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**VERIFICATION REPORT
ON THE IMPLEMENTATION OF THE NATIONAL CFCs
PHASE OUT PLAN IN SYRIA**

UNIDO PROJECT: MP/SYR/06/002

FINAL REPORT

Prepared BY: Al Ghad Consulting Co.

Damascus, September 2008

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Section I

Executive Summary

1. Background

Syria has acceded to the Montreal Protocol, London Amendment, and Copenhagen Amendments as detailed below:

- Vienna Convention, 12 Dec. 1989, accession,
- Montreal Protocol, 12 Dec 1989, accession,
- London Amendment, 30 Nov. 1999, accession,
- Copenhagen Amendment, 30 Nov 1999, accession,
- Montreal Amendment, 30 Nov 1999, accession,
- Beijing Amendment, being considered.

The National CFCs Phase out Plan approved in principal at the 49th meeting of the ExCom aims at:

- Phasing out of the remaining CFCs consumption in the manufacturing and servicing sectors, through the provision of a package of technical assistance, training and capacity building, awareness as well as investment components to enhance the R&R scheme;
- Ensuring sustainability of the CFC phase out programme through the integration into the national policies and strengthening the regulatory and institutional framework related to MP.

The objective of the National Phase out Plan in Syria is to phase-out of the remaining consumption of Annex A, Group I substances (CFCs) and to sustain the complete phase out in the solvent sector. The plan has duration of 4 years (funding is requested in three tranches).

This verification report was prepared corresponding to the requirements of agreement between the Government of Syria and the Multilateral Fund under the NPP as a prerequisite for the releasing funds for the second tranche.

The verification was carried out using the guidelines for the verification of national consumption.

Targets of multi-year agreements (MYA) set out in Annex XIII UNEP/OzL.Pro/ExCom/46/47, and specific requirements stipulated in the Terms of reference of UNIDO, Annex 1

The Al Ghad Consulting Co. was selected by UNIDO through a competitive bidding exercise to conduct the verification of the NPP achievements. Accordingly, Al Ghad Consulting Co. paid several visits to the General Commission for Environment (GCEA) and the National Ozone Unit (NOU) to discuss with the NOU and the Project Management Unit (PMU) the scope of the verification and agree on the methodology and activities thereon. During these visit the necessary documentations related to the NPP and MP operations have been obtained as follow:

1. NPP Project document including the agreement between the Government of Syria and the ExCom on the NPP.
2. Copy of Country Programme progress report submitted by Syria in 2007 to the multilateral fund secretariat (MLFS). And a copy of the ODS data report as per article 7 submitted by the Syria to the ozone secretariat in 2007.
3. Statistical data and information about the R&R scheme in the country as well as available data about the RMP implementation.
4. All available data and reports about the NOU and PMU activities during 2007.

2. The Scope of verification

Due to that fact that the main objective of the NPP in Syria is to address the remaining CFCs consumption in the refrigeration-servicing sector, and therefore the verification work did not focus on aspects related to ongoing projects implementation in other sectors. Only data on imports and consumption by other sectors are reflected in the Report (as reported by Syria under the Article 7 report for 2007).

The main scope of this verification was limited to the following areas:

- a) Compliance with the agreed reduction targets for the year 2007.
- b) Adequacy of the control measures, monitoring and reporting processes for the import and usage of ODS with respect to compliance with current and future obligations.
- c) Assessment of progress in the implementation of the NNP to date and recommendations of actions and priorities for the future activities.

The verification was conducted by experts from Al Ghad Consulting Co. through site visits and interviews with all stakeholders including the national authorities and institutions concerned. As well as through analysis of the data and reports available.

The key experts involved in the preparation of this verification report were:

Dr. M. O. Al-Lahham: Expert in environment management and policy management (including monitoring, legislation and evaluation)

Dr. M. K. Akkam: Expert in financial and legal audit and control of export-import operation

Dr. A. Fadlaih: Expert in industrial economy

Eng. M. T. Doghmosh – expert in refrigeration manufacturing and servicing

3. Methodology and procedure

Having in mind that the main aspect of this exercise was to review of control, monitoring and communications means and review of NPP progress of implementation. The following activities have been organized:

I. Data collection and analysis

- Conduct visits to the national key bodies responsible for the implementation of ODS phase out related policies and hold meetings, interviews and discussions on the current practices regarding ODS import and consumption control, monitoring, legislation, licensing and reporting. Visits covered representatives of the NOU, PMU, GCEA, General Customs Directorate, ODS importers, distributors and key users.
- Review operation of control processes and communication channels between the Ozone Unit and General Customs Directorate.
- Review of the NOU procedures and activities related to these functions, interviews with staff, examination of available records (soft and hard).
- Spot checks on records, files and other papers relating to the ODS import.
- Discussions with industry representatives on required improvements if any.

II. Preparation of draft verification report, conclusions and recommendations.

III. Finalization of the verification review

- Final clarifications and data checks
- Consultations with the stakeholders (PMU, NOU and GCEA) based on the preliminary findings.
- Final report preparation and submission to UNIDO

4. Compliance with CFCs reduction targets in 2007

The independent verification conducted by Al Ghad Consulting Co. in accordance with the TOR agreed with UNIDO and in compliance with the applicable guidelines of the executive committee, and based on the interviews with relevant stakeholders and available data and documentation had concluded the following:

- Syria is in compliance with the 2007 allowable CFCs consumption of 328.7 ODP tonnes and phase out target of 121.5 ODP tonnes of CFCs.
- The data reported to the Multilateral Fund Secretariat are reliable, accurate and precise.
- The monitoring of imports and uses of CFCs in the different sectors is effective.

5. Monitoring and Controls on CFC Import and Consumption

Syria is one of the first countries in the region to develop and adopt a stringent system for the import and use of the control substances including the operation of a licensing system. The data analysis made and views expressed during the meetings with all stakeholders established the believe of the auditor that:

- The control measures in place in Syria are quite appropriate and operating effectively to comply with Montreal Protocol targets and the risk of illegal imports of CFCs or CFC using equipment is currently low.
- Communications between the NOU and General Customs Directorate are effective and customs Dept. is fully aware of its responsibility under the MP.
- Paperwork, records and electronic data are maintained at satisfactory standards.
- Data reporting as required by the protocol and to all implementing agencies is reliable and done on timely manner.

6. Progress of NPP Implementation

The current status of the implementation the NPP had been reviewed in light of the objectives and timeframes set out in the project document with emphasis on the Work programme for 2007 under the 1st tranche.

The detail of progress implementation for 2007 is summarized in sector III.

7. Conclusions and Recommendations

At the time of the verification, the project has been underway operationally for one and half year after approval.

All activities implemented under the NPP during 2007 and reviewed as a part of the verification are eligible, justified and necessary to achieve the CFCs phase out reduction targets set by NPP for Syria; all activities are in line with the strategy described in the NPP project document. The first tranche of the NPP gave priority to the key areas where most of the remaining CFCs were consumed, such as the training under the refrigeration-servicing sector as well as the operation of the R&R scheme and its enhancement. Attention was also given to the provision of the required technical assistance to the solvent sector.

The verification concluded that the overall implementation the NPP in 2007 was in accordance with the plan agreed in the first tranche and it was satisfactory.

It was also noticed that additional efforts required by the NOU and PMU in cooperation with implementing agency to further strengthen the sustainability base of the CFCs phase out. Future plans should consider the following:

- a- Organization of additional training programmes for the servicing sector as well as to the customs officers. Taking into account that the servicing sector is considered to be the weak joint in the phase out chain.
- b- Enhancement of the R&R scheme through the provision of adequate support and follow up to ensure its operationality.
- c- Regular review of the institutional and regulatory framework, specifically in the area related to the operation of the ODS licensing system.

The verification process concluded that the CFC direct and indirect phase out targets of the year 2007 of 121.5 ODP tonnes from refrigeration manufacturing, maintenance and servicing sectors have been achieved through:

1. Control on CFCs imports as required by the applicable licensing system.
2. Significant CFCs reductions in the maintenance and servicing sector as a direct result to the training and equipment provision as well as the sector obligations under the current regulations.
3. Awareness activities and legislative measures in place.

In conclusion, the proposed Work plan for 2008 is in consistency with the approved NPP and is based on the achievements and "lessons learned" during 2007, and therefore it is recommended to approve the third tranche of funding of US\$600,000 as set out in the approved NNP project document to ensure a necessary continuity of the real progress implementation and thus to achieve the phase out target for 2008 of 207.2 ODP tonnes.



Section II

Verification of ODS import data

- 1. Government policy controlling ODS consumption and production, and the division of responsibility between national institutions for enforcing the relevant policies**

The import licensing and quota system for refrigerants had been put in place since 1999 and enforced by a number of legal instruments, ministerial and legislative measures and decrees.

The system requires that any company or individual wishing to import ODS into the country is obliged to obtain an import permit and to be formally put in quota system.

The import permits are issued and authorized solely by the national Ozone Unit, the following goods and substances are controlled:

- All ODS in pure or mixed forms
- Automotive air-conditioning units
- Domestic, commercial or industrial refrigeration and A/C units
- Aerosols except medical aerosols
- Fire fighting systems and equipment
- Pre-mixed blowing agents and polymers compounds

Customs officials will only permit goods into the country if and only if a valid permit authorized by the NOU is provided by the importer, along with other supporting documentations as required. All used and secondhand goods are not permitted for import into the country

The list of authorized importers and distributors is maintained by the Ozone Unit and each importer is allocated an annual quota which cannot be exceeded.

The channels of communication between the licensing authority (National Ozone Unit) and the General Customs Directorate were observed during the verification review and found to be effective. A number of case studies were used to audit the communications and paperwork involved in the importation and distribution of ODS in Syria and documents and files were inspected to confirm consistency.

The following procedure is required for all imports of ODS or ODS containing equipment:

- a. Any company wishing to import ODS or ODS using equipment must have a valid commercial registration as well as administrative registration. No import into country

can take place without a license from both the Ministry of Economy and Trade and the Ministry of Finance.

- b. In preparation of any ODS import license, the registered importing company must prepare a pack of documentation relating to any shipment and present these documents to the Ministry of Economy and Trade and this should include a permit from the NOU for importing the required quantity.
- c. To release any shipment arriving at any port, the importing company should provide the customs authority at the port of entry. With the following documents:

An original customs declaration form

Bill of lading
Certificate of origin
Packing list
Original invoice
Safety data sheet

- d. The customs authority inspects the documentation as presented and examines the shipment to check for consistency. If the documents are in order, the customs authority completes a referral form directing the importer to the NOU.
- e. At the NOU the company must present the original customs declaration form including the originals of the invoice, bill of lading, packing list, certificate of origin and supporting documents in addition to the original catalogue of the imported equipment or the safety data sheet in case of refrigerants.
- f. The NOU then reviews all the paperwork submitted and if everything is in order the NOU then issues a letter addressing the General Customs Directorate to permit the entrance of the shipment.
- g. In case of importation of CFCs, only importers from the list of authorized importer will be granted permits. Quantity imported is deducted from the quota of the company and recorded in the NOU database.
- h. The NOU keeps a copy of all documents relating to the shipment on file.

And in the Case of Suspicious Shipment, the following procedure is applied:

- a. if there is any question regarding the validity of associated paperwork, suspicion of fraudulent labeling or lack of clarity around any shipment, the customs authority notifies, the NOU in writing and requests a physical inspection of the goods, by an authorized representative of the NOU.
- b. A representative of the NOU visits the port where the shipment is held to make the physical inspection of the equipment or materials.

- c. The NOU inspector then prepares an inspection report detailing the findings and stipulating actions to be taken, either authorizing the release of the goods or instructing the General Customs Directorate not to release the shipment. The sized shipment then will be subject to the applicable laws of the customs.
- d. Rejected shipments are usually subject to re-export to the country of origin or destruction as appropriate.
- e. The procedure for destruction is very complicated and involves several authorities including the Environment, Finance, trade and Customs.
- f. When these actions have been completed, the customs authority must write to the NOU confirming what actions have been taken.

The processes described above were independently verified during the verification and sample records of each type were inspected.

2. Review the government statistics on ODS imports and exports against the data from the customs and the amount of quota issued against actual quota applied

There are main seven land borders entries check points (two with Jordan, two with Lebanon, two with Turkey, and one with Iraq) and 2 marine entry ports in Syria controlled by Custom Department operating under the Ministry of Finance.

Many of these Custom ports have received training on the identification of ODS shipment and provided with the necessary identifiers. As a usual practice, only shipping documents are inspected against the respective regulatory instructions, directives and official lists of materials and products. In case of suspicious shipment, test and analysis take place. For complicated suspicious cases a double-checking procedure is applied with participation of GCEA.

These ports monitor all shipments and report to the central statistics office within the Customs dept.

The table below shows the verified import data for each of the authorized importers. The audit of documentation found that records were consistent between NOU files and the customs data.

As regards the verification of the actual consumption data by the industrial and servicing sectors, analysis of the current market situation and prices tendencies on imported and recovered refrigerants, national policies and legislation and data and information collected by the experts and interviews with stakeholders, it is believed that the actual consumption data is corresponding to the imports data.

List of Importers of Refrigerants

No.	Importers	Quota 2007 Mt	Actual quantity imported 2007 Mt	Estimated Quota 2008 Mt
1	Ahmad Al Hafez	19	19	17
2	Taref Idris	13	13	8
3	Edkar Seufe	45	45	20
4	AlShark compnay	4	0	0
5	Abd Al Rahman Amreen	45	45	10
6	Basheer Al Hafez	1	0	0
7	Ghzoan Ghale	10	0	5
8	Hassan Baalbaki	20	20	15
9	Kareem Baalbaki	10	10	10
10	Al Ihsan Company	2	0	2
11	Al Hafez Comany	6	0	0
12	Abd Al Naser Safoa	21	21	21
13	Idris company	10	10	5
14	Al Waleed for refrigeration	7	0	7
15	Omema Kassab	1	0	0
16	Iman Amreen	10	0	5
17	Rema Al Baeo	2	0	0
18	Samer Ghale	5	0	0
19	Tarek Amreen	1	0	0
20	Ghale Brothers Company	13	0	5
21	Waled Idris	2	0	0
22	Lores Khaouri	2	0	0
23	Yosef Amreen	12	0	5
24	Mohamad Farhan Abara	19.99	19.99	25
25	Mohamad Al Sawas	13.49	13.49	0
26				
MDI and other sectors		51.47	51.47	45
TOTAL		325.96	267.95	205

We may notice that the quota is less than the maximum allowed Consumption (imported), that is because when the quota is calculated by the Ozone Unit they took into consideration the emergency needs of ODS's which may occur, so, even it is allowed to import the total quota quantities, but, the actual imports are based on actual needs.

Breakdown of Consumption 2007 by Sectors (Mt)

Substance				Refrigeration		MDI	Solvent	Process agent	Methyl Bromid	TOTAL	Import
	Aerosol	Foam	Fire Fighting	Manufacturing	Servicing						
Annex A, Group I											
CFC-11	0	5		46.51	4.8	15.20				71.51	71.51
CFC-12	0	0		50.0	109.99	36.45				196.44	196.44
CFC-113							17			17	17
CFC-114											
CFC-115					0.70					0.70	0.70
Sub - Total	0	5		96.51	115.49	51.65	17			285.65	285.65
Annex A, Group II											
Halon 1211											
Halon 1301											
Halon 2402											
Sub-total											
Annex B, Group II											
Carbon tetrachloride											
Sub-total											
Annex B, Group III											
Methyl Chloroform											
Sub-total											
Annex C, Group I											
HCFC-22				370	332.66					702.66	702.66
HCFC-141B				59.0						59	59
HCFC-142B				1.8						1.8	1.8
HCFC-123				2.10						2.1	2.1
OTHER										765.56	765.56
Sub-total				432.90	332.66						
Annex E, Group											
Methyl Bromid									102		
Sub-Total									102		
TOTAL	0	5	0	529.41	448.15	51.65	17		102	1153.31	1153.31

It was noted that the import of alternative HFC, HCFC refrigerants and their blends just for the manufacturing and service sectors had rapidly increased to 765.56 tonnes in 2007.

Price information of refrigerants in Syria in 2007

Refrigerant	Price 13.6 kg US\$/Cylinder	Unit price US\$/Kg
CFC-11	Bulky	3.26
CFC-12	50	3.68
HCFC-22	43.48	3.2
R-502	108.7	8
HFC-134a	65.22	4.8
R-404A	141.3	10.39
R407C	184.8	13.59
R-410A	193.48	14.23

3. Review the list of government authorized importers and exporters against the records of the customs

3.1 Authorized Importers and Distributors

The following list of importers and distributors was verified. Selected importers have been visited by the independent experts to verify the documents, permits and records to confirm their legitimacy.

In 2007 and currently there are 27 authorized importers of ODS and non-ODS refrigerants to Syria.

These importers are the only sources for refrigerants used by the remaining CFC users.

The following table provide the names and coordinates of the registered ODS importers in Syria.

List of importers of ODS and non-ODS refrigerants

No.	Importers	Representative	Address	Tel.	Fax
1	Ahmad Al Hafez	Mr. Ahmad Al Hafez	Damascus, P.O Box 6218	2001	2002
2	Taref Idris	Mr. Taref Idris	Homes- P.O Box 1202	031233385	031233385
3	Edkar Seufe	Mr. Edkar Seufe	Aleppo	0112222304	0212684638
4	AlShark compnay	Mr. Ghzoan Ghale	Homes, P. O. Box 1588	0312488181/2/3	0312488185
5	Abd Al Rahman Amreen	Mr. Abd Al Rahman Amreen	Homes, P. O. Box 660	0312333121/2	0312333124
6	Basheer Al Hafez	Mr. Basheer Al Hafez	Damascus	2129469	2129467
7	Ghzoan Ghale	Mr. Ghzoan Ghale	Homes	0312488181/2/3	0312488185
8	Hassan Baalbaki	Mr. Hassan Balbake	Damascus, P.O Box 5320	5481719	5481996
9	Kareem Baalbaki	Mr. Kareem Baalbaki	Damascus, P.O Box 5320	5481719	5481996
10	Al Ihsan Company	Mr. Monzer Al Hafez	Damascus	2129469	2129467
11	Al Hafez Comany	Mr. Ahmad Al Hafez	Damascus- P. O Box 6218	2001	2002
12	Abd Al Naser Safoa	Mr. Abd Al Naser Safoa	Homes	031261197	231429
13	Idris company	Mr. Taref Idris	Homes- P.O Box 1202	031233385	031233385
14	Al Waleed for refrigeration	Mr. Abd Al Rahaman Amreen	Homes- P. O Box 660	031233312	031333124
15	Omema Kassab	Mr. Abd Al Rahaman Amreen	Homes- P. O Box 660	031233312	031333124
16	Iman Amreen	Mr. Abd Al Rahaman Amreen	Homes- P. O Box 660	031233312	031333124
17	Rema Al Bae	Rema Al Bae	Homes		031237540
18	Samer Ghale	Samer Ghale	Homes, P. O. Box 1588	0312488181/2/3	0312488185
19	Tarek Amreen	Tarek Amreen	Homes- P. O Box 660	031233312	031333124
20	Ghale Brothers Company	Ghzoan Ghale	Homes, P. O. Box 1588	0312488181/2/3	0312488185
21	Waled Idris	Waled Idris	Homes- P.O Box 1202	031233385	031233385
22	Lores Khaouri	Lores Khaouri	Homes		031237540
23	Yosef Amreen	Yosef Amreen	Homes- P. O Box 660	031233312	031333124
24	Mohamad Farhan Abara	Mohamad Farhan Abara	Homes	0312464670	
25	Mohamad Al Sawas	Mohamad Al Sawas	Aleppo	0944317782	0215753195
26	Jamal Sabreen		Homes, P. O. Box 575		
27	Adnan Yosef		Damascus		
28	Kaspar- Chabani pharma	Mr. Josef Ksabr	Aleppo- P.O Box 3980	0214444060	0212656062

Section III

Review of the progress of NPP implementation in 2007 (first tranche)

The current status of the implementation of the NPP was reviewed during the verification exercise. Progress was assessed with reference to the objectives and timeframe set out in the approved NPP document.

The review of NPP implementation progress during the reporting period was conducted by the Al Ghad team of experts through comparative analysis and verification of relevant information and data provided by NOU and PMU against the main components and provisions of the original project document, approved Work programme for 2007

The main achievements of the NPP implementation in 2007 (in addition to the data indicated in the Section one) could be summarized as follows:

1. Project management

Based on the project document, it was decided by NOU to establish a Project Management Unit (PMU) to ensure effective project management, coordination and monitoring of the implementation process.

As for the reporting procedures on NPP implementation activities and achievements are concerned, PMU is in close cooperation and coordination with NOU.

The implementation of the phase-out plan is closely aligned and coordinated with the various policy, regulatory, fiscal, awareness and capacity-building actions in the country. It was observed that the TOR of the PMU is in inconformity with the objectives of the PMU establishment.

The current database available at the NOU/PMU is reasonable and covers:

- All manufacturing and servicing refrigeration sectors and sub-sectors;
- List of the project beneficiaries;
- Commercial refrigeration manufacturing and servicing

Among priorities it is planned to improve the database and expand it to cover the R&R scheme. And this is highly recommended due to reporting demands during 2008-2010.

1. Technical assistance and Capacity for the solvent sector:

As required by the NPP and planned for in the action plan prepared for the first tranche, the solvent sector was subject to a comprehensive national survey to find out the ODS remaining uses by different applications in this sector in order to identify the needs and provide the necessary support to ensure a sustainable CFCs phase

out in this sector. The survey conducted during the period four-month time at the beginning of the NPP. The survey concluded that the main industrial activities are not using the controlled solvents. The survey targeted the General Customs Directorate and more than 35 industrial and service companies.

Based on the outcomes of the survey two technical workshops organized in cooperation the Ministry of Industry and private sector one before conducting the survey and the second was after the survey to present the outcomes. The required support provided by UNIDO to ensure the success of the workshops

2. Awareness programme

Implementation of NPP is closely aligned and coordinated with the various policy, regulatory, fiscal, awareness and capacity-building actions, which the NOU and Government of Syria is taking, to ensure that the implementation is consistent with the Government priorities.

The PMU with the assistance of the NOU organized several awareness activities on the NPP and other initiatives in the MP area addressing the consumers and general public. During the course of 2007, several workshops, media publicity and other information dissemination activities took place.

The PMU in coordination with the NOU is planning to continue the awareness programme to guarantee to flow of information in away to facilitate the achievement of the targets set in the NPP and future targets under the MP. PMU plans to develop, design and produce/publish public awareness documents (technical manuals, guide books, CDs, posters, etc). The following awareness, promotional and technical materials are foreseen for the second tranche :

1. Booklet / brochure on refrigerant R&R scheme
2. Brochure on alternative refrigerants and technologies
3. Educational and training films on CDs about:
 - Retrofitting of the domestic refrigerators and commercial refrigerated systems.
 - Recovery and Recycling (refrigeration equipment and MAC).
4. Posters

3. Assessment of Recovery and Recycling activities

The NPP allocated funds for the enhancement of the R&R scheme. And therefore the purchase of additional R&R units was agreed and accordingly the equipment purchased by UNIDO according to the needs of the scheme. The delivery of the equipment was delayed due to difficulties related to the export measures related taken by the USA against shipments to Syria. And therefore the additional training of

technicians and distribution of the equipment was delayed. It is expected to take place during the 4th quarter of 2008.

4. Project Milestones

The Project Document set out the following performance targets for 2007. A summary assessment of progress is given based on the findings of the verification audit and review of documentation supplied by NOU, PMU and UNIDO.

2007	Progress assessment
Project Management	
Establishment of PMU as a part of operational mechanism for management and monitoring of implementation of the overall phase-out plan and the Work programme 2007	PMU and its project management system are operational. NPP plan for 2008 is elaborated
Solvent sector	
The end users in the solvent sector are addressed. National wide survey conducted and 2 technical workshops organized.	The needs of the solvent sector identified and will be reflected in the 2 nd tranche plan
Servicing sector	
The selected end users in different refrigeration servicing sub-sectors (including chillers and air conditioning systems) addressed through training and equipments provision	The purchase of additional R&R equipment finalized. Arrangements for training completed. Distribution of the equipments and training to take place late 2008
Awareness and outreaching activities	
Dissemination of information about the R&R scheme as well as the public awareness on ODS phase out.	Several awareness activities took place during the reporting period. Additional and follow up awareness activities are planned for 2008.

Annex I

List of visits and interviews undertaken by Al Ghad team

Names	Position	Addresses
GCEA	Deferent Teams	Tantheem Kfar Swseh, P. O. Box 3773
Eng. Imad Hassoun	Deputy Minister, Ministry of Local Administration and Environment	Mazraa St. P. O. Box 3773
Dr. Akram Al Khoury	General Director	Tantheem Kfar Swseh, P. O. Box 3773
Eng. Najah Al Hamwwi	Coordinator, NOU	Tantheem Kfar Swseh, P. O. Box 3773
Eng. Adib Usta	Manger, PMU	Rokn Eldean, Damascus
Eng. Adib Al Masri	Deputy Director, Chemical safety Br./ GCEA	Tantheem Kfar Swseh, P. O. Box 3773
Customs Department		
Mr. Nabil Al Syouri	General Director The General Customs Directorate	Baramkeh Street
Mr. Najeeb Oklah	Legal Dept. The General Customs Directorate	Baramkeh Street

Importers of refrigerants		
Eng. Basher Al Hafez	General Director, Al Hafez Group	Baramkeh, Damascus .Syria
Eng. Tarif Idris	General Director, Idris Company	Homs, Syria
Servicing workshops		
Slwaieh Center	Yehya Slwaieh	Slaybeh Street, Lattakia, Syria
Krayem Refrigeration	Ahmad Krayem	Mogambo, Aleppo, Syria
Khodari Service Center	Mohammad Al-Khodari	Al Hader Street, Hama, Syria
Olabi Refrigeration	Jamal Olabi	Meadan, Damascus, Syria

Annex II

TERMS OF REFERENCE AND GUIDELINES

FOR THE VERIFICATION OF NATIONAL CONSUMPTION TARGETS OF MULTI-YEAR AGREEMENTS (MYAs) FOR CFCs IN 2006 IN SYRIA

1. Introduction

Since 1999, Multi-year Agreements have become a predominant funding modality of the Multilateral Fund to assist Article 5 countries in achieving the ODS phase out targets under the Montreal Protocol. Under these agreements, the responsible implementing agencies are required to submit a verification report on the achievement of the ODS reduction targets specified in the agreements as a prerequisite for the release of the next tranche of funds. The guidelines below are intended to achieve consistency and uniformity in the methodology for carrying out these verifications. They cover, among other things, data requirement and the procedure to be followed in carrying out the verification.

At its 46th Meeting, the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol agreed to approve, in principle the National CFC Phase-out plan for Syria at a total level of funding of US\$ 3,100,000 (excluding agencies support costs) as the total funds that would be available to the Government of Syria to achieve its commitments for the complete phase-out of CFCs used in Syria with UNIDO as the lead implementing agency.

The Agreed Conditions for Phase-out of CFCs in Syria are detailed in the attached Agreement between the Syria and the Executive Committee of the Multilateral Fund for the Phase Out of Ozone Depleting substances and set out in the second row of the table below (Agreed annual consumption limit):

PROJECT DATA		2005	2006	2007	2008	2009	2010	Total
CFCs (ODP tonnes)	Montreal Protocol limits	1,112.32	1,112.32	333.7	333.7	333.7	0	-
	Annual consumption limits	869.7*	869.7	328.7	207.2	70.0	0.0	1,475.4
	Annual phase-out from ongoing projects	-	441	0	0	0	0	441
	Annual phase-out newly addressed	-	100.0	121.5	207.2	70.0	0.0	
	Annual funded phase-out		34.3	34.3	34.3	34.3	0.0	137.1
	Annual unfunded phase-out	-	65.7	87.2	102.9	35.7	0.0	291.6
TOTAL ODS CONSUMPTION TO BE PHASE-OUT			541.0	121.5	137.2	70.0	0.0	869.7

Guidelines for verification of national consumption targets of the MYAs

Purpose

2. The purpose of the guidelines is to provide guidance for conducting verification of the national consumption targets of the MYAs, bearing in mind the specific reporting requirements in each of these agreements.

Applicability

3. These guidelines are intended for the verification of national consumption targets of multi-year agreements for CFCs.

4. Since the MYAs define their achievement targets in annual national maximum allowable consumption of an ODS, the verification of the national consumption targets of the MYAs should use the Montreal Protocol definition of consumption as the basis for the verification of the achievement of the targets, i.e.

consumption = production + imports - exports.

For those Article 5 countries which do not produce the ODS, the formula can be simplified to be consumption equals imports (minus exports where appropriate). For those countries where ODS is produced, the verification of consumption should include the verification of production which was conducted following the guidelines approved at the Executive Committee's thirty second meeting. Imports and exports should be verified using the criteria defined herein.

Procedure for the verification

5. The verification should review **national legislation, policies and procedures** on ODS imports/exports, such as,

- (a) Channel of communication between Government (the licensing authority) and customs;
- (b) Authorized list of importers, exporters and, where available, distributors;
- (c) Conditions of issuing licenses;
- (d) Administrative procedures and documentation;
- (e) System of monitoring and reporting on exports of ODS;
- (f) Sanctions or penalties to be imposed on violation of legal regulation;
- (g) Mechanisms and capacity for prosecution and enforcement;
- (f) National system of harmonized custom codes in order to identify ODSs and ODS mixtures;
- (g) Procedures to be applied in case of suspicious shipments;
- (h) Sampling or other identification methods used.

6. The verification should review **official statistics** on imports/exports: compare **quotas** issued versus actual quotas used.

7. The verification should review a representative **sample of reports from importers/exporters**, and where available of distributors.

8. The verification should review the follow up on the recommendations from previous verifications as indicated below.

- a) Substitute as many refrigerating devices as possible with the new once using environmental friendly refrigerants (ODP = 0), or at least replace CFCs in the

existing chillers with environmental more friendly refrigerants, along with necessary repairing and changes.

- b) Organize advanced training of customs officers and inspectors in preventing illegal (not permitted) CFCs import.
- c) Instruct technicians and maintenance personnel to save as much refrigerant as possible, trying to discharge refrigerant the minimum in atmosphere.
- d) Start establishing the CFCs bank Syria as soon as possible.
- e) Harmonize laws and regulations in Syria pertaining to Environmental protection, with special regard to the ozone depleting substances, and perform joint control over licenses granting and import / export realization (through intensified and more close cooperation of authorized Ministries).
- f) Promote control and monitoring system of the CFCs import and its distribution to end users
- g) Introduce control of CFCs consumed by end users, maintenance personnel in particular, given that their share in CFCs consumption in Syria is great and is expected to relatively be even greater.

9. The verification should conclude the exercise by discussing conclusions and recommendations.

10. Following items should be addressed and/or assessed during the verification exercise:

- The level of the knowledge of ODS issues in the customs organization,
- The system to control potential illegal imports of ODSs by mislabeling etc.
- Control of potential unofficial imports not going through regulated channel.

Data needed for the verification

11. The following information should be available for the purpose of the verification:

- (a) List of authorized importers/exporters, and where available, distributors;
- (b) ODS imports quotas and exports license issued;
- (c) Actual ODS imports and exports;
- (d) National policies and procedures on ODS imports and exports;
- (e) Government enforcement structure for ODS imports and exports;
- (f) Documents such as licenses, trade names, code numbers, labeling, etc, to be presented to customs by importers and exporters of ODS.

Verification document:

12. The final verification document should:

- (a) Describe the detailed steps and procedures taken to conduct the verification.
- (b) Summarize all aspects of national legislation, policies and procedures designed to ensure achievement of the consumption targets in the multi-year agreement.
- (c) Provide detailed data demonstrating and confirming that the consumption target in the multi-year agreement was achieved.

Institution/Consultant to conduct the verification:

13. The choice of the institution/consultant to conduct the verification should generate a reasonable level of confidence that there is no conflict of interest in the process and that the results of the verification are independent and objective.

14. The selection of the candidates for the verification will be made by UNIDO in consultation with the NOU in the country. The final selection of the institution/consultant should follow the rules and procedures of UNIDO.

National Consumption Amount to be verified

15. The data to be reported by the Syria as required by its agreement under the NPP must be verified. It is to be reminded that the present verification should be done only for CFC import and export, and NO other ODSs are subject to the verification. The consumption is determined as Production + Import – Export.

CFC in ODP tonnes

Syria	2007
Montreal Protocol Reduction Schedule for Syria	333.7
Max allowable total consumption as per Agreement for Syria	328.7

Reported Data, Syria CFC in 2007

	In MT			In ODP tonnes
	Import	Export	Consumption	Consumption
CFC-11	71.51	0	71.51	71.51
CFC-12	196.44	0	196.41	196.41
CFC-113	17.00	0	13.60	13.60
CFC-114	0.00	0	0.00	0.00
CFC-115	0.70	0	0.42	0.42
CFC total	285.65	0	281.94	281.94

Provisional time schedule is provided below:

#	Activity	Provisional timing after the contract signed
	Total duration of required Services	5 weeks
A	Review the government policy controlling ODS consumption and production, and the division of responsibility between national institutions for enforcing the relevant policies;	1/2 week
B	Review the government statistics on ODS imports and exports against the data from the customs and the amount of quota issues against actual quota applied;	1 week
C	Review the list of government authorized importers	1/2 week

#	Activity	Provisional timing after the contract signed
	and exporters against the records of the customs;	
D	Review on a representative sampling basis if necessary, the records of importers/exporters against the customs records and the quota issued;	1/2 week
E	Discuss conclusions on the achievement of the annual ODS reduction target as well as recommendation;	1/2 week
G	Assistance for UNIDO on negotiations with the Fund Secretariat and Executive Committee on the content of the verification document	November 2008

Reporting

The draft verification document must be submitted by 3rd September 2008 to UNIDO Vienna in English, so that UNIDO is able to submit the verification document to the Multilateral Fund Secretariat by September 2008 for the consideration at the 56th Meeting of the Executive Committee of the Multilateral Fund to be held in November 2008. UNIDO may request the audit to modify the draft document. Final Verification Report after negotiation with the Fund Secretariat incorporating additional information, comments and/or clarification on the Verification Report to be submitted within 5 working days from the receipt of request.

Additional information to be provided in the report is as follows:

- Audit implementation schedule with data, venues, and duration of verification.
- Name affiliation and contact details of the person or the persons with overall responsibility for the verification (e.g., chief accountant of department of statistics, local certified consultant etc.). In case more than one individual is named, the responsibility of each in relation to the steps taken for verification should be provided.
- Outline of the steps taken and the logical analysis used for the purpose of demonstrating that the consumption figures represent the total quantity.
- Description of licensing systems.
- Assessment of illegal imports of ODSs by mislabeling etc.,
- Measures to ensure no importation occurred outside of the registration system.
- Possibility of imports not going through the ports registration system.

Annex III

Performance targets and disbursement schedule

Table 19 gives an overview of the annual performance targets.

Table 19. Performance targets of the national CFC phase-out plan, Syria

Year	Project Management	Manufacturing sector	Refrigeration service sector
2006	<ul style="list-style-type: none"> ➤ Project approval ➤ Establishment of operational mechanism ➤ Coordination groups set up ➤ Initiate review of supportive legislation ➤ Start of awareness promotion ➤ Additional custom officers trained and equipment for customs 	<ul style="list-style-type: none"> ➤ Workshops on alternative technology ➤ Seminar on use of alternatives 	<ul style="list-style-type: none"> ➤ Selection of training institutes and initiated training of trainers ➤ Initiate bidding for additional service equipment for workshops ➤ Supplementary training of technicians ➤ Selection of centres for reuse of ODS and initiated bidding of equipment for centers to reuse ODS ➤ Consideration of licensing system for service technicians upgrading ➤ Consideration of code of practice
2007	<ul style="list-style-type: none"> ➤ Monitor and evaluation ➤ Workshops e.g., supplementary training for CFC-113 using industry. 	<ul style="list-style-type: none"> ➤ Workshops on alternative technology ➤ Seminar on use of alternatives 	<ul style="list-style-type: none"> ➤ Delivery of service equipment ➤ Training of staff at centres for reuse of ODS ➤ Supplementary training of technicians
2008	<ul style="list-style-type: none"> ➤ Monitor and evaluation ➤ Legislation updated incl. ban on venting, and ban on new installations ➤ Verification audit 		<ul style="list-style-type: none"> ➤ Supplementary training of technicians ➤ Distribution of equipment
2009	<ul style="list-style-type: none"> ➤ Monitor and evaluation ➤ Verification audit 		
2010	<ul style="list-style-type: none"> ➤ Monitor and evaluation 		

Upon approval of the phase-out plan by the MLF, the Government of Syria, through UNIDO, requests the Executive Committee to authorize disbursement of funding for 2006 in advance. The preliminary implementation plan is as following:

- Establishment of operational mechanism for management and monitoring of the phase-out plan;
- Formulation of detailed terms of reference and work plans for various activities under the technical support and policy and management support components;
- Establishment of an operational mechanism for participation in the phase-out plan and for obtaining phase-out commitments from enterprises;
- Initiating CFC phase-out activities for the small and medium-sized enterprises through individual and group activities or interventions;
- Workshops under the technical support component for technology assistance to participant enterprises in the respective sectors;
- Workshops for public awareness and promotion of the policy instruments.

