in servicing sector b: design tailored training/ awareness raising programmes c: remained updated on the obstacles that the industry is facing to access/ adopt alternatives</p>	<p>- Quota and Licensing System enhanced.</p> <p>- Helped design training programme as per need.</p>

Objective 4: Supervision of timely implementation of phase-out activities and reduction in ODS consumption				
HCFC phase-out management plan implementation	-Cooperation provided during implementation of HPMP Stage II.	-Tranche III plan and Tranche II report of the HPMP Stage II were prepared to be submitted to the 85th ExCom meeting.	<i>Performance indicator:</i> <i>Individual tranches/components of HPMPs are implemented according to schedule</i> -Cooperation for the implementation of HPMP Stage-II	- Timely completion of the Stage II activities ensured and the country enabled to comply with the commitment articulated in the HPMP stage II agreement
Halon Physical Bank Operation (UNIDO)	-Coordinated and communicated with Mashhad Waste Management Organization and UNIDO for troubleshooting, maintenance and training of operators	-A proposal was prepared to keep the Halon Bank operational while upgrading its mechanism to cover recovery , recycling and reclamation of refrigerants.	-NOU in cooperation with UNIDO plans to get the proposal approved. -NOU continue coordination and cooperation with the stakeholders to keep the Halon Bank operational	-Domestic need for recycled Halon satisfied -Recovery and recycling center for refrigerants established

Objective 5: Awareness raising and information exchange				
Information dissemination to key stakeholders	<p>-Ozone Booklet was updated</p> <p>-New fact sheet on UV and human health was prepared</p> <p>- NOU's website structure was redesigned and it is being updated on regular basis</p> <p>- Promotional materials were produced and disseminated.</p>	<p>- Key stakeholders from Government, Industry and civil society received the latest information on the protection of the Ozone Layer, UV radiation effect on life and the Montreal Protocol programme on the reduction of Ozone Depleting Substances.</p>	<p>Performance indicator: <i>Number of informational materials disseminated</i></p> <p>-Continue interaction with stakeholders from civil society, Industry and the Government on the Montreal Protocol's programme, alternative technologies and good practices, UV radiation and its effect on the life on earth</p>	<p>- Civil society, Industry stakeholders and the Government decision makers informed on the Montreal Protocol programmes and the know-how knowledge of the target groups improved</p>
International Ozone Day	<p>-2019 International Ozone Day (IOD) was held in September 2019 at the Department of Environment (DoE) with the participants from line-organization, ministries, and NGOs. Head of DoE, representatives from implementing agencies and other Government officials including Custom Administration participated. Representatives from the National Ozone Network also attended 2019 IOD. The event was covered by the Media.</p> <p>The plans for 2020 IOD are in place and it will be held around 16 Sep 2020.</p>	<p>- Stakeholders including civil society, industry and line governmental bodies participated in the International Ozone Day in the Years 2019 and awareness about Ozone layer issues increased in participants.</p> <p>(Performance indicator – fully achieved)</p>	<p>Performance indicator: <i>Ozone Day activities take place each year</i></p> <p>- Organizing International Ozone Day for 2020 and 2021 for awareness raising in public and other major stakeholders</p>	<p>- Stakeholders from civil society, Industry, and public sector informed on the Montreal Protocol activities and related Ozone Layer issues.</p>

<p>Regional network participation</p>	<p>-Director of NOU participated in the “Thematic Workshop on the Integration of Good Servicing Practices in the National Technical and Vocational Education and Training (TVET) for Refrigeration Servicing Technicians of SA and SEA Networks” held from 29-30 June 2019 in Bangkok. -Two representatives of NOU participated in the “Thematic Workshop for National Ozone Officers of South Asia Network held from 26-29 August 2019 in Mongolia -NOU participated in the Virtual Meeting for SA-SEA Network Countries on HS Code and Ozone Day Celebration held on 30th July 2020</p>	<p>- Participation of the NOU in the scheduled Regional Network Meeting for the South Asia Network in 2019 and 2020 and discussion and interaction strengthened on MP related issues. (Performance indicator – fully achieved)</p>	<p>Performance indicator: <i>NOO participates in a number of regional network meetings</i></p> <p>- Participate in upcoming Regional Network Meeting for the South Asia Network in 2021 and 2022</p>	<p>-Regional communication and interaction on MP related issues strengthened.</p>
<p>Open-ended Working Group / Meeting of the Parties</p>	<p>-Director of NOU participated in the 41st meeting of the open-ended Working Group of the Parties to the Montreal Protocol held from 1-5 July 2019 in Bangkok. -Director of NOU participated in the 31st Meeting of Parties held from 4-8 November 2019 in Italy. - Director of NOU participated in the 42nd virtual meeting of the open-ended Working Group of the Parties to the Montreal Protocol held on 16 July 2020.</p>	<p>-Participated in the scheduled OEWG and MOP meetings in 2019 and 2020 and information on the MP, the proposals and the amendments updated</p>	<p>Performance indicator: <i>Country is represented by government official at Montreal Protocol meetings</i></p> <p>-Participate in the scheduled OEWG and MOP meetings in 2021 and 2022.</p>	<p>- The county position on various issues relevant to the Montreal Protocol and its amendments articulated. -NOU enabled to adjust its policies and programmes by receiving updated information on the latest findings/recommendations by the Montreal Protocol’s specialized panels, changes in the MP’s</p>

				provisions and the new commitments
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11. Financial report:

Item of expenditure	Budget for the current phase (US \$)	Disbursement (for current phase) (US \$)		Estimated budget (for requested phase) (US \$)	Government funding (in-kind contribution) (US \$)	
		Actual	Obligated		Current phase	Requested phase
Staff (including insurance and consultants)	180,000	87,753	92,247	180,000	0	0
Equipment	5,000	2,986	2,014	15,000	8,000	8,000
Operational cost (i.e. meetings, workshops, consultations, etc.)	25,000	13,977	11,023	15,000	0	0
Public awareness	5,000	1,757	3243	5,000	0	0
Other	7,094	7,000	94	7,094	150,000	112,000
TOTAL	222,094	113,473	108,621	222,094	158,000	120,000


12. Please evaluate the IS performance in meeting the following indicators:

Indicator	Evaluation			Comments
	Very good	Satisfactory	Poor	
1. The effectiveness of import control measures	X			The effective quota and licensing mechanism resulted in compliance to the 2019 and 2020 control targets. NOU has been collaborating through the online system (the Single Window) with Custom Administration, Trade Promotion Organization and the National Ozone Network in provinces to monitor the issued licenses. The Quota System is being monitored through cooperation and data exchange between NOU and TPO .
2. Integration of ozone protection issues into national plans		X		The NOU is operating under direct supervision of DoE. It also is cooperating with other relevant organizations and ministries in national levels on the ODSs phase-out and implementation of the controlling measures. The National Ozone Committee (NOC) plays an important role for on the implementation of the Montreal Protocol objectives in the country. In 2019, NOC's members were informed on the requirements of the Kigali Amendment implementation as they are to assist NOU in order to facilitate the ratification process. The controlling measures to restrict and phase-down of HCFCs is effective through cooperation among NOU, the Trade Promotion Organization, the Customs Department and the Ministry of Industry, Mine and Trade.
3. Completion of phase-out projects		X		Through ISXII infrastructure, NOU was able to timely submit the Tranche2 and 3 of the HPMP stage II to ensure continued progress of the conversion projects in the HCFCs consuming sectors however the geopolitical situation of the country has been an issue that had adverse effect on the process of procurement of the conversion kits and equipment. The Covid-19 pandemic as a new risk was identified that may hinder the planned activities for the conversion projects NOU will manage to handle these obstacles in close cooperation with the cooperating agencies.
4. Efficient data reporting	X			The country programme and A7 data for 2018 and 2019 were timely submitted to the Multilateral Fund and the Ozone Secretariat

13. **Government endorsement:**

Action plan authorized by (<i>name</i>):	Dr. Mohammad Masoud Agha Mohammad Hossein Tajrishi
Signature of authorizing authority:	
Title:	Deputy Head of the Department of Environment for Human Environment Affairs
Supervising Organization/Agency/Ministry:	Department of Environment
Date:	7 September 2020

14. **Submission of the action plan:**

Name of implementing agency:	UNDP
Name of Project Officer:	Manisha Sanghani
Signature of Project Officer:	
Date:	7 September 2020
Comments of the implementing agency:	<p>Through effective management and monitoring of the Montreal Protocol Programme, the Government of Islamic Republic of Iran has successfully sustained phase-out of major ODS except for HCFCs. HPMP activities have been ongoing and its progress is being monitored by the National Ozone Unit. The country has successfully managed consumption well below the maximum allowable consumption till now and considering the trend, it expected that 35% phase out target in 2020 will be achieved.</p> <p>Though country faced challenges during the reporting period which delayed certain deliverables, country has been able to implement, monitor and strengthen the licensing and quota system and also monitored well to ensure target achievement.</p> <p>Continued and adequate MLF support will facilitate strengthening national management capacity to effectively implement and monitor HCFC phase-out, initiate activities related to HFC phase down, strengthen policies and regulations, and sustaining awareness and commitment from stakeholders and the general public, so as to ensure fulfilment of commitments of the country under the Montreal Protocol</p>



15. **Executive summary: please provide summaries for the information required below in no more than one paragraph each. These paragraphs will be used in documents for the Executive Committee Meeting.**

a) Terminal report

The Islamic Republic of Iran, under the IS Project Phase-XII, has successfully sustained the ODSs phase out through effective enforcement of regulation, monitoring and collaboration with the key stakeholders. The NOU worked closely with other national agencies and stakeholders to ensure monitoring of ODS phase-out. The NOU also implemented various activities for awareness and training of stakeholders. The country is implementing activities under HPMP II and initiated activities for preparing HFC phase down roadmap. The Islamic Republic of Iran submits consumption data (A7 and CP) on time annually.

b) Plan of action

The IS-XIII phase of Islamic Republic of Iran will continue its efforts to fulfil its obligations under the Montreal Protocol and eliminate ODS consumption according to agreed schedule. The country will continue effective and efficient implementation of ODS phase-out activities through enforcement of policies, strategies, control measures, technical assistance and monitoring mechanisms to sustain the compliance with the provision of the Montreal Protocol. The IS project capacitates the Ozone Layer Protection Unit to cooperate nationally with the established Ozone Cells in provinces to implement ODS policy and controlling measures and carry out other awareness-raising and training activities.