

Annex IX

AGREED CONDITIONS FOR FUNDING VMETHYL BROMIDE PHASE OUT PROJECT IN CHILE

The Executive Committee agrees to approve US\$805,000 as the total funds that will be available to achieve the commitments noted in this document for the phase-out of methyl bromide in the tree replant and tree nursery sectors in Chile, subject to the following understandings and considerations.

As reported to the Ozone Secretariat, the methyl bromide baseline for Chile has been established at 212.5 ODP tonnes. Chile has also reported a consumption of 107.1 ODP tonnes of methyl bromide for 1999. An assessment based on 1998 data determined that the tree replant sector accounts for 58.8 ODP tonnes and the tree nursery sector accounts for 17.4 ODP-tonnes, for a total of 76.2 ODPtonnes.

Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Chile exceeds subsequent phase out requirements of the Montreal Protocol. Specifically, Chile commits to reduce its total national consumption of controlled uses of methyl bromide to no more than the following levels:

2001-2002	198.0 ODP tonnes
2002-2003	170.0 ODP tonnes
2005-2006	121.8 ODP tonnes

Chile commits to ensure that this consumption will be eliminated permanently by introducing relevant control measures. The project will work with stakeholders to develop a sectoral action plan to ensure that phase-out in the tree replant and tree nursery sectors will be sustainable. In addition, Chile may submit projects for other sectors to add to the methyl bromide reductions noted above.

UNDP shall report back annually on the progress in meeting the reductions required by this project. Following initial disbursement of 20 per cent in the first year, Funding for the project will be disbursed by UNDP in line with the following yearly budget breakdown:

2001	20 per cent of the funds
2002	20 per cent of the funds
2003	20 per cent of the funds
2004	20 per cent of the funds
2005	20 per cent of the funds

Funding disbursement will be conditional on meeting the project milestones and the reduction schedule listed above. In case of unjustified delays UNDP will inform the Multilateral Fund Secretariat and will cancel any further release with funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the project may be cancelled.