

**Criteria established by the Executive  
Committee of the Multilateral Fund to  
support Article 5 countries to meet  
their commitments under the Montreal  
Protocol**

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# Montreal Protocol on Substances that Deplete the Ozone Layer

An international agreement to protect the ozone layer

- Parties are committed to meeting specific time-bound targets for the phase-out of 96 ozone depleting substances (ODS)
- Universal ratification – 196 countries
- Dual benefits – ozone and climate
  - 98% of ozone depleting substances (ODS) phased out (Basic Facts and Data on the Science and Politics of Ozone Protection. UNEP. September 2010)
  - Reduction of ODS expressed in CO<sub>2</sub>-equivalent emissions represents about 10 gigatonnes per year (WMO/UNEP Press release. Geneva/Nairobi, 16 September 2010)

# Multilateral Fund (MLF)

- Assists developing countries (Article 5 ) to meet their obligations under the Montreal Protocol
  - CFC, halons and carbon tetrachloride – 1 January 2010
  - Methyl bromide and Methyl chloroform - 1 January 2015
  - HCFCs - accelerated schedule: freeze – 2013; 10% reduction –2015; 35% reduction – 2020; 67.5% reduction – 2025; 97.5% reduction – 2030; an annual average of 2.5% for servicing during the period 2030–2040
- Funds only the 'incremental costs' incurred in converting to non-ODS technologies
- Every Article 5 country has a similar opportunity to receive funding

# MLF – facts and figures

- As at July 2010 contributions amount to US \$2.7 billion
  - Since 1991, 149 countries have received assistance
  - Over 6000 projects funded of which 85% are completed
  - 446,173 ODP tonnes of ODS consumption and production phased out by the end of December 2009
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- Multi-year performance-based agreements are established with countries to assist them to comply with the control measures of the Montreal Protocol
  - Differentiated treatment for low-volume consuming countries

# Governance

- MLF operates under the authority of the Parties to the Montreal Protocol
- Executive Committee oversees the operation of the Fund
  - Comprises 7 Article 5 and 7 non-Article 5 parties
- The Fund Secretariat, established in 1991 in Montreal, assists the Executive Committee to discharge of its functions
- Four implementing agencies (UNDP, UNEP, UNIDO, the World Bank) and a number of bilateral agencies, deliver financial and technical assistance
- UNEP is the Fund Treasurer

# Eligibility criteria for projects

- Funding is based on a country-driven, compliance-driven approach
- All projects must receive approval of the requesting Party's government
- Financial and technical assistance must be cost-effective and based on environmentally sound alternative technologies or substitutes
- Projects such as institutional strengthening, technical assistance, clearing house functions, network activities are also funded

# Incremental costs

## General principles:

- the most cost-effective and efficient option should be chosen
- consideration of project proposals for funding should involve the careful scrutiny of cost items listed in an effort to ensure that there is no double-counting
- savings or benefits that will be gained at both the strategic and project levels during the transition process should be taken into account on a case-by-case
- the funding of incremental costs is intended as an incentive for early adoption of ozone protecting technologies

# Project review, approval and monitoring

- Proposals for investment projects and activities are reviewed by the Fund Secretariat based on the rules and policies governing the determination of incremental costs
- Project proposals are considered for approval by the Executive Committee at its meetings (3 per year)
- Funds for approved projects are disbursed by the Fund Treasurer following their approval by the Committee
- Fund Secretariat monitors approved activities and reports back to the Executive Committee



# Further information

- Multilateral Fund for the Implementation of the Montreal Protocol – [www.multilateralfund.org](http://www.multilateralfund.org)
- Ozone Secretariat - <http://ozone.unep.org/>

Thank you