

Annex V

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN THE ISLAMIC REPUBLIC OF IRAN

1. The Executive Committee:
 - (a) At its 29th Meeting, approved US \$260,698 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of methyl bromide (MB) used in all major non-critical, non-essential uses in post harvest treatments (12.4 ODP tonnes); and
 - (b) At its 47th Meeting, approved an additional US \$227,950 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of MB used for soil fumigation in olive seedlings and fruit tree nurseries (14.4 ODP tonnes).
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for the Islamic Republic of Iran has been established at 26.7 ODP tonnes. The Islamic Republic of Iran has also reported MB consumption of 14.4 ODP tonnes for 2003, excluding quarantine and pre-shipment applications. Accordingly, the Islamic Republic of Iran is in compliance with the 2005 Montreal Protocol 20 per cent reduction.
3. Reductions in accordance to the terms of the above-mentioned project and other commitments presented in the project document will ensure that the Islamic Republic of Iran meets the reduction schedule presented below. In this regard, the Islamic Republic of Iran 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	14.4
2007	12.4
2008	10.4
2009	7.6
2010	5.6
2011	0

4. Disbursement of the funding approved for UNIDO will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

2008	US \$100,000
2009	US \$27,950

5. The Government of the Islamic Republic of Iran 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.

6. Funding disbursement for the project will be conditional to the project's achievement of milestones programmed and the individual reduction schedule listed above. In case of unjustified delays, UNIDO 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 project may be cancelled.

7. The Government of the Islamic Republic of Iran, in agreement with UNIDO, will have flexibility in organizing and implementing the project components which it deems to be most important in order to meet the MB phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions. UNIDO shall report back to the Executive Committee annually on the progress made in meeting the reductions required by this project.