



EXMOP 3 HIGHLIGHTS: FRIDAY, 22 JULY 2016

ExMOP 3 opened in Vienna, Austria, on 22 July 2016. In the morning, delegates heard opening remarks from dignitaries. A ministerial round table entitled ‘Moving Forward to Deliver in 2016 on the Mandate of the Dubai Pathway on HFCs’ then took place. Following this round table, delegations made general statements, which continued into the afternoon.

The informal group (as part of the Contact Group on HFC Management) also met in the afternoon and into the night.

EXMOP 3 OPENING SESSION

MOP 27 President Virginia Poter (Canada) opened ExMOP 3 on Friday morning, noting progress made at the preceding OEWGs. She urged all participants to “seize the moment,” bridge differences and forge consensus between Article 5 and non-Article 5 parties to develop a roadmap on how to proceed to Kigali.

Andrä Rupprechter, Federal Minister of Agriculture, Forestry, Environment and Water Management, Austria, noted that, while the Montreal Protocol has helped heal the ozone layer, it has concomitantly created a global climate change challenge. He urged forging a global agreement with strong science, incentives for compliance, and a commitment to equity.

Li Yong, Director-General, UNIDO, said that the Protocol’s accomplishments would not have been possible without strong partnership among the UN agencies, the MLF, World Bank, and GEF. He underscored UNIDO’s role in implementing 35% of MLF projects. He urged negotiators to work in the “convivial and decisive manner that the Montreal Protocol is known for, since the outcome of this meeting will have a profound effect on the future of the climate regime.”

Ibrahim Thiaw, Deputy Executive Director, UNEP, cautioned that continuing to debate the differences in approaches to a possible amendment could cancel out the climate benefits of an ODS phase-out. He urged choosing to go down the Dubai Pathway on HFCs and taking decisive steps to secure a turning point at MOP 28.

The ExMOP adopted the agenda (UNEP/OzL.Pro. EXMOP.3/1) and approved the organization of work.

MINISTERIAL ROUND TABLE: ‘MOVING FORWARD TO DELIVER IN 2016 ON THE MANDATE OF THE DUBAI PATHWAY ON HFCs’

Moderator John Barkat, UN Assistant Secretary-General and UN Ombudsman, introduced the session, asking parties to discuss what the ExMOP needs to do to ensure implementation of the Dubai Pathway on HFCs.

Rajani Ranjan Rashmi, Additional Secretary, Ministry of Environment, Forest and Climate Change, India, recommended putting low-GWP technologies to use to ensure national economies’ development. He called for ensuring a cost-effective transition that avoids double conversions and addresses licensing cost issues to ensure a robust support process.

Catherine McKenna, Minister of the Environment and Climate Change, Canada, called for leaving the ExMOP with a simple text that addresses key issues, by narrowing the gaps between options in a way that balances the need for ambitious schedules and avoids undue hardship.

Mohamed Mubarak Bin Daina, Chief Executive, the Supreme Council for Environment, Bahrain, said the Indian amendment proposal for Article 5 parties, with some modifications, would be acceptable to most.

Gina McCarthy, Administrator, US Environmental Protection Agency (EPA), emphasized relying on the “tried and trusted” MLF, saying that ambitious commitments to phase down HFCs will be matched by support to find cost-effective solutions.

Ibrahim Jibril, Minister of State Environment, Nigeria, called for funding for regional and national demonstration projects to identify alternatives and for destruction and disposal of stocks.

Nur Masripatin, Director General, Climate Change and National Focal Point for ODS, Ministry of Environment and Forestry, Indonesia, supported capacity building for technicians in the manufacturing and servicing sectors.

Miguel Arias Cañete, European Commissioner for Climate Action and Energy, the EU, recommended combining the best elements of each amendment proposal to reach agreement in Kigali and urged sending an early policy signal on phasing down HFCs. He said the EU is flexible on the terms but negotiations must lead to an ambitious outcome for both developed and developing countries.

Observing that an amendment should not be postponed or deferred, Jorge Mariano Castro Sánchez Moreno, Vice Minister of Environmental Management, Ministry of Environment, Peru, urged an ambitious amendment that recognizes differences in country capacity and contributes to the Protocol’s continued success and to climate change mitigation.

Ibrahim Thiaw noted UNEP’s Montreal Protocol roles as Trust Fund agency, secretariat, and MLF implementing agency. He pledged UNEP’s help to ensure agreement on an HFC amendment at MOP 28.

Responding to delegate’s questions, panelists said: the Protocol already has modalities to assist countries with civil conflicts; energy efficiency should be encouraged in any amendment, but talks should focus on equipment containing HFCs; while the Paris Agreement does, and an HFC amendment should, feature flexibility, the modalities will differ; there is no ambition to bring other climate issues to the Montreal Protocol;



environmental protection and economic growth can be balanced in an HFC amendment; and Article 5 parties want “crystal clear” amendment provisions on baselines, freeze, phase-down and funding.

DUBAI PATHWAY ON HFCs

MOP 27 President Poter noted limited time remains to prepare for MOP 28 in Kigali, Rwanda.

HFC Management Contact Group Co-Chair Patrick McInerney said that discussions are ongoing under Agenda Item 4 of OEWG 38. He noted that the outcome of the extended session of OEWG 37 on the solutions to challenges was reported to OEWG 38. During OEWG 38, he reported that discussions focused on baseline, freeze dates and schedules for non-Article 5 and then Article 5 parties. He said participants agreed discussions would continue in an informal group and would consider pending issues and remaining CRPs, and continue reporting to the contact group.

John Kerry, Secretary of State, US, said amending the Protocol to phase down HFCs is one of the single most important unitary steps that the world can take to address climate change. He said the US, the Group of 7 (G7) and Nordic countries, or about 75% of the MLF donor base, have promised to provide additional funding to help developing countries implement an HFC amendment.

During general statements, many parties described national efforts to phase down ODS usage, including BURKINA FASO, CAMEROON, DOMINICAN REPUBLIC, MYANMAR, and the PHILIPPINES. MEXICO noted recent pledges by North American leaders to reduce HFCs and stressed it does not support schedules starting far in the future, explaining this delay would inhibit technological transformation.

RWANDA called for developing a draft text as the basis for HFC amendment negotiations in Kigali.

Slovak Republic, for the EU, said the EU is ready to provide additional MLF resources for HFC amendment implementation and remains open-minded about amendment provisions.

GUATEMALA called for adopting an HFC amendment as soon as possible, with a baseline for Article 5 parties of 2016-2018, and a freeze in 2022 or 2023. CÔTE D’IVOIRE favored the adoption of an HFC amendment in 2016 that takes into account challenges faced by Africa.

ETHIOPIA underscored that HFCs should be limited across the world, noting their ambition to reduce 64% of GHG emissions by 2030 from a 2010 base year.

NIGERIA observed major milestones towards consensus at this meeting, noting the need to flesh out details on, *inter alia*, intellectual property rights (IPRs).

HAITI asked parties to bear in mind the special circumstances of SIDS as ODS importers.

CANADA reiterated the need for concrete text with options on baselines, freeze dates and schedules for all parties.

INDIA emphasized the need for national flexibility in defining the phase-down schedules and substantially augmenting resources for the MLF.

NORWAY urged working to find a solution for an amendment that includes a fast and ambitious phase-down of HFCs.

BANGLADESH stressed that the MLF will need to support countries in finding suitable alternatives to HFCs in a number of sectors. KENYA highlighted that alternatives should be evaluated holistically so that they do not solve one environmental problem to the detriment of other environmental, social, health, and safety aspects.

JAPAN said that parties should, to an extent, be able to decide if they continue to use HFCs in certain sectors, within an allowed level determined by the amendment.

SENEGAL, with ZIMBABWE and SUDAN, said that technology transfer, capacity building support and awareness raising for an HFC phase-down are key.

AFGHANISTAN called for the WCO to establish a specialized category for HFCs and products using HFCs.

VENEZUELA stressed the current global crisis is due to the capitalist system and urged the Montreal Protocol to remain at the political vanguard through an HFC amendment.

ARGENTINA noted the need to avoid reconverting enterprises and ensure flexibility on technologies and additional financing.

CHINA underscored the need for technical solutions that are robust and viable and said they are ready to work with the international community towards an amendment based on CBDR.

EL SALVADOR, noting CBDR, said the amendment should not cause imbalances or increase the costs of development for countries with small and vulnerable economies.

HFC INFORMAL SETTING (AS PART OF HFC MANAGEMENT CONTACT GROUP)

The group convened in the afternoon and evening. A group of non-Article 5 countries put forward a combined proposal with proposed baselines and schedules for Article 5 and non-Article 5 parties.

Responding to questions on the Article 5 baseline, several proponents explained, *inter alia*: the Article 5 baseline level is higher than in the North American proposal; and the proposal aims to address concerns about data availability, including by building in an element of growth. Comparing the new proposal to the Island States proposal, one Article 5 party said the baseline level is higher for non-Article 5 parties and lower for the Article 5 parties.

Participants further addressed, *inter alia*: structuring a possible technology review; minimizing transitions for industry; and reflecting the economic impact of Article 5 parties using alternatives in proposals. One Article 5 country urged agreement on baselines and schedules, saying his country’s industry needed to start making technology conversions.

IN THE CORRIDORS

The first day of the ExMOP saw some eager for a shift in modalities. However, as speaker after speaker presented national statements, some were more doubtful. “I can’t say this approach is the right way to inject momentum into the process,” worried one delegate. Another appeared less concerned by the high-level focus in plenary. “The real action is happening outside of this room,” she said, noting, “the political trade-offs are always made behind closed doors.”

Elsewhere in the building, the informal setting on HFCs quickly got down to business, as the EU, Australia, Canada, Japan, New Zealand, Norway, Switzerland and the US presented a new, revised proposal on baselines and schedules. One Article 5 party welcomed the move from four proposals to one “joint proposal,” saying, “It does not matter who the proposal comes from, just that we amend the Protocol.” Some Article 5 parties, while welcoming the effort to develop a common approach to facilitate discussions, questioned the logic and rationale of the baseline calculations. The proponents sought to assuage concerns by emphasizing that the proposal aims to respond to concerns voiced during the preceding days. As the informal setting broke for separate Article 5 and non-Article 5 discussions, the lingering question in delegates minds was whether parties could make enough progress to have a concrete outcome.

ENB SUMMARY AND ANALYSIS: The Earth Negotiations Bulletin summary and analysis of the resumed OEWG 37 session, OEWG 38 and ExMOP 3 will be available on Tuesday, 26 July 2016, online at: <http://www.iisd.ca/ozone/oewg38/>