

Annex VIII

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

1. The Executive Committee agrees to approve, in principle, US \$4,845,283 as the total funds that will be available to achieve the phase-out of methyl bromide (MB) used for all purposes in Costa Rica, excluding quarantine and pre-shipment applications, subject to the following understanding and considerations.

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 (1995-1998) and the average MB consumption for the years 1998-2000 is 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 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	342.5 ODP tonnes (reduction of 84.4 ODP tonnes from 426.9 ODP tonnes)
2004	253.5 ODP tonnes (reduction of additional 89.0 ODP tonnes)
2006	169.9 ODP tonnes (reduction of additional 83.60 ODP tonnes)
2008	0 ODP tonnes (reduction of additional 169.9 ODP tonnes)

4. The project will phase out all uses of MB in Costa Rica, excluding quarantine and pre-shipment and other essential uses. 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. Following an initial disbursement of 25 per cent of the funds, funding for later years will be disbursed by UNDP in accordance with the following schedule, 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:

2002	20 per cent of the funds
2003	20 per cent of the funds
2004	20 per cent of the funds
2006	15 per cent of the funds

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 MB

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 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.