

Annex IX

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN KENYA

1. The Executive Committee agrees to approve in principle US \$1,595,811 (of which US \$574,492 is to be allocated to the Government of Germany and US \$1,021,319 is to be allocated to UNDP) as the total funds that will be available to Kenya to achieve the complete phase-out of 97 ODP tonnes of methyl bromide used for soil fumigation in the cut flower sector (63 ODP tonnes), vegetables, fruit, seedbeds and nurseries (34 ODP tonnes).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Kenya is 202 ODP tonnes, and the methyl bromide consumption in 2001 was 111 ODP tonnes, excluding 21 ODP tonnes which Kenya states that it uses for quarantine and pre-shipment applications.

3. Reductions resulting from the implementation of the project will ensure that Kenya will meet the reduction schedule listed below. In this regard, Kenya commits, through the implementation of the project, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Methyl bromide to be phased out (ODP tonnes)			Maximum levels of methyl bromide consumption excluding QPS (ODP tonnes)
	Cut flowers (UNDP)	Horticulture (Germany)	Total ^(a)	
2001	-	-	-	111
2004	10	5	15 ^(a)	96
2006	21	12	33	63
2008	22	12	34	29
2009	10	5	15	14
2010	0	0	0	14 ^(b, c)

^(a) The project will aim to achieve faster reductions if feasible. The Government of Kenya may choose to speed up the methyl bromide reduction schedule if it wishes, without penalty to the project budget.

^(b) Excluding methyl bromide imports for quarantine and pre-shipment uses.

^(c) For non-soil uses such as stored grain structures

4. The project will without any further assistance from the Fund phase-out all soil uses of methyl bromide in Kenya. Kenya commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Funding for the project will be disbursed by the Government of Germany and UNDP in line with the following yearly budget breakdown:

Year	Germany ^(a)	UNDP	Total
2002	0	510,660	510,660
2003	287,247	0	287,247
2004	172,347	306,396	478,743
2006	114,898	204,263	319,161

^(a) Bilateral contributions of the Government of Germany, starting in 2003.

6. The Government of Kenya 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 methyl bromide consumption be identified in soil fumigation at a later date, the responsibility to ensure its phase-out and still meet the requirement of the schedule in paragraph 3, will lie solely with the Government. The remaining consumption of 14 ODP tonnes, noted in the schedule above, is used for stored products, artefacts and structures. This remaining consumption will be addressed through a separate, future phase-out project.

7. The Government of Kenya, in agreement with the Government of Germany and UNDP, will have the flexibility in organising and implementing the project's components which it deems more important in order to meet the methyl bromide phase-out commitments noted above. The Government of Germany and UNDP agree to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. The Government of Germany and UNDP shall also report back to the Executive Committee annually on the progress in meeting the reductions required by the project.