Annex VI

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN BRAZIL

1. The Executive Committee at its 46th Meeting approved US $2,030,641 (US $1,450,251 for UNIDO and US $580,390 for the Government of Spain) plus agency support costs of US $184,220 (US $108,769 for UNIDO and US $75,451 for the Government of Spain) as the total funds that will be available to Brazil to phase out 218.6 ODP tonnes of methyl bromide (MB) used for soil fumigation in strawberries, flowers and ornamental plants and other uses representing the total consumption of MB excluding quarantine and pre-shipment applications.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Brazil has been established at 711.6 ODP tonnes. Brazil has also reported a MB consumption of 218.6 ODP tonnes for the year 2003, excluding quarantine and pre-shipment applications. Accordingly, Brazil is in compliance with the 2005 Montreal Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of this project and other commitments presented in the project document will ensure that Brazil will apply and enforce administrative measures to comply the reduction schedule listed below. In this regard, Brazil will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	84.0
2007	0.0

Note: A total of 134.6 ODP tonnes of MB will be eliminated in 2005.

4. The Government of Brazil has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays, UNIDO and the Government of Spain will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the projects may be cancelled.

6. The Government of Brazil, in agreement with UNIDO and the Government of Spain will have the flexibility in organizing and implementing all project components which it deems more important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.