Annex VII

REVISED AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN COSTA RICA

1. The Executive Committee at its 35th Meeting, approved in principle US $4,845,283 as the total funds that will be available to the Government of Costa Rica to achieve the complete phase-out of methyl bromide (MB) used for all purposes (426.9 ODP tones), excluding quarantine and pre-shipment applications (QPS), according to a revised phase-out schedule approved at its 48th Meeting.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Costa Rica is 342.5 ODP tonnes, and the average MB consumption for the years 1998-2000 was 426.9 ODP tonnes, excluding quarantine and pre-shipment applications. Accordingly, Costa Rica must reduce its consumption of MB to 342.5 ODP tonnes to achieve compliance with the Montreal Protocol’s 2002 freeze obligation, and to no more than 274 ODP tonnes in 2005 to achieve compliance with the Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of this project, as revised by the Executive Committee at its 48th Meeting, will ensure that Costa Rica will meet the reduction schedule listed below. In that regard Costa Rica commits, through the implementation of this project, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

2002	342.0 ODP tonnes
2003	342.0 ODP tonnes
2004	298.8 ODP tonnes
2005	273.6 ODP tonnes
2006	253.2 ODP tonnes
2007	210.0 ODP tonnes
2008	174.0 ODP tonnes
2009	114.0 ODP tonnes
2010	0.0 ODP tonnes

4. The project will phase out all uses of MB in Costa Rica, excluding QPS applications. Costa Rica will not request any further assistance from the Multilateral Fund projects for the non-QPS MB sector in order to achieve this phase-out. The phase-out will be permanently sustained through the use of import restrictions and other policies deemed necessary. UNDP shall report back annually to the Executive Committee on the progress achieved in meeting the reductions required in the project.

5. Funding for the projects will be disbursed by UNDP in line with the following yearly budget breakdown 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:

2001	US $1,211,321
2004	US $1,938,114
2006	US $969,057
2008	US $726,791

6. The Government of Costa Rica 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 consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Costa Rica, in agreement with UNDP, will have flexibility in organizing and implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNDP agrees to manage the funding for this project in a manner designed to ensure the achievement of the specific MB reductions agreed for the sector.

8. These revised agreed conditions supersede those reached between the Government of Costa Rica and the Executive Committee at the 35th Meeting of the Executive Committee.