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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

PROJECT PROPOSALS: SYRIAN ARAB REPUBLIC

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposals:

Fumigant

- Phase-out of methyl bromide in grain storage (third tranche)

UNIDO

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
SYRIAN ARAB REPUBLIC**

PROJECT TITLE	BILATERAL/IMPLEMENTING AGENCY
Phase-out of methyl bromide in grain storage (third tranche)	UNIDO

NATIONAL CO-ORDINATING AGENCY:	National Ozone Unit
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2004, AS OF SEPTEMBER 2005)

Annex E, methyl bromide	113.6		
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B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2004, AS OF OCTOBER 2005)

ODS	Foam	Ref.	Aerosol	ODS	Solvents	Process agent	Fumigant
Methyl bromide							113.6

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN: Total funding US \$ 261,559: total phase-out 23.6 ODP tonnes.

PROJECT DATA	2001	2002	2003	2004	2005	2006	Total
Montreal Protocol limits	188.8	188.6	188.6	188.6	150.9	150.9	
Annual consumption limit	113.0	108.0	78.2	43.4	8.0	8.0	
Annual phase-out newly addressed	0	5.0	29.8	34.8	35.4		105.0
Project cost as originally submitted (US\$)	1,084,139						
Total project funding UNIDO (US\$):	300,000		351,725		432,414		
Total support costs UNIDO (US\$):	39,000		26,379		32,431		
TOTAL COST (US \$)	339,000		378,104		464,845		
Cost effectiveness (US \$/kg)	12.22						

FUNDING REQUEST: Approval of funding for the third and final tranche (2005) as indicated above.

SECRETARIAT'S RECOMMENDATION	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Syria, UNIDO has submitted a progress report on the implementation of the second tranche of the project for the phase-out of 105 ODP tonnes of methyl bromide (MB) used in grain fumigation in Syria, and a request for the third (and last) tranche of the project at the amount of US \$432,414 plus agency support costs for UNIDO, for consideration by the Executive Committee at its 47th Meeting.

2. The Government of Syria reported under Article 7 of the Montreal Protocol, methyl bromide (MB) consumption of 113.6 ODP tonnes. The MB consumption baseline is 188.6 ODP tonnes.

Background

3. The Executive Committee, at its 34th Meeting, approved in principle US \$1,084,139 (UNIDO) as the total funds available to Syria to achieve the complete phase-out of MB. At the same meeting, the Executive Committee approved the first tranche of the project (US \$300,000) to phase out 5 ODP tonnes of MB by end of 2002. Despite the fact that the project was approved in July 2001, implementation only started in May 2003.

4. At its 41st Meeting, the Government of Syria submitted a progress report on the implementation of the first tranche of the project and a request for the second tranche (US \$351,725), to phase out an additional 29.8 ODP tonnes of MB.

Progress report

5. According to the information presented in the progress report, the following activities were implemented in Syria:

- (a) Selection and procurement of equipment and materials adequate for the climatic conditions prevailing in Syria, for the implementation of phosphine as the alternative fumigation technology;
- (b) Implementation of four training programmes on efficient application of phosphine and good management of indoor storage facilities, with more than 100 technicians trained; and
- (c) Preparation of protocols for phosphine fumigation practices and good grain storage management.

6. So far the Executive Committee has approved US \$651,725 for the implementation of MB phase-out in Syria. As of September 2005, UNIDO has disbursed US \$482,771, with a remaining balance of US \$168,954.

Work programme associated with the third tranche

7. The Government of Syria has submitted a funding request for implementation of the third and final phase of the project, covering the period from September 2005 to December 2007. The main goals are:

- (a) Based on technical specifications that will be developed, procure and install all the equipment required to achieve the complete phase-out of MB used in grain storage in Syria;
- (b) Provide additional training to the General Establishment for Cereal Processing and Trade's staff (state-owned organization that manages the grain market) on good practices for storage management and phosphine fumigation;
- (c) Finalize the protocols for storage management and phosphine fumigation; and
- (d) Update the database on all storage facilities and continue monitoring grain fumigation practices.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS**COMMENTS**Issues related to MB consumption

8. The Secretariat noted that the levels of consumption reported by the Government of Syria between 2001 and 2004 were in excess of the maximum levels established in the agreement between the Government and the Executive Committee. For example, the maximum level of consumption allowed under the agreement for 2004 is 43.4 ODP tonnes; however, the Government of Syria reported consumption of 113.6 ODP tonnes.

9. Subsequently, UNIDO reported that the MB consumption levels reported for 2004 included the amounts used for soil fumigation (47.9 ODP tonnes) and for fumigation of commodities (65.7 ODP tonnes). Therefore, as shown in the table below, the amount of MB that was phased out in the commodities sector in 2004 alone was 33.3 ODP tonnes, and the total amount that has been phased out so far (2001-2004) is 39.3 ODP tonnes.

ODP tonnes	Agreement	Total consumption	Commodities	Phased-out
2001	113.0	165.3	105.0	0.0
2002	108.0	152.7	100.8	(4.2)
2003	78.2	128.7	99.0	(1.8)
2004	43.4	113.6	65.7	(33.3)
2005	8.0	-	-	-

10. UNIDO also confirmed that the increased MB consumption reported in 2001 was due to the soil fumigation sector (60.3 ODP tonnes), which, before 2001, was not recorded by the

Customs authorities. However, MB consumption used for soil fumigation has decreased from 60.3 ODP tonnes in 2001 to 48.3 ODP tonnes in 2004.

MB regulations

11. The Secretariat sought clarification regarding the status of MB regulations in Syria in light of the commitment by the Government to establish a register of MB importers, ban any import authorizations over the established consumption limits, revoke the registration of MB as a grain storage fumigant and ban its use once the project has been implemented (document UNEP/OzL.Pro/ExCom/34/44). In this regard, UNIDO stated that “the agreed regulations are in place. All imports of MB are monitored and controlled. The ban on MB imports for grain fumigation will be enforced once the project is completed”.

Project completion date

12. It is indicated in the progress report that UNIDO estimates that the total phase-out of MB in grain fumigation will be achieved in 2007, i.e., two years after the date proposed in the agreement between the Government of Syria and the Executive Committee. The Secretariat was informed that, due to the delay in the implementation of the project, the Government of Syria would like to request a new schedule for the phase-out of MB in the commodities sector, as shown in the table below. By the end of 2007, Syria would achieve total MB phase-out in the commodities sector. UNIDO also indicated that the plan to phase out of the remaining consumption of MB used in other sectors will be addressed in the national phase-out plan for Syria, which will be submitted to the 48th Meeting of the Executive Committee.

Year	Original schedule	Revised schedule
2001	113.0	105.0
2002	108.0	100.8
2003	78.2	99.0
2004	43.4	65.7
2005	8.0	43.4
2006	0.0	18.0
2007	0.0	6.0
2008		0.0

13. The Secretariat noted, however, that:

- (a) The original agreement between the Government of Syria and the Executive Committee addressed all sectors where MB was used, not only the commodities sector;
- (b) At the end of implementation of the project for the phase-out of MB in grain storage (commodities), the remaining MB consumption eligible for funding would be 8.0 ODP tonnes for soil fumigation as reported to the Executive Committee at its 41st Meeting (UNEP/OzL.Pro/ExCom/41/60).

RECOMMENDATIONS

14. The project is submitted for individual consideration. The Executive Committee might wish to consider:

- (a) Taking note of the request to change the phase-out schedule for the project for the complete phase-out of MB in grain storage, submitted by the Government of Syria;
- (b) Approving the revisions to the agreement between the Government of Syria and the Executive Committee to reflect the following phase-out schedule:

Year	ODP tonnes
2001	105.0
2002	100.8
2003	99.0
2004	65.7
2005	43.4
2006	18.0
2007	6.0
2008	0.0

- (c) Approving the third (and final tranche) of the project at the amount of US \$432,414 plus agency support costs of US \$32,431 for UNIDO, on the understanding that the remaining MB consumption eligible for funding would be 8.0 ODP tonnes once the project for the phase-out of MB in grain storage has been completed.
