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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March-3 April 2009

PROJECT PROPOSAL: THAILAND

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

Fumigant

- National methyl bromide phase-out plan (third tranche)

World Bank

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Thailand

(I) PROJECT TITLE	AGENCY
Methyl bromide	IBRD

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2007
CFC: 321.6	CTC: 0	Halons: 0	MB: 122	TCA: 0

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					321.6								321.6
CTC								0.					0
Halons			10.1										10.1
Methyl Bromide									335.	122.			457
Others													0
TCA													0

(IV) PROJECT DATA			2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Montreal Protocol Consumption Limits		MB	183.	183.	183.	146.4	146.4	146.4	146.4	146.4	146.4	146.4	146.4	146.4	
Maximum Allowable Consumption (ODP Tonnes)		MBR	241.8	241.8	183.1	146.6	146.6	146.6	146.6	73.3	73.3	36.6	18.3	0.	
MB Consumption to be phase out					58.7	36.5				73.3		36.7	18.3	18.3	241.8
Project Costs (US\$)	IBRD	Project Costs			546,991.		1,412,214.		942,395.						2,901,600.
		Support Costs			41,024.		105,916.		70,680.						217,620.
Total Funds Approved in Principle (US\$)		Project Costs			546,991.		1,412,214.		942,395.						2,901,600.
		Support Costs			41,024.		105,916.		70,680.						217,620.
Total Funds Released by the ExCom (US\$)		Project Costs			546,991.		1,412,214.		0.						1,959,205.
		Support Costs			41,024.		105,916.		0.						146,940.
Total Funds Requested for Current Year (US\$)		Project Costs								942,395.					942,395.
		Support Costs								70,680.					70,680.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Thailand, the World Bank has submitted a progress report on the implementation of the second annual programme of the national methyl bromide (MB) phase-out plan for Thailand and a request for funding for the third tranche of the project, for consideration by the Executive Committee at its 57th Meeting. The level of funding requested is US \$942,395 plus agency support costs of US \$70,680.

Background

2. The national MB phase-out plan for Thailand was approved by the Executive Committee at its 44th Meeting, to phase out the total consumption of controlled uses of MB in the country (241.8 ODP tonnes) by 2013, at total level of funding in principle of US \$2,901,600, excluding agency support costs. The Executive Committee has also approved the first and second tranches at its 44th and 50th Meetings.

3. The request for the third tranche was first submitted to the 56th Meeting. At that Meeting the Committee noted that, since the approval of the project, the Government of Thailand had reduced its MB consumption to levels that were lower than those allowed under the Montreal Protocol and the Agreement with the Committee. It also noted that, as of August 2008, only 12 per cent of the total amount of the funds approved had been disbursed. Accordingly, the Committee decided to defer the request for funding the third tranche of the plan to a future Meeting, once the activities initiated with the previously approved tranches had been implemented and the available funding had been disbursed or committed (decision 56/56).

4. The Secretariat has prepared this document on the basis of that submitted to the 56th Meeting (UNEP/OzL.Pro/ExCom/56/52). For ease of reference, any revised or new text has been introduced in italics.

Progress report on the implementation of the 2007-2008 work programme

5. The Government of Thailand has implemented several activities to ensure compliance with the reductions in MB consumption as stipulated in its agreement with the Executive Committee, namely:

- (a) The Government has established import controls and developed regulatory incentives to reduce unnecessary MB consumption. *Import quotas for 2009 have already been established (72.0 ODP tonnes);*
- (b) *The management information system has been further developed. It is expected that training in the use of the system will be conducted in the first quarter of 2009. Computers (about 30) will be provided to all plant quarantine stations to fully operate the system;*
- (c) Several meetings have taken place between the Government and major stakeholders to discuss the most effective means to provide assistance to all MB stakeholders;
- (d) Several train-the-trainer programmes have been conducted; a pest resistance control laboratory was established in September 2008 and resistance mapping

across the country is currently underway; a website on the MB phase-out plan has been completed and several public awareness activities are under implementation. *In addition to the training manual, codes of good practice for phosphine fumigation have been developed;*

- (e) Procurement of equipment for fumigation servicing companies commenced in August 2008, including a workshop with fumigation servicing companies to discuss the terms of the conversion subproject. *Performance tests of the equipment proposed by suppliers are being conducted by relevant authorities to ensure that equipment is effective and accurate for successful conversion to phosphine. It is expected that accreditation of equipment supplier will be completed by the end of February 2009.*

Plan of action for the 2009 work programme

6. The Government of Thailand commits to implementing the following activities under the 2009 work programme of the national MB phase-out plan: operation of the insect resistance laboratory; preparation and implementation of individual proposals for owners of large storage facilities with in-house fumigation capacity, and fumigation servicing companies with associated training programmes; preparation of a project implementation plan for owners of facilities without in-house fumigation capacity; completion and launching of the information management system for MB; and issuance of national pest control and accreditation standards.

Budget and planned disbursement

7. *The World Bank has submitted a detailed 2008-2009 project budget and planned disbursement. The cost of the activities under current implementation and the cost of additional activities to be implemented in 2009 to achieve the phase-out of MB as stipulated in the Agreement, will result in a deficit of over US \$460,000, as shown in the table below:*

Description	US \$
<i>Total approved funding</i>	<i>1,959,205</i>
<i>Total disbursement as of 15 January 2009</i>	<i>318,629</i>
<i>Disbursement in process for activities under implementation</i>	<i>681,779</i>
<i>Additional funding committed for 2009</i>	<i>843,880</i>
<i>Total expected disbursement in 2009</i>	<i>1,844,289</i>
<i>Additional funding needed in 2009</i>	<i>577,068</i>
<i>Total funding needed in 2009</i>	<i>2,421,358</i>
<i>Balance available at the end of 2009</i>	<i>(462,153)</i>

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The 2007 MB consumption reported by the Government of Thailand under Article 7 of the Protocol of 122.0 ODP tonnes was already 24.4 ODP tonnes below the allowable level of consumption of 146.4 ODP tonnes for that year and the maximum allowable level in the

agreement between the Government and the Executive Committee. *The total MB import quotas issued by the Government of Thailand in 2008 amounted to 144.0 ODP tonnes.*

9. *In response to decision 56/56, the World Bank submitted an updated report on the activities that have been implemented as of January 2009 (these activities have been described under the “Project Description” section in italic font). The Bank also indicated that the release of the final tranche at the 57th Meeting was needed to implement the following activities:*

- (a) *Procurement of equipment for the training centres;*
- (b) *Procurement of integrated pest management packages that will be distributed to owners of storage facilities without in-house fumigation capabilities;*
- (c) *Operation of the Project Management Unit*

10. *Although not all of the funding from the third tranche will be disbursed in 2009, the World Bank pointed out that approval was essential for the Government to be in a strong position to discuss future phase-out activities with major stakeholders.*

RECOMMENDATION

11. *Noting that Thailand’s level of MB consumption for 2007 is below the allowable level of consumption stipulated in its Agreement with the Executive Committee; and that the level of funding for all activities currently under implementation and additional activities planned to be implemented in 2009 will be higher than the funding so far allocated, the Secretariat recommends that the Executive Committee:*

- (a) *Takes note of the 2008 progress report on the implementation of the second tranche of the national methyl bromide phase-out plan for Thailand;*
- (b) *Approves the 2009 annual implementation programme; and*
- (c) *Requests the Government of Thailand and the World Bank to continue monitoring the phase-out of MB in Thailand and reports back to the Executive Committee annually on the progress in meeting the reductions required by this project.*

12. *The Secretariat further recommends blanket approval of the third tranche of the national methyl bromide phase-out plan, at the level of funding indicated in the table below:*

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National methyl bromide phase-out plan (third tranche)	942,395	70,680	World Bank
