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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-ninth Meeting
Port Ghalib, Egypt, 10-14 November 2009

PROJECT PROPOSAL: TURKMENISTAN

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

Fumigant

- Technical assistance for the elimination of methyl bromide in post harvest sector

UNIDO

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

PROJECT TITLE(S) **BILATERAL/IMPLEMENTING AGENCY**

(a) Technical assistance for the elimination of methyl bromide in post harvest sector	UNIDO
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NATIONAL CO-ORDINATING AGENCY	Ministry of Nature Protection
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2008, AS OF OCTOBER 2009)

Annex E, MB	0.0		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2008, AS OF OCTOBER 2009)

ODS	Subsector/quantity	Subsector/quantity	Subsector/quantity	Subsector/quantity
MB	QPS/0.0	Non QPS/0.0		

CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$ million	Phase-out ODP tonnes
		218,000	5.0

PROJECT TITLE:	
ODS use at enterprise (ODP tonnes):	2.8
ODS to be phased out (ODP tonnes):	2.8
ODS to be phased in (ODP tonnes):	0
Project duration (months):	42
Initial amount requested (US \$):	321,926
Final project costs (US \$):	198,946
Incremental Capital Cost:	180,860
Contingency (10 %):	18,086
Incremental Operating Cost:	0
Total Project Cost:	198,946
Local ownership (%):	100%
Export component (%):	N/A
Requested grant (US \$):	N/A
Cost-effectiveness (US \$/kg):	N/A
Implementing agency support cost (US \$):	17,905
Total cost of project to Multilateral Fund (US \$):	216,851
Status of counterpart funding (Y/N):	N/A
Project monitoring milestones included (Y/N):	Y

SECRETARIAT'S RECOMMENDATION[S]	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Turkmenistan, UNIDO has submitted to the 59th Meeting of the Executive Committee a technical assistance programme for the elimination of methyl bromide (MB) in the post-harvest sector in Turkmenistan, at an initial total cost of US \$321,926 plus agency support costs of US \$24,144 for UNIDO. The project proposes to phase out 2.8 ODP tonnes of MB by the end of 2013.
2. MB is used in the fumigation of stored grains that have been produced in Turkmenistan. The fumigation is usually carried out in grain silos located throughout the country, and in food processing factories (mills, pasta factories and other food manufacturing plants). In order to receive fumigation treatment, each storage facility has to submit an official request through the local regional administration where the facility is located. MB is usually applied at a dosage rate of 60 gr/m³, for 72 hours, at a temperature of 20-25°C. The Government of Turkmenistan has established a registry of MB importers, re-sellers and distributors. Only professional applicators under contract with MB importers are allowed to use the chemical.
3. The project proposes to replace MB fumigant with phosphine. It includes the procurement of generators, recirculation systems and monitoring equipment for the use of phosphine, and safety equipment. It also includes the introduction of an integrated pest management (IPM) programme and training. Incremental capital costs including training have been estimated at US \$321,926. Incremental operating costs have not been claimed.
4. Upon completion of the project, the Government has agreed to issue a regulation banning the use of MB for all controlled uses in the country. It would also establish a programme to recognize those companies and agencies that have replaced MB with alternatives. The estimated project implementation time is 42 months.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

Comments

5. According to data reported under Article 7 of the Protocol, over the 1999 to 2008 period MB was imported only in 2003 (19.2 ODP tonnes) and 2005 (5.6 ODP tonnes). The MB baseline for compliance is 3.6 ODP tonnes. Preliminary information received from the Government of Turkmenistan indicates that about 6.0 ODP tonnes of MB have been imported in 2009 for controlled uses and quarantine and pre-shipment applications. Although MB consumption in 2005 was above the allowable level under the Protocol (2.9 ODP tonnes), the status of non-compliance for Turkmenistan was not considered by the Parties since the country ratified the Copenhagen amendment only on 28 March 2008.
6. Upon a request for clarification on the varied MB consumption reported by the Government of Turkmenistan, UNIDO reported that not all the MB imported in a given year is fully used in that year. Part of the imported amount is stored in a number of warehouses for use in subsequent years. This logistical arrangement has been established for the purpose of import rationalization, optimization of resources, fumigation planning and securing a stock of fumigant in case of unforeseeable needs.
7. Issues were raised in relation to the costs of the training programme. As indicated in the proposal, "IPM is an effective and environmentally sensitive approach to pest management, which relies on a combination of common-sense practices". Accordingly, IPM should be applied irrespective of the fumigant being used. Although incremental costs are not being claimed, it was noted that some items, such as contact insecticides, were considered both under capital and operating costs, resulting in double counting. The cost of the implementation of IPM practices was also included under the operating costs. Furthermore, the costs associated with training programmes (US \$251,020) could not be fully justified taking into consideration the very limited consumption of MB and the limited time window for grain

fumigation. UNIDO pointed out that, during the preparation of the project proposal, it was found that the technical knowledge available in the country was very limited, and no information was available on alternative technologies. Accordingly, the robust training programme was designed to address the needs of the country for achieving sustainable MB phase-out. With regard to the level of funding, UNIDO adjusted the capital cost to US \$52,460 and the training costs to US \$128,400. The total level of funding agreed between the Secretariat and UNIDO is US \$198,946, including 10 per cent contingency.

8. The proposed timeframe for the implementation of the project (3.5 years) is too long for the very low consumption of MB. Taking into consideration that phosphine is a proven technology, and given the implementation time of other similar projects, it was suggested that the project should be implemented in a shorter period of time. On this issue, UNIDO reported that, mainly due to the limited technical capacity in the country at present, the timeframe being proposed is required to achieve the phase-out of MB.

Recommendation

9. The Executive Committee may wish to consider approving the technical assistance programme for the elimination of methyl bromide (MB) in the post-harvest sector in Turkmenistan at a total cost of US \$198,946 plus agency support costs of US \$17,905 for UNIDO on the understanding that no additional funding will be provided for Turkmenistan for the phase-out of controlled uses of methyl bromide in the country.
