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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-sixth Meeting
Montreal, 20-22 March 2002

Corrigendum

PROJECT PROPOSALS: ARGENTINA

Replace paragraphs 26 to 28 on Page 8 **with** the following paragraphs:

26. The Fund Secretariat and UNDP being aware of the sensitivity of the methodology used for calculating operational costs, agreed to determine the total project cost on the basis of similar, but more cost-effective phase-out investment projects in tobacco seedlings in other countries. Therefore, the total project cost was agreed at US \$4.368 million which covers the equipment, training and technical assistance requirements for achieving the phase out of 156 ODP tonnes of MB (at the 36th Meeting, the Government of Argentina is requesting approval of the first tranche of the project which amounts to US \$218,400). The remaining 22.8 ODP tonnes of MB used in the tobacco sector will be phased out by the Government of Argentina without the assistance from the Multilateral Fund.

Agreement between the Executive Committee and the Government of Argentina

27. UNDP assisted the Government of Argentina in drafting a proposal for a revised agreement between the Government and the Executive Committee with the commitments proposed and action plan for the phase out of MB in the tobacco and horticulture sectors in Argentina, taking into account the current agreement covering the phase out of MB in strawberries, flowers and protected vegetable crops, approved at the 30th Meeting of the Executive Committee. The draft agreement is attached to this document as Annex I.

RECOMMENDATION

28. The Executive Committee may wish to consider the project proposal on the basis of the comments presented in document UNEP/OzL.Pro/ExCom/36/23 and Corr.1.

Annex I

**AGREED CONDITIONS FOR PHASE OUT OF METHYL BROMIDE IN ARGENTINA
(DRAFT)**

1. The Executive Committee:

- (a) At its 30th Meeting, approved US \$3,183,390 as the total funds that will be available to Argentina to achieve the complete phase out of methyl bromide (MB) used in strawberries, flowers and protected vegetables (331 ODP tonnes);
- (b) At its 36th Meeting, approved in principle, an additional US \$4,368,000 as the total funds that will be available to Argentina to achieve the complete phase out of MB used in tobacco and non-protected vegetable seedbeds, excluding quarantine and pre-shipment applications (additional 178.8 ODP tonnes).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Argentina is 411.3 ODP tonnes, and the MB consumption in 1998 was 505 ODP tonnes, excluding about 31 ODP tonnes which Argentina states that it uses for quarantine and pre-shipment applications. Accordingly, Argentina must reduce its consumption of MB to 411.3 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to 329 ODP tonnes to achieve compliance with the Protocol's 20 per cent reduction in 2005.

3. Reductions resulting from the implementation of this project, together with reductions agreed in the approved project in strawberry, protected vegetables and cut flowers production (30th Meeting of the Executive Committee), will ensure that Argentina will meet the reduction schedule listed below. In this regard, Argentina commits, through the implementation of these projects, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	MB phased out per year (ODP tonnes)			Maximum remaining national MB consumption excluding QPS applications (ODP tonnes) (**)
	Strawberries, flowers, vegetables (UNIDO)	Tobacco, non-protected vegetables (UNDP) (*)	Total phased out per year	
				505
2001	33.2		33.2	471.8
2002	66.2	29	95.2	376.6
2003	99.2	21	120.2	256.4
2004	132.4	16	148.4	108
2005		33.5	33.5	74.5
2006		56.5	56.5	18
2007	0.0	0.0	0.0	18

(*) an additional 22.8 ODP tonnes to be phased out without the assistance from the Multilateral Fund.

(**) the remaining 18 ODP tonnes is used for post-harvest fumigation of cotton and citrus.

4. The projects will phase out all remaining soil uses of MB in strawberries, flowers, tobacco and vegetables in Argentina, excluding quarantine and pre-shipment applications. Argentina commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. UNDP and UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the MB reductions required in the strawberries, flowers, tobacco and vegetables sectors.

5. In the context of the extensive training that is being carried out in the implementation of the project on strawberries, flowers and vegetable crops, UNIDO agrees to educate related farmers on ways to limit the use of metam sodium through the enhanced use of IPM techniques. UNIDO shall also report back to the Executive Committee on annual costs related to metam sodium and the use of the steam boilers being purchased with the project funds.

6. Funding for the projects will be disbursed by UNIDO and UNDP in line with the following yearly budget breakdown:

Year	Level of funding (US \$)		
	Strawberries/vegetables/flowers	Tobacco	Total level of funding
2001	1,050,500	218,400	1,268,900
2002	1,050,500	873,600	1,924,100
2003	1,082,390	873,600	1,955,990
2004		873,600	873,600
2005		873,600	873,600
2006		655,200	655,200

7. The Government of Argentina has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption (in these sectors) be identified at a later date, the responsibility to ensure its phase out will lie solely with the Government. The remaining consumption of 18 ODP tonnes which figures in the reduction schedule listed above, is used for post-harvest fumigation of cotton and citrus. This remaining consumption, if eligible, will be addressed through a separate, future phase-out project.

8. The Government of Argentina, in agreement with UNDP and UNIDO, will have the flexibility in organising and implementing the projects' components which it deems more important in order to meet MB phase-out commitments noted above. UNDP and UNIDO agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNDP and UNIDO shall also report back to the Executive Committee annually on the progress in meeting the reductions required by these projects.

9. These agreed conditions between the Government of Argentina and the Executive Committee have taken into account the already approved methyl bromide phase-out projects in strawberries, flowers and protected vegetable crops. Subsequently, they supersede the conditions agreed at the 30th Meeting of the Executive Committee.
