XIII. COUNTRY GROUPINGS AND CLASSIFICATIONS

1. The Ozone Regime

A. Developing Countries

A ‘developing’ country, for the purpose of the ozone regime, is, according to paragraph 1 of Article 5 of the Montreal Protocol, a country which has an annual level of consumption of ODS which is, ‘less than 0.3 kilograms per capita on the date of entry of the Montreal Protocol, or at any time thereafter within ten years of the date of entry into force of the Protocol’. Countries which fulfill this requirement are known as ‘Article 5 countries’. Countries which do not fulfill the criteria of Article 5, are known as ‘non-Article 5’ countries or Article 2 countries, as Article 2 of the Montreal Protocol contains ODS controls that are not applicable to Article 5 countries. Although this is a strict categorization within the ozone regime, within this book, I shall use the term developing (for Article 5 countries) and developed or industrialized (for non-Article 5/Article 2 countries). Although these terms are broadly interchangeable, some countries do not fit easily within the stereotypes. For example, Cyprus, Saudi Arabia, United Arab Emirates and the Republic of Korea all consumed more than 0.3 kilograms on a per-capita basis at the date of entry of the Montreal Protocol. Also, despite the MOPs steadfast refuse to alter the core of Article 5 criteria, a number of countries, including Turkey, Malta, Bahrain, Slovenia, Kuwait, Moldova, Kyrgyzstan, Armenia and South Africa have applied to the MOPs to have their national classification changed, arguing that they fit the Article 5 criteria, and are accordingly eligible for financial and technical assistance in meeting their ODS obligations.

1 Decision V/4. Classification of Certain Developing Countries.
7 Report of the Seventh MOP to the Montreal Protocol. 11.
B. Countries in Economic Transition

In the early 1990s, a new category of countries emerged within the ozone regime. These countries, typically known as those with their ‘economies in transition’ do not fulfill the Article 5 requirements, in terms of per-capita consumption, yet due to the nature of their economic transition, were often in dire need of financial assistance to meet their commitments under the Montreal Protocol. This issue arose in 1992 when Hungary, Bulgaria and Poland defaulted in their contributions to the Multilateral Fund. The following year, their situation worsened, as a number of countries in economic transition fell into substantive non-compliance with the Protocol. At this point, Belarus, Romania, the Ukraine and the Russian Federation asked the MOP to,

> Decide on the special status of countries with economies in transition, which would provide for concessions and a certain flexibility in the fulfillment of their obligations under the Montreal Protocol.\(^{11}\)

Although an awareness of the difficulties of countries in economic transition was recognized by the MOP in 1993\(^{12}\) no substantial changes in classification within the Protocol, and subsequent access to financial assistance from the Multilateral Fund occurred. However, although the Multilateral Fund was unable to financially assist them in meeting their ODS obligations, the GEF was able, to and has continued to assist countries in economic transition. By 2003, the GEF had directly assisted 18 countries in economic transition, to the sum of 167 million (USD), and had leveraged an additional 173 million (USD), to help this group of countries meet their ODS obligations.\(^{13}\)

C. Developing Countries within the Vienna Convention and the Montreal Protocol

The inclusion of developing countries in the ozone regime was (and has remained)\(^{15}\) a clear goal within the negotiating process. As early as 1981,

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