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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-eighth Meeting  
Rome, 20-22 November 2002

**PROJECT PROPOSAL: SRI LANKA**

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

Fumigant

- Methyl bromide phase-out for all remaining uses excluding QPS applications UNDP

**PROJECT EVALUATION SHEET  
SRI LANKA**

SECTOR: Fumigant ODS use in sector (2001): 1.13 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

**Project Title:**

(a) Methyl bromide phase-out for all remaining uses excluding QPS applications

<b>Project Data</b>	<b>Methyl bromide</b>
Enterprise consumption (ODP tonnes)	3.25
Project impact (ODP tonnes)	3.25
Project duration (months)	36
Initial amount requested (US \$)	175,750
Final project cost (US \$):	
Incremental capital cost (a)	124,500
Contingency cost (b)	5,500
Incremental operating cost (c)	
Total project cost (a+b+c)	130,000
Local ownership (%)	100%
Export component (%)	0%
<b>Amount requested (US \$)</b>	<b>130,000</b>
Cost effectiveness (US \$/kg.)	
Counterpart funding confirmed?	Yes
National coordinating agency	Department of Agriculture
Implementing agency	UNDP

<b>Secretariat's Recommendations</b>	
Amount recommended (US \$)	130,000
Project impact (ODP tonnes)	3.25
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	16,900
Total cost to Multilateral Fund (US \$)	146,900

## **PROJECT DESCRIPTION**

1. The project proposes the development of policies (licensing scheme, awareness initiatives, links with relevant agencies including Customs, Import Control, Agriculture, Environment, and regulations under the Environment Act and Pesticides Act) to meet the phase-out commitments, adapt MB alternatives to Sri Lanka's conditions and training to farmers.
2. Through the implementation of the proposed activities, 3.2 ODP tonnes of methyl bromide (MB) used in agriculture and protection of stored products in Sri Lanka (flowers, ornamental plants, potatoes, peppers, tomatoes and strawberries) will be phased out. Some MB is also used for stored products, in particular by the Paddy Marketing Board and for timber.
3. The Government of Sri Lanka is also proposing to put in place appropriate modalities (such as incentives, legislation and regulations) to ensure and enforce the phase out of MB in the country. The project will be overseen by a national advisory committee.
4. The total project cost is US \$175,700, with the following breakdown: technical personnel (US \$48,200 for a three-year period, hired on a part-time basis), development and adoption of the policy framework (US \$15,000); training programmes and technology transfer to farmers (US \$25,000); and materials for demonstration purposes (US \$87,500). The project implementation time is three years.

## **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

### **COMMENTS**

5. The UNDP 2002 Business Plan included a MB phase-out investment project in Sri Lanka. However, the project proposal as submitted is more of a technical assistance programme that will result in the phase out of 3.2 ODP tonnes of MB.
6. The Secretariat noted that the MB consumption reported from 1999 to 2001 by the Government of Sri Lanka under Article 7 was 6.5 ODP tonnes, 4.8 ODP tonnes and 1.13 ODP tonnes, respectively (an average consumption of 4.1 ODP tonnes). At its 27<sup>th</sup> Meeting, the Executive Committee approved a project for Sri Lanka to phase out 3.9 ODP tonnes of MB used in tea plantations. The remaining un-funded MB consumption in the country would be 0.2 ODP tonnes on the basis of the average 1999-2001 consumption. Therefore, it would appear from the information provided that there is no significant MB consumption remaining to be addressed in the country.
7. UNDP informed the Secretariat that the MB consumption data contained in the project proposal was provided by the Ozone Office during a technical mission to the country in September 2002. At the time the project for tea plantations was prepared (1999), the tea sector was identified as the only major consumer of MB in Sri Lanka. However, interaction with agricultural specialists during the implementation of the tea project and an analysis amongst growers and MB importers undertaken during the preparation of this proposal, demonstrated that other uses do exist and that MB consumption was increasing.

8. In order to halt reliance on MB, the Government will prepare MB-related policies covering all uses (inclusion of the tea sector is proposed without further funding). Therefore there is a need to address the current users of MB through technical assistance and training on proper use and application of alternatives.

9. Regarding the project cost, UNDP indicated that the technical personnel recruited would be responsible for the organisation and implementation of the field trials, implementing the training programmes, and ensuring outreach to relevant stakeholders. UNDP also agreed to adjust the costs of the project (the total amount requested is US \$130,000).

### RECOMMENDATION

10. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	Methyl bromide phase-out for all remaining uses excluding QPS applications	130,000	16,900	UNDP

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