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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-fifth Meeting  
Montreal, 5-7 December 2001

**Corrigendum**

**PROJECT PROPOSAL: COSTA RICA**

**Replace** page 2 **with** the following page.

**Add** the following paragraphs:

13. The Fund Secretariat and UNDP have concluded their discussion on outstanding issues and agreed on a total project cost of US \$4,845,283, including US \$632,000 for training and project management. Operating costs were not claimed. The draft agreed conditions for phase-out of methyl bromide in Costa Rica is attached to this document.

**RECOMMENDATIONS**

14. The Fund Secretariat and UNDP have agreed on the total incremental cost of the project (US \$4,845,283). This sum does not take into account the export component to non-Article 5 countries. Based on the above considerations, the Executive Committee may wish to consider the level of funding of the project.

15. If the project is approved, the Executive Committee may also wish to request UNDP to disburse the funds allocated in tranches according to the proposed MB phase-out schedule indicated in the project proposal. If Costa Rica does not meet the reduction requirements outlined in the proposal, UNDP will withhold funding for the subsequent tranche until such time as the required reduction has been met. The Executive Committee may also wish to request UNDP to submit an annual progress report on the implementation of the project to the Fund Secretariat.

**Add** the draft agreed conditions for phase-out of methyl bromide in Costa Rica as referred to in paragraph 12 of document UNEP/OzL.Pro/ExCom/35/36.

**PROJECT EVALUATION SHEET  
COSTA RICA**

SECTOR: Fumigants ODS use in sector (2000): 390 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

**Project Titles:**

- (a) Project to adopt alternatives in melon, cut flowers, banana, tobacco seedbeds and nurseries, leading to total methyl bromide phase-out in Costa Rica (excluding QPS)

Project Data	Methyl bromide
Enterprise consumption (ODP tonnes)	426.90
Project impact (ODP tonnes)	426.90
Project duration (months)	60
Initial amount requested (US \$)	1,250,000
Final project cost (US \$):	
Incremental capital cost (a)	4,462,257
Contingency cost (b)	383,026
Incremental operating cost (c)	0
Total project cost (a+b+c)	4,845,283
Local ownership (%)	100%
Export component (%)	(*)
<b>Amount requested (US \$)</b>	<b>1,211,321</b>
Cost effectiveness (US \$/kg.)	11.35
Counterpart funding confirmed?	
National coordinating agency	COGO
Implementing agency	UNDP

Secretariat's Recommendations	
Amount recommended (US \$)	
Project impact (ODP tonnes)	
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	
Total cost to Multilateral Fund (US \$)	

(\*) About 95% indirect (via another company) and about 5% direct by the farmers.

**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN COSTA RICA  
(DRAFT)**

1. The Executive Committee agrees to approve, in principle, [US \$4,845,283] as the total funds that will be available to achieve the phase-out of methyl bromide (MB) used for all purposes in Costa Rica, excluding quarantine and pre-shipment applications, subject to the following understanding and considerations.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Costa Rica is 342.5 ODP tonnes (1995-1998) and the average MB consumption for the years 1998-2000 is 426.9 ODP tonnes, excluding quarantine and pre-shipment applications. Accordingly, Costa Rica must reduce its consumption of MB to 342.5 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to no more than 274 ODP tonnes in 2005 to achieve compliance with the Protocol's 20 per cent reduction.

3. Reductions in accordance with the terms of this project will ensure that Costa Rica will meet the Protocol's 2002 and 2005 requirements, with phase-out envisaged by 2008. The project aims to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

2002	342.5 ODP tonnes (reduction of 84.4 ODP tonnes from 426.9 ODP tonnes)
2004	253.5 ODP tonnes (reduction of additional 89.0 ODP tonnes)
2006	169.9 ODP tonnes (reduction of additional 83.6 ODP tonnes)
2008	0 ODP tonnes (reduction of additional 169.9 ODP tonnes)

4. The project will phase-out all uses of MB in Costa Rica, excluding quarantine and pre-shipment and other essential uses. Costa Rica will not request any further assistance from the Multilateral Fund for the non-QPS MB sector. The phase-out will be permanently sustained through the use of import restrictions and other policies deemed necessary. UNDP shall report back annually to the Executive Committee on the progress achieved in meeting the reductions required in the project.

5. Following an initial disbursement of 25 per cent of the funds, funding for later years will be disbursed by UNDP in accordance with the following schedule:

2002	20 per cent of the funds
2003	20 per cent of the funds
2004	20 per cent of the funds
2006	15 per cent of the funds

6. The Government of Costa Rica has reviewed the consumption data identified in this 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 MB consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Costa Rica will have flexibility in organising and implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNDP agrees to manage the funding for this project in a manner designed to ensure the achievement of the specific MB reductions agreed for the sector.

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