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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

PROJECT PROPOSAL: IRAQ

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

Fumigant

- Technical assistance for alternatives to methyl bromide

UNIDO

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT
IRAQ**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

Technical Assistance for alternatives to methyl bromide

UNIDO

NATIONAL CO-ORDINATING AGENCY: MINISTRY OF ENVIRONMENT

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES in 2009, as of 18 October 2010)**

Annex E, MB	0.0		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2009, AS OF 08 OCT 2010)

ODS	Subsector/quantity	Subsector/quantity	Totals
MB	QPS /1.8	Non QPS / 3.5	5.3

CURRENT YEAR BUSINESS PLAN: Total funding US \$ 261,600 Total phase-out 6.0 ODP tonnes

PROJECT TITLE

ODS USE AT ENTERPRISE:	3.5	ODP tonnes
ODS TO BE PHASED OUT:	3.5	ODP tonnes
ODS TO BE PHASED IN:	Nil	ODP tonne
PROJECT DURATION:	30	months
PROJECT COSTS:		
Incremental Capital Cost	US \$	192,700
Contingency (10%)	US \$	19,270
Incremental Operating Cost	US \$	0
Total Project Cost	US \$	211,970
LOCAL OWNERSHIP:		100%
EXPORT COMPONENT:		n/a
REQUESTED GRANT:	US \$	211,970
COST- EFFECTIVENESS:	US \$/kg	n/a
IMPLEMENTING AGENCY SUPPORT COST: 9%	US \$	19,077
TOTAL COST OF PROJECT TO MULTILATERAL FUND	US \$	231,047
STATUS OF COUNTERPART FUNDING:		n/a
PROJECT MONITORING MILESTONES INCLUDED:		Yes

SECRETARIAT'S RECOMMENDATION:	Individual Consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Iraq, UNIDO has submitted to the 62nd Meeting of the Executive Committee a request for funding for the technical assistance for alternatives to methyl bromide (MB), at a total cost of US \$211,970 plus agency support costs of US \$19,077.
2. MB consumption in Iraq started in 1970 and continued to be used until the end of the nineties. MB was mainly used for fumigation of dates and other agro-industrial products including timber. Grain is currently fumigated with phosphine. In 1995, MB was used for soil pre-plant fumigation in protected crops (greenhouses) on a few large farms. Currently, only 3.5 ODP tonnes of MB is used mainly for fumigation of dates and, to a lesser extent, for soil fumigation. However, as agricultural production for fruits and vegetables presently meets only 50 per cent of the actual demand, there is a large potential demand for MB.
3. The project proposes to phase out MB through the introduction of alternative technologies, including phosphine for dates, and to disseminate the technologies and know-how among fruit and vegetable growers and stakeholders in the date processing industry. It also proposes to prevent future illegal use of MB once the production of vegetables expands in response to local market demand. For the implementation of the project, US \$44,100 is being requested for equipment and farm materials (including a rotovator, and thermo-data loggers); a training programme for major stakeholders (US \$79,000); technical assistance in the introduction of alternative technologies (US \$38,800); training (US \$30,800); and contingencies (US \$19,270).
4. This project will be implemented in cooperation with the Ministry of Agriculture. The estimated project implementation time is 30 months.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

Comments

5. At their 20th Meeting, the Parties to the Montreal Protocol urged all Parties to assist Iraq, as a new Party, by controlling the export of ODS and ODS-based technologies into Iraq as per the provisions of the Protocol and relevant decisions of the Parties. The Parties also requested, *inter alia*, the Implementation Committee to report on Iraq's compliance situation to the Open-ended Working Group preceding the 23rd Meeting of the Parties, for reconsideration of the decision as needed (decision XX/15 para.4).
6. The Government of Iraq reported, for the first time, a MB consumption of 8.4 ODP tonnes in 2006. This consumption was reduced to 5.8 tonnes in 2007, 5.0 ODP tonnes in 2008 and 5.3 ODP tonnes in 2009. According to information presented in the project proposal and in the report on the implementation of the country programme submitted by the Government of Iraq to the Fund Secretariat, of the total 5.3 ODP tonnes of MB imported in 2009, 3.5 ODP tonnes were for controlled uses and 1.8 ODP tonnes for quarantine and pre-shipment (QPS) applications. Since the amount of MB used in 2009 was from stockpiles from previous years, the Government reported zero consumption under Article 7 of the Montreal Protocol. Through a communication received by UNIDO, the Government of Iraq indicated that MB is being consumed in 2010; however, the level of consumption is not yet known. The MB baseline for compliance is 4.6 ODP tonnes.
7. The Secretariat pointed out that although various alternative technologies to MB are being proposed, only a few of them can be introduced in Iraq considering the very limited amount of MB used by farmers, the very small area where MB is applied (350 ha of greenhouses), and the fact that phosphine has been selected to replace MB in the fumigation of dates. UNIDO reported that currently more than 50 per cent of fruits and vegetables consumed in Iraq are imported from neighbouring countries since there are still outstanding security issues in the cultivation areas. As production activities normalize, it is

likely that MB consumption in soil fumigation will increase if it is not constrained. Therefore, the project has been designed not only to phase out consumption of MB, but also to provide technology and knowledge transfer on alternative technologies to prevent a likely re-introduction of MB in soil fumigation, given the special circumstances in Iraq. Consequently, minor equipment items have been included to allow for the demonstration of alternative technologies among farmers and growers.

8. Given that the Government of Iraq is proposing to phase out all controlled uses of MB by the end of 2012, it would be advisable to include legislation banning controlled uses of MB as of that date. On this issue, UNIDO reported that upon completion of the project, the Government has agreed to ban controlled uses of MB. Only QPS application and future exemptions (i.e., critical and emergency uses) will be authorized if necessary and for documented needs, according to the Montreal Protocol provisions.

Recommendation

9. The Executive Committee may wish to consider approving the technical assistance programme for the elimination of methyl bromide (MB) in Iraq at a total cost of US \$211,970 plus agency support costs of US \$19,077 for UNIDO, in light of paragraph 4 of decision XX/15 of the Twentieth Meeting of the Parties to the Montreal Protocol, and on the understanding that no additional funding will be provided for Iraq for the phase-out of controlled uses of methyl bromide in the country.