



Multilateral Fund

for the Implementation of the Montreal Protocol

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Who are we?

The Multilateral Fund is the financial mechanism of the Montreal Protocol on Substances that Deplete the Ozone Layer and was established in 1990 in London by the Contracting Parties of the Protocol.



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What do we do?

To provide financial and technical assistance to developing countries (Article 5.1 countries) in implementing the obligations under the Montreal Protocol.



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How are we doing it? As of December 2004

Total commitment	US\$1.77 billion
No. of countries assisted	139
No. of projects funded	4,789
Production of ozone depleting substances funded for phase-out (in ODP tonnes)	201,000
As percentage of total of developing countries (Baseline 1995-97)	96%
Consumption of ozone depleting substances funded for phase-out (in ODP tonnes)	264,400
As percentage of total of developing countries (Baseline 1995-97)	96%



What is the impact?

Assessment of compliance or potential (for CFCs and halons) (based on 2003 data)

MP compliance requirement	In compliance or potential	% of total number of developing countries	Non-compliance/ At risk of non-compliance	% of total number of developing countries
CFCs				
1999 Freeze	130	95.58	6	4.41
2005 50% Reduction	99	72.79	37	27.21
Halons				
1999 Freeze	129	94.85	7	5.15
2005 50% Reduction	120	88.24	16	11.76



Matching funding commitment to compliance commitment

Performance-based funding:

- Schedule of reducing ODS production or consumption at minimum consistent with the Montreal Protocol
- Total level of funding agreed in principle
- Funding disbursed annually against achievement of reduction targets
- Independent verification of the reduction achieved
- Flexibility to reallocate approved funds as country sees fit
- Penalty in case of not meeting commitment



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A success story

China CFC production phase-out plan

Date of approval by MLF	1999
Total commitment in principle	US\$150 million
Fund disbursed as of 2004	US\$85 million
Disbursement period	1999-2008 (Advanced from 2010)
CFC production in 1997	44,931 ODP tonnes
CFC production in 2004	25,300 ODP tonnes
No. of CFC plants in 1997	37
No. of CFC plants in operation 2004	6
No. of CFC plants closed	31
Final phase-out date	July 2007 (advance from 2010)
Penalty	US\$1,000 for each ODP tonne CFC not achieved (never applied)