



MOP 27 HIGHLIGHTS:

MONDAY, 2 NOVEMBER 2015

The Preparatory Segment of MOP 27 reconvened on Monday, 2 November 2015, in Dubai, UAE. In the morning, delegates met for a brief stocktaking plenary session, including hearing updates on discussions with regards to membership of the Montreal Protocol bodies, EUEs and CUEs, the TEAP report on alternatives to ODS, financial reports and budgets, and TEAP financial matters.

The contact group on the feasibility and ways of managing HFCs met for its second day of discussions and continued throughout the day. The budget committee and informal groups on ODS releases from production processes, and the assessment panels' quadrennial assessments met in the afternoon.

PLENARY

AVOIDING THE UNWANTED IMPORT OF PRODUCTS AND EQUIPMENT CONTAINING OR RELYING ON HCFCs: Co-Chair Rachmawaty reported that the finalized version of the draft decision, introduced by Kyrgyzstan and others, to amend MOP Decision X/9 on establishing a list of countries not wishing to import products and equipment whose continuing functioning relies on substances specified in Annex A and Annex B of the Protocol (UNEP/OzL.Pro.27/CRP.4) is available. Plenary forwarded the draft decision to the HLS.

CONTACT GROUPS AND INFORMAL DISCUSSIONS

CONTACT GROUP ON FEASIBILITY AND WAYS OF MANAGING HFCs: The HFC contact group selected Xia Yingxian (China) to join Patrick McNerney (Australia) as Co-Convenor. The group focused on taking stock of challenges. An Article 5 country underscored the importance of finding common ground, while emphasizing the principle of common but differentiated responsibilities (CBDR). Several Article 5 countries highlighted the lack of availability and cost of alternatives in their countries as a challenge, saying some globally available technologies have not reached their countries. Several Article 5 and non-Article 5 countries called for "flexibility of implementation" in matters such as choosing which technologies to employ and the prioritization and timing of sector conversions as a path forward.

A few Article 5 countries called for learning from the Montreal Protocol's successes as well as from its past difficulties, noting that ambiguities during the HCFC phase-out led to different interpretations by Article 5 and non-Article 5

countries on decisions such as cost coverage and cut-off dates for funding eligibility. Several Article 5 countries called for clear agreement on the coverage of second and third conversions. One recommended enough time for non-Article 5 control measures "to send the needed signal to the market" before Article 5 countries must begin their control measures, to increase the availability of technology choices in the marketplace.

Additional identified challenges and possible ways forward included: disposal of HFC stocks; capacity building within sectors to handle new technologies; the financial mechanism; and a possible exemption mechanism.

In the afternoon, countries raised more challenges, including: intellectual property rights as a barrier to adopting alternative technologies, with the large number of patents on hydrofluorolefins (HFOs) cited as an example; the need for a "full" study of the economic impact of any proposed HFC phase-down on Article 5 countries; how to formulate "fair, reasonable and efficient" financial support guidelines; how best to support small- and medium-sized enterprises in a transition away from HFCs; the need for a survey of HFC production and consumption by all parties prior to an agreement on phase-down commitments; and the possibility of periodic workshops on technical issues related to HFC management.

A non-Article 5 country suggested that the TEAP undertake a formal, technical review on the availability of alternatives. On a request for acknowledging the special situation between Article 5 and non-Article 5 countries, one non-Article 5 country noted that Article 5 already speaks to this differentiation, and suggested grace periods as a possible solution. One non-Article 5 country proposed using a phase-down rather than a phase-out approach to allow the use of HFCs in some situations where alternatives remain a challenge, citing the case of Metered-Dose Inhalers (MDIs) as an example.

Responding to Article 5 countries' concerns, several non-Article 5 countries expressed support for, *inter alia*: a grace period to allow for market penetration and the development of alternative technologies; financial assistance; capacity building; and the usefulness of national strategies. They also suggested building on the Montreal Protocol's use of exemptions, keeping in mind that such exemptions should consider technical needs as well as economic needs, be sector-specific, and that exemptions are time bound. One Article 5 country, supported by a non-Article 5 country, cautioned that if actions are not taken soon, it would become more difficult as HFC consumption grows.



A non-Article 5 country said that as a consumer and not a producer of HFCs, it would like to rely on the TEAP for technology reviews and supported calls for grace periods and predictable finance for Article 5 countries, and national flexibility for all parties in applying controls to sectors. One non-Article 5 country suggested that it might be useful to differentiate between solutions that must be legal, such as grace periods, phase-down schedules and operation of Article 10 (financial mechanism), and those that are “political or policy questions,” such as national flexibility in implementation, second conversion cutoff dates, and the relationship between the HCFC phase-out and a potential HFC phase-down.

One Article 5 country pointed to several challenging factors, *inter alia*, that: the ExCom has not yet finalized its guidelines on the production sector; there are no “common procedures” for implementing agencies; and the funding requirements have been partially, but not fully, addressed by the contact group. One Article 5 country commented that, by “addressing challenges, we can find solutions,” suggesting finding specific solutions to specific challenges.

Responding to the questions of Article 5 countries, one non-Article 5 country highlighted that “developed countries” also face challenges, describing the lack of facilities in her country to train personnel on handling hydrocarbons. Another non-Article 5 country acknowledged their challenges, such as the development of new standards and shortage of engineers, saying that the commercial refrigeration sector was affected by these problems.

Co-Convener Xia also asked for discussions to address solutions raised. One Article 5 country insisted that no solutions had been mentioned, while another suggested only “small” matters had been addressed, with key issues not tackled in detail, such as how exemptions would work and what costs would be covered by the MLF.

Non-Article 5 countries proposed additional solutions, including: allowing countries flexibility to prioritize sectors in a potential phase-down of HFCs; early action on HFCs, as it relates to the HCFC phase-out; and early financing for enabling activities.

The contact group will reconvene on Tuesday, 3 November, following a morning stocktaking plenary.

INFORMAL GROUP ON ASSESSMENT PANELS’

QUADRENNIAL ASSESSMENTS: An informal discussion convened on potential areas of focus for the assessment panels’ 2018 quadrennial reports, co-chaired by Switzerland and the EU. Participants discussed timing of the reports, spacing between panel reports and the synthesis report, and promoting gender balance on the panels, among other issues. One participant underscored the importance of feasibility, reminding others that the reports are used by a wide community beyond parties and that the panels depend on the good will of the scientific community to carry out the work. Participants did not agree on issues related to, *inter alia*: “definition” of units and terminology; and references to climate change.

Another participant opposed reference to the expected impacts of climate change, including clouds, aerosols and solar flux, in the work of the Environmental Effects Assessment Panel, arguing that the Intergovernmental Panel on Climate Change (IPCC) should be the body to address climate change. Noting Article 3 of the Vienna Convention refers to the physical and chemical processes that may affect the ozone layer, one participant suggested referring to “atmospheric” processes, a suggestion supported by several participants.

The group agreed to continue deliberations on the text in bilateral discussions.

INFORMAL GROUP ON ODS RELEASES: An informal discussion to discuss the draft decision on ODS releases from production processes and opportunities to reduce releases (UNEP/OzL.Pro.27/CRP.2) met in the afternoon. Parties discussed, *inter alia*, possible discrepancies between observed and reported data on CTC, as it relates to bottom-up inventories and global top-down assessments. One non-Article 5 country suggested being more specific, recommending that instead of referring to ODS discrepancies, the focus should be on halons and CTCs, while noting that some reports did not find discrepancies.

SAP clarified findings from a scientific workshop held in Zürich, Switzerland, in October 2015, themed “Solving the Mystery of CTC,” organized by the Stratosphere-Troposphere Processes and their Role in Climate (SPARC). He stated that the workshop examined, among other issues, the lifetime of CTCs, noting that lifetime may be expanded from 20 to 35 years. He informed parties that a peer-reviewed report on the workshop’s findings would be released prior to OEWG 37.

Parties sought clarification on the draft decision’s requests, asking whether it would ask SAP or TEAP to conduct additional studies, or if there are also obligations for parties. The informal group suggested interested parties continue to discuss the text, with the aim of forwarding a draft decision to OEWG 37.

IN THE CORRIDORS

In contrast to the quick pace of the first day, the contact group on HFC management began sluggishly, “traveling through the text,” and spending its first three hours on listing challenges in a way that one party described as “talking randomly on the issues.” Following a number of “short pauses,” several participants expressed their apprehensions that the topic was not going to get any traction at MOP 27 unless it started accelerating its pace. At the close of day, there was a request to the Co-Conveners for additional time. The contact group then spent a further 30 minutes debating whether or not to continue the discussion, with several delegates preferring to limit the contact group’s time, stating that they were already delaying another scheduled contact group.

Although countries expressed their “open-mindedness” and acknowledged that “all issues are important” to address in the HFC contact group, discussion on whether or not the Co-Conveners should prepare a working paper on the discussion revealed divergent views on the group’s progress. Some suggested a paper or a matrix on the issues discussed was premature. Others disagreed, pointing to the concrete solutions and examples that had been shared in the contact group. Another participant supported the development of a non-paper, noting that it is beneficial for non-native English speakers participating in a contact group lacking translation.

A recurring theme during the contact group’s discussion was Article 5 countries’ dissatisfaction with how the ExCom interpreted HCFC phase-out decisions. These same countries expressed mistrust with the sentiment that the ExCom would do better “next time.” Thus, several delegations insisted on explicit and detailed instructions from the MOP to the ExCom on which costs are funded with specific timelines, in order to ensure that there is little-to-no “wobble room” for ExCom interpretation.