



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/52/29
18 June 2007

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23-27 July 2007

PROJECT PROPOSAL: CAMEROON

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Fumigant

- Total phase-out of methyl bromide used in stored commodities fumigation

Italy

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECTS
CAMEROON**

PROJECT TITLES**BILATERAL/IMPLEMENTING AGENCY**

(a) Total phase-out of methyl bromide used in stored commodities fumigation	Italy
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NATIONAL CO-ORDINATING AGENCY	Ozone Unit, Ministry of Environment
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF MAY 2007)**

Annex E, MB	9.7		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity.
MB	QPS: 12.0			
MB	Non-QPS: 9.7			

CFC consumption remaining eligible for funding (ODP tonnes)	
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$	Phase-out ODP tonnes
	(a)	226,000	10

PROJECT TITLE:	(a)
ODS use at enterprise (ODP tonnes):	14.5
ODS to be phased out (ODP tonnes):	14.5
ODS to be phased in (ODP tonnes):	-
Project duration (months):	36 months
Initial amount requested (US \$):	280,747
Final project cost:	
Incremental Capital Cost (US \$)	297,870
Contingency (10%) (US \$)	18,787
Incremental Operating Cost (US \$)	-56,944
Total Project Cost (US \$)	259,713
Local ownership (%):	100%
Export component (%):	N/A
Requested grant (US \$):	259,713
Cost-effectiveness (US \$/kg):	17.9
Implementing agency support cost (US \$): (13%)	33,763
Total cost of project to Multilateral Fund (US \$):	293,476
Status of counterpart funding (Y/N):	N/A
Project monitoring milestones included (Y/N):	Yes

SECRETARIAT'S RECOMMENDATION	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Cameroon, the Government of Italy submitted a project proposal to phase out 10.2 ODP tonnes of methyl bromide (MB) used in the fumigation of commodities, for the consideration of the Executive Committee at its 52nd Meeting. The total cost of the project, as originally submitted, is US \$280,747 plus agency support costs of US \$36,497. Approval of this project will result in the complete phase-out of all controlled uses of MB in Cameroon.

MB projects already approved

2. So far the Executive Committee had funded two activities in the MB sector for Cameroon. At its 25th Meeting, approval was given for one demonstration project on alternative technologies to the use of MB in tobacco seedlings at a total cost of US \$160,600 plus agency support costs US \$20,878 for UNIDO. Implementation of this project will lead to the complete phase-out of MB in the tobacco sector.

3. At its 34th Meeting, the Executive Committee approved US \$25,000 plus agency support costs of US \$3,250 to UNEP for the implementation of a technical assistance programme to enhance the capacity of local agricultural organizations and NGOs in MB communication. This activity was completed by the end of 2004.

Description of the project proposal

4. MB is used in the fumigation of cocoa, coffee, cotton and other commodities produced in Cameroon. The fumigation is usually carried out in warehouses of food processing factories, in exporter's warehouses and/or in storage facilities of the Douala Port Authority. The climatic conditions prevailing in the country require the fumigation of all commodities immediately after they have been harvested or processed. An additional fumigation is conducted 2-3 days before the commodities are shipped.

5. MB fumigation is carried out indoors on a concrete pad under traditional bagged stacks of 450 to 500 tonne capacity each. The stacks are covered with plastic fumigation sheets (tarpaulin). Forty-eight hours after the application of MB, the stacks are vented by opening the fumigation sheets and the MB trapped in the bags is vented into the atmosphere. Currently, there are about 20 licensed fumigation companies. Phosphine has been used by some companies.

6. The project is proposing to replace MB used as a fumigant for commodities (food storage) with phosphine. It includes procurement of additional tarpaulins to compensate for the increased time required to use phosphine as a fumigant, as well as detectors and monitoring equipment for the use of phosphine, and safety equipment. It also includes the introduction of an integrated pest management (IPM) programme and training. Incremental operating savings have been estimated at US \$51,310 (over a four-year period).

7. On behalf of the Government of Italy, UNIDO will implement the project under national co-ordination by the Ozone Office of Cameroon. The estimated time for the implementation of the project is four years.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

Comments

8. The 2005 MB consumption reported by the Government of Cameroon under Article 7 of the Protocol (i.e., 9.7 ODP tonnes) was already 4.8 ODP tonnes below the Protocol's maximum allowable level of consumption (i.e., 14.5 ODP tonnes). MB consumption levels in 2006 have been estimated at 14.5 ODP tonnes.

9. The Secretariat discussed a number of points with UNIDO, including MB dosage rates, the costs used to calculate savings on operating costs, the number of additional tarpaulins being requested, the price of phosphine used in calculating incremental costs, and the need for national and international consultants. Subsequently, UNIDO revised the project proposal addressing the issues raised by the Secretariat. The total cost agreed with UNIDO amounts to US \$259,713.

10. The Secretariat also noted that the proposed timeframe for the implementation of the project (4 years) was too long. Taking into consideration that phosphine is a proven technology that has already been used in Cameroon, the relatively small number of licensed fumigators, and the implementation time of other similar projects, the project for Cameroon could be implemented in about two years. Subsequently, UNIDO agreed to shorten the project implementation time to 3 years.

11. UNIDO assisted the Government of Cameroon in drafting an agreement between the Government and the Executive Committee. The draft agreement is attached to this document as Annex I.

Recommendations

12. The Executive Committee may wish to consider:

- (a) Approving the project for the phase-out of methyl bromide used in grain fumigation at a total cost US \$259,713 plus agency support costs of US \$33,763 for the Government of Italy, on the understanding that no additional funding will be provided for Cameroon for the phase-out of controlled uses of methyl bromide in the country; and
- (b) Approving the draft agreement between the Government of Cameroon and the Executive Committee for the phase-out of controlled uses of methyl bromide contained in Annex I.

Annex I

**AGREED CONDITIONS TO PHASE OUT METHYL BROMIDE IN CAMEROON
(DRAFT)**

1. The Executive Committee agrees to approve in principle US \$259,713 as the total funds that will be available to achieve commitments stipulated in this document for the complete phase-out of the controlled uses of use of methyl bromide in Cameroon, excluding quarantine and pre-shipment applications, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Cameroon is 18.1 ODP tonnes; the 2005 methyl bromide consumption was 9.7 ODP tonnes. Accordingly, Cameroon has achieved compliance with the Montreal Protocol's 2002 freeze obligation and it is in compliance with the Protocol's 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the above-mentioned project and other commitments presented in the project document will ensure that Cameroon meets the reduction schedule presented below. In this regard, Cameroon will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	(ODP tonnes)	
	Amount to be phased out	Remaining consumption*
2007	0.0	14.5
2008	0.0	14.5
2009	9.0	5.5
2010	5.5	0.0
Total	14.5	

* Controlled uses of methyl bromide.

4. Cameroon commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
5. The Government of Cameroon has reviewed the consumption data identified in the grain fumigation project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
6. The Government of Cameroon, in agreement with UNIDO on behalf of the Government of Italy, will have flexibility in organizing and implementing the projects' components that it deems more important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon.
7. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in the commodity fumigation sector, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.