Annex VI

AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN LIBYAN ARAB JAMAHIRIYA

1. The Executive Committee at its 47th Meeting approved in principle, without prejudice to the operation of the Protocol's mechanism for dealing with non-compliance, US $1,243,000 (US $743,000 for UNIDO and US $500,000 for the Government of Spain) plus agency support costs of US $120,725 (US $55,725 for UNIDO and US $65,000 for the Government of Spain) as the total funds available to Libya to phase-out 96.0 ODP tonnes of methyl bromide (MB) used as a soil fumigant in horticulture (tomatoes, cucumbers, peppers and others), representing the total consumption of MB, excluding quarantine and pre-shipment applications.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Libya has been established at 94.1 ODP tonnes. Libya has also reported a MB consumption of 96.0 ODP tonnes for the year 2004, excluding quarantine and pre-shipment applications. As established by the Montreal Protocol, Libya is not in compliance with the 2002 freeze. Therefore, Libya must reduce its MB consumption by 2 ODP tonnes and by 21 ODP tonnes by 2005 to achieve compliance with the Montreal Protocol freeze and 20 per cent reduction, accordingly.

3. Reductions in accordance with the terms of this project, together with other commitments presented in the project document, would ensure that Libya would meet the reduction schedule listed below. In this regard, Libya will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2005	96.0
2007	75.0
2008	55.0
2009	30.0
2010	0.0

4. The Government of Libya 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 of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Funding for the project will be requested in the following two tranches:

Year	US $
2005	743,000
2007	500,000

6. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays,

UNIDO and the Government of Spain 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 project may be cancelled.

7. The Government of Libya, in agreement with UNIDO and the Government of Spain, will have flexibility in organizing and implementing all project components it deems to be most important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.

8. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.