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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol
Twenty-sixth Meeting
Cairo, 11-13 November 1998

PROJECT PROPOSAL: PHILIPPINES

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

Fumigant

- Demonstration, training, and policy development on alternatives to methyl bromide for banana soil fumigation UNDP

PROJECT EVALUATION SHEET PHILIPPINES

SECTOR: FUMIGANT

ODS use in sector (1994):
(Methyl bromide)

20.4 ODP tonnes

Project Title:

Demonstration, training, and policy development on alternatives to methyl bromide for banana soil fumigation

Project Data	Methyl Bromide
	National Crop Protection Centre
ODS phase-out (ODP tonnes)	N/A
Proposed project duration (months)	24
Incremental capital cost (US \$)	231,100
- including contingency (%)	10
Incremental operational cost (US \$)	N/A
Total project cost (US \$)	231,100
Local ownership (%)	-
Export component (%)	-
Amount requested (US \$) {Original}	568,644
{Revised}	231,100
Cost effectiveness (US \$/kg)	N/A
National Coordinating Agency	National Crop Protection Centre
Implementing Agency	UNDP
Technical review completed?	Yes

Secretariat's Recommendations:	
Amount recommended (US \$)	231,100
Project impact (ODP tonnes)	N/A
Cost effectiveness (US \$/kg)	N/A
Implementing Agency support cost (US \$)	30,043
Total cost to Multilateral Fund (US \$)	261,143

PROJECT DESCRIPTION

Demonstration, training, and policy development on alternatives to methyl bromide for banana soil fumigation

1. In a survey conducted in 1998, it was found that the heaviest users of methyl bromide in the country are the banana industry and golf courses, which constitute 54% of the total consumption. The banana industry has been dependent on methyl bromide for controlling the Moko disease in the main production areas in the provinces of Davao and Southern Mindanao.
2. Moko is a serious disease in bananas and is said to pose a continuing threat to the banana export industry of the Philippines. The survival of the Moko pathogen in the soil is influenced by several factors such as soil type, soil moisture, temperature, soil organic matter, micro-flora, and the cryptic hosts.
3. This project is proposed to demonstrate cost effective and environmentally sound alternative technologies to methyl bromide for soil fumigation in bananas; and to provide training, information dissemination programmes and policy development which will significantly reduce methyl bromide consumption in the country.
4. The demonstrations will be conducted in commercial banana plantations and small-scale farms. The alternatives to methyl bromide are integrated pest management (IPM) systems, use of other chemicals, bio-fumigation, plant growth substrate and solarization. The demonstration tests will be conducted in commercial banana plantations in Davao del Norte with moderate to high incidence of Moko disease. The plantations will be monitored every week for the presence of Moko disease with the help of plantation technicians.
5. The project includes targeted training programmes so that farmers, extension agents, banana companies and other stakeholders understand the need to phase out methyl bromide and become aware of the viability of alternatives factsheets of technical assistance; training for technicians through technical workshops and dissemination of practical manuals for farmers; initiation of a policy dialogue between government, farmers, banana companies and other stakeholders with the aim of developing and legitimizing policy reforms to reduce consumption of methyl bromide, and assisting in the phase-out of methyl bromide; and dissemination of a technical manual on alternatives and fact-sheets on project results to stakeholders in other Article 5 countries.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The project concept follows the Executive Committee's guidelines. The Government of the Philippines has not yet ratified the Copenhagen Amendment. However, based on an official communication by the Government indicating its intent to complete the ratification within a period of 9 months, the Committee approved at its 25th Meeting a request for preparation of this demonstration project by UNDP.

2. The project document states that during project preparation, discussions were held with a range of stakeholders, including relevant government agencies, banana producers, university specialists and NGOs. These organizations agreed to be involved in the project. Banana growers have agreed that demonstrations can be carried out on their farms and plantations, and that their staff will be trained in the best alternative techniques identified by the demonstrations.

3. The Secretariat sought clarification from UNDP regarding justification for the proposal, since dazomet is already being used as an alternative to methyl bromide by some banana growers in the Philippines for controlling Moko disease. In this regard, UNDP indicated that while dazomet is probably as effective as methyl bromide, this is not known for sure (there are no publicly available, independent trials comparing it with methyl bromide). It is also understood to be more costly. One of the reasons for the proposed demonstration project is to provide objective information on especially useful alternative techniques like solarization/IPM, which are likely to be cheaper.

4. The Fund Secretariat also discussed specific issues related to the request for payment of 15% to a university business arm to manage the project; the social, economic and policy analyses proposed in the project, and the size of the management structure (US \$150,000 for two professionals, nine other full-time staff at US \$77,000 and other management and operating costs at US \$65,000). Subsequently, UNDP reduced the costs associated with international and national consultants and experts by US \$82,000. Costs related to equipment, operating expenses and information dissemination were reduced by US \$49,000 to be at the same level of funding for similar requests in projects so far approved elsewhere.

RECOMMENDATION

Taking into consideration the above comments, the Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

Project Title	Project Cost US \$	Support Cost US \$	Implementing Agency
Demonstration, training, and policy development on alternatives to methyl bromide for banana soil fumigation	231,100	30,043	UNDP