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Some Language for consideration
by the Parties regarding
Technical Co-operation, Financial Mechanism and Transfer of Technology
for the implementation of the Protocol

(Proposal by the Executive Director)

Article 10: Technical co-operation

The following paragraph shall be inserted after paragraph 1 of Article 10 of the Protocol:

1 bis The Parties shall establish by 1991 a programme to provide Parties operating under paragraph 1 of Article 5 with Technical co-operation to facilitate their compliance with Article 2 [A-F] of this Protocol. Such a programme shall include:

- (a) Studies of the circumstances of individual Parties operating under paragraph 1 of Article 5 to identify specific projects and programmes that would facilitate their compliance with Article 2 [A-F] of this Protocol; and
- (b) Technical co-operation with regard to the carrying out of such projects and programmes.

Article 10 bis: Financial mechanism

The following paragraphs should be added to the Protocol as Article 10 bis:

1. The Parties shall establish a mechanism for the purposes of providing financial and technical co-operation, including the transfer of technologies, to Parties operating under paragraph 1 of Article 5 of the Montreal Protocol to enable their compliance with the control measures of the Protocol. The mechanism, contributions to which shall be additional to other financial transfers to countries operating under that paragraph, shall meet all agreed incremental costs of such countries. The list of incremental costs shall be decided by the Parties.

2. The mechanism established by paragraph 1 shall include a Multilateral Fund. It may also include other means of multilateral, regional and bilateral co-operation.

3. The Multilateral Fund shall:

- (a) Meet, on a grant or concessional basis as appropriate, and according to criteria to be decided upon by the Parties, the agreed incremental costs;
- (b) Finance the clearing house functions to:
 - (i) assist Parties operating under paragraph 1 of Article 5 to identify their needs for co-operation;
 - (ii) facilitate and monitor multilateral, regional and bilateral co-operation available to such Parties; and
 - (iii) facilitate technical studies, the distribution of information and other relevant materials, the holding of workshops and training sessions and related activities; and
- (c) Finance the secretarial services of the Multilateral Fund and related support costs.

4. The Multilateral Fund shall operate under the authority of the Parties who shall decide on its overall policies.

5. The Parties shall establish an Executive Committee to develop and implement specific operational policies and administrative arrangements in order to achieve the purposes of the Multilateral Fund. Such administrative arrangements shall be implemented in co-operation with the World Bank, UNEP, UNDP or other appropriate agencies. The members of the Executive Committee shall be appointed by the decision of the Parties on the basis of a balanced representation of the Parties operating under paragraph 1 of Article 5 and of the Parties not so operating.

6. Contributions to the Multilateral Fund, which shall be made in convertible currency or, in exceptional circumstances, in kind, shall be paid by Parties not operating under paragraph 1 of Article 5 on the basis of [the United Nations scale of assessments] [the calculated level of consumption of the controlled substances in 1986]. Contributions by other Parties shall be encouraged. Other multilateral, regional and bilateral co-operation may, up to a percentage and according to criteria to be specified by decision of the Parties, be considered as a contribution to the Multilateral Fund. Criteria for other multilateral, regional and bilateral co-operation shall include, inter alia, the following elements:

- (a) to be strictly related to the compliance with the provisions of the Montreal Protocol;
- (b) to provide additional resources; and
- (c) to meet agreed incremental costs.

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7. The Parties shall adopt the budget of the Multilateral Fund for each fiscal period and determine the percentage of contributions of the individual Parties thereto.

8. Under the Multilateral Fund resources shall be disbursed with the concurrence of the beneficiary Party.

Article 10 ter: Transfer of Technology

The following paragraphs shall be added to the Protocol as Article 10 ter:

1. The Parties undertake to facilitate access to environmentally safe alternative substances and technology for Parties that are developing countries and co-operate with them to make expeditious use of such alternatives.

2. The obligation of the Parties operating under paragraph 1 of Article 5 to comply with the schedule of the control measures set out in Article 2 [A-F] will be subject to the financial co-operation, as provided by Article 10 bis and the transfer of technologies for, e.g. the recycling and conservation of controlled substances, manufacture of substitutes and alternative products, raw materials required for manufacturing such substitutes and alternative products, equipment and products using such substances, and modification of user equipment.
