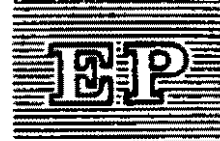




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Executive Committee of the
Interim Multilateral Fund for the
Implementation of the Montreal Protocol

Seventh Meeting
Montreal, 23-26 June 1992

SHOULD THE FUND FINANCE ACTIVITIES RELATING TO ENTERPRISES THAT ARE WHOLLY OR PARTLY OWNED BY TRANSNATIONAL CORPORATIONS

Corrigendum No. 1

RECOMMENDATIONS FOR CONSIDERATION BY THE EXECUTIVE COMMITTEE

10. The foregoing discussion leads to the following two recommendations for consideration by the Executive Committee:

A. No Funding

11. No funding should be provided for wholly-owned subsidiaries of transnationals and those enterprises permitted to operate in "free zones" and whose output are for export only.

B. Partial Funding

12. Partial funding can be considered on a case by case basis to finance the local share ownership of any given enterprise partly owned by a TNC. In such a case, funding can be provided as a percentage, of project incremental costs, proportionate to the local share ownership of the enterprise with the TNC responsible for the rest. Subject to the approval of the Executive Committee, the same criteria should apply to bilateral assistance for activities involving subsidiaries of TNCs.