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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-ninth Meeting
Montreal, 2-4 April 2003

**STATUS REPORT ON PROGRESS IN THE IMPLEMENTATION
OF APPROVED METHYL BROMIDE PROJECTS**

Background

1. For the 39th Meeting, UNDP and UNIDO submitted progress reports on the implementation of methyl bromide (MB) phase out projects in Argentina, Bolivia, Chile, Malawi and Morocco, in accordance with the agreements between the Governments concerned and the Executive Committee. The documents can be obtained from the Fund Secretariat.
2. Accordingly, the Secretariat reviewed the progress reports and provided comments to the implementing agencies. It is to be noted that, at the time of the preparation of this document, responses by UNDP and UNIDO on the MB-related progress reports were not yet received.
3. The Secretariat prepared this document for the consideration by the Executive Committee, summarising relevant actions undertaken by the agencies and main comments raised by the Secretariat during the review process.

Status reports on MB projects

4. The Secretariat reviewed the progress reports on the implementation of MB phase out investment projects in Argentina, Bolivia, Chile, Malawi and Morocco, in light of the original project proposals approved by the Executive Committee (including the agreed conditions for the phase out of MB), and MB data reported by the Government concerned to the Ozone Secretariat under Article 7 of the Montreal Protocol.

Phase-out of 331 ODP tonnes of MB used in strawberry, protected vegetables and cut flower production in Argentina (third progress report) (UNIDO)

5. The Executive Committee approved the project proposal at its 30th Meeting and allocated US \$3,183,390 to UNIDO for its implementation. The Executive Committee has also approved an additional US \$3.02 million for MB-related demonstration and investment projects and activities in Argentina to phase out an additional 174 ODP tonnes.
6. Through the implementation of these projects, the Government of Argentina has committed to reduce the total national consumption of MB from 505 ODP tonnes in 2000 to 18 ODP tonnes by end of 2007 (the remaining 18 ODP tonnes is used for the post-harvest fumigation of cotton and citrus).
7. The 2001 MB consumption reported to the Ozone Secretariat by the Government of Argentina is 358.8 ODP tonnes which is below the 2002 maximum remaining national MB consumption of 376.6 ODP tonnes, as agreed between the Government of Argentina and the Executive Committee.
8. According to the progress report of the MB phase out project submitted by UNIDO, the main activities undertaken in 2002 were related to visiting farmers and setting up demonstration plots by extension agents. Implementation of these activities has resulted in the phase out of 81.4 ODP tonnes of MB, (15.2 ODP tonnes more than the amount previously planned).

9. Taking into consideration the nature of the activities implemented in 2002 (setting up demonstration plots) and the precarious economic situation in the country, the Secretariat sought a clarification from UNIDO on whether the reductions in MB consumption achieved through the greenhouses and strawberry crops project were sustainable permanent reductions or were related to the economic crisis in the country.

10. UNIDO indicated that for all practical purposes, the reduction in MB consumption achieved in 2002 is likely to be sustained since more metam sodium (the alternative agrochemical to MB) is being used with excellent results. In addition, the devaluation of the local currency led to an increase in exports of strawberries, flowers and horticultural products.

Terminal MB phase-out, excluding QPS applications in Bolivia (UNDP)

11. The Executive Committee approved the project proposal at its 35th Meeting and allocated US \$221,032 to UNDP, as the total funds that will be available to achieve the phase-out of 1.5 ODP tonnes of MB used for all purposes in Bolivia, excluding quarantine and pre-shipment applications. The Government of Bolivia is committed to achieve the total phase out of MB by the end of 2004.

12. The 2001 MB consumption data reported by Bolivia to the Ozone Secretariat is 1.5 ODP tonnes, equivalent to the maximum allowable levels of MB consumption under the agreed conditions. The progress report states that the Government of Bolivia would be able to achieve the complete phase out of MB in 2004 as stipulated in the agreement.

Demonstration and phase-out project for MB soil fumigation for fruit tree production and replant in Chile (UNDP)

13. The project for the phase out of 76.2 ODP tonnes of MB in the tree replant and tree nursery sectors in Chile was approved by the Executive Committee at its 32nd Meeting. The Government committed to reduce the total national consumption of MB to no more than 198 ODP tonnes in 2001-2002, to 121.8 ODP tonnes by 2005-2006.

14. Preliminary calculations included in the progress report of the phase out project, indicate that the total consumption of MB in 2002 was 182 ODP tonnes. This is about 16 ODP tonnes below the maximum allowable consumption agreed by the Government of Chile.

15. According to the MB consumption data reported to the Ozone Secretariat, MB consumption in Chile has increased from 107 ODP tonnes in 1999 to 239 ODP tonnes in 2001. Taking into account that the MB consumption in Chile more than doubled during a three-year period, the Secretariat sought a clarification on whether the activities implemented in 2002 will bring the MB consumption to a level below the 198 ODP tonnes agreed by the Government.

16. UNDP indicated that a mission to Chile, during the week of 17 March has been arranged, to assist the Government in the strategic planning required to put in place an appropriate policy mechanism in order to ensure that the MB reduction indicated in the progress report, as well as all future reductions, will be sustainable and permanent.

National programme for the phase out of all non-essential and non-quarantine and pre-shipment applications of MB in Malawi (UNDP)

17. At its 32nd Meeting, the Executive Committee approved in principle US \$2,999,824 as the total funds that will be available to achieve the phase-out of 111 ODP tonnes of MB used in tobacco seedlings in Malawi. The Government of Malawi committed to the complete phase out of 132 ODP tonnes of MB by the end of 2004, including 21 ODP tonnes used in grain storage that will also be phased out by 2004 without the assistance of the Multilateral Fund.

18. In total, the Executive Committee has allocated US \$1.4 million for the implementation of the project (in two tranches); the Executive Committee has also approved an additional US \$25,000 for UNEP for a proposal to enhance the capability of local agricultural organisations and NGOs in MB communication. The Secretariat noted that the Government of Malawi has not yet reported its 2000 and 2001 MB consumption to the Ozone Secretariat, and suggested that UNDP and UNEP assist the Government in reporting its MB consumption to the Ozone Secretariat.

19. According to the progress report submitted by UNDP, 42.3 ODP tonnes of MB have already been phased out as a result of activities implemented in 2001 and 2002. The Secretariat sought an explanation on how this phase out was achieved taking into account that part of the equipment required was delivered only by the end of September 2002 and that alternative MB chemicals will only be delivered in 2003.

20. UNDP indicated that the fact that the Government has not yet reported its 2000 and 2001 MB consumption to the Ozone Secretariat is a serious oversight that must be rectified. In order to assist the Government in reporting its MB consumption data, evaluating results so far achieved, and putting in place an appropriate policy mechanism to ensure that reductions achieved by the project are sustainable and permanent, UNDP will conduct a mission to Malawi in April 2003.

Phase out of 155 ODP tonnes of MB for soil fumigation in strawberry production in Morocco (UNIDO)

21. The Executive Committee approved the project proposal at its 32nd Meeting and allocated US \$2,189,729 to UNIDO for its implementation. The Executive Committee has also approved an additional US \$2.17 million for MB-related demonstration and investment projects and activities in Morocco to phase out an additional 424 ODP tonnes.

22. Through the implementation of these projects, the Government of Morocco has committed to reduce the total national consumption of MB from 744 ODP tonnes in 2001 to 165 ODP tonnes by the end of 2006.

23. The Secretariat pointed out that according to the data reported to the Ozone Secretariat, MB consumption in Morocco has increased from 409 ODP tonnes in 1999 to 1,621 ODP tonnes in 2001, i.e., 877 ODP tonnes over the maximum consumption agreed by the Government.

24. UNIDO indicated that the progress report submitted to the consideration by the Executive Committee at its 39th Meeting was only related to the phase out of MB in strawberry crops, where the phase out of MB foreseen for 2002 was accomplished (i.e., a phase out of 7.8 ODP tonnes). UNIDO also pointed out that the project for the phase out of 390 ODP tonnes of MB used in tomatoes approved by the Executive Committee at its 34th Meeting, has been delayed since the agreement with tomato producers has not been signed. Taking into consideration that the 2001 MB consumption reported to the Ozone Secretariat was higher than the maximum level of consumption agreed by the Government of Morocco, UNIDO was seeking guidance from the Executive Committee on whether UNIDO could proceed with the implementation of Phase 2 of the strawberry crops project proposal. It is to be noted that the Executive Committee allocated the total funding of the project at its 32nd Meeting.

RECOMMENDATIONS

25. The Executive Committee might wish to take note of the progress reports submitted by the implementing agencies.

26. The Executive Committee might also wish to provide guidance to UNIDO on how to proceed with the implementation of the three MB phase out project proposals approved for Morocco, taking into consideration that the 2002 MB consumption was higher than the maximum consumption agreed by the Government for that year.

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