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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventieth Meeting
Bangkok, 1-5 July 2013

PROJECT PROPOSAL: VIET NAM

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

Fumigant

- National methyl bromide phase-out plan (fourth tranche) World Bank

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Viet Nam

(I) PROJECT TITLE	AGENCY
Methyl bromide	IBRD

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2011
CFC: 0	CTC: 0	Halons: 0	MB: 69.6	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2011		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC													
CTC													
Halons												0	
Methyl Bromide										0	69.6		69.6
Others													0
TCA													0

(IV) PROJECT DATA			2006	2008	2009	2010	2011	2012	2013	2014	2015	Total
Montreal Protocol Consumption Limits		MB		109.2	109.2	109.2	109.2	109.2	109.2	109.2	0.	
Maximum Allowable Consumption (ODP Tonnes)		MB		85.2	80.	80.	70.	70.	50.	35.	0.	
Project Costs (US\$)	IBRD	Project Costs	230,000.	650,000.			120,000.		58,284.	40,000.		1,098,284.
		Support Costs	17,250.	48,750.			9,000.		4,371.	3,000.		82,371.
Total Funds Approved in Principle (US\$)		Project Costs	230,000.	650,000.			120,000.		58,284.	40,000.		1,098,284.
		Support Costs	17,250.	48,750.			9,000.		4,371.	3,000.		82,371.
Total Funds Released by the ExCom (US\$)		Project Costs	230,000.	650,000.			120,000.		0.	0.		1,000,000.
		Support Costs	17,250.	48,750.			9,000.		0.	0.		75,000.
Total Funds Requested for Current Year (US\$)		Project Costs							58,284.			58,284.
		Support Costs							4,371.			4,371.

(V) SECRETARIAT'S RECOMMENDATION:	FOR BLANKET APPROVAL
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PROJECT DESCRIPTION

1. On behalf of the Government of Viet Nam the World Bank, as the designated implementing agency, has submitted a progress report on the implementation of the third tranche of the national methyl bromide (MB) phase-out plan for Viet Nam and a request for funding for the fourth tranche of the project for consideration by the Executive Committee at its 70th meeting. The level of funding requested is US \$58,284 plus agency support costs of US \$4,371.

Background

2. The national MB phase-out plan (MBPP) for Viet Nam was approved by the Executive Committee at its 50th meeting to phase out the total consumption of controlled uses of MB in the country (85.2 ODP tonnes) by 2015, at the total level of funding approved in principle of US \$1,098,284, plus agency support costs of US \$82,371 for the World Bank. The Executive Committee also approved the first tranche of US \$230,000 plus agency support costs at the same meeting. At the 59th and 65th meetings, the second and third tranches for this project were approved, at the levels of funding of US \$650,000 and US \$120,000, respectively, plus agency support costs. The current request for the fourth tranche is supported by a progress report of the implementation for the period 2011-2012. It also included a work programme for 2013-2014.

Progress report on the implementation of the 2011-2012 work programme

3. The MB consumption in Viet Nam for non-quarantine and pre-shipment (QPS) uses in 2011 and 2012 was below the country's allowable consumption under the Montreal Protocol of 109.2 ODP tonnes. Further, the actual consumption in 2011 of 69.6 ODP tonnes was below the maximum allowable consumption of 70 ODP tonnes under the Agreement between the Government of Viet Nam and the Executive Committee for the MBPP of. The country's MB consumption for 2012 was estimated at 70 ODP tonnes, which is equal to the allowable consumption limit. It was noted however that the consumption for QPS applications continued to increase. This was attributed to increasing exports of commodities requiring fumigation with MB as officially requested by the importing countries.

4. The following are the main highlights of the implementation period:

- (a) The circular on pesticide management that was adopted by the Ministry of Agriculture and Rural Development in 2010 has made it more efficient to collect, track and record MB data and helped to regulate quotas, monitor stock quantities and differentiate imports for QPS and non-QPS uses.
- (b) The management information system (MIS) set up at 9 Regional Plant Quarantine Sub-Departments continued to facilitate the more efficient recording of information on MB flow from import to final end-users regarding registration, licensing, imports, consumption, monitoring and enforcement. The MIS also included information on MB alternatives adopted for demonstrations as well as their comparative efficiencies with MB.
- (c) The pest control standards and hygiene requirements for storage were introduced to storage owners, and materials for standard fumigation with phosphine were widely distributed through training workshops.
- (d) The national strategy for phosphine resistance management which looks at the different fumigation issues regarding the sustainable use of phosphine was approved in October 2012, and was included in all training courses for Plant Protection Department (PPD) officers and other staff.

- (e) With regard to the technical assistance and training component, demonstration projects were completed in ten demonstration sites in Dalat and Sapa. Three alternatives have shown relatively good results which will be widely disseminated through leaflets and other means.
- (f) For the training component, all training centres are now equipped with fumigation and protection equipment. This has allowed the continuation of the train-the-trainers programme. Training for fumigation service companies and storage facilities were carried out as well.

5. As at December 2012, a cumulative disbursement of US \$877,721 had been made under the project. Out of this, US \$66,010 was disbursed from funding approved for the third tranche. The balance from the second and third tranches currently stands at US \$122,279.

Plan of action for the 2013-2014 work programme

6. The Government of Viet Nam commits to implementing the following activities under the fourth work programme of the MBPP:

- (a) Complete the development of guidelines and circulars to implement the revised plant protection law recently submitted to the National Assembly, to ensure detailed instructions for implementation;
- (b) Continue the operation of the MIS for MB to facilitate registration, licensing, imports, consumption, monitoring and enforcement of MB controls;
- (c) Complete the remaining 10 training workshops for fumigation service companies and owners of storage facilities in five training centres, as well as four remaining workshops for farmers and local technicians;
- (d) Continue the implementation of the national strategy for phosphine resistance management through capacity building of the identified insect resistance control unit to study the phosphine resistance of local pests as well as develop pest control standards;
- (e) Build capacity of fumigation service companies to encourage use of non-MB alternatives and ensure awareness of the Montreal Protocol and the phase-out of MB;
- (f) Prepare a final report on the results of the demonstration projects and developing awareness materials for the dissemination of these results; and
- (g) Continue the operation of the project management unit.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. The Secretariat noted that Viet Nam has shown a large increase in the volume of MB imported for QPS uses. It sought information from the World Bank on what is being done to reduce the use of QPS, as its continued increase could undermine the phase-out being undertaken by the country. The World Bank explained that possible alternatives to MB for QPS-applications have been included in the training courses organized by PPD. Under the ongoing programme to train the trainers and inform and educate Government officials, plant quarantine officials have been provided with new information on

MB alternatives for QPS applications. As the quantities of MB used for QPS can now be easily identified, the Government will embark on dissemination efforts to introduce alternative approaches to reduce MB use for these applications.

8. It was also mentioned that in the revised Plant Protection Law, there is a provision limiting the import of MB for QPS use to only a few of the largest fumigation companies. Non-MB treatments such as heat treatment, controlled atmosphere, radiation, etc. are also being actively encouraged. Requests for treatment at the point of export, sourcing from a pest free area, and proper phosphine fumigation at storage facilities are also recommended. In training sessions, these approaches have been presented to the PPD staff, fumigation service companies, storage owners and the regional plant quarantine sub-departments.

9. Some other issues were also discussed and satisfactorily addressed by the World Bank, specifically:

- (a) On the Secretariat's request for a brief assessment and analysis on the use of the pest control standards and hygiene requirements for storage facilities, the World Bank reported that there was a positive response to these standards, and storage owners have requested for frequent updates on information that would allow them to implement these standards in their facilities.
- (b) The World Bank also provided more details about the national strategy on phosphine resistance and emphasized that it focuses on three areas: reduction of phosphine fumigation and selection of possible alternatives; monitoring phosphine fumigation practices; and introduction of short-term and long-term actions. Basic information on the main species of phosphine-resistant insects and their specific treatments are also included in the strategy.
- (c) Quantitative targets were also provided in the submitted work plan, which was updated to include other information requested by the Secretariat.

RECOMMENDATION

10. Noting that Viet Nam's level of MB consumption for 2011 is below the allowable level of consumption stipulated in its Agreement with the Executive Committee, the Secretariat recommends that the Executive Committee takes note of the 2011-2012 progress report on the implementation of the third tranche of the national methyl bromide (MB) phase-out plan for Viet Nam.

11. The Secretariat further recommends blanket approval of the 2013-2014 implementation programme associated with the fourth tranche of the national MB phase-out plan for Viet Nam, with associated support costs at the level of funding shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National methyl bromide phase-out plan (third tranche)	58,284	4,371	World Bank
