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AGRO CONSULTING S.A.

22982

(1 of 2)

AGRO CONSULTING S.A.

UNIDO CONTRACT 2001/159

FINAL REPORT

VOLUME I

November 2003

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INTRODUCTION

In January 2001, in view of the quick and large development of the Methyl Bromide phase-out Programme with the Montreal Protocol, UNIDO decided to subcontract some implementation activities concerning Methyl Bromide

In November 2001, a two years contract was awarded to Agro Consulting S.A., which submitted its First project Report in January 2002. This report, covers all activities undertaken between November 2001 and November 2003

During this period, Agro Consulting S.A., manager of UNIDO programme has visited all Countries object of this subcontract and Agro Consulting S.A. has prepared the MB phase out Plans of China, Guatemala, Mexico and Zimbabwe

This report consist of three parts, namely:

- VOLUME I: An summary of activities undertaken during these 24 months by country and project
- VOLUME II: Mission reports
- VOLUME III in CD-ROM: Copy of the most relevant draft documents prepared for UNIDO

1. CHINA. Phaseout of CFC-11 in the Tobacco Industry

1.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
10-21 December 2001	Travel to China to assess the effectual dismantling of two CFC-11 lines in Changchun and Hangzhou	Assessment of 2001 implementation of the work-plan
December 2001	Discussions with SEPA/STMA	2001 implementation report prepared and 2002 work-plan prepared
February/ March 2002	Assist UNIDO in preparing explanations to questions raised by the Secretariat of the MLF	2001 Implementation Report and 2002 Work-plan approved by MLF and a new tranche of US\$ 2 million released
April 2002	Preparation of draft TOR for SEPA's subcontract in 2002	TOR approved
July 2002	Draft evaluation of SEPA's proposal	SEPA sub-contract approved and signed
September 2002	Evaluation of SEPA's interim report	Report approved and payment released
05-19 September 2002	Visit to China attend a CFC-11 equipment dismantling ceremony at Xuzhou and to discuss implementation issues	Assessment of 2002 implementation of work-plan
12-19 December 2002	Travel to China and discussions with SEPA/STMA in order to initiate preparation of reports to be submitted to MLF by January 2003	Assessment of 2002 implementation of work-plan 2002 implementation report prepared and 2003 work-plan prepared
February/ March 2003	Assist UNIDO in preparing explanations to questions raised by the Secretariat of the MLF	Explanations prepared. 2002 Implementation Report and 2003 Work-plan approved by MLF and a new tranche of US\$ 2 million released
April 2003	Preparation of the draft TOR for 2003 SEPA's subcontract	TOR approved after SAR's epidemic normalisation
April/May 2003	Assessment of SEPA's final report 2001 and interim report 2002 and assistance in preparing	Reports approved and payments released

Dates	Activity	Output
	all clarifications requested by UNIDO and SEPA	
3 August 2003	Travel to Beijing for Project implementation monitoring. Meetings in Beijing with STMA	Revised work-plan to achieve 2003 target in spite of SAR emergency
November 2003	Assessment of SEPA's 2003 interim report with contracts to enterprises	Technical evaluation

1.2 Achievements

The project overachieved its targets phasing out 94.7 Tons of CFC-11 in 2001 (planned 90) and 200 tons in 2002 (planned 120)

1.3 Current situation

STMA confirmed that the 2003 target (180 tons) would likely be achieved. 80% of the CFC-11 lines dismantling programme in 2003 already achieved. Two last lines expected to be dismantled in December 2003

2. CHINA. National Plan to Phaseout Methyl Bromide

2.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
11-17 January 2002	Visit to Beijing to discuss Copenhagen amendment ratification with authorities and attend Italy-China MB meeting	First draft on principles and guidelines for preparing a phase out project. China's committeemen to request preparatory assistance funds for National MB phaseout
May 2002	Preparation of TOR to subcontract SEPA up to an amount of US\$ 100,000 to prepare MB National Plan	Sub contract with SEPA signed in June 2002
06-20 September 2002	Travel to China to attend and make presentations in two MB Meetings in Beijing and Yuxi (Yunnan) to be attended by 50 participants	Two presentations on alternatives to MB in horticulture and tobacco. China confirmation that UNIDO is fully in charge of MB phaseout
October 2002	SEPA agreement to initiate consumption survey	Study initiated
14-22 December 2002	Travel to China to asses progress on (a) Copenhagen ratification (b) consumption study	Promises to do it as soon as possible
February -May 2003	Continuous pressure on the issue of ratification and progress in consumption assessment	China ratification of Copenhagen amendment in April 2002
1-12 August 2003	Travel to China to prepare the National Phase out Plan. SEPA's contribution was only on consumption and production	Draft National Plan was submitted to SEPA for clearance on 26 August
September 2003	Discussions with SEPA on National Plan	National Plan cleared by China authorities and submitted to MLF Secretariat
November 2003	Preparation of draft reply on comments from the Secretariat of the MLF On line discussions with MB working group and SEPA in order to make more flexible	UNIDO faxes to the Secretariat

Dates	Activity	Output
	China's position on C/E cost Drafting new comments to Secretariat	

2.2 Achievements

Up to date most important achievements were:

- Ratification of Copenhagen Amendment by China
- Preparation of the National Plan which was agreed by China and recognition that UNIDO was the leading Agency in implementing such Plan
- Submission of China's National Plan to the Secretariat of the MLF and subsequent discussions to approximate positions

2.3 Current situation

It is expected that discussions with the Secretariat will continue and that China's National Plan will be discussed in the Executive Committee Meeting in December 2003

3. BRAZIL. Phaseout of 20% of MB used by the Agricultural Tobacco Sector

3.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
24-28 November 2001	Travel to Santa Cruz and Brasilia to monitor project implementation and costs	Draft paper to be submitted to MLF ExCom on real cost incurred in implementing the floating technology as requested in decision 23/38 Future action plan agreed with NOU
February 2002	Project completion	Project successfully completed with phase out of 84.4 ODP tons and an additional 210 ODP tonnes at Brazil cost
March 2002	Preparation of a final report as per Secretariat request	Final report submitted to MLF ExCom
November 2002	US\$ 40000 for a survey on MB consumption submitted to the ExCom	Survey approval
February 2003	Discussions with NOU to initiate consumption survey TOR for consultant selection	NOU requested more time to select institution and contacts with the Ministry of Agriculture
May 2003	NOU intends to select ABEAS (Brazilian Association of Agriculture High Schools)	None. ABEAS resigned
June 2003	Continue contacts with NOU to select another institution or an individual consultant	NOU selected Dr. Medeiros from EMBRAPA
September 2003	Discussions with Dr. Medeiros to get a proposal acceptable to both parties	Dr. Medeiros proposal unacceptable due to high costs
November 2003	Continue discussions on proposal costs and activities to be undertaken	Dr. Medeiros new proposal still with difficulties to be accepted as an individual consultant

3.2 Achievements

The main achievement has been the successful completion of the project phasing out 84.4 ODP tonnes. A substantial amount of MB (210 ODP tonnes) has also been phase out by the tobacco associations AFUBRA and SINDIFUMO at their own costs. Brazil is therefore already complying with 2005, 20% reduction. This situation has penalized Brazil because of the new ExCom policy of financing only projects to comply with 2005 MB reduction.

3.3 Current situation

The fact that NOU selected a specific Consultant to implement the MB consumption survey has created many problems because of the excessive fees requested. NOU is putting some pressure on the Consultant and it is expected that the issue will be solved and the consumption survey will be ready for a new project proposal after 2005

4. CUBA. Phase out of MB in Tobacco Sector

4.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
January 2002	Technical discussions on equipment purchase with the remaining funds	Agreement to shift from micro-tunnels to larger greenhouses
05-10 May 2002	Visit to discuss implementation status, TOR of the new equipment, financial status and new phase out project	Agreement on new equipment and on the future phase out project in horticulture
March 2002	Preparation of a final report as per Secretariat request	Final report submitted to MLF ExCom
April 2002	TOR new equipment	TOR prepared and submitted
August 2002	Discussion on final phaseout	Project has already phase out 100%. However, still 19% is with Dazomet. Will be shifted to floating once the new equipment arrives
February 2003	Offers evaluation. Purchases completion. Contents of final report from INISAV	Project OC however final report from INISAV pending
May 2003	Pressure on INISAV on final report. Explanation on new ExCom policy which prevents early submission of a new phaseout project from Cuba	None
August 2003	INISAV Final report evaluation	Final report technically acceptable. Project completed

4.2 Achievements

Cuba was the first MB phase out project approved and the biggest achievements were:

- Early phase out of whole consumption of MB in the tobacco sector (48 ODP tonnes)
- The alternative technology proposed by UNIDO and selected by the Government of Cuba gave excellent results

4.3 Current situation

Preparation and submission of a new phaseout project should be postponed at least until 2004 when it is expected that the ExCom and the meeting of the parties clarify policies and phase out schedule for the complete MB phase out

5. GUATEMALA. Phase out Project in melon and horticulture

5.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
December 2001	Continue discussions insisting with Government and NOU on ratification of the Copenhagen Amendment	Nil
February 2002	Copenhagen Amendment ratification	Ratification document deposited at UN
25 April-10 May 2002	Travel to initiate phase out project preparation	Agreement with flowers, tomatoes and strawberries sectors obtained Melon sector still reluctant
August 2002	Phase out Project Preparation and submission	Phaseout project cleared by the Government of Guatemala submitted to MLF
November 2002	Discussions with MLF Secretariat and project submission	Project approved with a very tight phaseout schedule extremely difficult to achieve
11-19 January 2003	Travel to initiate Project Implementation	Agreements with some Companies in the melon sector signed TOR for grafting and injection equipment prepared Training course in Spain on grafting technology organized jointly with Honduras
May 2003	Bids for grafting equipment. Participation in an alternative seminar in Honduras Recruiting consultants on MS injection	Equipment expected to be delivered in August Consultant fielded
August 2003	Consulting activities to prepare grafting units installation, technical assistance for grafted plants production and field management of melon grafted plants	Plans prepared
November 2003	Equipment installation and TA	Equipment installation is

Dates	Activity	Output
	Plans Phaseout achievement	on- going. TA will start 06 December Increased 2003 phaseout likely to be achieved due to tight control of imports

5.2 Achievements

The main achievements were:

- Ratification of Copenhagen Amendment, after two years of complicated administrative procedures
- Approval of the phase out project for a total amount of US\$ 6.5 million of which 3.2 million for the first phase.
- Agreements with most of the melon sector

5.3 Current situation

There is still some opposition to phase out in the melon sector due to the impact of CUN's as well as the campaign led by a US melon multinational established in Guatemala. There is also a possible change in the political arena of Guatemala, which could have an unknown impact on Montreal Protocol committeemen of Guatemala.

However the Government is seriously controlling imports and up August the amount imported for non-QPS uses is lower than 520 ODP tones. The fact that a new phaseout schedule has been approved for Guatemala gives a little more flexibility in 2004. However when planning 2004 activities it should be taken into account that stocks of MB in the hands of melon growers are almost nil

6. MEXICO. Demonstration project MP/MEX/98/059 and submitted phase out project

6.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
December 2001	Identification of MSNV Discussion to initiate grafting experiments in melon Government discussion to initiate consumption survey	Grafting programme agreed with NOU and melon growers Main consultant fielded Government still reluctant to initiate survey
February 2002	Two flowers farmers identified by Government close their business. New experiments to be implemented in another grower/site Implementation of grafting programme Project implementation	Grower identified and programme settled Grafting programme on going with extremely good results Consultant fielded Reports from the University of Sinaloa assessed
23-25 April and 8-10 May 2002	Travel to Mexico to discuss with NOU on MB phaseout decision and to discuss programme with the university of Sinaloa. Monitoring experiments at project sites	NOU confirmed that decision will be taken in 2003 Amended TOR for Sinaloa prepared
28 September-06 October 2002	Travel to Mexico to initiate contacts with new NOU and (1) discussion on MB issues in view of Mexico's non-compliance with the 2005 reduction and possible preparation of a National MB Phaseout Plan (2) Agreement with the university of Sinaloa on new TOR (3) discussion with NOU on activities to be undertaken by the demonstration project in 2003 Steaming equipment	All field experiments finalized except in melons (expected to be completed in December) and flowers (expected to be completed in October 2003) TOR and purchase of steaming equipment Contract with Sinaloa amended and signed 2003 Plan of action agreed NOU will attend Israel workshop
11-19 January 2003	Travel to Mexico to continue contacts with new NOU and to	NOU briefed on Montreal protocol and MB issues

Dates	Activity	Output
	discuss MB data declared to MP Visit project sites to monitor implementation	Official confirmation of MB consumption and QPS figures declared Melon grafting finalized with success. Flowers to be finalized in 2003 Main Consultant in contacts with Government Steam equipment shipped
01-09 July 2003	Travel to Mexico to prepare draft National Phase out Plan	National Phase out Plan agreed by all sectors and Government Expected to be submitted in August when UNDP gives its contribution in commodities fumigation
August 2003	Submission of National Plan Discussions with MLF Secretariat	National Plan submitted Answer to Secretariat comments
November 2003	Project implementation Phaseout project status	Flowers sector experiments almost finalized Mexico requests withdrawal of National Plan

6.2 Achievements

The main achievement was the agreement of the Government to the National Phase out Plan and its submission and discussion with the Secretariat. However the impact of CUN's in the last meeting in Montreal introduced an element of uncertainty and the Government is hesitating in submitting the phaseout project

6.3 Current situation

Mexico has requested withdrawal of National Plan in a fax, which is dated before Nairobi Meeting. The causes are unknown but apparently pressure comes from high-level authorities and the decision was taken before the Meeting of the Parties in November

7. THAILAND. Demonstration Project

7.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
December 2001	Project implementation and technical report	Technical evaluated positively
16-24 January 2002	Travel to Bangkok to discuss (1) project implementation (2) final workshop for which NOU wants a small budget of US\$ 6000 and (3) use of remaining funds which NOU wants to give in cash to counterpart industries	Budget for final workshop agreed Agreed to purchase demonstration equipment with the remaining funds
March 2002	Evaluation of final report from the contractor Implementation of final workshop Equipment purchase Translation of final report into Thai	Final report found excellent Implementation of final workshop on the way. Government responsible nominated TOR for equipment purchase and PO submitted Report translated
August 2002	Final workshop Equipment purchases	Final workshop attended by 96 participants On going equipment purchases
November 2002	Project completion	Project to be declared OP

7.2 Achievements

Implementation of this project has been very slow due to the weakness of the official counterpart. On the contrary, technical counterpart has been excellent. The main achievement has been to prove that MB phase out in rice is feasible using more sophisticated equipment

7.3 Current situation

Most of Thailand uses are in QPS and, on the other hand, Thailand is giving all sectors to the World Bank. In these circumstances, and in view of the weakness of Government counterpart it is preferably not to push Thailand to choose an implementing Agency

8. ZIMBABWE. Project Preparation

8.1 Activities undertaken

The main activities undertaken during the two years period were the following:

Dates	Activity	Output
January 2002	Launching Project Preparation activities Work-plan and JD of Consultants	Project preparation activities initiated with the recruitment of Dr. Thomas Gareth from the Tobacco Research Board.
07-17 February 2002	Travel to Harare and tobacco fields to prepare Phase-out project and for discussions about costs and technical aspects of the Project	Draft project document ready for discussions with tobacco farmers and associations
March 2002	Travel to Harare for agreements with farmers associations, project modifications and Government agreement Government agreement on France bi-lateral funding	Project amended, agreed by farmers and cleared by Government Project submitted to France
March-August 2002	Negotiations with the MLF Secretariat, which finally agree on a figure of US\$ 8 million	ExCom did not approved the project for political/unrest reasons

8.2 Achievements

The demonstration project was very well implemented and the counterpart the Tobacco Research Board carried out an excellent work. The main achievement has been the excellent adaptation of the floating system to Zimbabwe tobacco system and the development of new sources of local substrate.

It has been regrettable that the Executive Committee blocked the project already recommended by the Secretariat due to political/unrest reasons

8.3 Current situation

The political situation of Zimbabwe has not evolved and therefore the submission of the project shall be postponed again

9. ARGENTINA. Summary of project implementation

9.1 Activities undertaken

The main activities undertaken during the two years period were the following

Dates	Activity	Output
January 2002	Discussions with NOU an counterpart about 2001 report and phase out target Discussion on agreement for equipment purchase Discussion about unrest in Argentina and consequences	(1) Phase out target of 55 tonnes achieved in 2001 (2) INTA will contribute with US\$ 90000 for equipment purchasing (3) Plan to strengthen provincial teams (4) TOR for boilers prepared
May 2002	Continuous monitoring project implementation Monitoring equipment deliveries	All provincial teams operational Two first boilers arriving
August 2002	Monitoring phase out and implementation	2002 phase out target likely to be achieved Two first boilers operational
15-25 November 2002	(1) Travel to Buenos Aires, Gran Buenos Aires, Santa Fe, Rosario and Tucumán for monitoring purposes (2) Discuss with INTA and OPROZ phaseout reporting and data collection	(1) Teams fully operational with good results with MS and steam (2) 2002 MB phaseout target overachieved (3) INTA 2002 report will be ready by the end of December (4) OPROZ will try to get imports data not latter than February
December 2002	INTA report amendments and clearance for submission	INTA report amended and evaluated positively
January 2003	Target achievement Equipment installation	(1) The project has successfully phased-out 136 ODS tonnes. 22% higher than planned (2) INTA reached an agreement with a propane supplying Company to get tanks for LP reducing steaming costs by 35%

Dates	Activity	Output
May 2003	Project monitoring Equipment purchase	38% of the farmers using, totally or partially, MS Second tranche of boilers purchase agreed and implemented Counterpart decided not to change TOR
November 2003	Project monitoring Political situation Use of other chemicals and equipment needed	(1) Good progress and 2003 target likely to be achieved (2) Argentina new President gives strong support to Montreal Protocol (3) Introduction of Telone if a mixing machine can be imported

9.2 Achievements

The main achievement, in spite of a difficult political situation has been the achievement of phaseout targets

The second a very important achievement is that the project is resisting a very strong pressure from MB producers. A special consultant recruited by the MB coalition is traveling every three months to Argentina to convince large users not to shift to other chemicals

9.3 Current situation

The project will achieve 2003 targets. The project is facing a commercial problem when trying to introduce 1-3 Dichloropropene plus chloropicrin in areas where MS had less good results. The main importer of those chemicals (Dow Company) has given thee exclusivity to an importer of MB who refusing to supply the project. The project is trying to overcome this constraint asking for political pressure and looking for alternative suppliers in Europe

10. OTHER PROJECTS OR ACTIVITIES

During the period November 2001- November 2003, the following activities were also undertaken:

Dates	Activity	Output
06-10 January 2002	Travel to UNIDO HQ in Vienna to discuss project implementation and work-plan	Work-plan agreed
15-17 February 2002	Travel to South Africa in order to discuss phaseout Plan with NOU	Agreed that UNIDO request preparatory assistance funds to prepare a phase out project
04-08 March 2002	Travel to Sevilla (Spain) to make a presentation and to attend the EU Meeting on Methyl Bromide	Successful MB alternatives implemented by UNIDO presented and discussed
23-31 May 2002	Travel to Sophia (Bulgaria) to attend Countries of Economies in Transition (CEIT's) MB meeting	(1) UNIDO projects in developing countries, presented Agreement with UNEP to pursue cooperation in future project preparation
11-17 October 2002	Travel to UNIDO HQ in Vienna to review projects implementation and discuss future activities to be undertaken at project level	Projects discussed Future activities planned
19-26 September 2003	Travel to UNIDO HQ in Vienna to review projects implementation and discuss future phase out projects in China and Mexico	Implementation reviewed and China and Mexico likely outcome discussed

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FINAL REPORT

VOLUME II

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1. MISSION REPORT TO CHINA

Date: 10-21 December 2001

The mission had four objectives, namely:

- Review and assess current progress in the implementation of the 2001 Workplan and UNIDO contract 2001/031 with SEPA
- Prepare jointly with the CFC-11 working group the 2001 Implementation Report and the 2002 Workplan and Fund request Report
- Attend the Meeting on Italian Experiences in MB Phase out held in Beijing 17-19 December
- Follow-up of China's plans on MB and status of the ratification of the Copenhagen Amendment

The achievements were the following:

1. The implementation of the 2001 CFC-11 tobacco workplan has been quite good. The programme has achieved its objectives dismantling nine CFC-11 expansion lines, phasing out 94.7 tons of CFC-11 and bringing down the total CFC-11 consumption to 956.7 tons. These results compare favourably with the expected phaseout of 90 tons in the year 2001 and a maximum consumption of 1000 tons.
2. We met several times with the CFC-11 Tobacco Working Group at SEPA and STMA premises. The 2001 Implementation Report and the 2002 Workplan and Funds request reports were prepared, agreed by the CFC-11 Working Group and verbally by SEPA. SEPA promised to endorse the reports by fax
3. The workshop organized by Italy, which is implementing a demonstration project on using Virtually Impermeable Films (VIF) to limit the emissions of MB, was good from the point of view of contacts and information. China announced that the Country had finalized the preparatory tasks for MB phase-out and that was sending a letter to UNEP informing that China intend to ratify the Copenhagen Amendment in 2002.

The interest of VIF films that are not eligible by the MLF (intermediate technology), was quite low in the context of Phase-out in China

Several Chinese suppliers mainly in the sector of fumigants and pesticides gave presentations. Particularly interesting were the presentations made by the two Chinese Methyl bromide producers, which while insisting on the qualities of their product accepted the necessity of phasing-out MB and therefore reducing or closing their production lines.

4. During a meeting with UNIDO's delegation headed by Mr. Si-Ahmed, Mr. Liu Yi confirmed China's forthcoming ratification of the Copenhagen Amendment and informed that UNIDO was selected to prepare and implement the MB National Phase-out Plan. This was ratified during the closure dinner of the Italian Workshop.

At the request of Mr. Liu Yi, an outline paper on the National MB Phase-out Plan was prepared and found excellent. It was agreed that Mr. Sabater de Sabates will continue working in close contact with Mrs. Zhang Jianzhi during the Christmas period in order to come back at the beginning of January for final discussions on this paper, to be submitted to the Executive Committee of the MLF in March (Deadline 14-15 January). It was agreed that to request about US\$ 300000 for the preparatory assistance phase.

5. Further discussions at UNIDO Headquarters will be needed in view of the inclusion of MB production sector

2. MISSION REPORT TO CHINA

Date: 11-18 January 2001.

Purpose: (1) To draft a request for preliminary assistance to develop China's National Phaseout for the production and consumption of MB and (2) to participate with UNIDO's high level mission to get its endorsement from China

Achievements:

1. The paper was prepared on 13 and 14 January, jointly with Professor Hu (Team leader from the University of Beijing in the preparation of National phaseout plans) with whom UNIDO worked in the preparation of the tobacco CFC-11 Phaseout Plan. Mrs. Zhang Jianzhi from SEPA joined the group.
2. The Request for Preparatory Assistance was reviewed by SEPA
3. The request and endorsement of the paper was formalized during the high level UNIDO-SEPA meeting held in Beijing on 8 January
4. The paper is ready for submission to the Secretariat of the MLF and is attached in Annex 1
5. On 9 January, the extension of the present subcontract between UNIDO and SEPA was discussed with the CFC-11 working group and UNIDO office. It was agreed that in view of the fact that there are un-liquidated obligations and unspent funds which are to be allocated for compensation on closures in the year 2002 (phaseout of 120 tons instead of 90 tons in 2001), SEPA will request to extend the subcontract one year more. This will give the opportunity to submit a final report with a complete reconciliation of accounts and all corresponding disbursement documents. SEPA will submit an interim report requesting UNIDO to release half of the final payment (US\$ 200000) due at the end of the contract

3. MISSION REPORT TO BRAZIL

MINUTES OF THE MEETING HELD IN BRASILIA, BRAZIL

Date: 26 November 2001

The meeting, held at the Ozone Office of the Ministry of Environment, was attended by Messrs. Fernando Vasconcelos and Evandro Soares, and Antonio Sabater de Sabatés, on behalf of UNIDO. (Mission dates: 24-28 November 2001)

The following items were discussed and agreed:

1. The activities of project MP/BRA/00/018 – Phase-out Methyl Bromide in the Tobacco Sector have been successfully completed with the phaseout of 84.4 ODP. This has been officially confirmed by SINDIFUMO and AFUBRA.
2. SINDIFUMO and AFUBRA have phased out, on their own, an additional 210,6 ODP tons. They expect to phase out the remaining consumption in the tobacco sector (87 ODP tons) in 2002/2003.
3. Both organisations are requesting UNIDO to submit a new project to phase out the remaining 87 tons in 2002/03 and to cover **retroactively** the costs of the 210,6 ODP tons already phased out. The Government of Brazil is in full agreement.
4. This possibility was extensively discussed given the foreseeable difficulties of having a retroactive project approved and the risk this would pose to UNIDO's business plan.
5. Subject to further confirmation by the management of UNIDO/SES/MPR and at the request of the NOU, it was agreed that the phaseout project (87 ODP tons) and the retroactive project (210,6 ODP tons) would be merged into a single project and would be submitted in 2003 with disbursements **in 4/5 years**. This would minimize the risk of a retroactive project being turned down by the MLF.
6. The contents of the paper to be submitted in March 2002 in order to comply with the decision 28/38 of the Executive Committee of the MLF, has been agreed upon by both parties. The paper is attached in the Annex.
7. NOU reported a 1999 consumption of 262 ODP tons and a 2000 consumption of 431 ODP tons (imports less exports). Baseline is 711 ODP tons. When the tobacco project was prepared, the whole consumption of Brazil, according to the information provided by NOU, which was confirmed in the meeting, was 441 ODP tons, of which 95 % was in the tobacco sector. Therefore, the recent figure reflects either an enormous increase in the consumption of other sectors or serious inaccuracy in the data provided in 1998.
8. If the data for the year 2000 are correct (431 ODP tons), the real consumption in other sectors, excluding Q and PS, would be 431 minus the MB still in use in the tobacco sector, which was 271.8. Consequently, consumption in horticulture, structures and commodities fumigations must have been 159.2 ODP tons. NOU seems to have a slightly different information. His estimate is that 70% of the consumption goes to tobacco (301 tons)
9. Based on the above, it was decided that further exploration of MB consumption in the flowers sector would be worthwhile. NOU has agreed to give this project to UNIDO for submission in 2003.

10. NOU informed us that they are requesting the ExCom US\$ 100,000 in their 2002 business plan in order to review MB consumption data in all sectors besides tobacco, and that they intend to allocate some of these resources to the flowers sector in the northeast region. However, as this will not be approved before May 2002 and the funds will not be released until then, it was agreed, subject to further confirmation from UNIDO/SES/MPR, to use some unspent funds from project MP/BRA/00/018 to recruit a consultant by UNIDO, in order to identify consumers and consumption in the flowers sector in the State of Ceara. Once the funds from MLF have been released, this exercise will be expanded to the States of Bahia and Sao Paulo (mainly in the Holambra region)
11. It was agreed that NOU would submit candidates, preferably from the private sector, and that UNIDO would prepare the corresponding JD. It is estimated that the job can be done in 3 months at a cost of US\$ 8,000, including travel. It was also agreed that this exercise should start in December at the latest, in order to declare project MP/BRA/00/018 operationally completed by February 2002.

N.B. These minutes have been reviewed and agreed by Mr. Vasconcelos. (E-mail attached in a separate file Mail Vasconcelos)

N.B. Paper to be submitted to the Excom is annexed below

4. MISSION REPORT TO THAILAND

Date: 19-25 January 2001.

Purpose: (1) To discuss with Government authorities the follow up of the project MP/THA/98/065, (2) to discuss the request from Government authorities to compensate the counterpart Capital Rice for expenditures and equipment that they might have purchased in order to expedite project implementation and (3) to discuss with the former contractor TIG the follow up and achievements of the project

6. In a meeting on 23 January, Mrs. Shanisa Chockprasok project manager at Thai Industrial Gases (TIG) which was UNIDO's subcontractor, reaffirmed that the Government did not want in any case overspend on the workshop allocated budget of US\$ 6000. It was therefore suggested to organize a one day meeting, only in Thai, and directed to MB commodities fumigators and users. TIG will give a presentation in Thai and within the project budget of US\$ 6000 will provide one night accommodation for participants outside Bangkok
7. The meeting with the Government on 24 January was Chaired by Mrs. Somsri Suwanjaras. Mr. Chamlong, former National Project Coordinator was also present. Mrs. Barbara Garbe (JPO of UNIDO office in Bangkok) and Mr. Sabater were representing UNIDO. Mrs. Suwanjaras strongly and plainly insisted that UNIDO shall pay compensation to Capital Rice for equipment that they allegedly purchased. Otherwise, the Government will request UNIDO to send back the funds to MLF and will inform all participants in the next NOU network meeting about the dissatisfaction with UNIDO behavior
8. UNIDO delegation, calmly and slowly explained to the Government counterpart, that:
 - a. The rules and regulations of both UNIDO and the MLF do not allow to make payments in cash or in any event, retroactive payments for equipments and or items purchased without written authorization from UNIDO
 - b. At that time the National Coordinator and the subcontractor (TIG) were in close contact with UNIDO's office in Bangkok and Vienna and never requested such purchases. Should this proposal had full technical justification, it would have been processed quickly
 - c. UNIDO was obviously fulfilling the rule of returning all unspent funds to the MLF Secretariat as established in the agreements between UNIDO and MLF. This project was not an exception
 - d. That the Project Management was in agreement with a reduced national workshop within the limits of US\$ 6000.
9. After long discussions and in view of the position of the NOU representative, UNIDO's team offered to the Government two possible solutions, namely:
 - a. To inform about this request to the MLF Secretariat and on the basis of their comments, if favorable, to introduce a request to UNIDO's Committee on Contracts for examination of the case on the condition

that all original invoices and receipts shall be attached to the request. It was emphasized that the outcome was less than certain, that the whole process will take long time and that, if negative, UNIDO will immediately close the project and return the money to the MLF

- b. In view that Capital Rice was continuing and expanding the introduction of the the successfully IPM programme, UNIDO would view favorably to make local purchases of items less than US\$ 20000, necessary to continue and expand the implementation of the IPM.. This activity would have a good impact on Thai MB programme to be implemented by the World Bank

10. The meeting conclude with the following agreements;

- a. The Government, after consulting with Capital Rice, will inform UNIDO by fax (e-mail is unreliable) which of the two solutions prefer concerning the demand from capital Rice
- b. That at the request of the Government the project will translate into Thai and print 200 copies of the Project Final Report
- c. That the Government will inform UNIDO about who was going to be the subcontractor for organizing the workshop, the number of participants, dates and venue

11. Finally, the representatives of the NOU also asked if it would be possible to use some unspent funds to attend ODS meetings and other events. UNIDO delegation informed the Government that the first priority was to solve the precedent matters and that the project shall be closed as soon as possible. It was agreed that this point would be discussed at a latter stage with the pre-condition that such meetings must be related to MB issues

5. MISSION REPORT TO CUBA

Date: 05-10 May 2002

Purpose: (1) To monitor the present phaseout project and (2) to discuss with Government authorities a future terminal phaseout project in the sub-sectors of horticulture and commodities fumigation

Achievements:

12. Mr. Perez Montesbravo gave a presentation of the results and status of the project in a meeting in TABACUBA attended by the heads of all institutions involved in project's implementation. In the campaign 2001-2002, 81% of the seedlings were already produced using the floating system. This represents a phaseout of 81% of MB. However, in order to keep the momentum, the remaining 19% of seedlings were produced using Dazomet. That means that no more MB was used in the campaign 2001-2002. The project achieved its objective ahead of schedule
13. However, Dazomet use is risky, and the Cuban authorities have requested UNIDO to proceed with the purchase of a set of spare parts from the Company Agrotex, which was awarded with the supply of 55000 sq.m of greenhouses, in order to make these greenhouses more hurricane resistant. The Government is also requesting UNIDO to purchase 3360 square meters of new greenhouses in order to shift the remaining 19% of the production of seedlings from Dazomet to the floating technology.
14. For obvious reasons of homogeneity and standardization of spare parts, the Cuban authorities are requesting UNIDO to waive competitive bidding and to get the supply from the same firm Agrotex. Due to the short time before the next campaign (August), it is highly recommended to coordinate this issue with the Purchases and Contract Section in order to submit this request to the Committee on Contracts as soon as possible. As the request from the Government of Cuba makes all sense, the rule of standardization should be evoked.
15. The concept of a new project was discussed with INISAV officers. A visit was organized to discuss alternatives with INIFAT (bio-fumigation, dazomet), with IILD (grafting and IPM) and we also discuss alternatives with the technical staff of the Entreprise Ceiba de Agua producing horticultural products. Cuba seems ready for the complete phaseout.
16. In a final wrap-up visit to the NOU, it was agreed that UNIDO will submit in December 2002, a request for preparatory assistance to phaseout the remaining consumption in Cuba (about 30 ODS tons). The project should be ready for submission in July 2003.

6. MISSION REPORT TO GUATEMALA

Date: 25 April - 4 May 2002

Purpose: (1) To initiate the preparation of a phaseout project discussing with Government authorities and (2) to discuss, jointly with the team of UNIDO consultants, alternatives for phasing-out MB in flowers, tomatoes, strawberries, melon and commodities sectors

Achievements:

17. The new Government was almost unaware of MLF issues and Guatemala committeemen's. UNIDO's team discussed the issues with the Minister of Environment Dr. Sergio Augusto Lavarreda and the Vice minister of Agriculture Mrs. Silvia Dávila. At the end, the Minister of Environment gave his full support and the Vice Minister of Agriculture agreed on the phaseout project, subject to agreements with the sub-sectors. In the forthcoming weeks, a considerable amount of work shall be carried out by the NOU, in order to institutionalize these agreements.
18. Official consumption data were inaccurate due to the fact that they did not take into account imports made through other import schemes. A conservative estimate of consumption in the melon sector confirmed that their consumption was well over 1000 tons ODS. Consumption on strawberries and tomato was relatively very low. Consumption in flowers is expected to be around 300 ODS tons. Arrangements were made with the local consultants in order to get all necessary data in the next three weeks. Data on commodities fumigation were also requested
19. Agreements were reached with the flowers sector as well as with the tomatoes sector. However, they were unable to provide consumption data and it was agreed that a national consultant was going to work with them for this purpose.
20. Two companies namely Del Monte (100% multinational) and Popoyán have been very much interested in the grafting technology. Our main consultant Dr. Tello, Vice-rector of the university of Almería, managed to get some funds from the Spanish Programme for Cooperation with Latin America, to further experience the grafting technology. Del Monte is planting 50 Ha of grafted melons produced by the company Popoyan which has established facilities for grafting.
21. In the afternoon of the last day, the mission had a long meeting with the owners of the six melon enterprises in Guatemala. Many of them were unaware of the MB phaseout project. However, the shift of Del Monte towards grafting technology, made all of them much more receptive. After a comprehensive presentation on MB issues and a long discussion on available alternatives and its use in Spain and Italy, it has been agreed that they are going to meet next week to confirm their agreement and a phaseout schedule. It was clear to all, that the only possible alternative was grafting
22. In conclusion, many uncertainties are still pending to be solved and there is not a firm commitment yet. Dr. Hugo Figueroa told us that the melon sector was very difficult and that he asked for such a meeting many times, obviously without success. The fact that Dr. Tello and Mr. Fernandez were part of the

team facilitated the dialog. Two growers are traveling to Almería next week to see Spanish grafting companies and experience on this matter

23. The mission reviewed the list of components and their respective cost needed grafting melons in Honduras. The calculation reviewed programme prepared by Mr. Amadio, shall be used for all UNIDO's future grafting projects

7. MISSION REPORT TO MEXICO

Date: 23-25 April 2002.

Purpose: (1) To discuss with counterpart implementation issues and (2) to initiate talks concerning a future MB phaseout project

Achievements:

- a. Both parties agreed that the project was doing well and that alternatives were found for almost all crops. Many of these alternatives were the best available and, in fact, they are starting to be implemented in Mexico.
- b. In view of the poor results of the experiments in flowers due to lack of interest and technical capabilities of the farmer selected by the NOU, it was agreed to formalize the contacts with a new counterpart in the area close to Mexico. Mr. Castronovo will visit the Company in few days
- c. The project is expected to finalize most of their activities in February 2003. Flowers sector will be completed at the end of the same year. Mr. Castronovo said that a decision on the future National Phaseout Plan will be taken in 2003 and that Government was in favour of UNIDO
- d. Mr. Castronovo informed me that an evaluation conducted by a State Agency on several UNDP projects show poor results and that UNDP's approach with high Government Officers had resulted in a big clash. Mr. Castronovo expects that more projects will be given to UNIDO in the near future
- e. Finally Mr. Castronovo informed me that he would be available for overseas assignments based on short term missions abroad and home working

8. MISSION REPORT TO ZIMBABWE

Date: 07-10 April 2002.

Purpose: (1) To finalize Project Document and submit to French Authorities

Achievements:

1. The draft Project document was prepared, discussed and agreed with the following Institutions:
 - Tobacco Research Board Tobacco (TRB) team leader Dr. Gareth Thomas as well as by TRB Director Dr. Anxious Masuka and Deputy Director Dr. Barry Blair
 - Zimbabwe Tobacco Association (ZTA) represented by its President Mr. JJ Joubert and Vice-presidents Mr. Sandeman and Mr. Millar. Representatives of the Indigenous Commercial Farmers Union (ICFU), the Zimbabwe Farmers Union (ZFU) and the Air-cured Tobacco Association (ACTA) were also involved.
 - National Ozone Unit Officer Mr. Vitalis Mugova
 - Secretary for Environment and Tourism Mr. L. Tavaya
 - Mr. M. Kleiche at the Agence Francaise de Developement and member of the French Delegation at the Executive Committee of the MLF.
 -
 - Copies of project Document and letters are attached in Annexes 1 and 2
 -
 - It was agreed with ZTA that, in the event of a lower funding approval, ZTA would cover the purchase of small items while UNIDO would concentrate its efforts in purchasing all trays and subcontracting the training programme. Around US\$ 9 million would be sufficient to cover these two subcontracts. This represents a cost effectiveness of 23.56 US\$ per kg of ODP which is lower than the Argentina tobacco project approved by the MLF in March 2002.
 - Arrangements were made to get the technical evaluation report from Mr. Sanz de la Morena, CSIC Madrid. The document is attached.
 - French authorities were informed that the minimum amount to implement successfully the project was not less than US\$ 9.5-10 million. French authorities agreed with the document and confirm that the document was going to be submitted by Monday 15 April. French authorities confirmed that they were in agreement for a total disbursement of US\$ 2.5 Million. Original document and originals of endorsement letters and TA reports were given to them.
 - It was confirmed that there is at least one supplier of trays in Zimbabwe. The Association of Expanded Polystyrene Products in South Africa gave a list of at least 10 potential suppliers.
 - In order further strengthen the good cooperation climate between UNIDO and the NOU in Zimbabwe, I extend an invitation to Mr. Mugova to visit UNIDO Headquarters. It would be advisable to extend this invitation officially.

9. MISSION REPORT TO SOUTH AFRICA

Date: 11 April 2002.

Purpose: (1) Preliminary contacts for a National Phaseout Plan

Achievements:

1. At the request of UNIDO, a meeting was arranged with Mr. Samuel Manikela NOU Assistant Director in South Africa. The activities of UNIDO in the MB Bromide Sector were presented and all possible alternatives were reviewed. Alternatives are available for the consumption in horticulture, structures and commodities. However, there is a particular aspect of soil fumigation in apple trees, which would require further experimentation. It was proposed that the National Phaseout Plan would proceed quickly in those areas where proven alternatives exist, while an experimental programme would be launched for the particular case of apple trees. The 1998 consumption in non-critical uses was around 1000 metric tons ODS but this data shall be actualised. The NOU agreed to submit an official request to UNIDO

10. MISSION REPORT TO CHINA

Date: 05-20 September 2002.

Purpose of the mission: (1) To discuss with counterpart, implementation issues concerning the MB phaseout Plan (2) To participate and give three presentations of MB alternatives in horticulture and tobacco seedbeds in two workshops organized by SEPA and UNEP (3) To discuss with counterpart implementation issues concerning the CFC-11 phaseout in the Tobacco Industry and (4) to participate in a ceremony in Xuzhou on the occasion of scrapping CFC-11 fluffing machines in a local manufacturer of cigarettes.

Achievements:

A. MB Phaseout Plan

24. The two workshops on MB alternatives were held in Beijing and Yuxi (Yunnan) and attended by about 50 participants each. In Beijing, political representatives and Directors of the Ministry of Agriculture attended the meeting, while in Yuxi the participation was more technically oriented from the Tobacco Monopoly Administration. UNEP organized the meeting and GTZ was present.
25. Mr. Liu Yi opened the meeting in Beijing and stressed that China was going to ratify if possible before November and at the latest in December 2002. Mr. Wang deputy Director of SEPA opened and participated in the workshop in Yuxi.
26. It now seems very clear that UNIDO is in charge of the preparation of the MB Phaseout Plan and that the World Bank is out of this sector. GTZ, which is implementing a small demo project is also out, although it seems that they have an agreement with SEPA to implement the phaseout of only one sub-sector and this under the management of UNIDO. GTZ confirmed that Mr. Liu Yi have asked them to take the phaseout in ginseng, for which anyone has been able to find suitable alternatives. In any case this would have to be done in agreement with UNIDO
27. Mr. Liu Yi would like to submit the Plan in July and at the latest in November 2003. This schedule seems quite optimistic.
28. Two presentations were delivered: one in Beijing on horticulture and two on horticulture and tobacco in Yuxin. The presentation in Yuxin was followed by a three hours discussion with the speaker, which was extremely successful.
29. Although the Tobacco group and the Ministry of Agriculture are implementing some alternatives in about 5000 hectares, with a limited number of farmers, the results are less productive than expected due to the inherent trend of all research institutions in modifying well-proven technical packages and applying shortcuts. In fact, the large discussions were focused in assessing what the researches did and why they modified well-known technical

packages in tobacco floating, bio-fumigation and metam sodium application. Chinese counterparts were quite unaware of the latest developments in agricultural plastics (thermal plastics) on use of solarization with Metam Sodium and in the use of high cells floating trays. Unfortunately there is no money in the project to bring them to one of UNIDO projects and to see how is done. Fortunately there is a China delegation going to Brazil, in which some tobacco experts are invited. UNIDO will contact our Brazilian counterpart to facilitate know-how transfer

30. After hours, UNIDO had two excellent meetings, chaired by the Deputy Director of SEPA with the representatives of SEPA, STMA and all decisions makers in the tobacco sector. The workplan for the preparation of the MB Phaseout in all sectors and in particular in the tobacco sector and the respective roles of each Institution, were clearly established. Professor Hu from the University of Beijing, who led the preparation of the CFC-11 Phaseout Plan in the Tobacco Industry has been subcontracted by SEPA to coordinate the whole preparation. Professor Cao who implemented the UNIDO demonstration project is in charge of all horticultural sector. The Chinese MB working group is now established and the consumption assessment is now going on.
31. The good working relations established with the State Tobacco Monopoly Administration in the preparation and implementation of the CFC-11 Phaseout Plan for the Tobacco Industry has been extremely useful in SEPA's final decision in favor of UNIDO. There are no doubts that the whole programme is firmly in UNIDO's hands.

Tobacco Sector Plan

32. The phaseout objective of 120 CFC-11 tons for the year 2002 has been already achieved. The State Tobacco Monopoly Administration is doing an excellent job in preparing the annual bids, signing contracts with the tobacco enterprises to whom the bid was awarded and implementing the detailed procedure, including public notary and video material, for scrapping the old CFC-11 units.
33. SEPA has experiences delays in sending the second interim report with the contracts with enterprises due to the fact that Mr. Liu Yi has to sign the US\$ 1.2 million invoice. It will be done next week. I had the occasion to asses the report which includes all contracts and documentation
34. The Director of the factory were the this year 10th CFC-11 machine was going to be scrapped, officers from STMA Beijing and from STMA provincial offices, National TV and a notary, were present in the dismantling ceremony. All came back 5 hours later to certify the scrapping of the machine

Follow-up

It is expected that the detailed assessment of consumption and users by crop and region will be completed by November and the members of each sub-sector MB working group selected. It has been agreed that UNIDO will come back in December to hold discussions with each working group on alternatives.

Conclusion

Mr. Liu Yi deadline to submit the National Plan by July or November seems quite unrealistic but this is helping in keeping pressure on the working groups

It has been agreed that UNIDO shall request MLF Secretariat for the assessment of the MB production sector as soon as possible.

11. MISSION REPORT TO MEXICO

Date: 28 September 05 October 2002

Purpose: (1) To participate in a UNIDO mission to make contact with the new NOU authorities (2) to discuss a new project document for the phase VI of the IS project transferred to UNIDO from UNDP (3) to discuss MB issues in view of Mexico's non-compliance with the 2005 reduction and possible preparation of a National MB Phaseout Plan (4) to discuss with the University of Sinaloa extension of the scope of the current subcontract (5) to discuss with the new NOW authorities all activities to be undertaken by the demonstration project in 2003 and (6) to coordinate future activities with UNIDO's office in Mexico

Achievements:

35. The nomination of new staff in the Direction of the NOU and the de facto separation of the Mr. Castronovo in the new structure has created management problems in the implementation of UNIDO's Montreal Protocol activities. The mission led by Mrs. Yalcindag discussed a draft project document for the implementation of the phase VI of the Institutional Strengthening Project and build up good relationship with new NOU manager Mr. Sergio Sanchez
36. It was not possible to discuss MB issues during the period in which the UNIDO mission was in Mexico. It was then decided that to discuss all MB issues in a separate meeting, one day after, with Mr. Marco Balam Adviser to Mr. Sanchez
37. The meeting took place in NOU office on 03 October and was attended by Mr. Balam, Mrs. Villacaña Adviser to the SGPA, Mr. Rojas, UNIDO Country Director and the undersigned.
38. I took advantage of absence of formalities as well as of common cultural and language links to make the meeting as much open and outspoken as possible. Mr. Balam confess that they have a very poor knowledge of the Montreal Protocol mechanisms, rules and regulations, the role of the Executive Committee, the meetings of the parties, etc. I explain to him when the ExCom meetings are scheduled, the role of the sub-committees, etc.
39. Concerning the IS project I made it clear that there were two options namely: (a) a national execution style like UNDP which finally was transferring the moneys and nothing else or (b) UNIDO also playing an advisory role to them. I inform Mr. Balam that UNIDO was eager to take this advisory role as far as there would not be surprises concerning the sectors given to UNIDO including MB. Mr. Balam said that the advisory role of UNIDO was vital and that, as far as he knows, the policy of the NOU will be of no changes. Apparently he was very grateful to UNIDO for assisting them.
40. I explained to Mr. Balam all MB issues; the non-compliance issues and the implicit warning of the letter from the Secretariat dated 11 September. The importance of MB phaseout and the implications for Mexican agriculture and exports were strongly stressed. I also explained the whole process of preparatory assistance requests, plan preparation, project submission, etc. Mr

Balam acknowledged the importance of the issue, the role of UNIDO bringing this to the attention of the Sub-Secretary and requested to put this on paper for discussions with Mr. Sanchez. I explained to him that in order to have a project approved in 2004, a request from the Government should reach UNIDO before the January 10, 2003.

41. Mr. Castronovo visit UNIDO's office one day after on October,4. He said that Mr. Sanchez is close friend of the Minister of the Environment and that all these changes were promoted by UNDP at Minister level. He said that the Subsecretary was somewhat supporting him. Mr. Castronovo was told by UNDP that their salaries were not going to be paid and he was very nervous about this. I inform him that Mrs. Yalcindag address this matter at the meeting with NOU and that UNIDO will honour all existing contracts.
42. Terms of reference for the extension in duration and scope of the contract with the University of Sinaloa were discussed and agreed with Dr. Estrada. Will be sent to UNIDO next week. The issue of how to implement a data survey on MB consumption was largely discussed. Mrs. Nolzco was charged to approach 2-3 consultancy firms close to the agricultural sector. The University of Sinaloa will approach agricultural consulting firms operating in cooperation with the University. Terms of reference for this activity have been prepared and given to Mrs. Nolzco.
43. Project experiments will continue until June 2003. However MB data survey shall be ready before January 2003. It has been agreed that a study tour to Spain for 12-15 growers and NOU officers will be organized in October-November 2003. It will be immediately followed by a final workshop and the demonstration project closed at the end of 2003.
44. In view of the fact that the new NOU authorities were extremely cautious I suggested to Mrs. Nolzco to contact the University of Sinaloa in order to give, in hand, to Mr. Sanchez a hard copy of Sinaloa's July Progress Report. A second copy should be sent to Mrs. Villicaña at SGPA. This would also be a good occasion for UNIDO's office in Mexico, to pay a visit to them
45. Copy of the invitation fax for the Israel Workshop was given to NOU. If NOU officers attend this workshop, this will be a unique occasion to press them for the request to UNIDO for the preparation of the national MB Plan

Conclusion

It seems unlikely that the new NOU team will rely on Mr. Castronovo knowledge of MLF. Therefore, in spite of the fact that the new team is close to UNDP, there is a real chance to UNIDO to keep its programmes as far as the Organization delivers a real support to the NOU in all aspects related to MLF. Task managers will have to be very didactic and patient in explaining MLF issues and procedures with great tact.

Follow-up

AGRO CONSULTING S.A.

- UNIDO MP branch shall assist the new NOU. First assistance should be to inform NOU how to access MLF databases and compliance issues
- Submit TOR for the extension of Sinaloa's contract. Expected cost around US\$ 65000
- Follow-up of boiler's purchase
- Urgent selection of a subcontractor for the implementation of MB data survey
- Mrs. Nolasco to contact the Institution working on alternatives to MB in garlic for possible cooperation. Dr. Tello knows them.
- UNIDO office to give to NOU and SGPA two hard copies of Sinaloa's June progress report
- Mrs. Nolasco starting to look at cost for study tour
- To pursue contacts with NOU, on MB Plan, during Israel's workshop.
- To issue a new one-year contract, charge to MB demonstration project, to Mrs. Nolasco. (Her current contract with MP foam expires in December)

12. MISSION REPORT TO ARGENTINA

Date: 15 November- 25 November 2002

Purpose: (1) To assess project phaseout achievements (2) to visit project sites, meet with regional teams and discuss implementation and issues and achievements (3) to assess performance of soil pasteurization boilers under operation and (3) to participate in the ceremony to transfer the first steam equipment to a cooperative of growers in La Plata

Chronogram of the mission:

15.11.02 Air travel Barcelona-Buenos Aires- Tucumán

16.11.02 Visit to high altitude strawberry nurseries in Tafi

17.11.02 Tucumán. Meetings with project Regional Team and two strawberry growers. Air travel to Buenos Aires

18.11.02 Air travel to Santa Fe. Meeting with Regional team. Visit to two growers (tomato and strawberries) and the Regional Demonstrative Center CEAL. Travel to Rosario and air travel to Buenos Aires.

19.11.02 Air travel to Coronda. Meeting with the Regional Team. Visit to two strawberry growers and one tomato grower. Air travel to Buenos Aires

20. Air travel to Corrientes. Visit to growers in Saladas, Santa Lucía y Bella Vista. Car travel to Bella Vista

21.11.02. Meeting with project team at the EEA Bella Vista. Visit to two growers. Car travel to Residencia. Air travel to Buenos Aires

22.11.02. Car Travel to La Plata to attend the steam boiler transferring ceremony. Car travel to Buenos Aires.

24.11.02 Return flight to Barcelona

Achievements:

46. The database identifying each individual MB consumer including MB consumption, crops, surface and amount phased out as well as demonstrative or phaseout areas has been achieved and it is fully operational. A complete picture on what is happening in Argentina in terms of MB consumption and monitoring has been achieved for the first time.
47. After extensive discussions with six of the MB phaseout teams hired by INTA, it is clear that they are working very hard and phasing out MB at a pace quicker than planned.
48. Presently, the project is actualizing consumption data, but total reduction up to October 2002 is estimated at 146 ODP tonnes, to compare with the project scheduled reduction of 66.2 ODP tonnes or Argentina's reduction of 95.2

tonnes. This has been due to (a) Better than planned project phaseout in all areas and all crops (b) decrease in consumption by many growers due to Argentina's financial situation and (c) phaseout by the tobacco project implemented by UNDP as scheduled.

49. A complete picture of the phaseout achievements by Region will be included in December yearly report. However, I requested OPROZ to accelerate the official phaseout confirmation by at the latest at the end of January 2002. This would facilitate the purchase and shipment of the second set of equipment.
50. INTA's team is working very harmoniously and phaseout opposition is decreasing with the exception of two big growers in Tucuman who are violently campaigning against it. One of these growers is also supplier of strawberry plants and uses this circumstance to press his clients. Paradoxically the same grower has relocated his nurseries in a colder area and is not using MB in his new facilities.
51. In general terms, high altitude small strawberries nurseries are doing well in implementing phaseout using Metam Sodium. INTA has developed a system to seal MS field by compacting just 5 cm of soil. This makes the alternative very attractive in nurseries because does there is a big saving in plastic.
52. Horticulture in general is doing very well with MS. INTA has developed a MS injection machine which gives better results in terms of yields (about 15% increase) and is helping very much in the adoption of MS alternative. It has been a pity that the sole producer of MS in Argentine took profit of the increase of his sales by 60% to increase prices.
53. Reductions in strawberry growers is progressing slowly but the results of almost 60 hectares of demonstration plots are very good an growers are starting to change their minds.
54. I assisted to two soil pasteurizations with steam. The steam equipment imported from France, which has been modified by INTA, is working marvelously. Temperatures of 92 Celsius in sandy soil were attained at 20 cm deep in less than 7 minutes. The 1000 kg/hr equipment is pasteurizing about 2000 square meters per day at a cost only 12% higher than MB.
55. I attended the ceremony of transferring one of this steam equipment to the main cooperative in La Plata, which has constituted a service company to provide steam pasteurization service to any grower in the area. It is worth to mention that INTA has reached an agreement with the main supplier of gas in Argentina (Repsol YPF). This Company has provided for free a new LPG burner and a trailer with 4 tons of liquated gas. This reduces the cost of steam pasteurization by 25%, making the alternative cheaper than MB
56. OPROZ informed me that they are finally implementing the registration of MB importers and they expect to issue the imports limit regulation this year.

Conclusion

The project is progressing better than expected and INTA team is working very well. MB phased-out amount is well over target. Metam Sodium alternative and steam are

working very well. The fierce opposition to any MB alternatives has been practically reduced to two big growers with close links with suppliers of MB and nurseries in California. The project has adopted the strategy of continuing improving the application of alternatives and reducing their costs. After the successful demonstration plots implemented in 2000 and 2001, INTA has convinced about 38% of the growers to partially or totally apply these alternatives in 2002

Follow-up

- To review the yearly report due in December 2002 and to press INTA to submit their interim report by the end of November this year
- To press OPROZ to issue official 2002 consumption data as soon as possible in order to submit it to MLF Secretariat and get the approval for the 2003 disbursement
- To purchase the rest of the steam equipment at the latest in March 2003

13. MISSION REPORT TO CHINA

Date: 14-22 December 2002

Purpose of the mission: (1) To discuss with counterpart, implementation issues concerning the preparation of the MB phaseout Plan (2) To discuss and review with STMA and SEPA the 2002 implementation report and the 2003 workplan to be submitted to the ExCom March Meeting (3) To discuss and review with STMA and SEPA, the preparation of the 2001 final document to be submitted to UNIDO and the 2002 second interim report on the implementation of Tobacco Plan (4) to attend a meeting organized by STMA with representatives of 60 cigarette factories to discuss the 2003 workplan, quotas, bidding process and total phaseout of CFC-11 by the year 2006.

Achievements:

A. MB Phaseout Plan

57. The preparation of the MB Phaseout National Plan has progressed very little since its launch in September. SEPA has only been able to get some data on production of MB which seems to be about 4400 ODS tonnes (2640 ODP). However, it is still unknown how much MB was simply imported and re-packaged in cans, how much was exported and how much was sold in the local markets and for what purpose. In other words, the global consumption figure is still unknown. What is clear is that 2001 consumption is much higher than the baseline (1000 ODP tonnes)
58. In view of the situation I asked Mr. Liu Yi to chair the second day meeting. Mr. Liu Yi was very much concerned and seems to face a difficult dilemma: from one side he is worried about openly declaring that China was in default concerning the 2002 freeze and he also worries about the 2005 20% reduction, but from the other side, he knows that if China declares a consumption figure close to the baseline, China will have to phaseout may be 1000 ODP tonnes by its own means.
59. Concerning the progress in the ratification of the Copenhagen Amendment, it seems that the nine Ministries concerned have already signed the agreement paper. However, the Ministry of Foreign Affairs turned it down arguing that similar agreements have to be signed concerning the other substances also included in the Copenhagen Amendment. It does not seem to be any problem concerning other substances but it will take some time.
60. During the lunch, Mr. Liu Yi decided that, whatever would the consumption be and how much declared, China cannot afford to miss the 2005 target and therefore the Plan have to submitted to the ExCom July 2003 meeting, in order to have enough time to phaseout as much as possible in 2004. He settled a detailed workplan to achieve this goal. Nevertheless I informed Mr. Liu Yi that:

- a. This decision may have strong consequences regarding 2003 UNIDO's workplan and that in any case the global consumption and real production data had to be known by UNIDO at the latest end of January. (February is useless for business in China)
- b. That the MB National Phaseout Plan has a production component, which requires an international audit. Such audit cannot be requested before China ratifies the Copenhagen Amendment and most probably will take some time to be implemented
- c. That production and consumption phaseout cannot be dissociated (in order to prevent any future attempt)

61. Mr. Liu Yi said that we should go ahead and eventually submit the Plan based on our own data.

Tobacco Sector Plan

62. The phaseout objective of 120 CFC-11 tons for the year 2002 has been largely achieved. Phaseout in 2002 amounts 200 tonnes and the total consumption has been brought down to 800 tonnes (target 880 tonnes). STMA is implementing very well
63. The 2001 final report, 2002 implementation report and 2003 workplan have been reviewed and STMA will send the final version before December, 31
64. I attend a special workshop organized by STMA with the participation of 60 cigarette factories. The purpose of the meeting was to brief the enterprises on 2003 phaseout target, bidding process, TA activities and total phaseout by the year 2006.
65. I was invited by the DG of STMA to open the meeting and gave comments on the Tobacco Plan, the Montreal Protocol and the cooperation between UNIDO and China in the preparation and implementation of the MB phaseout Plan with references to phaseout in tobacco seedbeds. Mr. Liu Yi gave also a speech stressing the obligation of the tobacco enterprises in the accomplishment of the phaseout plan. He highlighted the fact that CFC-11 production was going to be closed and that not a single gram of CFC-11 will be imported
66. The meeting was tough but very well prepared. At least 10 enterprises declared that they are going to bid

Conclusion

It is expected that the detailed assessment of consumption and users by crop and region will be completed by January 2003 and that Copenhagen Amendment will also be ratified by that date. Failure to do so will postpone the submission until November Meeting

Tobacco Plan is working very well. However investment decisions in CO2 technology take at least two years to materialize. Steam expansion is gaining momentum and easier to implement but less effective. However, many enterprises have opt for this alternative because the quality of expanded tobacco is as good as with the former CFC-

11. I do not foresee difficulties in 2003 but we could experience some difficulties in 2004 and 2005 if the enterprises do not take investment decisions in time.

Follow-up

To have discussions with UNIDO's MP branch, on implications in UNIDO,s business plan, by phone and to travel to Vienna at the end of February or when the MB consumption and production data are known

14/15 MISSION REPORT TO MEXICO and GUATEMALA

Date: 11-21 January 2003.

Purpose: (1) To discuss with Mexico's NOU future action plans concerning MB and to inform NOU on status of project's implementation (2) to initiate Guatemala project implementation through:

- Selecting a National Coordinator and establishing ways and means for technology transfer
- Discussing with all sub-sectors namely melon, tomato, strawberries and flowers, phaseout agreements, equipment to be delivered and phaseout schedule

Achievements:

MEXICO

67. Mr. Sergio Sanchez who confirmed weeks ago his availability for this meeting, was unable to attend. Instead, he delegated in Mrs. Danae Díaz and Mrs. Grethel Vilacaña for MB matters and hosted a quick lunch to wrap-up conclusions. Mr. Agustin Sanchez from the NOU and Mrs. Nolzco from UNIDO's office also attended the meetings
68. The first issue discussed was the amount of MB which was declared in 2001. None was aware of this amount but the issue has been solved latterly when it was found that Mexico had declared 1100.1 ODP tonnes in 2001. That means that Mexico should phaseout 195.5 tons to comply with the 20% reduction.
69. The schedule and the steps to prepare a phaseout project was clearly explained to Mrs. Danae Díaz and Mrs. Grethel Vilacaña and also to Mr. Sergio Sanchez during the lunch. He inform us that the matter was discussed with the Sub-Secretary of Environment who decided to start working with the Ministry of Agriculture and the first step was to prepare a workshop or round table. We agreed on this initiative which is unlikely to be implemented soon, due to the total confusion and lack of personnel prevailing in the NOU office.
70. At me request, Mr. Sanchez said that the I.S. project document was going to be signed soon. Apparently, they are in the process of recruiting new staff and they want to have them on board introducing their names in the project document.
71. Apparently they do not have any news about Quimobásicos audit and are expecting to discuss this issue with the forthcoming UNIDO mission.
72. Privately, I informed Mr. Sanchez that we would need an official letter concerning MB phaseout in order to proceed. I also requested Mrs. Nolzco to follow-up.

GUATEMALA

73. Taking into account that Mr. Figueroa has only a part time contract with his employer the Ministry of Environment, the UNIDO team decided that the best way to implement the project was to hire Mr. Figueroa as part-time project coordinator.
74. Most of the expertise needed is in melon grafting and the expertise available in this area in Guatemala is still low. It has been agreed with the sub-sector that (1) a group training in grafting in Italy or Spain, will be organized by UNIDO as soon as possible and (2) that on the job training in Guatemala will be delivered through international consultants.
75. The phaseout agreement document has been discussed with all qualifying melon Companies. Mr. Figueroa will follow-up and continue these complicated negotiations, which have to be finished as soon as possible in order to purchase the equipment before next planting season
76. Four Companies have been selected in tomato and it has been agreed that UNIDO will field a consultant with adequate experience in Metam Sodium injection to discuss the workplan, select equipment suppliers and prepare TOR
77. The discussion with the flowers sector was good although many of the association members were in an exhibition in Florida. It has been agreed that they will provide a list of companies with their MB consumption and production of substrate which are interested in signing MB phaseout agreements
78. The position of the Vice Minister of Environment was very firm in limiting MB imports and in their support to MB phaseout

CONCLUSION

- The next UNIDO mission to Mexico seems to be welcomed and it is strongly recommended. In the status of confusion and changes in Mexico's NOU, the day to day work of Mrs. Nolasco, establishing good connections with NOU's staff is of paramount importance for keeping the institutional memory.
- Guatemala project has been initiated and we expect that agreements with several melon companies will be signed soon. These agreements will be first test of Mr. Figueroa's ability to coordinate the implementation of the project

16/17. MISSION REPORT TO HONDURAS AND MEXICO

Date: 03-14 May 2003.

Purpose: (1) To attend the melon alternatives workshop in Honduras and give a presentation on country obligations on Montreal Protocol and UNIDO experience in phaseout projects focusing on alternatives already implemented (2) to participate in a workshop with Mexican melon producers on alternatives experimented in Mexico and future phaseout project and (3) to discuss with SEMARNAT consumption issues and workplan for the preparation of the phaseout project

Achievements:

A. HONDURAS

79. Important melon growers from Honduras, Guatemala, Costa Rica, Dominican Republic and Panama, attended the meeting two days meeting. All melon companies having signed phaseout agreements with UNIDO as well as managers and owners of companies still reluctant to phaseout, participated in the meeting
80. Excellent presentations on real available alternatives namely grafting, use of VIF, Telone and Metam Sodium were given by a group of international experts from Israel, Italy and Spain. Our counterpart the university of Sinaloa, presented the results obtained in Mexico.
81. The idea of organizing such workshop was very good in terms of transfer of technology and information, as well as in timing. Companies still reluctant to initiate MB phaseout, realized that a group of leading melon growers have signed agreements with UNIDO and that MLF funds permit the installation of modern grafting nurseries
82. It has been agreed with Dr. Fernandez that he will be recruited for 1 week home basis to prepare a technology transfer workplan in order to assist and train the counterpart in grafting, nursery management, transplanting and cultivation procedures in Guatemala and Honduras

B. MEXICO

83. The round table in Colima was not so well organized by the University of Sinaloa and, apart from Government Officials, only three growers attended the meeting. It was unfortunate that the main grower in the area, Mr Michel, was running for Governor of Sinaloa and he could not attend. Presentations were given by the University of Sinaloa on the results of the experiments by Dr. Fernandez on grafting technology and its importance in Spain and by myself on the procedures to prepare future phaseout project
84. The meeting was closed by Mr. Agustin Sanchez from SEMANAT who was very clear about the restriction of MB imports by 20% in 2005 and about the cooperation that the Ministry expected from all growers. He said that the reduction will be in force and the farmers have two ways of facing it namely: phasing-out by themselves or phasing out with the assistance of the project.

85. SEMARSAT and UNIDO representatives meet with AES, which is the firm preparing the consumption survey. UNIDO pointed-out that the results submitted were incomplete and illogical and that no further payments will be made unless the survey was completed to our satisfaction. SEMARSAT representative supported UNIDO's views and promised to give to them the official data in their hands. Finally it was agreed on additional work that have to be completed in the next two weeks. Failure to do so, would result in contract rescission

86. On 12 May I had a meeting with Mr. Sergio Sanchez as well as with Mr. Agustin Sanchez in SEMARSAT. The following was agreed :
 - a. 2002 consumption is close to the baseline (1779 ODS tonnes) and therefore the project will reduce 20-25% of the consumption equivalent to 360-400 ODS tonnes (maximum 240 ODP)
 - b. The project will include all sectors.
 - c. Mrs. Nolazco will help in coordinating the activities and results from AES and in preparing a description by sector which will be reviewed by UNIDO, cleared by the University of Sinaloa and discussed by one or two of the most important growers in each sub-sector. A consultant who has worked with us in Baja California and came to Honduras will be recruited to assist her
 - d. The project is expected to be of less than 2.5 million and therefore the deadline for November submission should be around the first week of September
 - e. Mr. Sanchez requested to coordinate with UNDP for the implementation of the fumigation phaseout portion of the phaseout project. I inform him that we do not have enough time to incorporate UNDP in project preparation and therefore that we would discuss this matter once the project document is ready

9. I expressed my doubts about the reported figure of 2002 consumption, circa 1900 ODS tons, which seems quite high in the light of data we have. We found several mistakes but the Government said that we should stick to this figure
10. SEMARSAT have agreed in principle on partial funding from Spain and requested a intention letter from Spain. This letter has been requested
11. Relationship with SEMARSAT are excellent and Mr. Sanchez asked me to convey the message that they were still looking for a suitable consultant to asses consumption for the refrigeration plan and requested any information that could help in the discussions about QUIMOBASICOS. They expressed satisfaction for the continuous stream of UNIDO missions, which have been of great help to them.
12. I also meet with Mr. Aishemberg new UNIDO Regional Representative and I informed him about our future prospects in Mexico as well as about the workload of Mrs. Nolazco in the forthcoming months. Honorray fees of Mrs. Nolazco seem to be much lower that comparative UNDP project officers and it would be advisable to increase her remuneration.

18 MISSION REPORT TO MEXICO

Date: 01- 10 July 2003

Purpose: (1) To prepare MB phase-out project

Achievements:

87. The mission was initiated with discussions with AES, and SEMARSAT in order to match data from the field, with all of the limitations inherent to this kind of exercises, and data from SEMARSAT with also some discrepancies. Finally, after having carried out more field investigations it was agreed that the overall imports were about 2400 tonnes and that soil and commodities consumption excluding QPS were about 1800 tonnes.
88. Alternatives and phaseout scope and schedule were agreed with SEMARSAT and it was agreed that the project shall be ready at the latest by August, 21 in order to allow time for Mexican authorities to discuss and if necessary request modifications. This would include the UNDP portion on commodities which have a consumption close to 200 tonnes.
89. UNIDO's part of the project document was finalized by August, 1. 2203 and UNDP part was received on August, 16. Therefore, the full project document was completed in time and sent to Mexico on 21 August 2003.

19. MISSION REPORT TO CHINA

Date: 01- 12 August 2003

Purpose: (1) To prepare MB phase-out project

Achievements:

90. The mission was initiated with discussions with SEPA concerning production and consumption data. In fact there were discrepancies among macro and micro data. Finally, SEPA confirmed the following data:

YEAR	ODS Tonnes			ODP Tonnes		
	2000	2001	2002	2000	2001	2002
Baseline consumption 1995-1998: 1101.6 ODP tonnes						
Baseline production						
Production	2397	2319	3559	1438.2	1391.4	2135.4
Imports	2150	1431	1355	1290	858.6	813
Exports	1047	1016	1500	628.2	609.6	900
Consumption including QPS and feedstock	3500	2734	3414	2100	1640.4	2048.4
QPS and feedstock uses			1601			960.6
Consumption excluding QPS and feedstock			1813			1087.8

91. It was clear from the beginning that in spite of the frequent reminders, professor Hu and his team from the University of Beijing did not prepared anything about China's MB Plan. SEPA did not initiated discussions and meetings with key experts and representative institutions in each sub-sector: namely agriculture, tobacco and commodities. Mr. Liu Yi requested Profesor Cao, who is the key person in agriculture, to come back from his trip and requested the other experts to attend SEPA meetings. At the end of the week, a schematic picture on what was happening in each sub-sector and consumption data (mostly theoretical) emerged.
92. China insisted in two criteria which will have strong implications in UNIDO's discussions with the Secretariat: (1) Compulsory phaseout in production should match reduction in consumption, in order to avoid MB imports and reliance from external sources, and (B) Most of the phaseout shall be in commodities and tobacco although about a 10% in other crops would be fine.
93. In terms of project preparation this has two consequences, namely (a) The amount to be phaseout is almost 36% of the consumption, and (b) the project is quite expensive because 50%of the phaseout is tobacco and in China's conditions this equipment can only be used one cycle per crop and not twice as in Cuba.
94. Consequently, the draft project document sent to China on 26 August amount US\$ 17 million to phaseout a consumption of 389 ODP tonnes and it commits

to phaseout a production of 472 ODP tonnes if a future production project is approved