

Annex XI

AGREED CONDITION FOR FUNDING METHYL BROMIDE PHASE-OUT PROJECT IN MALAWI

The Executive Committee agrees to approve US \$2,999,824 as the total project funds that will be available forthwith to achieve commitments noted in this document for a total phase out in the use of methyl bromide in Malawi (85 per cent non-QPS use of methyl bromide in tobacco). The total methyl bromide phase out will proceed subject to the following understandings and considerations below. It is to be noted, however, that 15 per cent non-QPS use of methyl bromide in grain storage will be replaced by phosphine to be converted by Government on their own with assistance from the Government of the United Kingdom.

As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Malawi had a consumption of 129 ODP tonnes of methyl bromide in 1999 covering fumigation, grain storage and other controlled uses. In accordance with this data submitted to the Ozone Secretariat by Malawi for the years 1995-1998, Malawi has a methyl bromide baseline of 112.7 ODP tonnes. Reduction in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Malawi meets that requirement, and will totally phase out all non-QPS use of methyl bromide by December 2004.

Specifically, Malawi commits to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period of the following listed years:

December 2000:	freeze level of 129 ODP;
December 2001:	109.7 ODP tonnes (reduction of 19.3 ODP tonnes from 2000 level);
December 2002:	90 ODP tonnes (reduction of 20.9 ODP tonnes from 2001 level);
December 2003:	49.3 ODP tonnes (reduction of 41.1 ODP tonnes from 2002 level);
December 2004:	zero ODP tonnes (reduction of 49.3 ODP tonnes from 2003 level).

In addition, Malawi commits to sustain the reduction and total national phase out of methyl bromide noted above through bans and legislative measures in the use of methyl bromide. The specific reductions in consumption noted above will be those achieved through this project. Since this project constitute a sector phase out, there will be no additional projects that will be submitted for the methyl bromide sector.

UNDP shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the implementation of the phase out indicated in the project document. Following initial disbursement in the year 2000-2001, funding for later years in the project will be required from the MLF in accordance with the following schedule, with the understanding that additional grants will be approved by the Executive Committee based on prior years progress report and if Malawi does not meet the reduction requirements outlined in the proposal, UNDP will withhold funding for the subsequent tranche until such time as the required reduction has been met.

Mid-2001:	US \$1,000,000
Mid-2002:	US \$ 750,000
Mid-2003:	US \$1,249,824

Finally, UNDP agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.