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COMITÉ EJECUTIVO DEL FONDO MULTILATERAL
PARA LA APLICACIÓN DEL
PROTOCOLO DE MONTREAL
Cuadragésima Reunión
Montreal, 16 al 18 de julio de 2003

PROPUESTA DE PROYECTO: ARGENTINA

Este documento contiene los comentarios y la recomendación de la Secretaría del Fondo sobre la propuesta de proyecto siguiente:

Fumigante

• Eliminación de bromuro de metilo en almácigos desprotegidos para plantas de tabaco y hortalizas (tercera partida)	PNUD

HOJA DE EVALUACIÓN DE PROYECTO
ARGENTINA

SECTOR: fumigante Uso de SAO en el sector (2001): 358,8 toneladas PAO

Umbrales de costo a eficacia del subsector: n/c

Título del proyecto

a) Eliminación de bromuro de metilo en almácigos desprotegidos para plantas de tabaco y hortalizas (tercera partida)

Datos del proyecto	**Fumigante**
Consumo de la empresa (toneladas PAO)	
Impacto del proyecto (toneladas PAO)	21
Duración del proyecto (meses)	12
Monto inicial solicitado($EUA)	467.000
Costo final del proyecto ($EUA):	
Costo adicional de capital (a)	
Costo de imprevistos (b)	
Costo adicional de explotación (c)	
Costo total del proyecto (a+b+c)	467.000
Propiedad local (%)	
Componente de exportación (%)	
Monto solicitado($EUA)	467.000
Costo a eficacia ($EUA /kg.)	22,24
Financiamiento de la contraparte confirmado?	
Organismo nacional de coordinación	Instituto Nacional de Tecnología Agropecuaria y Dependencia del Ozono
Organismo de ejecución	PNUD

Recomendaciones de la Secretaría	
Monto recomendado ($EUA)	
Impacto del proyecto (toneladas PAO)	
Costo a eficacia ($EUA /kg)	
Costo de apoyo del organismo de ejecución ($EUA)	
Costo total al fondo multilateral ($EUA)	

DESCRIPCIÓN DEL PROYECTO

Antecedentes

1. El gobierno de Argentina presentó a consideración del Comité Ejecutivo, en su 40ª Reunión, un informe sobre la marcha de las actividades relativas a la ejecución del proyecto de eliminación de todos los usos restantes del bromuro de metilo en almácigos de plantas de tabaco y hortalizas cultivadas en campo abierto (desprotegidas) (tomates, pimientos, berenjenas, etc.). Una copia del informe se adjunta a este documento.

Informe sobre la marcha de las actividades

2. La primera etapa del proyecto se centró en la eliminación de 29 toneladas PAO de bromuro de metilo y el desarrollo de un marco de referencia y mecanismos destinados a asegurar la sustentabilidad de la eliminación lograda.

3. Se pusieron en ejecución varias actividades entre abril de 2002 y el 31 de marzo de 2003, como: el establecimiento del equipo de proyecto y el desarrollo de los planes nacional y regional de trabajo; la supervisión de importaciones y usos del bromuro de metilo; la comunicación con las partes interesadas que terminó en la firma de acuerdos con los gobiernos de las siete provincias que cultivan tabaco y un compromiso de eliminar totalmente el bromuro de metilo en este sector para 2007; la capacitación de granjeros y de técnicos en el uso de alternativas del bromuro de metilo; la licitación y adquisición de insumos y equipos de granja para la temporada de producción de 2003; y la organización de un foro nacional con el sector tabaquero para tratar el desarrollo de políticas nacionales.

Actividades propuestas

4. Junto con el informe sobre la marcha de las actividades, el gobierno de Argentina también presentó una solicitud de $EUA 467 000, que corresponde a la tercera partida del financiamiento del proyecto. Con estos fondos, se propone capacitar a un mínimo de 60 agentes de extensión, 4 900 horticultores y 10 000 trabajadores, comprar insumos y materiales para la temporada de 2004 con el fin de lograr la eliminación de 21 toneladas PAO adicionales de bromuro de metilo; continuar con actividades de concientización y producir materiales y publicaciones destinados a la capacitación.

COMENTARIOS Y RECOMENDACIONES DE LA SECRETARÍA

COMENTARIOS

5. El informe sobre la marcha de las actividades relativas a la ejecución del programa de país, presentado por el gobierno de Argentina a la Secretaría del Fondo (en mayo de 2003) destacó que en 2001 se utilizaron 298,8 toneladas PAO de bromuro de metilo como fumigante de suelos. Esta cantidad se distribuyó en 168,6 toneladas PAO, importadas en 2002, y 130 toneladas PAO restantes de las importaciones de los años anteriores (reservas). Tanto el

consumo de bromuro de metilo conforme al artículo 7 en 2002 (168,6 toneladas PAO) y el uso real del bromuro de metilo en ese mismo año (298,8 toneladas PAO) fueron inferiores al consumo máximo remanente de 2002 y acordado entre el gobierno y el Comité Ejecutivo (es decir, 376,6 toneladas PAO).

6. La Secretaría pidió al PNUD que aclarara si la reducción del consumo del bromuro de metilo se logró gracias a la ejecución del proyecto o fue resultado de la crisis económica reciente del país (que experimentó una devaluación del 370 por ciento de la moneda nacional) y que forzó a muchos granjeros a reducir o eliminar parcialmente el uso del bromuro de metilo y/o del área de producción.

7. El PNUD informó a la Secretaría que las actividades ejecutadas desde abril de 2002 desempeñaron un papel importante en la eliminación gradual de una parte del consumo de bromuro de metilo en el sector tabaquero. En el período que va de 2000 a 2002, se eliminó un total de 68 toneladas PAO de bromuro de metilo usadas en el sector tabaquero, (54 toneladas PAO se debieron a la adopción de alternativas y 14 toneladas PAO, a las circunstancias económicas adversas).

8. Al respecto, la Secretaría pidió una aclaración sobre la contribución de la contraparte (que asciende casi a $EUA 3,38 millones) a pesar de la muy difícil situación económica reinante en el país. El PNUD respondió que dado que el costo del proyecto sobrepasaba el nivel de los fondos aprobados, se requería la contribución de la contraparte. Las contribuciones de las contrapartes se utilizarían para adquirir materiales para el sistema de bandejas flotantes y para cubrir los costos laborales y de construcción.

9. Durante la preparación de la propuesta de proyecto, el costo unitario de las bandejas plásticas requeridas para el sistema de bandejas flotantes se estimó en $EUA 1,00 (el costo de bandejas representó cerca de 65 por ciento de todo el costo de capital de la propuesta de proyecto para Argentina. Asimismo, el precio unitario del substrato y las hojas del plástico del proyecto original se calculó en $EUA 0,219/l y $EUA 24,90/ha, respectivamente. No obstante, durante la ejecución del proyecto, el precio de compra de las bandejas estaba entre $EUA 0,72 c/u y $EUA 0,81 c/u, mientras que el precio del substrato era de $EUA 0,120/l y el de las hojas plásticas era de $EUA 22,17/ha. La Secretaría observó que, sobre la base de los precios actuales, se puede construir un mayor número de micro túneles (cerca de 20 por ciento más) con el mismo nivel del financiamiento y, por lo tanto, es posible reducir la duración del proyecto (5 años).

RECOMENDACIÓN

10. El Comité Ejecutivo puede querer considerar la solicitud de la tercera partida del proyecto para la eliminación de todos los usos restantes del bromuro de metilo en almácigos de tabaco y de hortalizas en campo abierto (desprotegidos) basándose en los comentarios antedichos.

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OPROZ

ANNUAL PROGRESS REPORT
Argentina's project to phase-out methyl bromide in soil fumigation of tobacco and open-field vegetables´ sectors

PROZONO

Report of activities,
YEAR I (April 2002 – March 2003)

MLF project number: ARG/FUM/36/INV/129
UNDP project number: ARG/02/G61

Table of Contents

1. BACKGROUND

1a. PROJECT INFORMATION

MLF Project Number	ARG/FUM/36/INV/129
UNDP Project Number	ARG/02/G61
Project Title	Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds in Argentina
Implementing Agency	United Nations Development Programme (UNDP)
Executing Agency	Instituto Nacional de Tecnología Agropecuaria (INTA); Oficina del Programa Ozono (OPROZ), Secretaría de Ambiente y Desarrollo Sustentable
Funding Agency	Multilateral Fund of the Montreal Protocol
Project Approval Date	March 2002
Project Completion Date	December 2006
Total budget approved (in principle) (US $):	US$ 3,588,000
Year 1 disbursement (tranches 1 & 2):	US$ 1,720,000
Year 2 disbursement requested (tranche 3):	**US$ 467,000**

1b. PROJECT OBJECTIVES

This project is designed to phase-out all remaining soil uses of methyl bromide in tobacco seedbeds and open-field (non-protected) seedbeds of vegetables: tomato, pepper, eggplant and others. It covers all the remaining soil uses of MEBR in Argentina. In these sectors, MEBR is used by many thousands of farms (about 80% small and medium peasant farms) in 12 Provinces, covering a large area of diverse climates from cool Patagonia in the south to Misiones in the tropical north. The MEBR users will adopt three successful alternatives identified by the demonstration project (*ARG/FUM/26/DEM/79*): the floating polystyrene tray system, non-float plastic trays and metam sodium. The project will be implemented at the local level with farmers' cooperatives purchasing and disbursing relevant agricultural equipment and materials, and will be implemented a thorough training and extension program for approximately 73,200 farmers and labourers (average of two labourers for each 24,400 growers). It will be accompanied by policy measures to ensure that MEBR used in the tobacco and open field vegetable sectors will be phased out permanently.

The first phase of the Methyl Bromide Phase-out Project targeted the phase out of 29 ODP tonnes of methyl bromide used in the aforementioned sectors in Argentina, as well as the development of strong project support and mechanisms for ensuring stakeholder commitment, that will enable the necessary phase out activities to continue in future phases of the project. The approved budget for Phase I included funding approved for the years 2001 (US $220,000) and 2002 (US $1,500,000), representing a total budget approval of US $1,720,000.

2. SUMMARY OF YEAR 1 ACTIVITIES (April 2002 – March 2003)

In 2002, the Instituto Nacional de Tecnologia Agropecuaria (INTA) and the Oficina del Programa Ozono (OPROZ), of the Secretaría de Ambiente y Desarrollo Sustentable, with the assistance of UNDP, launched implementation of a project to phase-out the uses of MEBR in the tobacco and field vegetable seedbeds in Argentina. As a result of the economic crisis faced by Argentina, project implementation developed in a very different environment than had first been envisioned during the early stages of the project design process, introducing new situations that had to be carefully considered during the development of the Year I work programme. Large devaluation of the national currency (370%) forced some farmers to reduce the tobacco production area and/or not use a soil fumigant, which contributed favourably to reducing overall imports of MeBr. Despite the very difficult economic situation, the project worked hard to gain full support of Argentine counterparts who showed themselves to be very committed to the project objectives, making significant in-kind contributions in order to maximize availability of funds and materials to the greatest numbers of MB users possible.

Activities implemented and achieved April 2002 - 31 March 2003

- Establishment of the Project Team;
- Development of detailed work plans and regional plans in the regions of Tucumán/Catamarca, Misiones/Corrientes, Salta and Jujuy;
- Active monitoring of MEBR imports and uses;
- Dialogue sessions with stakeholders in all the regions;
- Agreements signed with the governments of the 7 tobacco growing provinces;
- Commitments to fully replace MeBr up to 2007 signed by nearly all tobacco sector stakeholder organizations;
- Training of growers and technicians on alternatives, building on that initiated within the context of the demonstration project (ARG/FUM/26/DEM/79);
- Counterpart contributions received for procurement and distribution of materials and equipment;
- Dissemination of materials and information on alternatives to farmers in 2002;
- Bidding process for procurement of equipment covered by grant funding;
- Procurement of equipment and inputs for 2003 season;
- Awareness-raising activities at agriculture schools in tobacco producing areas;
- Development of a first phase of a “methyl bromide free crop” protocol;
- Development and implementation of a media campaign for awareness-raising;
- Inclusion of project-related information as part of the public activities sponsored on International Day to Protect the Ozone Layer (16 September 2002); and,
- Organisation of a national forum with the tobacco sector to discuss national policy development.

The activities were implemented according to the project’s operative plan. The project was launched in mid-May 2002 at the start of the crop season, during an official signing ceremony that included both public and private sector participants. Given that approval by ExCom occurred in

March and that the seedbed season begins in May, this did not allow sufficient time to access grant funds approved by the MLF in order to conduct the bidding process for procurement of equipment and materials required for the 2002 seedbed growing season. In spite of this, in areas where alternatives had been well received during the implementation of the demonstration project, important in-kind counterpart investments were obtained (as stated in the investment project document), and these permitted the project to achieve the targeted MeBr reduction in 2002.

The project succeeded in surpassing the elimination target of 29 ODP T required by the project's Agreed Conditions. The project team made significant efforts to ensure that reductions achieved through the project's implementation during 2002 and early 2003 were sustainable permanent reductions that can be subtracted against Argentina's national aggregate consumption of MEBR. The project team was especially focused on ensuring such sustainable reductions given the very difficult economic situation that Argentina faced during 2001 and 2002 including, important devaluation of it's currency, sharp increases in prices resulting from this devaluation, inability to secure external loans, all of which resulted in a global decrease in imports of all goods to just 39% of the level they had been in 2001.

Not surprisingly, this economic crisis had a significant impact on the agricultural sector. Although production continued as best it could, many growers that are traditional users of MeBr were forced to reduce dosages in order to reduce costs, or simply not use any pesticides at all – neither MeBr nor other alternatives – with consequent negative impact on crop survival and quality.

While the national overall consumption of MeBr dropped in 2002 partly as a result of the economic crisis, this economic situation is temporary and very largely reliant on external factors. A recent strengthening in the economy, and preliminary data that indicates increasing imports of MeBr, are factors that indicate that more normal patterns of MeBr use may start to return during the 2003 growing season.

3. MeBr CONSUMPTION OVERVIEW

Table 1, below, provides a summary of historical MeBr consumption in Argentina (excluding QPS) as has been reported to the Ozone Secretariat.

Table 1: MeBr imports in Argentina (ODP-tonnes)

Year	MeBr imports (ODP-tonnes)
Baseline (1995-98 average)	411.3
1999	468
2000	466
2001	362.1
2002 *	168.6

* Imports of MeBr for 2002 total 168.6 ODP-t (281 MT). However, consumption (excluding QPS) in that year came to a total of 298.8 ODP-t (498 MT), as it has been officially reported.

Argentina's MeBr baseline, as calculated by the Ozone Secretariat, is 411.3 ODP-t and consumption in 1999 was 468 ODP-t. MeBr imports during 2000 were 466 ODP-t and in 2001, dropped to 362.1 ODP-t, when the economic recession started. Total MeBr imports for 2002 indicate that Argentina has stayed within the national aggregate limit of 376.7 ODP-t called for in the project's Agreed Conditions. While part of this reduction was due to the economic recession (and is therefore temporary and not related to the project activities), part of the MeBr reduction was a direct result of the activities of the project and counterpart commitments, which resulted in permanent elimination of more than the required 29 ODP-t.

In accordance with the project agreement, the Argentine government committed to phase-out **29 ODP-t** of consumption in the tobacco sector during Year I implementation activities. According to the information provided above and highlighted by the figures presented below, the project surpassed its target, achieving a phase-out of **53.6 ODP-t**. It is important to note that this achievement should be assessed separately from the national reduction in MeBr use that resulted from the impact of the economic crisis on national planted area. This is explained below.

The total reduction in MB that occurred in the tobacco sector in the period 2000-2002 was 113 tonnes (ie. 268 t in 2000, decreasing to 155 t in 2002), as shown in Table 2. However, the important question is how to determine what part of the MB reduction resulted from the adoption of alternatives (ie. permanent elimination of MB due to the national project) and what part was due to the economic recession (ie. temporary reduction in MB due to economic circumstances). We have resolved this question by conducting a detailed analysis (based largely on survey results in the tobacco provinces) to determine the MB consumption, tobacco area that has adopted alternatives, and the total area of tobacco production. This method permits us to determine project impact reliably, because it identifies the area that has adopted alternatives in the tobacco sector, a result of the combined efforts of the project team and counterparts (following counterpart commitments made in the project document).

Table 2: Methyl Bromide Phased-Out in 2002 in tobacco production provinces

Province	Consumption 2000 *		Consumption 2002 **				MeBr phased-out (tonnes)	ODP-t phased out (ODP-t)
	Area using MeBr (hectares)	MeBr consumption (tonnes)	Area using MeBr (hectares)	Area that has adopted alternatives (hectares)	Total area (hectares)	Estimated MeBr consumption (tonnes)		
Tucumán (1)	5,833	21	3,640	2,260	5,900	13.21	8.2	4.9
Jujuy (2)	19,444	70	11,616	4,884	16,500	42.16	17.7	10.6
Salta (3)	17,222	62	14,030	1,770	15,800	50.92	6.4	3.85
Corrientes (4)	5,555	20	5,626	174	5,800	20.42	0.6	0.3
Chaco (5)	1,110	4	850	-	850	3.08	-	-
Misiones (6)	24,400	88	6,043	15,657	21,700	21.93	56.3	34.1
Catamarca (7)	833	3	950	-	950	3.44	-	-
GENERAL TOTAL	**74,444**	**268**	**42,755**	**24,745**	**67,500**	**155**	**89.7**	**53.6**

** 74,444 hectares relied on MeBr from a total of 78,360 hectares of tobacco (data stated in the Prodoc)*

*** 67,500 hectares were planted with tobacco (unofficial figures)*

[1] Based on a project survey of over 1,389 growers (77% of the total) in 2002

[2]Source: Fernandez G.S. "Diversidad e Innovación: el uso de tipologías para adecuar el cambio de prácticas en la desinfección de almácigos en los sistemas de producción tabacaleros de Jujuy"; November 2002

[3] Based on a project survey over 449 growers (46%) of a total 959 in 2002

[4] Estimate based in information of the Instituto Provincial del Tabaco

[5] Estimate based in information of the Ministry of Agriculture of Chaco

[6] Information based on data from the Cooperativa Tabacalera of Misiones, and Tabacos Norte, Standard Tobacco, Blasa and Cima local tobacco companies.

[7] Based on a project survey of the total 181 growers that planted tobacco in 2002

4. RESULTS OF ACTIVITIES TO DATE

The following sections describe key activities and results.

a) Organization of the project activities

Regional teams were formed to coordinate and implement the project activities in each region, as listed below. The implementation of the project under the leadership of regional project teams enhances the sustainability of the project. Local regional experts, familiar with local agricultural practices and growing conditions, work to provide specific and focused training in alternatives which in turn, allows for the establishment of local knowledge networks and enhanced capacity development. In addition, the high level of involvement on the part of INTA is demonstrative of the importance that the government places on the successful and sustainable implementation of a project that targets an important economic sector for Argentina.

Jujuy regional team:
Juan Regazzoni (coordinator)*
Gabriela Fernandez *
Mario Aprile*
Carlos Burgos**
Carolina Fascio**

Salta regional team:
Daniel Fernández (coordinator)*
Santiago Arias**
Simón Burgos**
Fernando Soria**
José Arias*

Misiones/Corrientes regional team:
Alberto Sosa (coordinator)*
Marcelo Mayol*
Mario Kryvenki*
Evaldo Steger**

Tucumán/Catamarca regional team:
Cristina Biaggi (coordinator)**
Omar Triadani *
Angeles Namur*
Daniel Rossi*

National Coordination team:
Alejandro Valeiro (national coordinator)*
Héctor Muela**
Julio Agüero*
Carolina Corvalán **

(INTA personnel / ** personnel contracted by the project)*

Although work in the tobacco sector was launched in all sectors in 2002, it was decided that for year one, only the Tucumán province would work on the field vegetables sector. This was in order to build experience that could be transferred to the other regions in 2003 and onwards. The underlying reason for this was that the previous demonstration project had focused on the tobacco sector, not field vegetables. As a result, the national project team needed to undertake further developmental work in vegetable production using alternatives to MeBr before transfer of expertise and adoption could begin in earnest. The primary focus of the training work in the project this year was therefore, in the tobacco sector.

b) Elaboration and approval of detailed plans

Once the regional project teams were established they in turn, and in collaboration with stakeholders in each tobacco producing province, developed detailed work plans for each of the project intervention areas, outlining detailed lists of activities, goals and timetables. In addition, detailed budgets for each region were spelled out, as were roles and responsibilities. The stakeholders, through provincial Consultative Committees whose membership included grower's

organizations, local government representatives, the regional project team and representation from the national team, then approved these regional work plans.

Regional teams met on a weekly basis to review, and if necessary, revise planned activities, as well as to evaluate results. The national team held quarterly evaluation and planning meetings.

c) Training growers and technicians

Despite the difficult national circumstances, it is important to note the remarkable advance that resulted in achieving the project goals. A key reason for the success lay in the previous constructive work that had been undertaken during the demonstration project, as well as the joint work and collaborative approach adopted with other institutions including, the National Secretary of Agriculture, provincial ministries and secretaries of production and environment, in addition to the tobacco sector.

Training of trainers in Tucumán

Field training on transplant results in Catamarca

During 2002, 5 train-the-trainers´ courses were implemented and 97 training field days were organized. To date, the project has trained 2,762 growers. The project as a whole is scheduled to train in the order of 24,400 growers in total. The table below highlights the number of training sessions and awareness-raising activities hosted in 2002e, and indicates the number of participants involved.

Table 3: Summary of training courses implemented in Year 1

	Misiones/ Corrientes	Salta	Jujuy	Tucumán/ Catamarca	TOTAL
Number of training field days and meetings	63	10	8	16	**97**
Number of trained growers	1,993	284	107	281	**2,762**
Number of courses for technicians	---	1	2	5	**8**
Number of trained technicians	---	17	29	68	**114**
Number of school awareness sessions	8	6	5	5	**24**
Number of participating students	395	923	116	250	**1,684**

As the data in the table above demonstrates, the rhythm of implementation and uptake varied from region to region. This was to be expected and indeed, had been highlighted within the context of the project document approved during ExCom 36. For example, in Misiones the small growers (nearly 15,000) are very interested in new technologies and new production methods and are more open to accepting such changes, so the project made excellent progress in this region despite the large challenges involved in training and visiting many small-scale growers. In contrast, due to the larger tobacco areas planted by each grower in Salta, technological innovations require much larger capital investment per farm, making them reluctant to make such investments in a crisis environment. In addition, a requirement of tobacco companies for reconverting the Virginia tobacco curing systems, due to a nitrosamine problem in the leaves, has recently obliged growers of Salta and Jujuy to make significant investments in that respect. They informed the project team that they were not able to make additional changes in their production procedures during Year I due to economic constraints. As a consequence, the project trained fewer growers in these regions during Year I. However, further work will be done in these areas in future years.

It was therefore, considered logical to focus first on the regions like Misiones which have the largest number of growers and where solid progress could be made during the first year of implementation. By exercising this flexibility, the project was able to remain on track with the total numbers of growers trained to date.

Group production of floating seedbeds in Misiones

Training small farmers of Catamarca in floating seedbed production

d) Acquisition and distribution of equipment and materials

As previously mentioned, the project received approval in March 2002 and disbursement of the first and second tranches of funding was not possible until nearly mid-year. Owing to this fact, the project team was not in a position to carry out bidding and procurement of the materials and equipment using grant funding to meet the seedbed season starting in May 2002. Hence, investment in materials and equipment made during Year I activities were the result of important counterpart contributions described in the project document.

Counterpart contributions, in material inputs and investments, as outlined below, serve to demonstrate the strong commitment of the tobacco sector - despite the economic crisis - in working with the project and phasing-out MeBr, particularly in some provinces.

Table 4: Summary of counterpart contributions (Year 1)

{PRIVATE}**Origin of funds**	**Misiones**	**Tucumán**	**Salta**
Government (Fondo Especial del Tabaco)*	725,200 US$	184,600 US$	-

Tobacco companies and cooperatives **	1,750,000 US$	160,000 US$	-
Growers ***	294,000 US$	112,100 US$	152,000 US$
TOTAL	**2,769,200 US$**	**456,700 US$**	**152,000 US$**

** Official figures from the Federal Ministry of Agriculture/Fondo Especial del Tabaco*
*** Estimate based on materials contributed by tobacco companies and cooperatives*
**** Estimate of hand labour and pool construction materials and other inputs*

The bulk of growers that adopted alternatives in 2002 received some financial support to cover the costs of materials from either the government or the tobacco sector, and was trained and received technical assistance with MLF project funds during the seedbed season. Following training activities, materials were distributed to farmers and their proper use was supervised and ensured by trained extensionists who made follow-up visits to the farms. This distribution was made in both the tobacco and vegetable sectors.

The bidding and procurement of equipment and materials that needs to be purchased with MLF funds is underway for the 2003 seedbed season. The process of international tendering for the 2003 season was launched in December 2002 and will be finalized in early May 2003. The quantities and breakdown of some the materials ordered and distributed by region are detailed in the table below.

The procurement situation faced during 2002 will change in 2003 as the MLF project funds dedicated to procurement of equipment and materials have been committed. The process of international tendering for the procurement of inputs for alternatives for the 2003 season was launched in late December 2002 and will be finalized in early May 2003. The quantities and breakdown of some of the materials ordered and distributed by region are detailed in the table below:

Table 5: Materials and equipment procured by project in Year 1 (for 2003 seedbed season)

Province	**Polystyrene trays** (units)	**Cost** (US$)	**Substrates** (litres)	**Cost** (US$)	**Plastic sheets** (metres)	**Cost** (US$)
Salta	152,000	110,960	760,000	91,432	346,900	84,678
Tucuman	85,000	62,050	425,000	51,130	550	134
Catamarca	4,250	3,103	21,250	2,556	3,700	903
Chaco	2,240	1,635	12,320	1,482	9,000	2,197
Jujuy	190,500	139,065	952,500	114,591	33,600	8,202
Corrientes	1,600	1,168	19,360	2,329	96,800	23,629
Misiones	10,638	7,766	2,583,460	310,804	-	-
TOTAL	**458,558**	**334,747**	**4,835,540**	**581,715**	**490.550**	**119,743**

As was stated in the project document, the cost of trays and substrates is high in Argentina, largely because they have to be imported. Due to the devaluation of the national currency, in 2002 every imported product was much more expensive than it was the previous year. This new situation led the project team to prioritize and accelerate the planned actions seeking national production of the main inputs for the alternatives. The project team is working jointly with substrate suppliers to develop and test new formulas according to the tobacco sector needs, and designing specifications and quality control measures to ensure that a sustainable local substrate industry can be developed in the near future.

As was stated in the project document, the cost of trays and substrates is high in Argentina, largely because they have to be imported. Due to the devaluation of the national currency, in 2002 every

imported product was much more expensive than it was when the project document was written. This new situation led the project team to urgently accelerate the planned actions to promote national production of the main inputs for the alternatives (as listed in the work activities of the ProDoc). As a result of this work, polystyrene trays are due to be produced in Argentina for the 2003 season, hopefully in sufficient quantity to meet the project needs during 2003. This has allowed the unit cost of trays to be reduced to approximately US$ 0.72 per tray. However, fluctuations in the Argentine economy, as markets re-stabilise following the crisis, make it very difficult to predict what price trays may be procured at in future. For example, during finalization of purchase of trays in March 2003, a price of US $0.72 per unit was obtained. In comparison, according to recent developments in the exchange market (devaluation of US dollar) the cost of the same trays in May 2003 was quoted at US $0.81 per unit.

The project team continues to work with substrate suppliers to develop and test new formulas according to the tobacco sector needs, and designing specifications and quality control measures to ensure that a sustainable local substrate industry can be developed in the future.

Appropriate technologies for managing Application of alternatives are being developed

A new local-made substrate is being tested for tobacco seedlings

The aforementioned activities are strong indicators of project sustainability at the national level.

e) Summary of Cumulative Project Progress

The project has worked intensively with growers and the tobacco sector during 2002, as well as in the previous demonstration project, and important efforts have been made to replace the use of MeBr. The result of these efforts, combined with the receipt of inputs through counterpart contributions is that alternatives have been adopted on part of the tobacco production area and this work will continue until alternatives have been adopted on the entire tobacco area and all MeBr in the sector has been phased out.

f) Awareness-raising

The organization of awareness-raising campaigns was the initiative of, and was coordinated by, the Communication's team of the INTA/UNDP project.

- National public interest campaign

A major awareness raising media campaign was developed. As this was a public interest campaign, the project was able to use the "National Radio and TV Network" without any transmission cost.

Message: “We are still on time; protect our future; protect the ozone layer”
Duration: 10 days, from September 14 to 24.
TV: a 30” advertisement, 4 times per day on each of the 81 open TV channels from the main provinces; 5 main open TV channels of Buenos Aires and 3 main national cable news´ channels.
Radio: a 30” advertisement in 365 radio stations throughout the country, including Buenos Aires.

- September 16 Campaign

The campaign aimed to explain the need for protecting the ozone layer and the objectives and activities oriented to replace the use of methyl bromide. Interviews were coordinated with reporters from a large Number of media:

TV: 3 national cable channels; 2 open TV channels from Buenos Aires.
Radio: 45 AM and FM radios all over the country.
Newspapers: 1 national, 4 local, 1 Latin American.
News´ Websites: 2
E-mail: a message was sent to 11,000 subscribers of INTA mailing lists. 83 queries seeking additional information and advice were received and answered.

INTA´s President, National Director, the Regional Director for the Northwest, the National Director of Environment, the Ozone Unit coordinator, and the national coordinators of both UNDP and UNIDO projects took part in this campaign.

- Awareness raising activities were also made in rural primary and secondary schools where the bulk of students are the children of growers and tobacco workers.

- In addition to these targeted campaigns continuous awareness actions are taken through the media in each region and at the national level. An example was the main report in the Sunday magazine of the most popular newspaper in Argentina (Clarín, November 17, 2002).

Awareness raising meeting in Misiones

g) Communications strategy

- Leaflets, manuals, and other diffusion materials were produced and distributed in each region.
- Information was produced, and a 0800 toll free telephone Number was provided to answer growers’ questions.
- A manual describing how to produce tobacco seedlings in floating seed trays was developed and disseminated.

- The project website was renewed (http://www.inta.gov.ar/prozono/) and new content was included.

h) Policy discussions

Twenty-six multi-stakeholder policy dialogue meetings were held with local authorities in all the seven tobacco production provinces, including growers, grower's organizations, tobacco companies, and national governmental agriculture institutions. Main issues on the agenda include: presentation of the project and its objectives; explanation of the agreement between Argentina's government and the Multilateral Fund of the Montreal Protocol; and, the need to complement the project's resources with in-kind labour and financial resources.

The need for a specific agreement between INTA and each local government – involving the local tobacco private sector - was stressed, and a draft model was designed and discussed. The idea of signing a joint government/tobacco sector "commitment for protecting the ozone layer" was also presented. Such a document endorses the phase-out calendar and includes a commitment on the part of the local government and industries to gradually reduce their MeBr consumption, distribution or acceptance of MeBr-based products, ending as of January 1st, 2007.

This series of regional meetings culminated in the First National Meeting for Replacing Methyl Bromide in the Tobacco Sector, which was held September 19, 2002 at the offices of the National Secretary of Agriculture (SAGPyA) in Buenos Aires. Thirty one representatives from local governments in the producing provinces, main grower's organizations, and all the tobacco companies took part.

The main conclusions of this meeting were:

- Support for the phase-out calendar already agreed to by the national government;
- Agreement that floating seedbed systems are the best alternative, with emphasis placed on the strong requirement to identify lower priced components in order to ensure sustainability;
- Need to develop a research strategy to develop cheaper components to replace imported components for the alternatives, again to ensure sustainability;

- Support from the tobacco sector for the installation of alternatives and the continued commitment to do so. They are making contributions to the project according to the Counterpart Contributions described in the project document.
- Support for two sets of agreement: one between INTA and each local government, including local private sector tobacco companies; and, two, "commitment for protecting the ozone layer".

It is expected that by May 2003, all the agreements with the tobacco producing provinces will have been signed, and the same is expected with the "commitments for protecting the ozone layer". The signature of these commitments is of central importance to control the supply side of methyl bromide, since some provincial governments finance MeBr to their growers. The same happens with cooperatives and tobacco companies. The main local tobacco companies have already signed the commitment to no longer distribute MeBr, based on the understanding that the phase-out project will proceed as stated in the approved project document, and actively support the efforts to phase out this ODS.

5. PROJECT EXPENDITURES AND PENDING OBLIGATIONS (as at 31/03/03):

Budget line	*N° of budget line*	*Total approved budget (1 st. tranche)**	*Disbursements during Year 1*	*Funds obligated during Year 1*
Administrative Support	13.01	5,462	2,408	3,054
Local travel	15.01	25,171	16,470	0
Transportation costs (internal)	16.01	4,977	1,698.89	3,278
Audit costs	16.97	5,000	-	5,000
National Project Manager	17.01	5,889	3,182	2,708
National Consultant	17.02	12,924	6,241	6,672
National Consultant	17.03	11,422	5,471	5,951
National Consultant	17.04	10,334	3,834	6,501
National Consultant	17.05	11,422	5,471	5,951
Extensionists	17.06	125,896	8,221	112,111
Growers training	32.01	54,315	38,800	15,545
Training of trainers	32.02	9,000	0	9,000
Planning meetings	34.01	8,000	3,012	4,988
Consultative meetings	34.02	8,000	1,200	3,000
Consumable equipment and inputs	45.01	1,378,843	1,197,749	0
Non Consumable equipment and inputs	45.11	5,343	19,221	13,276
Miscellaneous/Sundries	53.01	32,688	11,094	21,594
Exchange rates differences	85.05	5,288	0	5,288
Total		**1.720,000,00**	**1,324,073**	**223,917**

As was outlined in Section 4 d), in Year I the counterparts made substantial contributions in material inputs and investments in order to not delay implementation at the technical level, thus underlining the commitment of the Argentine tobacco sector in phasing-out MeBr, particularly in some provinces.

6. YEAR 2003 PROPOSED WORK PROGRAMME

Following the approval of the Executive Committee of the Montreal Protocol on the disbursement of the second tranche of funding (US$ 467,000), the project will proceed with implementation of the following work programme to achieve further MB reductions:

1. Continuation of the train-the-trainers programme, training at least 50 extensionists;
2. Storage and distribution of materials and equipment to the growers for the 2003 season;
3. Administration of the field operations by the project site engineers;
4. Training of at least 4,900 growers and 10,000 workers. Activities will be concentrated in Salta, Jujuy, Corrientes and Chaco where fewer growers have adopted the alternatives. Begin training of vegetables growers in different areas;
5. Continue awareness-raising activities with a new mass media campaign and local outreach events;
6. Continue the production of training materials and publications for growers and extensionists;
7. Continue with actions aiming to reduce the cost of inputs for floating trays systems;
8. Continued coordination with the Secretary of Environment to design the new regulation controlling imports of methyl bromide for the coming years; and,
9. Purchase and storage of inputs and equipment to the growers for season 2004.

During the 2003 tobacco growing season, the project will eliminate an additional 21 ODP T, as required by the project agreement, and will sustain the current reduction in MeBr consumption. Work will be focused in provinces where reductions during Year I implementation were less significant, and in areas in the open-field vegetables' sector where MeBr consumption is concentrated.