

Annex VII

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN CUBA

1. The Executive Committee at its 26th Meeting approved a project to phase out 48 ODP tonnes of methyl bromide used in the tobacco sector at a total cost of US \$1,673,324, to be implemented by UNIDO. The project was completed in December 2002 and 48 ODP tonnes of methyl bromide were phased-out. The Government of Cuba has also issued regulations banning the use of methyl bromide in the tobacco sector.

2. The Executive Committee at its 44th Meeting approved in principle an additional US \$537,763 as the total funds that will be available to Cuba to achieve the complete phase-out of methyl bromide used for soil fumigation in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities (24.1 ODP tonnes), representing the total consumption of controlled uses of methyl bromide.

3. As reported to the Ozone Secretariat, the methyl bromide baseline for Cuba is 50.47 ODP tonnes and reported consumption for 2003 is 24 ODP tonnes. Cuba therefore appears to be in compliance with the Montreal Protocol's 20 per cent reduction, since allowable consumption for 2005 is 40.4 ODP tonnes.

4. Reductions in accordance with the terms of the project in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities, and other commitments presented in the project document, would ensure that Cuba would meet the reduction schedule outlined below. In that regard, Cuba commits through the implementation of the projects, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption:

2005	24.1 ODP tonnes
2006	16.2 ODP tonnes
2007	8.4 ODP tonnes
2008	0.0 ODP tonnes

5. Funding for the projects will be disbursed by UNIDO in three instalments: US \$215,105 in 2005, US \$161,329 in 2006, and US \$161,329 in 2007. Funding disbursement for the project will be conditional on the achievement of project milestones and the specific reduction schedule outlined 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 projects may be cancelled.

6. The Government of Cuba, in agreement with UNIDO, will have flexibility in organizing and implementing the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure that the specific methyl bromide reductions are achieved.