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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1-5 December 2025
Item 7(b)(ii) of the provisional agenda[1]

REPORTS ON PROJECTS WITH SPECIFIC REPORTING REQUIREMENTS WITH OUTSTANDING ISSUES FOR INDIVIDUAL CONSIDERATION

An overview

1. Table 1 lists two reports with specific reporting requirements submitted to the 97th meeting which, after the Secretariat's review, present outstanding issues and require the Executive Committee to consider them individually.

Table 1. Reports on projects with specific reporting requirements with outstanding issues

Country	Project title	Issue	Paragraphs
Reports related to HCFC phase-out management plans			
Islamic Republic of Iran	HCFC phase-out management plan (stage II – progress report on the implementation of the work programme associated with the fifth and final tranche)	Request for extension of stage II to 31 December 2026	2-21
Qatar	HCFC phase-out management plan (stage II – progress report on the implementation of the commitments listed in decision 88/54(e)(i), (ii), and (iii) (decision 93/36))	Conditions specified in decision 88/54(e)(i), (ii), and (iii) had not been met	22-34

[1] UNEP/OzL.Pro/ExCom/97/1

Reports related to HCFC phase-out management plans

Islamic Republic of Iran: HCFC phase-out management plan (stage II – progress report on the implementation of the work programme associated with the fifth and final tranche) (UNDP, UNEP, UNIDO, and the Government of Italy)

Background

2. At the 77th meeting, the Executive Committee approved stage II of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran to reduce HCFC consumption by 75 per cent of the baseline by 2023, with a date of completion of 31 December 2024, as established in the Agreement between the Government and the Executive Committee.

3. At the 90th meeting, the Executive Committee approved, on an exceptional basis, the extension of the duration of stage II of the HPMP for the Islamic Republic of Iran to 31 December 2025, given the implementation delays caused by the coronavirus disease pandemic, on the understanding that no further extension would be requested (decision 90/45).

4. At the 94th meeting, UNDP submitted the fifth and final tranche of stage II of the HPMP and confirmed that all ongoing activities would be completed by December 2025, and that no further extension for stage II of the HPMP was required. Accordingly, the Executive Committee approved the tranche and requested the relevant agencies to submit progress reports on the implementation of work programmes associated with the final tranche to the 97th meeting, and project completion reports to the second meeting of the Executive Committee in 2026 (decision 94/36).

Progress report

5. At the 97th meeting, on behalf of the Government of the Islamic Republic of Iran, UNDP as the lead implementing agency submitted a progress report on the implementation of the work programmes associated with the fifth and final tranche of stage II of the HPMP, in line with decision 94/36.

6. The Islamic Republic of Iran reported a consumption of 54.18 ODP tonnes of HCFCs in 2024, which is 86 per cent below its HCFC baseline for compliance and 43 per cent below the maximum allowable consumption in the Agreement for the same year.

<u>Legal framework</u>

7. The ban on the import and use of HCFC-141b pure or contained in pre-blended polyols entered into force on 1 July 2024, and the ban on the use of HCFC-22 in the manufacturing of refrigeration and air-conditioning (RAC) equipment is scheduled to enter into force on 1 January 2026. A total of 125 customs officers received training on Montreal Protocol implementation, licensing and quota system, and illegal import prevention. A training manual for customs officers and a green customs guide were translated, printed and distributed.

<u>Polyurethane foam manufacturing sector (UNDP, UNIDO, and the Government of Italy)</u>

8. Table 2 presents project implementation status in the polyurethane (PU) foam manufacturing sector.

Table 2. Implementation status of projects in the PU foam sector*

Alternative technology selected	Implementing agency	Progress achieved
Individual conversions of five enterprises manufacturing domestic refrigeration and discontinuous panels and a group sub-project for the conversion of 42 small and medium-sized enterprises (SMEs) in several applications		
Cyclopentane, pre-blended hydrocarbon (HC), carbon dioxide (CO_2)	UNIDO and Italy	Out of the 19 eligible enterprises included in the project, 18 received equipment, 12 completed installation and training, and all remaining activities are scheduled for completion by the end of 2026.
Individual conversions of three enterprises manufacturing panels for commercial refrigeration equipment		
Cyclopentane	UNDP	Completed.
Group conversion of 40 enterprises manufacturing panels for commercial refrigeration equipment		
CO_2	UNDP	Thirty-five enterprises received raw material and equipment and completed conversions to water-blown technology. The remaining five enterprises are awaiting delivery of materials.
Conversions of two enterprises manufacturing integral skin foam		
CO_2	UNDP	One enterprise converted and the second completed tests.
Technical assistance for the development of cyclopentane and water-blown systems at one systems house and technical assistance to 95 SMEs		
Cyclopentane and CO_2	UNDP	Completed.

* Number of assisted enterprises taking into consideration adjustments made in decision 84/74(a) and (b).

<u>Commercial refrigeration manufacturing sector (48 enterprises) (UNDP)</u>

9. Thirty-two enterprises completed conversion to R-290 and started commercial-scale manufacturing. Twelve enterprises are awaiting the distribution of refrigeration tool kits. The procurement of refrigeration tool kits for the remaining four enterprises is ongoing, with delivery expected by the end of 2025.

<u>Refrigeration servicing sector (UNDP, UNEP and UNIDO)</u>

10. The Technical and Vocational Training Organization (TVTO) curriculum was updated with six revised training standards, six updated modules, and 13 new or translated teaching materials. A total of 987 technicians and trainers across the country received training. A study on competency-based certification was carried out with the TVTO Instructor Training and Research Centre, and the national ozone unit (NOU) held six meetings with the RAC Association to gather data on technicians. Manuals and guides, including one on the safe handling of flammable refrigerants, were translated into Farsi and distributed, and a training video based on UNEP's good practices was produced. Two workshops on green procurement and green buildings were organized. Standard ISO 5149/1-4 was adopted as a national standard, and a new occupational health and safety standard for servicing workers handling flammable refrigerants was developed with the Iranian Standards Organization.

<u>Fund disbursement</u>

11. As of July 2025, of the US $10,248,862 approved (taking into account the deductions, returns and transfers approved by decisions 80/21(c), 84/74(a)(iv) and 92/3(b)(v)), US $9,101,688 had been disbursed (US $4,903,882 for UNDP, US $1,194,686 for UNIDO, US $452,555 for UNEP, US $1,645,127 for Germany and US $905,438 for Italy), as shown in table 3. The balance of US $1,147,174 will be disbursed in 2026–2027.

Table 3. Disbursement of funds approved under stage II of the HPMP for Iran (US $)

Tranche		UNDP	UNIDO	UNEP	Germany	Italy	Total	Disb. rate (%)
First	Approved	1,298,170	473,567	[1]184,569	645,500	403,203	3,005,009	100
	Disbursed	1,294,326	473,567	184,569	645,500	403,203	3,001,165	
Second	Approved	1,593,980	584,000	190,000	[2]827,473	504,004	3,699,457	98
	Disbursed	1,557,009	584,000	150,396	827,473	502,235	3,621,113	
Third	Approved	1,307,980	[3]148,299	170,000	139,754	0	1,766,033	96
	Disbursed	1,307,980	137,119	117,590	139,754	0	1,702,443	
Fourth	Approved	[4]1,268,103	0	0	32,400	0	1,300,503	43
	Disbursed	523,376	0	0	32,400	0	555,776	
Fifth	Approved	337,860	0	140,000	0	0	477,860	46
	Disbursed	221,191	0	0	0	0	221,191	
Total	**Approved**	**5,806,093**	**1,205,866**	**684,569**	**1,645,127**	**907,207**	**10,248,862**	**89**
	Disbursed	**4,903,882**	**1,194,686**	**452,555**	**1,645,127**	**905,438**	**9,101,688**	
	Balance	902,211	11,180	232,014	0	1,769	1,147,174	

[1] Including a return of US $15,431.
[2] Including a deduction of US $126,545 in line with decision 80/21(c).
[3] Including a deduction of US $375,701 in line with decision 84/74(a)(iv).
[4] Including the addition of funds transferred from the Government Germany as follows: US $93,017 from the second tranche, US $145,255 from the third tranche and US $565,600 from the fourth tranche, in line with decision 92/3(b)(v).

Request for extension of stage II of the HCFC phase-out management plan

12. UNDP, on behalf of the Government of the Islamic Republic of Iran, is requesting an extension of stage II of the HPMP from December 2025 to June 2027, as the implementation of activities had been severely delayed by circumstances beyond the NOU's control. The COVID-19 pandemic had caused cumulative delays: training was postponed due to prolonged lockdowns; technical missions could not take place due to travel restrictions; and equipment delivery and installation could not be completed due to supply chain disruptions. These challenges were compounded by stringent international sanctions that complicated financial transactions, hindered equipment procurement and shipment, and made contracting and technical assistance a protracted process. Domestic implementation was further constrained by travel restrictions within the country and by frequent electricity shortages, which disrupted enterprise activities including manufacturing conversion. In 2025, the project experienced a slower disbursement rate, reflecting the additional external constraints rather than lack of commitment from the NOU, agencies, or enterprises. An extension is required to ensure completion of outstanding stage II activities and use of associated funds.

Secretariat's comments

13. The Secretariat noted the additional progress achieved in the implementation of activities despite the challenges described. In reviewing the request for extension of the stage, the Secretariat noted the following issues, for which clarification or additional information were requested:

(a) The previous extension of stage II of the HPMP to 31 December 2025 was approved on an exceptional basis, given the implementation delays caused by COVID-19, and on the understanding that no further extension would be requested (decision 90/45). In its report, UNDP referred to subsequent international sanctions that further complicated financial transactions and equipment procurement and shipment and slowed down activities; and

(b) The current fund balance of US $1,147,174 is larger than the balance as of February 2025 of US $753,793, reported in the context of the review of submission of stage III of the

HPMP, when the Secretariat received confirmation that all remaining ongoing activities under stage II would be completed no later than 31 December 2025, as per the extension approved at the 90th meeting.[2]

14. UNDP explained that in 2025, several countries began imposing sanctions on the country by triggering the United Nations (UN) snapback mechanism after concluding significant non-performance of the Islamic Republic of Iran's obligations under the 2015 nuclear deal.[3] The sanctions are targeting oil, arms export, and high-tech trade schemes; some banking activities; revoking specific waivers granted from the 2015 UN Deal; assets freezing and travel bans on officials and entities.

15. The sanctions have had a major spillover effect on civilian economy, causing hyperinflation. With regard to the HPMP, the sanctions disrupted imports and raised costs for equipment needed to complete the project, as foreign suppliers decided to avoid business with the country due to fears of secondary sanctions. Specifically, the reason for the larger fund balance at present than in February 2025 is that a supplier of commercial refrigeration conversion kits to 15 manufacturing enterprises requested UNDP to cancel a purchase order and terminate the supplying obligations agreed in early 2025, resulting in the return of US $425,000 to UNDP and the delay in the completion of such conversions.

16. In addition, regional conflicts which erupted in mid-June 2025 in several sites led to a mass evacuation of an estimated seven million people, mainly from Tehran. The gradual return of people and resumption of business took nearly three months to complete, after a complete halt of the project implementation from June to August 2025.

17. Noting these challenges, UNDP informed the Secretariat that the extension of stage II of the HPMP would allow the operational completion of the following remaining activities by each agency:

(a) *UNDP – PU foam, commercial refrigeration, servicing:* Repeated procurement process for the remaining RAC kits and equipment for commercial refrigeration enterprises and completion of conversions; distribution of already procured materials for water-blown alternative systems to SMEs; completion of training for 1,000 technicians on the handling of flammable refrigerants; completion of R-290 assessment in converted enterprises; adoption of the transportation and storage standards for flammable refrigerants; and review of building code regulations relevant to flammable refrigerant adoption (balance of US $902,211);

(b) *UNIDO – PU foam:* Completion of equipment delivery, installation, commissioning, and related training activities at the remaining six PU foam enterprises (balance of US $11,180); and

(c) *UNEP – policy and servicing:* Finalization of policy consultation workshops and delivery of two training courses for local government enforcement officers; training of 60 customs officers and the remaining 434 technicians, and certification of 200 technicians; translation of the RAC training and assessment materials; completion of standard operating procedures for handling flammable gases and storage by industry and servicing workshops; updating of national standards for the RAC servicing sector; capacity-building activities for the RAC

[2] Paragraphs 3 and 8 of document UNEP/OzL.Pro/ExCom/96/43

[3] The snapback mechanism is a provision in UN Security Council Resolution 2231, which endorsed the Joint Comprehensive Plan of Action (JCPOA), an international agreement reached in July 2015 between the Islamic Republic of Iran and the P5+1 countries (United States, United Kingdom, France, Russia, China, plus Germany), along with the European Union, with the aim of limiting the Islamic Republic of Iran's nuclear programme to ensure it remained peaceful and preventing the development of nuclear weapons. The deal allows any of the original parties to the agreement (P5+1 countries) to reimpose all previous UN sanctions if the country is found to be in "significant non-performance" of its obligations.

association and launching of a website to promote new technologies; organization of one final Ozone2Climate event and two outreach activities to promote HCFC phase-out in collaboration with the RAC association; and distribution of at least two information materials in Farsi (balance of US $232,014).

18. To overcome current limitations, UNDP is working with its central procurement services unit on allowing direct contracts with qualified suppliers from previous bids. UNEP will transfer funds to the NOU through a Government partner that holds legal agreements with both parties to deliver implementation services. The Government has identified a new partner eligible to provide these services and receive funding, which UNEP must first screen and audit. Partner validation procedures are expected to be completed by the end of 2025, after which UNEP anticipates processing payments promptly.

19. The Secretariat notes that extending stage II of the HPMP will enable the country, with agency support, to complete the ongoing activities outlined above. In particular in the case of commercial refrigeration and PU foam activities, the extension will allow the final conversion of remaining enterprises to ensure full sector coverage.

20. Based on the information provided, the Secretariat considers a one-year extension, rather than one and a half years, sufficient to finalize these activities. In light of previous decisions, the Executive Committee may wish to take into account UNDP’s justification when considering approval of this extension.

Recommendation

21. The Executive Committee may wish:

(a) To note the progress report on the implementation of the work programmes associated with the fifth and final tranche of stage II of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran, submitted by UNDP in line with decision 94/36; and

(b) To consider approving, on an exceptional basis, extending the duration of stage II of the HPMP for the Islamic Republic of Iran to 31 December 2026, on the understanding that no further extension will be requested.

<u>Qatar: HCFC phase-out management plan (stage II – progress report on the implementation of the commitments listed in decision 88/54(e)(i), (ii), and (iii) (decision 93/36))</u> (UNIDO and UNEP)

Background

22. At its 88th meeting, the Executive Committee decided inter alia to approve stage II of the HCFC phase-out management plan (HPMP) for Qatar for the period 2021–2026 to reduce HCFC consumption by 67.5 per cent of the country’s baseline; to note the commitment by the Government to implement, by 1 January 2023, (i) a ban on disposable refrigerant cylinders, (ii) a mandatory certification scheme for refrigeration and air-conditioning (RAC) technicians, (iii) mandatory good servicing practices for RAC technicians, including record-keeping practices (e.g. HCFC log books and HCFC equipment log books for systems above a certain charge) and pre-determined schedules for leakage checks by certified personnel for systems with charges above a certain limit, and (iv) an e-licensing system; and to allow the submission of the second tranche of stage II of the HPMP once the aforementioned commitments had been implemented (decision 88/54).

23. The second tranche of stage II was submitted to the 93rd meeting, at which UNEP reported that a new ministerial decision had been drafted to ban the use of disposable refrigerant cylinders, which was

expected to enter into force by June 2024; and that a ministerial decision had been drafted in accordance with the updated Gulf Cooperation Council (GCC) ODS unified regulations, expected to be finalized by June 2024, that will enact a mandatory and enforceable certification scheme and mandatory good servicing practices, such as recovery of refrigerants during servicing of RAC equipment and those listed in decision 88/54(e)(iii). An e-licensing system had been developed to include HCFCs and HFCs and was operational, with updates ongoing. Regarding the specific conditions included in the draft ministerial decision related to mandatory good servicing practices for RAC technicians, such as to which equipment the record-keeping practices and leakage checks would apply, UNEP had clarified that the draft decision was still being finalized, and indicated it would include detailed information on the ministerial decision when reporting to the Secretariat that the conditions in decision 88/54(e) had been met. Accordingly, the second tranche was approved on the understanding that inter alia UNEP's approved funds of US $144,500, plus agency support costs of US $18,785, would only be transferred by the Treasurer to UNEP after the Secretariat had confirmed that the country had implemented the commitments listed in decision 88/54(e)(i), (ii), and (iii) (decision 93/36).[4]

24. In line with decision 93/36, UNEP submitted a progress report to the present meeting on the implementation of the commitments listed in decision 88/54(e)(i), (ii), and (iii). UNIDO, as lead agency, also submitted a proposal for the third tranche of stage II of the HPMP to the present meeting.

Progress report

25. The ban on disposable refrigerant cylinders, implementation of the mandatory certification scheme, and implementation of the mandatory good servicing practices for RAC technicians are still being finalized. Once consultations between the Ministry of Environment and Climate Change (MECC) and relevant stakeholders on the draft ministerial decisions are completed, they will be reviewed by the Government's legal and administrative departments, after which MECC will approve them. Once each decision is approved, it will be communicated through the General Secretariat of the Cabinet to all concerned ministries for their final comments. The decision will then be finalized based on the comments received and the final adoption of the decision will take place. All conditions in decision 88/54(e) are expected to be met by the end of 2026.[5]

<u>Ban on disposable refrigerant cylinders</u>

26. In preparation for the ban, several consultation meetings were held with stakeholders to inform them of the proposed ban and discuss its implementation. A survey was also conducted to assess the readiness of enterprises to implement the ban. The approval process for the ban on disposable cylinders is expected to be completed by the end of 2025, with gradual implementation starting with a ban on the import of new disposable cylinders and followed by a ban on disposable cylinders entering into the market.

<u>Mandatory certification scheme for refrigeration and air-conditioning technicians</u>

27. The NOU has gathered data on the number of RAC maintenance workshops and met with the training centres to coordinate the training and certification procedures for RAC technicians and define stakeholder roles. While the infrastructure needed for training and certifying RAC technicians is in place, and RAC training and certification are required by the GCC Unified ODS regulations, discussions on implementation are still taking place between MECC and the Ministry of Labor, responsible for granting the work permits, due to concerns about maintaining service in the RAC sector; ways are being explored to move forward such as using the Refrigerant Driving License (RDL) system developed by the

[4] Annex XIV of document UNEP/OzL.Pro/ExCom/93/105.
[5] An e-licensing system, as required under decision 88/54(e)(iv), is already in place.

Air-Conditioning, Heating, and Refrigeration Institute (AHRI) and UNEP OzonAction Programme.[6] MECC anticipates the certification system will be operational by the end of 2026.

Mandatory good servicing practices for refrigeration and air-conditioning technicians

28. MECC also anticipates that the decision on mandatory good servicing practices for RAC technicians will be adopted and operational by the end of 2026. Despite the delay, the country has already implemented several of the required servicing practices as part of its implementation of the GCC unified ODS regulations. The draft decision covers HCFCs, with HFCs to be addressed in the implementation of the country's future Kigali HFC implementation plan, and specific details such as refrigerant charge limits and other applications are still under discussion with technical stakeholders and industry partners.

Secretariat's comments

29. The Secretariat noted with appreciation the information provided and that, while there has been some progress in assisting the country to meet the conditions specified in decision 88/54(e)(i), (ii), and (iii), those conditions have not yet been met. UNEP expects the country would be able to implement all the commitments specified in decision 88/54(e)(i), (ii), and (iii) by the end of 2026, which would mean the outstanding funding for UNEP of US $144,500 plus agency support costs could only be released then.

30. The Secretariat was concerned about this delayed timeframe and considered it important that Qatar continue to receive the assistance it needs to implement stage II of its HPMP. UNEP reported having already disbursed 97 per cent of its approved funding under the first tranche and, therefore, the Secretariat considered it meaningful to explore options that would allow an earlier transfer of funding to UNEP to allow it to continue assisting the country and to accelerate the timeline for the implementation of the commitments reflected in decision 88/54(e)(i), (ii), and (iii). Following discussions with UNIDO and UNEP, the following path forward was agreed:

(a) Notwithstanding that the conditions in decision 88/54(e) have not been met, and on an exceptional basis, the Secretariat would direct the Treasurer to transfer to UNEP US $72,250, plus agency support costs of US $9,393, representing half of the approved funding for UNEP under the second tranche of stage II of the HPMP for Qatar held by the Treasurer in line with decision 93/36;

(b) UNEP would submit to the 98th meeting a detailed report with specific milestones on progress to meet the conditions specified in decision 88/54(e)(i), (ii), and (iii), unless the conditions had been met, in which case the request for the third tranche of stage II of the HPMP, which would include those details, could be submitted instead;

(c) The remaining approved funding for UNEP under the second tranche of stage II of the HPMP would only be transferred by the Treasurer to UNEP after the Secretariat had confirmed that the country had implemented the commitments specified in decision 88/54(e)(i), (ii), and (iii);

(d) If the submission of the third tranche of stage II of the HPMP is submitted to the 99th meeting or later, the Secretariat would recommend extending the date of completion of stage II, as appropriate, in line with decision 82/50; and

(e) The request for stage III of the HPMP would not be submitted until all the conditions in decision 88/54(e) have been implemented.

[6] https://rdlprogram.org/

31. Accordingly, if the detailed report submitted to the 98th meeting confirmed sufficient progress in meeting the specified milestones, the Secretariat could then request the Treasurer to transfer the remaining funding from the second tranche to UNEP, which would allow the submission of the third tranche to the 99th meeting. However, if all the conditions in decision 88/54(e) are met before the 98th meeting, UNIDO can submit to that meeting, on behalf of the Government, the request for the third tranche that includes detailed information reflecting that the conditions specified in decision 88/54(e) have been fully met by the time of the submission.

32. Given that the conditions in decision 93/36 had not been met, the Government of Qatar decided to withdraw the request for the third tranche of stage II of the HPMP to the present meeting so that the request could be submitted to a future meeting in line with the agreed path described above.

33. The Secretariat acknowledged the efforts undertaken by the Government and the implementing agencies to advance with the project activities, and encouraged UNEP and UNIDO to continue assisting the Government so that all the conditions specified in decision 88/54(e) will be met as soon as possible, allowing the Secretariat to request the Treasurer to transfer all the withheld funding to UNEP and the submission of the third tranche request as soon as possible.

Recommendation

34. The Executive Committee may wish to consider:

(a) Noting the progress report submitted by UNEP on behalf of the Government of Qatar on the implementation of the commitments listed in decision 88/54(e)(i), (ii), and (iii) in the context of stage II of the HCFC phase-out management plan for Qatar;

(b) Notwithstanding that the conditions in decision 88/54(e) have not been met, and on an exceptional basis, allowing the Secretariat to direct the Treasurer to transfer to UNEP US $72,250, plus agency support costs of US $9,393, representing half of the approved funding for UNEP under the second tranche of stage II of the HPMP for Qatar held by the Treasurer in line with decision 93/36;

(c) Requesting UNEP to submit to the 98th meeting, or earlier, a detailed report with specific milestones on progress to meet the conditions specified in decision 88/54(e)(i), (ii), and (iii);

(d) Noting that the remaining approved funding for UNEP under the second tranche of stage II of the HPMP would only be transferred by the Treasurer to UNEP after the Secretariat had confirmed that the country had implemented the commitments listed in decision 88/54(e)(i), (ii), and (iii), after which UNIDO may submit the request for the third tranche of stage II;

(e) If the submission of the third tranche of stage II of the HPMP is submitted to the 99th meeting or later, allowing the Secretariat to recommend extending the date of completion of stage II, as appropriate, in line with decision 82/50; and

(f) Further noting that the request for stage III of the HPMP would not be submitted until all the commitments in decision 88/54(e) have been implemented.