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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-third Meeting
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**REPORT ON IMPLEMENTATION OF APPROVED PROJECTS WITH SPECIFIC
REPORTING REQUIREMENTS**

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Introduction

1. UNDP has submitted for the consideration of the Executive Committee at its 43rd Meeting a progress report on the implementation of the demonstration and phase-out project for methyl bromide (MB) in soil fumigation for fruit tree production and replant in Chile (76.2 ODP tonnes), approved by the Executive Committee at its 32nd Meeting at a total cost of US \$805,000.
2. The Secretariat reviewed the progress reports in light of the original project proposal and MB data reported by the Government of Chile to the Ozone Secretariat under Article 7 of the Montreal Protocol.

Progress report

3. The following activities were implemented in 2003:
 - (a) Direct consultation with MB stakeholders to gain more objective and updated data on MB final use in the country, which was defined as essential by the Steering Committee of the Project (National Commission on the Environment (CONAMA), UNDP, the Husbandry and Agriculture Services (SAG), and the Institute for Agricultural Research (INIA, executing agency). The main uses of MB are in tomato, green pepper and strawberry production. The area devoted to strawberry production is experiencing a fast expansion, with consequent increase in the use of MB;
 - (b) Eighteen demonstration units were put-in-place in the regions with highest MB use (some of them established in 2002 and completed during 2003 and some others established in 2003 and continued in 2004). The units covered the fruit- and forest-tree production activities: nursery substrates, direct soil nursery and replanting. According to the results obtained, the negative-pressure steam system has proved to be highly effective and efficient, compared to MB. For replanting and direct soil nurseries, some chemical alternatives have been tested (metam-sodium, 1,3-dichlor-propene, chloropicrin and others). The results indicate that 90 per cent success, can be achieved using different chemicals and that the appropriate mixture of chemicals can be as efficient as MB in controlling pests.
 - (c) Training activities, workshops directed at farmers and general public, training workshops for university and agricultural school students and teachers.

2004 Work Programme

4. The following activities are proposed to be implemented in 2004:
 - (a) Maintenance of demonstration units established during 2003 and installation of new demonstration units to cover strawberry production and the efficiency of

alternative technologies to control a specific pest (*Agrobacterium tumefaciens*) the incidents of which have been increasing in the fruit-trees nurseries;

- (b) Development of a technical manual on forest control (to be completed by November 2004); and continued implementation of training workshops; and
- (c) Participation at official committees dealing with MB use, and contact with MB stakeholders, such as importers, distributors and producers, to make them aware of the need to phase out MB.

Fund Secretariat's comments

Increase in MB consumption

5. According to the agreement between the Government of Chile and the Executive Committee, a total of 28 ODP tonnes of MB should have been phased-out by the end of 2003. Also, it was agreed that the maximum allowable consumption of controlled uses of MB in 2003 would be 170 ODP tonnes.

6. According to preliminary figures provided by the Government of Chile, the import of MB in 2003 reached 342.9 ODP tonnes, of which 274.3 ODP tonnes were for non-QPS uses and 68.6 ODP tonnes for QPS applications. Upon a request by the Secretariat, UNDP indicated that the increase in MB was because of the lower cost of the disinfection treatment due to the dramatic reduction in the exchange rate between the Chilean peso and the US dollar; an increase of the surface area devoted to strawberry production and the reluctance of this sector to phase-out the use of MB; additional restrictions imposed by some external markets which required additional QPS fumigations, and some additional MB imports for stock-piles due to the low-price of MB. There is some evidence that the amount devoted to QPS uses could be higher than the estimated 68.6 ODP tonnes as a result of some additional regulations imposed by certain external markets which result in additional MB fruit fumigation prior to shipment.

7. UNDP reported that an expanded Interministerial Committee was recently established including the Ministry of Environment and the Ministry of Agriculture with the goal of preparing a national strategy to phase-out MB in a sustainable manner (to be completed by August 2004). Some measures that are under evaluation include: additional restrictions on MB use; changes in labelling to include information on toxicity; and, elimination of the import of certain types of MB containers. The Ministry of Agriculture has launched a comprehensive survey of MB end-users to fill in any information gaps that exist.

8. UNDP also pointed out that the approval of exemptions for MB for critical uses has produced a negative impact among Chile's MB-using stakeholders, by lowering the pressure they feel to reduce or eliminate their own levels of consumption. This has posed an important challenge for the Government of Chile.

MB phased out from project implementation

9. The phase-out project under implementation addresses MB consumption in the fruit- and forest- replant (58.8 ODP tonnes) and tree nursery sectors (17.4 ODP tonnes). During the implementation of this project, the negative-pressure steam technology has been validated, improved and adapted to local conditions; it has also been used in some forest tree nurseries which produce young plants using substrates. Once the technology is fully adopted, the amount of MB phased out would reach between 8 and 10 ODP tonnes. The current MB consumption in forest tree nurseries has been reduced to zero to meet the sector's ISO 14000 commitments.

10. In the cultivation of fruit trees effective alternatives have been demonstrated. A range of technologies (chemicals, solarization, heat treatment), along with good practices will be applied to eliminate MB use. The project will also sponsor nurseries but only if they agree to a written commitment that will ensure sustainability of the transition to alternatives.

11. UNDP acknowledged the situation that Chile presently faces in respect of non-compliance with its agreed conditions, but based on the positive results achieved during trials with alternatives, and the renewed commitment on the part of Government stakeholders to more effectively control MB use UNDP advised that the Government is confident that it will be in a position to bring itself back into compliance and to meet the agreed conditions of the project.

12. The majority of project activities proposed for 2004 are related to additional demonstration modules, awareness programmes and definition of strategies and policies. In this regard, the Secretariat suggested that UNDP may wish to discuss with key stakeholders implementation of investment-type activities rather than the demonstration/awareness activities being proposed. UNDP reported that the best use of financial resources would be achieved through continuation of the experimental units that focus on the most important areas in accordance with the recommendations of national specialists. This would, subsequently, facilitate the implementation of investment-type activities and the uptake of alternatives.

Fund Secretariat's recommendation

13. The Executive Committee may wish to consider the progress report on the implementation of the demonstration and phase-out project for methyl bromide soil fumigation for fruit tree production and replant in Chile in light of the above comments.
