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EXECUTIVE COMMITTEE OF
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**REPORT ON IMPLEMENTATION OF APPROVED PROJECTS WITH SPECIFIC
REPORTING REQUIREMENTS**

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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Introduction

1. The Government of Spain, UNDP and UNIDO have submitted progress reports on the implementation of the following methyl bromide (MB) projects where specific reporting requirements are contained in several of the agreements, for consideration by the Executive Committee at its 49th Meeting:

- (a) Cuba: Total phase-out of MB in soil, substrate, storage and structure fumigation;
- (b) Ghana: Training programme for terminal phase-out of MB use excluding QPS applications;
- (c) Indonesia: Phase-out of the use of MB in grain storage;
- (d) Mexico: Technical assistance to comply with 2005 phase-out of 20 per cent of MB;
- (e) Sri Lanka: Alternatives to MB for eradication of tea nematodes, and MB phase-out for all remaining uses excluding QPS applications;
- (f) Uganda: Phase-out of MB in cut flowers; and
- (g) Zimbabwe: Phase-out of MB in cut flowers.

2. The Secretariat reviewed the progress reports in light of the original project proposals, ODS data reported by the Governments concerned under Article 7 of the Montreal Protocol and to the Fund Secretariat (progress report on the implementation of the country programme), and relevant decisions taken by the Executive Committee and the Meeting of the Parties.

3. This document consists of the summaries of progress achieved so far in the implementation of the project proposals, comments by the Secretariat and related responses by relevant bilateral and implementing agencies where applicable, and the Secretariat's recommendations.

Cuba: Total phase-out of MB in soil, substrate, storage and structure fumigation (UNIDO)

Background

4. On behalf of the Government of Cuba, UNIDO submitted an investment project for the total phase-out of MB in soil, substrate, storage and structure fumigation, to the 44th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/44/34). At that Meeting, the Executive Committee approved the project at a total level of funding of US \$537,763 (excluding agency support costs) to achieve the phase-out of 24.1 ODP tonnes of MB, together with an agreement between the Government of Cuba and the Executive Committee on the modalities of implementation of the project (decision 44/32). Through this project, the Government of Cuba committed to achieving the complete phase-out of controlled uses of MB by 2008.

Progress report

5. Upon project approval, the Government of Cuba and UNIDO prepared a detailed work programme, signed relevant agreements with stakeholders and established a national team to coordinate the implementation of the project. For the phase-out of MB in protected horticulture, terms of reference were developed for purchasing equipment to implement the grafting technology, and international bidding was organized. However, after an evaluation of potential suppliers, the Government of Cuba modified the terms of reference for the equipment, which resulted in the cancellation of the bidding process. New terms of reference have now been developed and a new bidding process will be organized.

6. Workshops with the major stakeholders in the ornamental plant and flower sectors, and with coffee producers were conducted in 2005. These workshops addressed specific issues related to the implementation of alternatives to MB. In the case of storage and industrial facilities, an international expert visited the country in May 2006 to develop the specifications for the equipment needed to replace MB used in these facilities. As of December 2005, only US \$30,640 has been disbursed.

Further activities to be undertaken

7. The issues that caused a delay in implementing the project have now been addressed. In 2006-2007, the equipment to implement the grafting technology will be purchased and installed and farmers will be trained in the application of this technology. The equipment for replacing MB for fumigation of storage facilities will also be purchased and installed, as well as that for replacing MB in coffee nurseries, flowers and ornamental plants.

Secretariat's comments

8. The 2005 MB consumption reported by the Government of Cuba to the Fund Secretariat under the progress report on the implementation of the country programme was 16.2 ODP tonnes. This consumption is 7.8 ODP tonnes below the 2005 level of consumption that the Government of Cuba committed to in its agreement with the Executive Committee.

9. The Secretariat noted delays in implementation of the project proposal and the low rate of disbursement so far achieved of only US \$30,640. UNIDO informed the Secretariat that the slow implementation was related to the additional time it had taken to establish a national implementation committee; the longer time needed for approving the terms of reference for the grafting equipment; and the delay in issuing visas for international consultants. All of these issues have been successfully addressed.

Secretariat's recommendation

10. The Executive Committee may wish to take note of the progress report on the implementation of the total phase-out of MB in soil, substrate, storage and structure fumigation in Cuba, on the understanding that UNIDO will submit a detailed progress report on the implementation of the project to the 51st Meeting of the Executive Committee.

Ghana: Training programme for terminal phase-out of MB use excluding QPS applications (UNDP)

Background

11. On behalf of the Government of Ghana, UNDP submitted a training programme for terminal phase-out of MB use, excluding QPS applications, to the 37th Meeting of the Executive Committee (paragraphs 8 to 15 of document UNEP/OzL.Pro/ExCom/37/25). At that Meeting, the Executive Committee approved the project at a total level of funding of US \$101,550 (excluding agency support costs) to achieve the phase-out of 6.3 ODP tonnes of MB.

Progress report

12. Upon project approval in 2002, a national MB action plan was endorsed by stakeholders. In 2003, the ODS regulations in Ghana were updated to include MB controls in accordance with the terms of the project approved by the Executive Committee.

13. Between the end of 2003 and that of 2005, a series of field trials were conducted to demonstrate the effectiveness and sustainability of the following alternatives to MB: organic soil amendments, solarization and use of fungicides. Results of the trials were discussed in a workshop held in December 2005, with the participation of major stakeholders.

14. A farmer's field school was established in Accra in January 2006. The purpose of this field school was to introduce farmers to alternative methods of controlling soil-borne pathogens. Twenty farmers and five agricultural extension officers will be trained. As of December 2005, a total of US \$78,117 has been disbursed.

Further activities to be undertaken

15. The following activities will be implemented by the end of 2006: preparation of the final report highlighting the results of the farmer's field school; development of a manual on the alternative technologies selected in the production of melons and tomatoes; and a stakeholder validation workshop to address any outstanding concerns raised by stakeholders.

Secretariat's comments

16. In 2000, the MB consumption reported by the Government of Ghana under Article 7 of the Montreal Protocol was 6.3 ODP tonnes. Since then and until 2004 (latest reported data), the Government has reported zero consumption of MB. The MB baseline for compliance is zero ODP tonnes.

17. The proposed date of completion of the project was August 2005. The Secretariat requested UNDP to submit a project completion report no later than the 51st Meeting of the Executive Committee, taking into account that the complete phase-out of MB has been achieved through the implementation of the project, and that the additional activities proposed will be completed by the end of 2006.

Secretariat's recommendation

18. The Executive Committee may wish to take note of the progress report on the training programme for terminal phase-out of MB use excluding QPS in Ghana, on the understanding that UNDP will submit the project completion report prior to the 51st Meeting of the Executive Committee.

Indonesia: Phase-out of the use of MB in grain storage (UNIDO)*Background*

19. On behalf of the Government of Indonesia, the Government of Canada submitted a project as bilateral cooperation to phase out 37.8 ODP tonnes of MB used for fumigation of stored rice in Indonesia (UNEP/OzL.Pro/ExCom/41/37). At that Meeting, the Executive Committee approved the project at a total level of funding of US \$350,000 (excluding agency support costs), on the understanding that this project would phase out all remaining controlled uses of MB and that the Government of Indonesia would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB (decision 41/18).

20. Upon a request by the Government of Canada, at its 44th Meeting the Executive Committee approved the transfer of the project to phase-out of the use of MB in grain storage in Indonesia to UNIDO (decision 44/66).

Progress report

21. In November 2005, one year after the project had been transferred to UNIDO, the Government of Indonesia signed the project document, followed by UNIDO signing a subcontract with the Ministry of Environment in December 2005 to supply logistics, technical assistance and human resources needed for implementation of the project. In 2006, meetings with major stakeholders have been organized, project guidelines have been established, the list of equipment to be purchased has been finalized and the technical specifications are currently under preparation. The bidding process will be completed in July 2006. Despite a two-year delay in project implementation, the Government of Indonesia is committed to achieving the complete phase-out of all controlled uses of MB by 1 January 2008.

Secretariat's comments

22. For each year in the 2002-2004 period, the Government of Indonesia reported MB consumption of 37.8 ODP tonnes under Article 7 of the Montreal Protocol. According to the progress report submitted by UNIDO, the Government of Indonesia allowed importation of 32.4 ODP tonnes in 2005. This consumption is slightly below the 2005 allowable level of consumption under the Montreal Protocol of 40.68 ODP tonnes.

23. Additionally, in 2005, the Government of Indonesia imported 390.0 ODP tonnes of MB for quarantine and pre-shipment (QPS) applications. For 2006, the Government has licensed the importation of 550.8 ODP tonnes for QPS applications. Upon a request by the Secretariat, UNIDO indicated that the large volume of MB used for QPS applications was related to the

International Phytosanitary Standard for Wood Packaging (ISPM15). UNIDO also indicated that the Government of Indonesia has not yet drafted a regulation on import of and trade in MB. UNIDO has been coordinating with UNEP and the Ozone Unit to address this issue.

Secretariat's recommendation

24. The Executive Committee may wish to take note of the progress report on the implementation of the phase-out MB use in grain storage in Indonesia.

Mexico: Technical assistance to comply with the 2005 phase-out of 20 per cent of MB (Governments of Canada and Spain, and UNIDO)

Background

25. At its 42nd Meeting, the Executive Committee approved US \$1,105,000 (excluding agency support costs) for the implementation of a technical assistance programme to comply with the 2005 phase-out of 20 per cent of MB in Mexico (decision 42/30). Through this technical assistance programme, the Government of Mexico committed to phasing out 162.4 ODP tonnes of MB used in soil fumigation and post-harvest applications in order to achieve the 2005 allowable level of consumption. The activities to phase out MB in soil fumigation would be implemented by the Government of Spain and UNIDO (lead implementing agency), while the activities to phase out MB in post-harvest applications would be implemented by the Government of Canada.

Progress report

26. Since the start of the project, a subcontract with a national university was arranged to organize technical workshops on alternatives to the use of MB in different crops in various production regions in Mexico, disseminate technical material, and provide technical assistance to farmers willing to use alternatives to MB. So far, three workshops have been conducted on alternatives to the use of MB in cut flowers and ornamental plants, tomatoes and cucurbits (mainly melons and watermelons), and input has been provided by international experts from Colombia and Spain. As of December 2005, of the US \$915,000 available for the phase-out of MB in soil applications (Government of Spain and UNIDO component), a total of US \$472,229 has been disbursed.

Further activities to be undertaken

27. Additional technical workshops on other crops and regions will continue to be organized throughout the project implementation period (end of 2007). "Pilot cases" on the application of sustainable alternative technologies will also be implemented for each major crop and production region in Mexico.

Secretariat's comments

28. The 2005 MB consumption reported by the Government of Mexico to the Fund Secretariat under the progress report on the implementation of the country programme was

891.04 ODP tonnes. This consumption is 13.6 ODP tonnes below the 2005 allowable level of consumption. The MB baseline for compliance is 1,130.804 ODP tonnes.

Secretariat's recommendation

29. The Executive Committee may wish to take note of the progress report on technical assistance to comply with 2005 phase-out of 20 per cent of MB in Mexico.

Sri Lanka: Alternatives to MB for eradication of tea nematodes (UNDP); and MB phase-out for all remaining uses excluding QPS applications (UNDP)

Background

30. So far, the Executive Committee has approved the following two projects for the phase-out of MB in Sri Lanka:

- (a) Alternatives to MB for eradication of tea nematodes (UNEP/OzL.Pro/ExCom/27/31), approved by the Executive Committee at its 27th Meeting, at a total cost of US \$310,200 (excluding agency support costs), on the understanding that, *inter alia*, the Government of Sri Lanka would provide a letter stating that no more requests for funding would be made for methyl bromide applications in tea plantations, and that after the 24-month duration of the project MB would be phased out in tea plantations in Sri Lanka (decision 27/67); and
- (b) MB phase-out for all remaining uses, excluding QPS applications (UNEP/OzL.Pro/ExCom/38/48), approved by the Executive Committee at its 38th Meeting, at a total cost of US \$130,000 (excluding agency support costs). Through this project, the Government of Sri Lanka proposed the phase-out of an additional 3.2 ODP tonnes of MB used in agriculture and protection of stored products by November 2005.

Progress report

31. A technical mission that was proposed in late 2004 was rescheduled for late October 2005 due to the effects of the tsunami in December 2004. The technical mission reported that alternative technologies have been applied in tea plantations (i.e., different substrates, steam sterilization, and using a local grass for rotation of the seedling nurseries); that for three years the ornamental plant sub-sector has been producing plants with no MB; and that the Agriculture Research Station has selected heat sterilized substrate to replace MB in the production of potato seed.

32. A regulatory mechanism to control MB imports has been put in place; an ODS Task Force is also in place to take decisions regarding ODS imports including MB; and the Ozone Unit maintains regular contact with the Registrar of Pesticides. As a result of this policy level work and collaboration, the Government of Sri Lanka has been able to adhere to the Montreal Protocol phase-out targets.

33. According to the Registrar of Pesticides, the stockpile of MB has been depleted, and the remaining stocks are for quarantine use only. The Registrar body is currently working to fast-track registration of alternative fumigants (i.e., metham potassium, telone, oxamyl).

34. As of December 2005, a total of US \$330,543 has been disbursed for the two projects.

Further activities to be undertaken

35. The following activities will be implemented throughout 2006, when the two projects will be completed: training programmes on the use of the alternatives that have been introduced in Sri Lanka; dissemination of information through the extension services and development of an awareness programme for locally available MB alternatives; development of a seedling certification programme to support production of nematode and disease-free seedlings; and monitoring the potential re-infestation of soils through irrigation water.

Secretariat's comments

36. According to the data reported by the Government of Sri Lanka under Article 7 of the Montreal Protocol, MB consumption has been reduced from 4.498 ODP tonnes in 1999 to 1.506 ODP tonnes in 2004. In 2005, the Government of Sri Lanka reported to the Fund Secretariat (progress report on the implementation of the country programme) a MB consumption of 1.07 ODP tonnes which is 3.01 ODP tonnes below Sri Lanka's MB baseline (i.e., 4.080 ODP tonnes). The total phase-out of MB is expected to be achieved by the end of 2006.

37. The Secretariat noted that the two projects have not yet been completed (i.e., the completion date for the project on alternatives to MB for eradication of tea nematodes was April 2001, while that for the project for MB phase-out for all remaining uses, excluding QPS was November 2005). The Secretariat, therefore, requested UNDP to submit a project completion report no later than the 51st Meeting of the Executive Committee, taking into account that the complete phase-out of MB will be achieved by the end of 2006.

Secretariat's recommendation

38. The Executive Committee may wish to take note of the progress report on alternatives to MB for eradication of tea nematodes and MB phase-out for all remaining uses excluding QPS applications in Sri Lanka, on the understanding that UNDP will submit relevant project completion reports prior to the 51st Meeting of the Executive Committee.

Uganda: Phase-out of MB in cut flowers (UNIDO)

Background

39. On behalf of the Government of Uganda, UNIDO submitted an investment project for the phase-out of MB in cut flowers to the 34th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/34/46). At that Meeting, the Executive Committee approved the project at a total level of funding of US \$228,800 (excluding agency support costs) to achieve the

phase-out of 10 ODP tonnes of MB, representing the total consumption of controlled uses of MB in Uganda (decision 34/55).

40. In 2002, the Government of Uganda submitted a request for a revision of its MB baseline for compliance together with a MB phase-out action plan to the 15th Meeting of the Parties to the Montreal Protocol. The Parties, at that Meeting, approved a revision of Uganda's MB baseline consumption from 1.9 ODP tonnes to 6.3 ODP tonnes; noted that in 2002, Uganda was in non-compliance since it had reported MB consumption of 30 ODP tonnes; and further noted the submission of a plan of action to return to compliance and to achieve the complete phase-out of MB by 1 January 2007 (decision XV/43).

41. At its 41st Meeting the Executive Committee considered a request, submitted by UNIDO on behalf of the Government of Uganda, for a change of the technology proposed in the original project to include, in addition to steam pasteurization, the use of alternative chemicals and soilless media; and for a change in the phase-out schedule to be in accordance to the schedule agreed by the Parties in decision XV/43 (paragraphs 22 to 34 of document UNEP/OzL.Pro/ExCom/41/68).

42. Subsequently, the Executive Committee decided, *inter alia*, to approve the change of technology as proposed by UNIDO and to request UNIDO to implement the project within the time and in the manner now proposed, on the understanding that UNIDO would submit annual progress reports prior to disbursement of annual tranches (decision 41/78 (c)).

Progress report

43. The project has been implemented according to the plan of action set out in the revised proposal. Equipment for steam and alternative chemical technologies has been provided, and farmers and technicians have been fully trained in its use. Additionally, two trials with locally available substrates have been conducted for the implementation of soilless technology. Some farmers growing roses are already implementing this technology at commercial level. Additional trials with other locally available material will continue to be conducted. As of December 2005, a total of US \$194,369 has been disbursed.

Secretariat's comments

44. Between 2002 and 2004 the Government of Uganda reported MB consumption under Article 7 of the Montreal Protocol at the same levels indicated in its plan of action approved by the Meeting of the Parties and the Executive Committee. For 2005, the Government of Uganda has reported (under the progress report on the implementation of its country programme) MB consumption of 6.0 ODP tonnes, which is also similar to the consumption committed to in the plan of action.

Secretariat's recommendation

45. The Executive Committee may wish to take note of the progress report on the implementation of the phase-out of MB in cut flowers in Uganda.

Zimbabwe: Phase-out of MB in cut flowers (UNIDO)

Background

46. On behalf of the Government of Zimbabwe, UNIDO submitted an investment project for the phase-out of MB in cut flowers to the 31st Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/31/51). At that Meeting, the Executive Committee approved the project at a total level of funding of US \$904,200 (excluding agency support costs) on the understanding that, *inter alia*, UNIDO would disburse the funds approved in tranches according to the proposed MB phase-out schedule indicated in the proposal. If Zimbabwe did not meet the reduction requirements outlined in the proposal, UNIDO would withhold the subsequent tranche of funding until such time as the required reduction had been met (decision 31/39).

47. At its 41st Meeting, the Executive Committee considered a progress report on the implementation of the project, which included a request for a change of the starting point for reducing the total national aggregate consumption of MB from 598 ODP tonnes to 490.3 ODP tonnes (paragraphs 35 to 41 of document UNEP/OzL.Pro/ExCom/41/68). Subsequently, the Executive Committee decided to defer consideration of the requested change (decision 41/78 (d)).

48. At its 47th Meeting, the Executive Committee approved a multi-year investment project at a total cost of US \$3,724,972 (excluding agency support costs for UNIDO) to phase-out 170 ODP tonnes of MB used in tobacco seedlings (UNEP/OzL.Pro/ExCom/47/47) together with a revised agreement between the Government of Zimbabwe and the Executive Committee for the phase-out of MB in the country (decision 47/35). Through this agreement, which has incorporated the MB phase-out project for cut flowers, the Government of Zimbabwe committed to phasing out MB from 184.2 ODP tonnes in 2005, to 174.2 ODP tonnes in 2006, to 134.2 ODP tonnes in 2007; to 74.2 ODP tonnes in 2008, and to 14.2 ODP tonnes in 2009 (the remaining consumption is used in the fumigation of stored grains).

Progress report

49. Between 2001 and 2003, steam technology equipment was procured and delivered to the Export Flower Growers Association of Zimbabwe, and training programmes on the use of alternative technologies to MB in floriculture (i.e., steam, composting and integrated pest management systems) were provided to farmers. Over the last few years, however, the boilers have not been fully utilized due to prevailing economic and political circumstances in Zimbabwe. As of December 2005, US \$860,342 has been disbursed (US \$805,527 in 2002 and 2003, and US \$54,815 in 2004 and 2005) out of US \$904,200 approved.

Secretariat's comments

50. Zimbabwe's MB baseline for compliance is 557.0 ODP tonnes. As reported by the Government of Zimbabwe under Article 7 of the Montreal Protocol, between 2001 and 2003, MB consumption in the country decreased from 544.2 ODP tonnes to 97.4 ODP tonnes, and then increased to 184.2 ODP tonnes in 2004. For 2005, the Government of Zimbabwe has reported (progress report on the implementation of its country programme) MB consumption of

155.6 ODP tonnes, which is 28.8 ODP tonnes below the level of MB consumption committed to by the Government in its agreement with the Executive Committee.

51. The Secretariat noted that the project will be completed by the end of 2006 instead of August 2004, as was proposed in the approved project. UNIDO reported that although the project had been approved in July 2000, the activities only commenced in 2001 after the project document was signed by major stakeholders. Furthermore, the political circumstances prevailing in Zimbabwe have caused major delays in the implementation of the project, and an additional delay resulted from a change by the Government of the national institution implementing the project requiring a new agreement between UNIDO and the new institution. Under these circumstances, UNIDO is proposing to complete the project by the end of 2006. UNIDO also confirmed that no MB consumption has been used in the cut flower sector since 2005. The only activities pending are the completion of the training programme and the transfer of the equipment to the beneficiaries in order to ensure the project's long-term sustainability.

Secretariat's recommendation

52. The Executive Committee may wish to take note of the progress report on the implementation of the phase-out of MB in cut flowers in Zimbabwe, on the understanding that UNIDO will submit a project completion report prior to the 51st Meeting of the Executive Committee.
