



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat



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PRESS RELEASE

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China commits to landmark agreement on dual ozone and climate benefits¹

64th meeting of the Executive Committee of the Multilateral Fund (25-29 July 2011, Montreal)

China, the largest producer and consumer of HCFCs, which not only harm the ozone layer but also the climate due to their high global-warming potential, has been granted US \$265 million to cut its use of these gases by 2015. The funding approved by the Executive Committee of the Multilateral Fund will support China's courageous commitment to make a real change to the global environment as well as a contribution to the green economy. China and its HCFC consuming industries have made a significant step to meet the first reductions in HCFCs mandated by the Montreal Protocol, the world's most successful environmental agreement.

The projects agreed between China and the Multilateral Fund's Executive Committee represent the first stage of China's HCFC phase-out management plan (HPMP). Once implemented, the HPMP will not only eliminate 3,320 tonnes of HCFC consumption in China but the new technologies adopted will also significantly contribute to global efforts to combat climate change by reducing the emission of greenhouse gases as compared to the technologies currently in use in China.

In recent years China's consumption of HCFCs has been soaring due to its rapidly growing economy and in 2009 China accounted for over 58% of consumption of HCFCs in developing countries. China uses HCFCs mainly as refrigerants for air-conditioners and industrial and commercial refrigeration, foam blowing agents, and to a lesser extent as solvents. These industrial sectors will face the challenge of converting hundreds of assembly lines in order to freeze the country's consumption of HCFCs in 2013 and reduce its consumption from this level by 10% by 2015 in line with the Montreal Protocol's control measures for HCFCs. The overall reduction to be achieved will represent about 17% of China's total amount of controlled HCFC use. China will be assisted in its efforts by UNDP, UNEP, UNIDO, the World Bank and the Governments of Germany and Japan.

According to Maria Nolan, the Chief Officer of the Multilateral Fund, "The approval of China's HCFC phase-out management plan represents an extraordinary achievement by the Multilateral Fund and its stakeholders to reduce HCFCs". Through submitting this plan China has promised to use the assistance from the Multilateral Fund to entirely eliminate China's HCFCs by 2030. In the words of Mr. Wen Wurui from the Ministry of Environmental Protection of China "One Fund, one dream, the Fund makes the dream come true".

¹ "Agreement between the Government of China and the Executive Committee of the Multilateral Fund for the reduction in consumption of hydrochlorofluorocarbons" made at the 64th Meeting of the Executive Committee that took place in Montreal, Canada from 25 to 29 July 2011.

Background information

The Multilateral Fund is managed by an Executive Committee which is responsible for overseeing the operation of the Fund. The Committee comprises seven members from developed and seven members from developing countries. In 2011 the Committee membership includes Australia, Belgium, Czech Republic, France, Japan, Switzerland, United States of America (developed countries) and Argentina, China, Cuba, Grenada, Kenya, Kuwait, Morocco (developing country members) and is chaired by Mr. Patrick McInerney of Australia. The Committee is assisted by the Fund Secretariat which is based in Montreal, Canada. Activities are implemented by four international agencies (UNDP, UNEP, UNIDO, World Bank) and a number of bilateral government agencies. Since 1991, the Multilateral Fund has approved activities including industrial conversion, technical assistance, training and capacity building worth over US \$2.6 billion that will result in the phase out of almost 460,000 ODP tonnes of consumption and production of ozone-depleting substances in developing countries. In September 2007 the Parties to the Montreal Protocol decided to accelerate the freeze and phase-out of hydrochlorofluorocarbons (HCFCs). The Multilateral Fund intends to finance HCFC phase-out in all 144 developing countries eligible for its financial and technical assistance and as at the 64th Meeting of the Executive Committee, 81 countries have HPMPs in place.

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