



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/50/43
10 October 2006

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6-10 November 2006

PROJECT PROPOSAL: MOROCCO

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

Fumigant

- Phase-out of methyl bromide used for soil fumigation in tomato production (third tranche)

UNIDO

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
MOROCCO**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

| | |
|---|-------|
| Phase-out of methyl bromide used for soil fumigation in tomato production (third tranche) | UNIDO |
|---|-------|

NATIONAL CO-ORDINATING AGENCY:**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

| | | | |
|-------------------------|--------|--|--|
| Annex E, methyl bromide | 524.76 | | |
| | | | |

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

| ODS | Aerosol | Foam | Ref. | ODS | Solvents | Process agent | Fumigant |
|-----|---------|------|------|----------------|----------|---------------|----------|
| | | | | Methyl bromide | | | 524.76 |
| | | | | | | | |

CFC consumption remaining eligible for funding (ODP tonnes)

CURRENT YEAR BUSINESS PLAN: Total funding US \$443,000: total phase-out 41.0 ODP tonnes.

| PROJECT DATA | | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|--|--|----------------|----------|----------|----------------|------------------|----------------|----------------|----------------|-------|------|----------------------|
| MB (ODP tonnes) | Montreal Protocol limits | 744.0 | 688.4 | 612.9 | 570.7 | 481.7 | 425.3 | 347.3 | 260.9 | 164.9 | | |
| | Annual consumption limit | - | - | 34.1 | - | 39.0 | 56.4 | 78.0 | 86.4 | 96.0 | | |
| | Annual phase-out from ongoing projects | | | | | | | | | | | |
| | Annual phase-out newly addressed | | | | | | | | | | | |
| | Annual unfunded phase-out | | | | | | | | | | | |
| TOTAL ODS CONSUMPTION TO BE PHASED OUT | | - | - | 34.1 | -- | 39.0 | 56.4 | 78.0 | 86.4 | 96.0 | | 389.9 |
| Project cost as originally submitted (US \$) | | | | | | | | | | | | 3,957,844 |
| Final project costs (US \$): | | | | | | | | | | | | |
| | Funding for UNIDO | 400,000 | 0 | 0 | 607,513 | 1,670,995 | 411,633 | 424,381 | 398,427 | | | 3,912,949 |
| | Total project funding | 400,000 | 0 | 0 | 607,513 | 1,670,995 | 411,633 | 424,381 | 398,427 | | | 3,912,949 |
| Final support costs (US \$): | | | | | | | | | | | | |
| | Support cost for UNIDO | 52,000 | 0 | 0 | 45,563 | 125,325 | 30,872 | 31,829 | 29,882 | | | 263,471 |
| | Total support costs | 52,000 | 0 | 0 | 45,563 | 125,325 | 30,872 | 31,829 | 29,882 | | | 263,471 |
| TOTAL COST TO MULTILATERAL FUND (US \$) | | 452,000 | 0 | 0 | 653,076 | 1,796,320 | 442,505 | 456,210 | 428,309 | | | 4,176,420,420 |
| Final project cost effectiveness (US \$/kg) | | | | | | | | | | | | 10.03 |

FUNDING REQUEST: Approval of funding for the third tranche (2006) as indicated above.

SECRETARIAT'S RECOMMENDATION

Blanket approval

PROJECT DESCRIPTION

1. On behalf of the Government of Morocco, UNIDO has submitted a progress report on the implementation of the second tranche of the project for the phase-out of 389.9 ODP tonnes of methyl bromide (MB) used for soil fumigation in tomato production in Morocco, and a request for funding for the third tranche of the project for consideration by the Executive Committee at its 50th Meeting. Level of funding requested is US \$411,633 plus agency support costs of US \$30,872.

Background

2. The Executive Committee had previously approved projects to phase out MB use in cut flower and banana production, and in the strawberry sector in Morocco, amounting to funding of US \$3,196,381. Funding for the first and second tranches of the MB phase-out project for the tomato sector, as well as for technology change under the project, has also been approved by the Executive Committee at the amount of US \$2,678,508 so far.

Progress report

3. In 2006, UNIDO implemented a number of activities, including:

- (a) Extension of the contract with the association of producers and exports of fruits and vegetables to continue providing logistic assistance during implementation of the project;
- (b) A second awareness and information dissemination meeting targeting the major tomato producers and farmer associations was conducted. A study tour to Spain for local project staff was also completed;
- (c) Finalization of work on the first nursery greenhouses for the production of grafted tomato seedlings, and launching of the procurement process for a second nursery;
- (d) Start of installation of the technology transfer centre for tomato production;
- (e) Conclusion of an agreement ensuring that grafted seedlings are purchased by farmers from local nurseries at a fixed price for the 2006-2007 crop season; and
- (f) The registration of the mixture of 1.3 dichloropropane plus chloropicrin has been completed and this fumigant is now available.

4. As of September 2006, of the total funding approved so far US \$2,678,508, US \$2,109,105 has been disbursed by UNIDO, with a remaining balance of US \$569,403. An additional US \$700,000 is required by December 2006 to start the bidding process for additional equipment and to extend the contract of the national experts assisting in the phase-out of MB.

Plan of action

5. For 2007, phase-out of an additional 78.0 ODP tonnes of MB is proposed. The target will be achieved through the following specific activities:

- (a) Purchasing of grafted seedlings from local suppliers by the farmers (following the implementation of the 2006 work programme, and based on the new alternative technology, two seedling producers will be able to provide grafted seedlings to farmers);
- (b) Continued implementation of the training programmes and technical assistance for the application of soil solarization combined with metam sodium, soil fumigation and crop management of grafted seedlings, as well as for the application of the mixture dichloropropane plus chloropicrin, which has been recently registered;
- (c) Completing the installation of the second nursery and the technology transfer centre for tomato production;
- (d) Continuing with the monitoring of MB users and the performance of MB alternatives.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Methyl bromide consumption levels

6. The Secretariat noted that 2001-2005 levels of MB consumption in Morocco were above the maximum allowable levels established in the agreement between the Government and the Executive Committee, as shown in the table below. UNIDO pointed out that it has received information from the Ozone Unit of Morocco confirming that the total MB consumption in the country for 2006 was expected to be 389.76 ODP tonnes (i.e., 36.2 ODP tonnes below the maximum allowable level of consumption under the agreement). UNIDO also indicated that about 386 ODP tonnes of the newly registered fumigant (dichloropropane plus chloropicrin) have already been imported into the country.

| Source | MB consumption (ODP tonnes) | | | | | | |
|------------|-----------------------------|---------|-------|--------|---------|--------|--------|
| | Baseline | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| A7 data | 697.2 | 1,621.4 | 387.0 | 697.2 | 691.2 | 524.8 | 389.8* |
| Agreement | | 744.0 | 688.4 | 612.9 | 570.7 | 481.7 | 425.3 |
| Difference | | (877.4) | 301.4 | (84.3) | (120.5) | (43.1) | 36.2 |

(*) Preliminary figure provided by the Ozone Unit.

7. According to the progress report submitted to the 50th Meeting, nurseries covering a total area of 10,400 m² will be fully installed in early 2007. However, an additional 45,000 m² (at an estimated cost of US \$540,000) of greenhouses has also been installed for a development and technology transfer centre. The Secretariat noted that these additional greenhouses had not been

included in the revised project approved by the Executive Committee at its 44th Meeting. UNIDO indicated that the training and technology components of the project were necessary for the successful phase-out of MB in the tomato sector.

8. The Government of Morocco, in agreement with UNIDO, decided to use part of the contingency costs (US \$290,723) and operating costs (US \$330,000) for the establishment of the infrastructure of the technology transfer centre. This centre would serve as the focal point for conducting training courses for farmers, carrying out practical demonstrations on alternative technologies, and adapting the selected technologies to local conditions. Furthermore, the Government of Morocco has also contributed to the establishment of the centre by providing land, civil works, basic services and part of the infrastructure.

RECOMMENDATION

9. Taking into consideration that, in 2006, implementation of the phase-out activities in the tomato and other sectors would result in the phase-out of 135 ODP tonnes of MB, that the level of MB consumption would be 36.2 ODP tonnes below the maximum allowable level of consumption in the revised agreement between the Government of Morocco and the Executive Committee, and that the overall implementation of the phase-out project is in accordance with the proposed plan of action, the Secretariat recommends blanket approval of the third tranche of the project for the phase-out of MB used for soil fumigation in tomato production in Morocco as specified in the table below.

| | Project Title | Project Funding (US \$) | Support Cost (US \$) | Implementing Agency |
|-----|---|--------------------------------|-----------------------------|----------------------------|
| (a) | Phase-out of methyl bromide used for soil fumigation in tomato production (third tranche) | 411,633 | 30,872 | UNIDO |
