



Press Releases/Information Notes



PRESS RELEASE

Multilateral Fund plans activities valued at US \$244.5 million in 2005

April 8, 2005--- 2005 is an important year for the Multilateral Fund. The developing countries that the Fund supports are at the halfway mark in terms of the elimination of CFC and halon, ozone depleting substances (ODS) that harm the ozone layer. Also, in 2005 the Fund aims to eliminate the largest amount of ODS ever namely 96,734 tonnes and US \$244.5 million's worth of projects and activities were outlined in the business plans of the Fund's implementing agencies.

The Multilateral Fund's strategy not only includes helping countries that are large consumers and producers of ozone depleting substances (ODS) to eliminate these substances, but also helping countries with low levels of consumption. The needs of these low volume consuming countries were high on the agenda of the 45th Executive Committee Meeting which took place in Montreal from 4-8 April 2005.

Two examples of countries being helped by the Multilateral Fund are Bhutan, which ratified the Montreal Protocol in August 2004, and Eritrea, which ratified the Protocol just a few weeks ago in March 2005. The Executive Committee endorsed a Country Programme for Bhutan and approved US \$90,000 for a refrigerant management plan (RMP) as part of the country programme. A country programme lies at the core of each developing country's strategy for ODS phase-out and is the means by which a country reviews its production and consumption of ODS and defines a strategy and action plan for elimination. Plans for Eritrea are already included in the business plans of the Fund's implementing agencies and two of these agencies, UNEP and UNDP, will present a country programme and RMP for Eritrea at the next meeting in July 2005.

The phase-out of CFCs in the refrigeration servicing sector has long been one of the Executive Committee's priorities. The Montreal Protocol requires developing countries to reduce CFC consumption and production by 85% not later than 2007, and achieve complete CFC phase-out by 2010. Achievement of this goal would appear to be within their grasp, however many challenges remain and the Committee decided on a regime to make additional funds available to assist smaller countries to complete the phase-out of the final 15% of CFCs.

Actions to help developing countries eliminate CFCs began in 1991, almost ten years before the first reduction target set out in the Montreal Protocol. Now in 2005, ten years before the first control measure for hydrochlorofluorocarbons (HCFCs), the Executive Committee is starting to address the elimination of HCFCs. The first step is to examine HCFC consumption patterns in developing countries through HCFC surveys. Thus the Committee agreed on US \$1.2 million for surveys in 12 countries (Argentina, Brazil, Colombia, India, Indonesia, Iran, Lebanon, Malaysia, Mexico, Sri Lanka, Syria and Venezuela).

The Committee worked out procedures for funding solvent technical assistance projects in countries with very low consumption of CTC and methyl chloroform. CTC and methyl chloroform are ozone depleting substances (ODSs) that are used as a solvent in many cleaning applications. Countries must meet an 85% reduction target by the end of 2005. The Committee agreed to provide grants of up to US \$40,000 will be provided for these projects.

Other projects and activities funded

The Executive Committee made a commitment of US\$ 31 million for new national plans to phase out ozone depleting substances in Chile, the Dominican Republic, Macedonia, Romania and Viet Nam. Chile will phase-out the use of methyl bromide, a harmful fumigant, while the other countries will phase-out a combined consumption of nearly 400 tonnes of CFCs over the next few years.

Finally as part of its regular business the Multilateral Fund's Executive Committee made

available over US \$61 million to 61 developing countries to fund projects to phase out the consumption of ODS and to strengthen national ozone units.

More information on projects and activities recently funded by the Multilateral Fund can be found in the report of the Executive Committee which will be published on the Fund's web site in the near future.

Background information

The ozone layer which absorbs ultraviolet radiation harmful to living organisms and human health, is in danger from several chemicals currently used in industry and agriculture such as chlorofluorocarbons (CFCs), halons, carbon tetrachloride, methyl chloroform and methyl bromide.

The Multilateral Fund for the Implementation of the Montreal Protocol began its operation in 1991. The main objective of the Multilateral Fund is to assist developing country parties to the Montreal Protocol whose annual per capita consumption and production of ozone-depleting substances is less than 0.3 kg to comply with the control measures of the Protocol. These countries are referred to as Article 5 countries.

The 2 billion dollar Fund is managed by an Executive Committee chaired in 2005 by Paul Krajnik of Austria, Khaled Klaly of Syria is the Vice Chair. The Committee is assisted by the Fund Secretariat which is based in Montreal. Activities are implemented by four international agencies (UNDP, UNEP, UNIDO, World Bank) and a number of bilateral government agencies. Responsibility for overseeing the operation of the Fund rests with the Executive Committee comprising seven members each from developed (Austria, Belgium, Canada, the Czech Republic, Japan, United Kingdom and the USA) and developing countries (Brazil, Cuba, Niger, the Syrian Arab Republic, Thailand, The former Yugoslav Republic of Macedonia and Zambia. Since 1991, the Multilateral Fund has approved activities including industrial conversion, technical assistance, training and capacity building worth almost US \$1.9 billion.

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Top