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SUMMARY OF THE THIRTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER: 16-19 OCTOBER 2001

The 13th Meeting of the Parties (MOP-13) to the Montreal Protocol on Substances that Deplete the Ozone Layer convened in Colombo, Sri Lanka, from 16-19 October 2001. The meeting was attended by 325 participants from 108 countries, representing governments, UN agencies, and international and non-governmental organizations.

A preparatory segment was held from 16-17 October, followed by a high-level segment from 18-19 October. MOP-13 adopted decisions on, *inter alia*: the terms of reference (TOR) for a study on the 2003-2005 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol; an evaluation and review of the performance of the Protocol's financial mechanism; a review of the Multilateral Fund's fixed-exchange-rate mechanism; Parties' compliance; procedures for assessing the ozone-depleting potential (ODP) of new substances; expedited procedures for adding new substances to the Protocol; chlorofluorocarbon (CFC) production for metered-dose inhalers (MDIs); monitoring of international trade and prevention of illegal trade in ozone-depleting substances (ODS) and mixtures and products containing ODS; and the budget of the Trust Fund. MOP-13 also adopted the Colombo Declaration and took note of a Pacific Island Country Declaration.

The focus of MOP-13 was on the implementation of existing commitments, rather than the negotiation of new provisions. MOP-13 marked the first opportunity to review compliance by developing countries with their initial ODS controls, thus quietly launching a new era in the regime.

A BRIEF HISTORY OF THE OZONE REGIME

Concerns that the Earth's stratospheric ozone layer could be at risk from CFCs and other anthropogenic substances were first raised during the early to mid-1970s. At that time, scientists warned that the release of CFCs and other substances into the atmosphere could deplete the ozone layer, thus hindering its ability to prevent harmful ultraviolet rays from reaching the Earth. This would adversely affect

ocean ecosystems, agricultural productivity and animal populations, as well as harm humans by causing higher rates of skin cancer, cataracts and weakened immune systems. In response to this growing concern, the United Nations Environment Programme (UNEP) convened a conference of experts from 32 countries in March 1977. This conference adopted a World Plan of Action on the Ozone Layer and established a Coordinating Committee to determine the extent of the problem as a guide for future international action.

VIENNA CONVENTION: In May 1981, the UNEP Governing Council launched negotiations on an international agreement to protect the ozone layer. The *Ad Hoc* Working Group of Legal and Technical Experts for the Elaboration of a Global Framework Convention for the Protection of the Ozone Layer, which included representatives from 24 nations, began meeting in 1982. Their work resulted in the adoption of the Vienna Convention for the Protection of the Ozone Layer in March 1985. The Convention established the need to cooperate on monitoring, research and data exchanges. However, it did not impose specific obligations to reduce production or consumption of ODS nor specify what substances cause ozone depletion. To date, the Convention has 181 Parties.

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This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Joanna Depledge <joanna@iisd.org>, Andrei Henry <andrei@iisd.org>, Laura Ivers <laurai@iisd.org> and Kira Schmidt <kira@iisd.org>. The Operations Manager is Marcela Rojo <marcela@iisd.org> and the On-Line Assistant is Diego Noguera <diego@iisd.org>. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org> and the Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the Netherlands Ministry of Foreign Affairs, the Government of Canada (through CIDA), the United States (through USAID), the Swiss Agency for Environment, Forests and Landscape (SAEFL), the United Kingdom (through the Department for International Development - DFID, and the Foreign & Commonwealth Office), the European Commission (DG-ENV), the Danish Ministry of Foreign Affairs, and the Government of Germany (through German Federal Ministry of Environment - BMU, and the German Federal Ministry of Development Cooperation - BMZ). General Support for the *Bulletin* during 2001 is provided by the Ministries of Foreign Affairs and Environment of Finland, the Government of Australia, the Ministry of Environment and the Ministry of Foreign Affairs of Sweden, the Ministry of Foreign Affairs and Trade of New Zealand, the Ministries of Foreign Affairs and Environment of Norway, Swan International, and the Japan Environment Agency (through the Institute for Global Environmental Strategies - IGES). The *Bulletin* can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Director of IISD Reporting Services. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca>. The satellite image was taken above Nairobi ©2001 The Living Earth, Inc. <http://livingearth.com>. For information on the *Earth Negotiations Bulletin* or to arrange coverage of a meeting, conference or workshop, send e-mail to the Director, IISD Reporting Services at <kimo@iisd.org>.



MONTREAL PROTOCOL: Efforts to negotiate binding country obligations and identify ODS continued in 1986, leading to the adoption of the Montreal Protocol on Substances that Deplete the Ozone Layer on 16 September 1987. To date, the Protocol has 180 Parties. Under the Protocol, developed countries (non-Article 5 Parties) pledged to reduce production and consumption of CFCs by 50% of 1986 levels by 1999 and to freeze production and consumption of halons at 1986 levels. Developing countries (Article 5 Parties) were granted a grace period allowing them to increase their use of these ODS before taking on commitments.

LONDON AMENDMENT AND ADJUSTMENTS: Further scientific evidence – including increasing information about the Antarctic ozone hole and evidence of ozone depletion over the northern hemisphere – gave fresh impetus to negotiations and the regime-building process. Delegates to MOP-2, which took place in London in June 1990, agreed to amend and adjust the Protocol to include other ODS and accelerate existing phase-out timetables. The London Amendment added ten more CFCs to the list of ODS, as well as carbon tetrachloride and methyl chloroform, which were to be phased out by developed and developing countries by 2000 and 2005, respectively. The adjustment required developed countries to phase out CFCs and halons by 2000. To date, 153 Parties have ratified the London Amendment.

In addition, MOP-2 established the Multilateral Fund for the Implementation of the Montreal Protocol, the first of its kind under an environmental agreement. The Fund meets the incremental costs of developing country implementation of the Protocol's control measures and finances all clearing-house functions, including technical assistance, information, training and costs of the Fund Secretariat. The Fund is administered by an Executive Committee, which is comprised of seven donor and seven recipient countries. Its finances are replenished every three years.

COPENHAGEN AMENDMENT AND ADJUSTMENTS: MOP-4 took place in Copenhagen in 1992. Delegates agreed to enact non-compliance procedures and shorten the existing control schedule, so that developed countries would phase out CFCs, carbon tetrachloride and methyl chloroform by 1996, and halons by 1994. They also added methyl bromide, hydrobromofluorocarbons (HBFCs) and hydrochlorofluorocarbons (HCFCs) to the list of controlled ODS. For developed countries, production and consumption of methyl bromide was to be frozen at 1991 levels, HBFCs were to be phased out by 1996 and consumption of HCFCs was to be phased out by 2030, with a 99.5% cut to be achieved by 2020. The Copenhagen Amendment also enacted stronger import and export controls. To date, 128 Parties have ratified the Copenhagen Amendment.

VIENNA ADJUSTMENTS: At MOP-7, held in Vienna in December 1995, developing countries agreed to phase out HBFCs by 1996, to freeze their production and consumption of methyl bromide in 2002 at average 1995-1998 levels, and to freeze their consumption of HCFCs in 2016, leading to a phase out by 2040. The Vienna Adjustments also tightened developed country commitments by adjusting the baseline for the HCFC target and setting a phase-out date of 2010 for methyl bromide.

MONTREAL AMENDMENT AND ADJUSTMENTS: At MOP-9, held in Montreal in September 1997, developed countries agreed to move forward the methyl bromide phase-out to 2005, while developing countries agreed to a phase-out by 2015. Delegates also agreed to a new licensing system for tracking trade in ODS and controlling illegal trade, based on licenses issued by Parties for each

import and export. To date, 63 Parties have ratified the Montreal Amendment.

BEIJING AMENDMENT AND ADJUSTMENTS: MOP-11 and the Fifth Conference of the Parties (COP-5) to the Vienna Convention met jointly in Beijing, China, from 29 November-3 December 1999. MOP-11 resulted in the adoption of the Beijing Amendment and Adjustments. The Beijing Amendment provides for: a freeze in HCFC production in 2004 for developed countries and in 2016 for developing countries; the phase-out of bromochloromethane by 2002; a ban on trade in HCFCs with non-Parties from 2004; and reporting on annual consumption of methyl bromide for quarantine and pre-shipment applications. To date, eleven Parties have ratified the Beijing Amendment, which will enter into force 90 days after 20 Parties have ratified it. The adjustments stipulate the phase out of production allowances to meet the basic domestic needs of developing countries for CFCs, halons and methyl bromide. In addition, MOP-11/COP-5 adopted the Beijing Declaration and decided on the replenishment of the Multilateral Fund with US\$477.7 million for 2000-2002.

MOP-12: MOP-12 took place in Ouagadougou, Burkina Faso, from 11-14 December 2000. MOP-12 adopted decisions on, *inter alia*, a correction to the Beijing Adjustments; measures to facilitate the transition from CFC-based MDIs; and monitoring of international trade and prevention of illegal trade in ODS and ODS-containing mixtures and products. MOP-12 also considered, but did not adopt, decisions on the use of HCFCs by Article 5 Parties, process agents and new ODS.

MOP-12 adopted the Ouagadougou Declaration, which encourages Parties to, *inter alia*: take steps to prevent illegal production, consumption and trade in ODS and ODS-containing equipment and products; cooperate on transfer of technology, know-how and capacity building; harmonize customs codes; and integrate ozone layer protection into socioeconomic development programmes.

REPORT OF MOP-13

PREPARATORY SEGMENT

On Tuesday, 16 October, Dinesh Gunewardana, Sri Lankan Minister of Transport and Environment, welcomed delegates to Colombo. He noted that Sri Lanka plans to ratify the Beijing Amendment within the year, and highlighted domestic measures to reduce ODS consumption, including the conversion of CFC-consuming refrigerator factories, a CFC recovery programme, research on methyl bromide alternatives in tea production, and regulation of ODS imports.

Michael Graber, Deputy Executive Secretary and Officer-in-Charge, Ozone Secretariat, welcomed participants to the preparatory segment on behalf of UNEP Executive Director Klaus Töpfer. Noting the outstanding rate of reporting by Parties on their ODS production and consumption, Graber highlighted the contribution of national ozone units, the Multilateral Fund and implementing agencies in achieving this result. He urged delegates to remain focused on combating ozone depletion, as much remains to be done.

ORGANIZATIONAL MATTERS: Preparatory segment Co-Chair Milton Catelin (Australia) invited delegates to comment on the provisional agenda and organization of work for MOP-13 (UNEP/OzL.Pro.13/1). Canada proposed that guidance for non-Article 5 Parties on preparing essential-use nominations for methyl bromide be added under item 6 (other matters). Belgium, on behalf of the EU, proposed to prepare a contribution to the World Summit on Sustainable Development (WSSD). Delegates adopted the agenda, as amended, and proceeded to consider draft decisions on the agenda items that were forwarded to the high-level segment. Their discussions are summarized along with the decisions below (see page 5).



PREPARATORY MEETING FOR ARTICLE 5 MINISTERS

On the afternoon of Wednesday, 17 October, a high-level informal discussion for ministers from Article 5 countries was convened to exchange views on implementation of the Montreal Protocol. UNEP Deputy Executive Director Shafqat Kakakhel encouraged participants to identify whether impediments to compliance are financial, technical, political or institutional. Multilateral Fund Executive Committee Chair Heinrich Kraus (Germany) noted that the beginning of the compliance period for developing countries presents new challenges. Multilateral Fund Chief Officer Omar El-Arini highlighted the need to remove barriers to technology transfer and combat illegal trade in ODS. He forecast that the price of CFCs will remain low for only two or three years and then substitutes will become more competitive. K. Madhava Sarma, Special Advisor to the UNEP Executive Director, described the availability of financing through the Multilateral Fund prior to the entry into force of obligations as an innovative feature of the Protocol. Implementation Committee President Maria Nolan (UK) highlighted the importance of accurate and timely data reporting.

The ensuing discussion focused on, *inter alia*: competition between ministries and overlapping fields of responsibility; the need to prioritize the ozone issue; the impact of the low price of CFCs on their consumption and development of substitutes; the problem of illegal trade in ODS and dumping of second-hand ODS-containing equipment; the importance of technology transfer and information exchange; and the need to integrate ozone policies into national development strategies.

In closing, Sarma underscored that developing countries have a duty to ensure the continued success of the Montreal Protocol.

HIGH-LEVEL SEGMENT

On Thursday, 18 October, MOP-12 President Milton Catelin (Australia) opened the high-level segment. He urged Parties to ratify the Protocol's amendments and expressed concern over the delay in appointing the new Executive Secretary of the Ozone Secretariat.

Dinesh Gunawardena, Sri Lanka Minister of Transport and Environment, commented that Sri Lanka is ahead of schedule in meeting its Montreal Protocol obligations. Noting Sri Lanka's concern over climate change as a small island State, he underscored the need for cooperation among developed and developing countries.

UNEP Deputy Executive Director Shafqat Kakakhel welcomed delegates on behalf of UNEP Executive Director Klaus Töpfer, and thanked Sri Lanka for its hospitality. He said the low cost of CFCs and the export of used CFC-dependent equipment to developing countries may impede Article 5 Party compliance. He urged the Multilateral Fund to facilitate accelerated reduction of CFC production in Article 5 Parties. He flagged illegal trade and new ODS as additional challenges to the ozone layer's recovery.

Sri Lanka Prime Minister Ratnasiri Wickremanayake welcomed delegates to Sri Lanka, and stated that his country plans to phase out CFC consumption by 2005 and has already implemented regulations to control ODS imports. He assured delegates that Sri Lanka would meet its commitment to protect the ozone layer, and appealed to the global community to do the same.

MOP-12 President Catelin paid tribute to Patrick Széll (UK) and Heinrich Kraus (Germany), who are retiring from the ozone process, lauding their contributions to protecting the ozone layer.

ORGANIZATIONAL MATTERS: Delegates elected by acclamation Katana Ngala (Kenya) as MOP-13 President. They also elected Dinesh Gunewardana (Sri Lanka), Jirí Hlaváček (Czech Republic) and Bishnu Tulsie (St. Lucia) as MOP-13 Vice Presidents. Laurence

Mussett (France) was elected as Rapporteur. Delegates then adopted the provisional agenda (UNEP/OzL.Pro/13/1).

ASSESSMENT PANEL REPORTS: Scientific Assessment Panel (SAP): A.L. Ajavon, SAP Co-Chair, outlined progress on the 2002 Scientific Assessment of Ozone Depletion, which will include chapters on: controlled substances and other source gases; very short-lived substances; polar ozone; global ozone; and surface UV radiation. It will be made available to Parties in December 2002.

Environmental Effects Panel: Jan van der Leun, Panel Co-Chair, discussed increases in skin cancer associated with ozone depletion and highlighted interactions with climate change, emphasizing that the incidence of skin cancer would increase with rising temperatures.

Technology and Economic Assessment Panel (TEAP): The Co-Chairs of the Technical Options Committees (TOCs) delivered progress reports. For the Aerosols TOC, Nick Campbell noted that, other than for MDIs, there are no technical barriers to transitioning to alternatives, and that CFC use for MDI manufacture in non-Article 5 countries has fallen by 30% since 1996.

For the Solvents TOC, Jorge Corona noted that, with the European phase-out scheduled for 2005, efforts have focused on implementing stringent regulations for trichloroethylene. The TOC is cataloguing suitable alternatives to HCFCs consistent with EC regulations.

For the Foams TOC, Paul Ashford noted substantial developing country progress in phasing out CFCs in the foams sector, although financial constraints of small- and medium-sized enterprises impede progress. The availability of HCFCs after the phase-out in developed countries could also become an issue for developing countries.

For the Refrigeration TOC, Ashford noted that: HFCs have been a significant part of the transition; hydrocarbon use continues to increase in domestic and other sub-sectors of commercial refrigeration; ammonia use as an alternative to HCFCs is growing; and research and development of carbon dioxide continues although commercialization is uncertain.

For the Methyl Bromide TOC, David Okioga noted good progress toward methyl bromide replacement, but said registration requirements remain the primary constraint.

IMPLEMENTING AGENCY STATEMENTS: UNDP noted that it has disbursed US\$214 million to fund ODS reduction projects and is currently implementing over 1,440 projects in 78 countries to eliminate an estimated 41,500 tonnes of ODS. She highlighted UNDP's refrigerator management plan (RMP) framework and the approval of US\$6.6 million for projects to eliminate methyl bromide. UNEP highlighted its assistance to Article 5 Parties with non-investment activities through its OzonAction programme, and noted its efforts to, *inter alia*, assist low volume-consuming countries to establish RMPs, and help both Parties and non-Parties to prepare country programmes. It is also working to secure the Protocol's universal ratification by 2002.

UNIDO highlighted support to enterprises in Article 5 countries through technological innovation, and said it has demonstration projects on meeting freeze targets in 23 countries. UNIDO has a portfolio of 743 projects in over 60 countries totaling US\$241 million that will phase out 28,465 ODP tonnes. The World Bank reported that it has completed nearly 500 investment projects, channeling US\$330 million to over 20 Article 5 Parties, resulting in the phase-out of 110,000 ODP tonnes.

MULTILATERAL FUND REPORT: The Multilateral Fund Executive Committee Chair Heinrich Kraus outlined the Committee's report (UNEP/OzL.Pro.13/7), noting that the Fund approved US\$86 million to eliminate 6,600 ODP tonnes in the past year. He said the



Fund is shifting its focus from global-level decreases to individual country compliance, and has adopted a new strategic planning framework. He stressed the need for urgent action to ensure Article 5 Party compliance with the 2002 halon and methyl bromide freezes.

IMPLEMENTATION COMMITTEE REPORT: Implementation Committee President Maria Nolan (UK) reported that, during its two meetings, the Committee considered data reporting, compliance, and interaction with the Multilateral Fund's Executive Committee. She noted that the Committee requested the Secretariat to send warning letters to, and request explanations from, Parties potentially in non-compliance, and also considered, *inter alia*, draft decisions on 24 Parties in various stages of non-compliance.

DELEGATION STATEMENTS: Delegates heard 25 statements from high-level officials and several ministers on Thursday and Friday, 18 and 19 October. Kenya underscored the importance of the 2003-2005 Multilateral Fund replenishment for enabling Article 5 Parties to comply with their control measures.

Burkina Faso noted that its ODS consumption has declined significantly since 1999, but that the export of CFC-based products to developing countries impedes phase-out efforts. He said transfer of non-obsolete, affordable technology is necessary to reduce ODS consumption.

Japan highlighted a bilateral cooperation initiative to support South Asian and other developing countries in formulating compliance strategies, and announced that the initiative's pilot project will be in Sri Lanka.

Togo stressed the need for ozone protection efforts to also address poverty. He highlighted national activities to accelerate ODS elimination, support recovery and recycling programmes, and provide information on alternatives to users.

India noted its efforts to facilitate compliance, including a licensing system to regulate trade in ODS and a ban on trade in ODS with non-Parties. He highlighted solvents, refrigeration servicing and process agents as remaining challenges.

Mongolia highlighted its licensing system, institutional strengthening projects, annual inventories, public awareness campaigns, a train-the-trainers workshop for customs officers, and measures to reduce ODS consumption.

Niue noted its recent accession to the Protocol and its amendments, and said it looks forward to expert assistance from regional and international organizations to help protect the ozone layer.

Kiribati expressed its commitment to seek to comply with its commitments, while highlighting obstacles it faces due to its limited human and financial resources, remoteness, and insufficient communication infrastructure. He stressed the need for capacity building and transfer of appropriate technology and looked forward to receiving assistance through the Multilateral Fund.

The EU highlighted the challenge posed by HCFCs, stressing that they need not be used in the transition from CFCs to environmentally sound alternatives. He noted that the EU has a regulation mandating their phase out by 2010. Underscoring the importance of the Precautionary Principle, he said new substances with ODP should not be developed nor introduced in the market. He stressed the need for expedited procedures for adding new substances to the Protocol, highlighting the Stockholm Convention on Persistent Organic Pollutants (POPs) as a possible model.

Sri Lanka described measures it has taken to comply with the Protocol, including the establishment of a national ozone unit, institutional strengthening projects, research on alternatives to methyl

bromide, campaigns to raise public awareness, a RMP, and preparation of a country handbook for customs training.

Tajikistan described its national ozone programme, which includes training and capacity building to control ODS. He highlighted Tajikistan's reduction in ODS use, and said it would soon implement a licensing system, a ban on ODS imports, and a project dealing with process agents would be implemented soon.

The Russian Federation highlighted its recent return to compliance, which would have been impossible without the substantial assistance it received. He noted that further assistance would be required for ODS phase-out and announced that all ODS production is slated to cease by 2006.

China expressed opposition to the early phase-out of HCFCs, and with regard to phasing out process agents, urged that special consideration be given to individual country realities such as financial resources and technical capacity. He called for increased transfer of alternative technologies.

Brazil said that present economic uncertainties must not affect the 2003-2005 Multilateral Fund replenishment. She urged the MOP to explore synergies between multilateral environmental agreements (MEAs) and expressed hope that the WSSD would reaffirm the two key points of UNCED: the incorporation of sustainable development into all policies and measures, and the essential role of international cooperation in the transfer of resources and technology to achieve sustainability.

Nepal outlined its work in curbing the illegal trade of ODS, and requested the "earnest" cooperation of countries that export ODS-containing equipment in controlling the dumping of such equipment.

Macedonia noted that it has phased out more than 80% of its total ODS consumption, and would easily meet the 2002 freeze deadline for halons and methyl bromide.

Papua New Guinea stated that it would meet its Protocol commitments, but only with financial assistance, and underscored the importance of affordable alternative technologies.

The European Community (EC) expressed concern that climate change might further delay the recovery of the ozone layer, and called for procedures to ensure that the ODP of new substances are assessed by the firms producing them.

Benin described its creation of a national environmental police to ensure implementation of MEAs. He expressed concern about the high price of ODS substitutes, and called for their subsidization in order to make them competitive before the complete ban in 2010.

Chile called on the international scientific community to study the impacts of ozone depletion on human health in order to better inform policy decisions.

Bangladesh called on developed countries to ban the export of used ODS-containing equipment. Noting Bangladesh's high vulnerability to climate change, he urged Parties to consider not only ODP but also the potential to contribute to climate change.

Myanmar affirmed its commitment to international cooperation for the protection of the environment, including the ozone layer, and outlined its environmental legislation.

Malawi said ozone protection must be considered in the context of sustainable development and poverty reduction. He urged the Secretariat to expedite disbursement of funds and to reduce bottlenecks that impede project implementation.

Greenpeace International stated that ozone depletion and global climate disruption pose a greater threat to humanity than any human conflict, short of nuclear holocaust, and encouraged all Parties to keep



a long-term outlook. He lamented the business-as-usual administrative attitude at MOPs and the lack of new and dynamic initiatives. He suggested that MOPs should be held every 18 months instead of annually, and that the savings of could be used for implementation.

The Environmental Investigation Agency said that illegal trade in ODS has not been adequately addressed at the international level, and that decisions taken by the Parties continue to be undermined by profit-seeking criminals. He called for systematic and coordinated information exchange between enforcement agencies, and urged cooperation with other MEAs, especially with the Rotterdam Convention on Prior Informed Consent, Basel Convention on Transboundary Movement of Hazardous Waste and Stockholm Convention on POPs, and the Convention on International Trade in Endangered Species (CITES).

MOP-13 DECISIONS

On Friday, 19 October, delegates to the high-level segment adopted 32 decisions, as contained in UNEP/OzL.Pro.13/L.3 and L.4. The decisions adopted were first considered and approved during the preparatory segment.

TERMS OF REFERENCE FOR THE 2003-2005 MULTILATERAL FUND REPLENISHMENT STUDY: A closed contact group, chaired by Brazil and composed of eight Article 5 and eight non-Article 5 Parties, met on Tuesday and Wednesday, 16 and 17 October to discuss the terms of reference (TOR) for this study. On Wednesday, Brazil reported that the group had reviewed an earlier G-77/China proposal and agreed that most of its concerns were covered by the existing TOR, while some other specific issues could be addressed in future sensitivity analyses, as appropriate.

Final Decision: The decision requests the TEAP to prepare a report, to be presented at OEWG-22, to enable MOP-14 to decide on the 2003-2005 Multilateral Fund replenishment. The decision calls on the TEAP to consult widely in preparing its report, and to take into account:

- all control measures and relevant MOP and Multilateral Fund Executive Committee decisions;
- the need for resources to enable Article 5 Party compliance;
- agreed rules and guidelines for determining project funding eligibility, and approved country programmes;
- 2003-2005 financial commitments on sectoral phase-out projects;
- experience to date and performance of the Multilateral Fund and its implementing agencies;
- the impact of ODS controls and country activities on ODS supply, demand and cost; and
- administrative costs.

AD-HOC WORKING GROUP ON THE 2003-2005 MULTILATERAL FUND REPLENISHMENT: On Thursday, 18 October, Nigeria introduced a proposal to establish an *Ad Hoc* Working Group on the 2003-2005 replenishment, recalling that such a group had been established at MOP-10 to work with the TEAP to review the 2000-2002 replenishment study. Delegates made amendments relating to the Group's timing, mandate and membership.

Final Decision: The decision establishes an *Ad Hoc* Working Group on the 2003-2005 replenishment, comprising the Chair and members of the contact group on TOR for the Multilateral Fund replenishment study, plus a non-Article 5 Co-Chair (Finland). The Group will meet following OEWG-22 to provide initial feedback to the TEAP and advice on sensitivity analyses.

EVALUATION OF THE FINANCIAL MECHANISM: On Tuesday and Wednesday, 16 and 17 October, delegates discussed a draft decision which called for an evaluation study of the implementing bodies of the financial mechanism to ensure its continued

effectiveness. The EU emphasized that the evaluation's objective should be to improve the Multilateral Fund's efficiency and the quality of projects funded, and suggested that a process for an independent study be launched. Japan said the existing evaluation mechanisms in place within the UN system should conduct the evaluation, and that it be completed prior to the 2003-2005 replenishment. Others suggested that existing UN mechanisms would lack the necessary Protocol-specific experience to provide the in-depth review required. Switzerland recommended that the study focus on the "functioning" of the financial mechanism, in addition to its management.

On Friday, 19 October, when the draft decision was presented to the high-level segment for adoption, Iran proposed amending the text such that "the performance of" the financial mechanism be evaluated and reviewed to ensure its "consistent, effective functioning in meeting the needs of Article 5 Parties in accordance with Article 10 (Financial Mechanism) of the Protocol." He also proposed adding that the study should "benefit directly from the views of Article 5 and non-Article 5 Parties." The US, with Australia and the EU, suggested that Iran's proposal was a substantive amendment rather than a textual correction to a decision already agreed in the preparatory segment, and was therefore in violation of the rules of procedure. On a point of order, Brazil said that this was not the case, underscoring that it would set a bad precedent to suggest that a high-level segment cannot amend a draft decision forwarded by its preparatory segment. After a protracted discussion, delegates decided that Iran should submit a written proposal to the Plenary, which was subsequently adopted.

Final Decision: In the final decision, the MOP decides to evaluate and review, by 2004, the performance of the financial mechanism to ensure its consistent, effective functioning in meeting Article 5 Parties' needs in accordance with Article 10 and launch a process for an external, independent study in that regard, which shall be available to MOP-16. It decides that: the study shall focus on the functioning, performance and management of the financial mechanism; the study shall benefit directly from the views of Article 5 and non-Article 5 Parties; and the study's terms of reference and modalities shall be submitted to MOP-15. The MOP further decides to consider the need to launch such an evaluation on a periodic basis, and requests the existing evaluation mechanism within the UN system to provide the MOP with any relevant findings on the management of the financial mechanism any time when such findings are available.

REVIEW OF THE FIXED-EXCHANGE-RATE-MECHANISM: On, Tuesday, 16 October, Theodore Kapiga, Multilateral Fund Treasurer, outlined the interim review of implementation of the fixed-exchange-rate mechanism (UNEP/OzL.Pro.13/6). He said the Fund incurred an overall loss of 3.9% for 2000 and 2001 due to the fixed-exchange-rate mechanism, and projected a total loss of US\$34.5 million for the entire triennium. Andrew Reed, Economic Affairs Officer, Multilateral Fund Secretariat, estimated that the projected shortfall for the triennium could jeopardize the phase out of 6,272 ODP tonnes.

Recalling that the mechanism is in a trial period, several non-Article 5 Parties, including the Czech Republic, Japan, New Zealand and the UK, said it is premature to draw conclusions. Several Article 5 Parties, including Cuba, India, Iran and Tunisia, said the mechanism results in less funding for ODS phase-out and stressed that they could not wait until the end of the triennium to evaluate it. The EU, with Australia, Canada and Japan, called for an analysis of the impact of the US dollar's increased purchasing power and other international financial institutions' experience on this issue to be submitted to OEWG-22.



The US suggested a study on measures to minimize losses to the Fund while using the mechanism.

Final Decision: The decision requests the Multilateral Fund Secretariat and Treasurer to finalize the review and report back to OEWG-22. It also requests the Secretariat to consult other relevant multilateral funding institutions that use a fixed-exchange-rate or similar mechanism and to identify options on how a fixed-exchange-rate mechanism could be implemented without adversely affecting ODS phase-out.

PROCEDURES FOR ASSESSING THE ODP OF NEW SUBSTANCES: On Tuesday, 16 October, A. L. Ajavon, SAP Co-Chair, made a presentation on evaluation of new ODS, and suggested that Parties could first require proposers of new substances to furnish ozone-depleting information and then decide if "controlled substance" status is warranted. Delegates then considered an EC-proposed draft decision on this issue. The US said "new substances" had not previously been defined as in the EC's proposal (as those not controlled under the Protocol and that could be damaging to the ozone layer), and stated that they should be defined as in Decisions IX/24 and X/8. He emphasized that enterprises producing new substances may refuse to fund ODP assessments, and proposed alternatively that the Assessment Panels develop a screening technique and make recommendations to Parties on which assessments should be undertaken. Australia underscored the importance of agreeing on whether the definition of "new substances" includes only chemicals not yet in production or also commercialized chemicals suspected of having ODP, and expressed preference for the latter. Canada preferred the former, and opposed placing the burden of assessing ODP on companies. On Thursday, 18 October, the EC introduced a revised draft decision combining the previous EC and US proposals.

Final Decision: This decision expresses the understanding that new substances are those believed to deplete the ozone layer and to have the likelihood of substantial production but not listed as controlled substances under Article 2 (Control Measures). It requests the Secretariat to maintain the list of substances submitted by Parties on the UNEP website and to distribute a current version to Parties six weeks prior to OEWG meetings and MOPs, and to ask Parties with enterprises producing a listed substance to request such enterprises to undertake preliminary assessments of ODP following procedures to be developed by the SAP. It calls on Parties to encourage enterprises to conduct such assessments within one year of the Secretariat's request, and requests the Secretariat to notify the SAP of the outcome of such assessments to enable the SAP to review them in its annual reports and to recommend when more detailed assessments may be warranted.

EXPEDITED PROCEDURES FOR ADDING NEW SUBSTANCES: On Tuesday, 16 October, delegates discussed an EC-proposed draft decision requesting the Legal Drafting Group to report to MOP-14, based on precedents compiled by the Secretariat, on ways to bring the Protocol's procedures for adding new substances into line with those of the Stockholm Convention on POPs and, as appropriate, other conventions. Legal Drafting Group Chair Patrick Széll (UK) said that expedited procedures for adding new substances would represent a significant change and would require thorough consideration by the Group. The US and Australia opposed the draft decision, while Switzerland supported it, underscoring that it only requested a study to inform future debate. Following consultations, the EC proposed simply requesting the Secretariat to report to OEWG-22 on precedents in other conventions. Greenpeace International called for a zero-tolerance policy on new ODS, and suggested that Parties incorporate an umbrella clause into the Protocol that puts all new ODS on a fast-track phase-out schedule requiring only a one-time amendment.

Final Decision: The decision requests the Secretariat to compile precedents in other conventions regarding procedures for adding new substances for OEWG-22.

N-PROPYL BROMIDE: On Wednesday, 17 October, delegates discussed an EC-proposed draft decision on n-propyl bromide (nPB), which urged industry and users to take precautionary action by limiting the marketing and promotion of nPB and limiting its use to applications where other economically feasible and environmentally friendly alternatives are not available. The US, supported by Japan, proposed deleting the reference to limiting the marketing and promotion of nPB, and recommended urging industry and users to "consider" limiting its use when alternatives are unavailable.

Final Decision: The decision requests Parties to inform industry and users about concerns surrounding nPB use and emissions and their potential threat to the ozone layer, and to urge them to consider limiting its use to applications where more economically feasible and environmentally friendly alternatives are not available and to minimize exposure and emissions during use and disposal. It further requests the TEAP to report annually on nPB use and emissions.

ESSENTIAL-USE EXEMPTION NOMINATIONS FOR 2002-2004: This decision was approved on Tuesday, 16 October, without debate. It notes the excellent work of the TEAP and its TOCs, and authorizes the levels of production and consumption necessary to satisfy essential uses of CFCs for MDIs for asthma and chronic obstructive pulmonary diseases and of CFC-113 for torpedo maintenance for non-Article 5 Parties (Australia, the EC, Hungary, Japan, Poland, the Russian Federation, Ukraine and the US), as specified in the decision's annex.

PRODUCTION OF CFCs FOR MDIs: On Wednesday, 17 October, Cuba introduced a draft decision requesting the Multilateral Fund Executive Committee to develop guidelines for preparing strategies and investment projects to enable Article 5 Parties to transition to CFC-free MDIs. The US supported the proposal, but noted the lack of experience with CFC-free MDIs, even in developed countries.

Final Decision: This decision requests the Executive Committee to prepare guidelines for the presentation of MDI projects involving the preparation of strategies and investment projects that enable the move to CFC-free MDI production in Article 5 countries and enable them to meet their Protocol obligations.

FURTHER STUDY OF CAMPAIGN PRODUCTION OF CFCs FOR MDIs: On Tuesday, 16 October, delegates approved a US-proposed draft decision on campaign production, the mass production of CFCs to stockpile them for use in completing the transition to CFC-free MDIs with the understanding that CFC production would then cease. In the final decision, the MOP requests the TEAP and its TOCs to analyze current essential-use decisions and procedures to identify if changes are needed to facilitate expedient authorization for campaign production, and requests the TEAP to present its findings to OEWG-22 and to continue monitoring and reporting on the timing of the likely need for campaign production.

PROCESS AGENTS: On Wednesday, 17 October, Multilateral Fund Executive Committee Chair Heinrich Kraus stated that the Committee has adopted framework guidelines for considering process-agent projects. He said that since 1999, eleven process-agent projects have been approved, mostly small-scale and all involving process change. Nick Campbell, TEAP Process-agent Task Force Member, said Article 5 Parties' process-agent data is often not current, complete or consistent, and suggested that Parties agree on a common reporting format. He said several uses of ODS as process agents addi-



tional to those listed in Decision X/14 have been proposed, but have not yet been fully reviewed by the task force.

India, with China and Iran, stated that the TEAP report lacks sufficient detail to allow a meaningful evaluation. China said that the list of ODS used as process agents should be expanded, and advocated specifying an allowed level of ODS emissions for all process agents. The US reported that it had reached agreement with India to support an EC-proposed draft decision, with the understanding that sufficient information would be available in 2002 to amend the list of eligible process-agent uses.

Final Decision: The decision requests the TEAP to finalize its evaluation on process agents and report to OEWG-22.

REPORTING OF DATA: On Wednesday, 17 October, delegates considered and approved this decision without debate. This decision notes that Protocol implementation by those Parties that have reported data is satisfactory; notes with regret that 16 Parties that should have reported data for 1999 have not yet done so; strongly urges Parties to report consumption and production data as soon as figures are available; urges Parties that have not already reported baseline data or estimates for 1986, 1989 and 1991 to do so; and advises Parties that request changes in reported baseline data to present their requests to the Implementation Committee, which will work with the Secretariat and the Executive Committee to confirm the justification for the changes and present them to the MOP for approval.

RATIFICATION: On Wednesday, 17 October, several delegates reported that they had recently deposited instruments of ratification for various Amendments: the UK, for the Montreal and Beijing Amendments; the Maldives, for the Copenhagen and Montreal Amendments; Nigeria, for the London, Copenhagen and Montreal Amendments; and Togo for the Montreal and Beijing Amendments.

Final Decision: The decision notes with satisfaction the large number of countries that have ratified the Vienna Convention and Montreal Protocol, and notes that as of 30 September 2001, 153 Parties had ratified the London Amendment and 128 Parties had ratified the Copenhagen Amendment, while only 63 Parties had ratified the Montreal Amendment. It further notes that only eleven Parties have ratified the Beijing Amendment to date, preventing its entry into force by 1 January 2001, as agreed. The decision urges all States that have not yet done so to ratify, approve or accede to the Convention, Protocol and its Amendments.

METHYL BROMIDE CRITICAL-USE EXEMPTIONS: On Tuesday, 16 October, at the suggestion of Canada, delegates established an informal group to consider guidance on application procedures for methyl bromide critical-use exemptions. On Thursday, 18 October, Australia introduced a draft decision prepared by the informal group. She noted that without timely guidance on application procedures for methyl bromide critical-use exemptions, countries might submit non-uniform information, making it difficult to review requests equitably. She outlined basic information items that should be part of any exemption request. The EC broadly supported the draft decision, but stated that uses other than soil and quarantine and pre-shipment (QPS) should also be covered, and that quantities should be given in kilograms.

Final Decision: The decision notes that non-Article 5 Parties must cease production and consumption of methyl bromide (other than QPS applications) by 2005, except for agreed critical uses. It requests the TEAP to: prepare, by January 2002, a handbook on critical-use nomination procedures, including information from the Methyl Bromide TOC and the schedule for submission; finalize a consolidated list of

methyl bromide alternatives; and engage agricultural economists to assist in reviewing nominations.

MONITORING OF INTERNATIONAL TRADE AND PREVENTION OF ILLEGAL TRADE IN ODS: On Wednesday, 17 October, delegates considered a draft decision requesting the Secretariat to prepare a report for OEWG-22 on this topic. Poland supported the further development of customs codes for ODS, and India proposed adding reference to substances mixed with ODS. Canada introduced an information paper including recommendations by the World Customs Organization Cooperation Council and listing Canada's most common ODS harmonized codes. He also remarked that it is developing a manual for law enforcement officials on illegal ODS trade and an electronic training package for customs officers. Delegates approved a streamlined version of the draft decision that avoided repeating text agreed to at MOP-12.

Final Decision: The decision requests the Secretariat, in consultation with the TEAP, World Customs Organization, UNEP Division of Technology, Industry and Economics, and the World Trade Organization to study and report on practical suggestions on the issues contained in Decision XII/10 to OEWG-22. It states that Decision XII/10 should serve as the TOR for the study.

TRUST FUND BUDGET: On Thursday, 18 October, the Czech Republic reported on informal discussions on the financial report of the Trust Fund and the proposed 2002 and 2003 budgets. He noted that the budgets would achieve the goal of zero nominal growth and that the unspent balance from 2000 would be used in 2002-2003. Japan said the unspent balance should have already been drawn down and stressed that this should not set a precedent.

Final Decision: In the final decision, the MOP: welcomes the Secretariat's continuing excellent management of the Trust Fund's finances; takes note of the financial report of the Trust Fund for 2000 (UNEP/OzL.Pro.13/4); and approves the budget for the Trust Fund for 2002 as US\$3,907,646, taking note of the proposed budget of US\$3,763,034 for 2003 as set out in the annex. The decision also draws down US\$675,000 in 2002 and 2003 from the Fund balance to reduce that balance in accordance with Decision XI/21, and further draws down US\$740,000 in 2002 and US\$250,869 in 2003 from the unspent balance for 2000. The decision further ensures that, due to these draw-downs, the contributions to be paid by Parties are US\$2,492,646 for 2002 and US\$2,837,165 for 2003, as set out in the annex, and urges all Parties to pay their contributions promptly and in full. The decision also: encourages non-Article 5 Parties to continue offering assistance to their members in the Assessment Panels; notes the provision of assistance for participation of Article 5 Party experts in the Panels; and calls for MOP-14 to review the continuing growth in the operating surplus and interest accumulated by the Trust Fund to identify the optimal means of balancing the Protocol's operational funds.

COMPLIANCE ISSUES: On Wednesday, 17 October, Maria Nolan (UK), Implementation Committee President, introduced draft decisions submitted by the Implementation Committee on compliance issues. The decisions addressed: Article 5 Parties who had not submitted data for the initial CFC consumption freeze control period (1 July 1999 to 30 June 2000); the Russian Federation's efforts toward compliance; Armenia's non-compliance with data reporting for baseline determination; Kazakhstan and Tajikistan's consumption of Annex A and B substances without essential use exemptions; Argentina's non-compliance with the production freeze; and Belize, Cameroon, Ethiopia and Peru's non-compliance with the CFC consumption freeze.



Bangladesh noted its efforts to phase out CFC consumption and projected a 50% reduction by 2002. Kenya said it has a strategy for compliance in place and noted complications in sustaining the CFC freeze level in its foam-blowing industry, as the replacement used was found to cause cancer. Nigeria noted delays in compliance due to problems encountered in preparing its country programme. He highlighted Nigeria's import ban on second-hand equipment containing ODS and new licensing scheme. Oman noted that uncertainty over what consumption quantities were allowed had impeded its reporting, and noted efforts to reduce ODS consumption and import. Samoa said it would provide the outstanding information and return to compliance as soon as possible.

Poland asked which ODS the Russian Federation had stopped importing, and the Russian Federation clarified that they were those in Annexes A and B. Armenia said it had submitted the necessary data and expressed concern that this was not reflected. Argentina said it hopes to be in compliance soon and highlighted its elaboration of an export and import licensing system. Belize said delays in receiving financial assistance had hampered its compliance efforts, and highlighted its RMP, training sessions for refrigerator technicians, and a licensing system to be launched in November. Peru stressed the importance of international aid for compliance.

The US expressed concern over non-compliance in the initial freeze period given the assistance provided through the Multilateral Fund, and emphasized that countries in non-compliance must adopt adequate monitoring schemes to ensure compliance. Mexico noted the important role that assistance from the Fund had played in enabling it to comply. Pakistan remarked that the low cost of CFCs on the international market and relatively high cost of CFC substitutes impeded compliance, and called for this situation to be remedied.

Regarding text in the decision cautioning Parties out of compliance, Brazil said to "caution" Parties was too strong, and also opposed prescribing specific measures toward compliance. The US opposed, noting that "caution" and specific measures had been included in previous compliance-related decisions.

Final Decisions: Potential non-compliance with the freeze on CFC consumption in Article 5 Parties: The decision notes that the Implementation Committee requests the Secretariat to write to Article 5 Parties that had reported data on CFC consumption for either 1999 and/or 2000 that were above their individual baselines (Bangladesh, Chad, Comoros, the Dominican Republic, Honduras, Kenya, Mongolia, Niger, Nigeria, Oman, Papua New Guinea, Paraguay, Samoa and the Solomon Islands). It further states that, since none of the mentioned Parties have responded to the request for data for the control period from 1 July 1999 to 30 June 2000, all are presumed to be in non-compliance with the Protocol's control measures. It states that these Parties should continue to receive international assistance, but cautions that, if they fail to return to compliance in a timely manner, Parties will consider measures consistent with Item C of the Indicative List of Measures (suspension of rights and privileges under the Protocol), including the possibility of actions available under Article 4 (control of trade with non-Parties) (hereafter "other measures").

The Russian Federation's Compliance: The decision notes that the Russian Federation is operating under an agreed phase-out plan and that it was in non-compliance with the phase-out benchmarks for 1999 and 2000 for the production and consumption of ODS in Annex A. It also notes with appreciation that the Russian Federation closed CFC production as of December 2000, and stopped ODS imports and exports as of March 2000. The decision recommends that the Russian Federation should, with assistance from international funding agen-

cies, proceed with the agreed phase-out benchmarks of production and consumption of Annex A and B ODS to be in full compliance with its obligations. It also welcomes the Russian Federation's action to examine ratification of the Copenhagen, Montreal and Beijing Amendments.

Armenia's Compliance: This decision notes that Armenia is in non-compliance with data reporting requirements and that ratification of the London Amendment is required to qualify for financial assistance. It recommends that Armenia ratify the London Amendment.

Kazakhstan's Compliance: This decision observes that Kazakhstan, as a non-Article 5 Party, is in non-compliance with its Annex A and B phase-out obligations for 1998 to 2000. Noting that Kazakhstan expects to be in non-compliance through at least 2004, the decision expresses great concern and further notes that Kazakhstan further commits to: reduce CFC consumption in 2002-2003, with a complete phase-out in 2004; establish an ODS licensing system for import and exports by 2003; reduce halon consumption in 2002 with a complete phase out by 2003; phase out carbon tetrachloride and methyl chloroform consumption by 2002; and reduce methyl bromide consumption in 2002-2003, with a complete phase out in 2004. It encourages Kazakhstan to work with implementing agencies to shift to ODS alternatives and requests it to submit its country programme to the Secretariat. It states that Kazakhstan should continue to receive international assistance, but cautions that, if it fails to meet the above commitments, Parties shall consider other measures.

Tajikistan's Compliance: This decision observes that Tajikistan, as a non-Article 5 Party, is in non-compliance with its Annex A and B consumption phase-out obligations for 1998 to 2000. Noting that Tajikistan expects to be in non-compliance through at least 2004, the decision expresses great concern and further notes that Tajikistan specifically commits to: reduce CFC consumption in 2002-2003, with a complete phase-out in 2004; phase out consumption of all other Annex A and B substances by 2002; establish an ODS licensing system in 2002; and reduce methyl bromide consumption in 2002-2003, with a complete phase-out by 2005. It encourages Tajikistan to work with implementing agencies to shift to ODS alternatives and requests it to submit its country programme to the Secretariat. It states that Tajikistan should continue to receive international assistance, but cautions that, if it fails to meet the above commitments, Parties shall consider other measures.

Argentina's Compliance: The decision notes that Argentina, as an Article 5 Party, was in non-compliance with the CFC production freeze for the period 1999-2000. The decision requests Argentina to submit a plan of action and to consider including in the plan quotas to freeze production at baseline levels. The decision states that Argentina's progress will be closely monitored and that it should continue to receive international assistance, but cautions that, if it fails to return to compliance, Parties shall consider other measures.

Belize, Cameroon, Ethiopia and Peru's Compliance: The decisions note that these four countries, as Article 5 Parties, were in non-compliance with the CFC consumption freeze for the period 1999-2000. The decisions request these countries to submit plans of action and to consider including in those plans: quotas to freeze imports at baseline levels; a ban on imports of ODS equipment; and policy instruments that ensure progress. The decisions state that the countries' progress will be closely monitored and that they should continue to receive international assistance, but caution that, if they fail to return to compliance, Parties shall consider other measures.

IMPLEMENTATION COMMITTEE MEMBERSHIP: This decision confirms the positions of Senegal, Slovakia, Sri Lanka and



the UK for one further year of membership, and endorses the selection of Australia for non-Article 5 Parties, and Bangladesh, Bolivia, Bulgaria, Ghana and Jamaica for Article 5 Parties as members of the Committee for two years, effective 1 January 2002. It also notes that Bangladesh will serve as President and Australia as Vice-President and Rapporteur.

EXECUTIVE COMMITTEE MEMBERSHIP: This decision confirms the selection of Canada, Finland, France, Japan, the Netherlands, Poland and the US as non-Article 5 Party members, and Burundi, China, Colombia, El Salvador, Nigeria, Syria and Tanzania, as Article 5 Party members for one year, effective 1 January 2002. It also notes that Nigeria will serve as Chair and Japan as Vice-Chair.

CO-CHAIRS OF THE OPEN-ENDED WORKING GROUP: This decision endorses the selection of Milton Catelin (Australia) and Aloysius Kamperewera (Malawi) as OEWG Co-Chairs for 2001-2002.

PREPARATIONS FOR THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: On Wednesday, 17 October, delegates considered a EC-proposed draft decision on preparations for the World Summit on Sustainable Development (WSSD). Regarding a paragraph on supporting collaboration on synergies between MEAs, New Zealand expressed support for the EC proposal but requested that reference to synergies be deleted. Japan opposed, preferring to refer to collaboration and synergies.

Regarding text welcoming UNEP's work on ways to strengthen international environmental governance, Iran preferred ways to "explore different aspects of" such governance.

Final Decision: The decision notes with appreciation the comprehensive preparatory process for WSSD and, recognizing the need to consider ways to improve international environmental institutions' effectiveness, welcomes UNEP's work in the framework of international environmental governance. It further decides to support appropriate collaboration and synergies that may exist between MEAs, as agreed by Parties to those agreements.

OZONE SECRETARIAT EXECUTIVE SECRETARY: This US-proposed decision requests UNEP and UN headquarters to complete the process for the earliest possible appointment of the Executive Secretary of the Ozone Secretariat.

DATE AND VENUE OF MOP-14: On Friday, 19 October, delegates considered a draft decision stating that MOP-14 will convene in Nairobi from 25-29 November 2002. Noting rumors that a country may yet offer to host MOP-14, the US suggested adding "unless some other Party should in the interim offer to host the meeting" to the decision. He also preferred stating that MOP-14 will convene "during the week of" 25-29 November, to enable the meeting to be scheduled for a shorter duration, if appropriate. Kenya asked who might offer to host the meeting, as it would need to know in advance whether it would host. Australia proposed adding a deadline for such offers. Japan opposed leaving the decision so open, expressing concern about security in a potential host country. The Secretariat reminded delegates that the decision to host the meeting in Nairobi was based on the rule of procedure that states that meetings will be hosted at Secretariat headquarters unless other arrangements are made, and not on an offer from the Government of Kenya. Delegates supported the UK's proposal to use the exact text from the Rules of Procedure in the decision.

Final Decision: The decision states that MOP-14 shall take place at the seat of the Secretariat, unless other appropriate arrangements are made by the Secretariat in consultation with the Parties.

ADDITIONAL MATTERS DISCUSSED AT MOP-13

ARTICLE 5 PARTIES' HCFC PHASE-OUT SCHEDULE: On Tuesday, 16 October, the EC introduced a proposal to request the TEAP to assess: past and estimated future patterns in Article 5 Parties' HCFC consumption; the existing and future availability of non-HCFC alternatives; technological, environmental, economic, safety and other factors that could influence Article 5 Parties' ability to comply with several HCFC control scenarios; and the impact of each scenario on Article 5 Parties' CFC phase-out.

The EC explained that the proposal had been amended based on earlier consultations. He noted that the proposed study would supplement the TEAP study requested by Decision XI/28 on the availability and affordability of HCFCs to Article 5 Parties and called for a contact group to discuss the issue further. He emphasized that the proposal only called for a study, and that Parties would decide later how to act on its results.

Several Parties, including Bangladesh, Brazil, China, Costa Rica, India, Iran, Mexico and Peru, expressed concern at any acceleration in Article 5 Parties' HCFC phase-out schedule and highlighted, *inter alia*: difficulties that developing countries would face in complying with an accelerated HCFC phase-out schedule; the need for additional finance if an accelerated HCFC phase-out schedule were adopted; and potential impacts on CFC phase-out. Others said it was premature to expand the report requested by Decision XI/28 and opposed establishing a contact group.

Several delegates, including Australia, the Czech Republic, Japan, the Russian Federation, Switzerland, the US and Greenpeace International, supported the EC proposal. The US, with Australia, proposed also requesting the SAP to investigate the environmental benefits of HCFC control scenarios. Co-Chair Catelin noted a lack of consensus and stated that, if it wished to pursue the issue, the EC should do so informally or at a subsequent session. The EC regretted that Parties had failed to request a TEAP study, noting that this was unprecedented in the ozone process.

INDUSTRIAL RATIONALIZATION: On Tuesday, 16 October, India introduced a draft decision on clarification of the term "industrial rationalization," in order to ensure that Multilateral Fund Executive Committee decisions to fund incremental costs of plant closure or conversion are based on installed manufacturing capacity. The US opposed the proposal, expressing concern about opening Executive Committee decisions in the MOP and stressing that industrial rationalization is used to ensure that industries on the verge of bankruptcy are not funded. Japan opposed approving funding on the basis of a plant's installed capacity rather than its actual production. Kenya expressed concern that industrial rationalization might result in de-industrialization in Article 5 countries. Australia said the proposal could inadvertently reduce manufacturing capacity by creating economically non-viable overcapacity and result in low environmental returns on Fund expenditures while taking money from other Article 5 countries. MOP-13 did not take a decision on this issue.

ASSESSMENT OF THE FUTURE NEED FOR HALONS: On Tuesday, 16 October, Co-Chair Catelin introduced a draft decision forwarded from OEWG-21. No delegate wished to comment on this issue and the draft decision was withdrawn.

PREPARATION OF DRAFT DECISIONS: Japan supported a US-proposed draft decision inviting the Secretariat to refrain from preparing draft decisions on non-administrative issues or unless requested by Parties. The EU supported the proposal but suggested that it be noted in the report rather than in a decision.



COLOMBO DECLARATION

On Friday, 19 October, Sri Lanka introduced a draft Colombo Declaration, highlighting its intent to convey the success story of the Montreal Protocol to the WSSD and mark the tenth anniversary of the Multilateral Fund. He put forward amendments to the text, which had been proposed during informal discussions.

Noting the lack of time to consider the text, Australia and the US opposed the Declaration, but Japan, Switzerland and the EU supported it. The EU urged the Secretariat to circulate proposed declarations in advance. After consultations, Parties adopted the Colombo Declaration, with some amendments.

The Colombo Declaration recognizes links between environmental issues such as climate change and ozone layer depletion and, *inter alia*:

- urges governments and all stakeholders to apply due care in using new substances that may have ODP;
- urges Parties to determine and use available, accessible and affordable alternatives and technologies that minimize environmental harm while protecting the ozone layer;
- declares that much work remains to be done to ensure ozone protection; and
- decides to share the Montreal Protocol's successful experience at the WSSD.

PACIFIC ISLANDS DECLARATION

On Friday, 19 October, Kiribati introduced an oral declaration on behalf of Fiji, Niue, Papua New Guinea and Samoa, which commits these countries to, *inter alia*: ratify the Montreal Protocol and its Amendments; urgently adopt ODS trade controls; take all necessary measures to comply with ODS controls; and fulfill reporting obligations. The Declaration also calls on Parties to consider the unique circumstances of Pacific Island countries when deciding on the 2003-2005 Multilateral Fund replenishment. Parties agreed to reflect the Declaration in the report of the MOP.

CLOSING PLENARY

Delegates convened in a final Plenary on Friday afternoon, 19 October. Geoffrey Tierney, OzonAction, announced the results of UNEP OzonAction's Global Video Award Competition, which was won by a candidate from Cuba, with competitors from Georgia and Syria as joint runners-up. He said videos would be dubbed into local languages to raise awareness, and the winning video will be shown at environmental film festivals.

Rapporteur Laurence Mussett presented the draft report on MOP-13 (UNEP/OzL.Pro.13/L.2 and Add.1-2). The Secretariat noted that the report would include an expression of gratitude to Sri Lanka. Brazil, with Argentina, called for the report to register its understanding that the high-level segment has the authority to accept, reject or amend draft decisions forwarded by the preparatory segment. Delegates then adopted the Colombo Declaration and the report of the MOP with these additions and other minor amendments. MOP-13 Vice-President Gunewardana thanked delegates, UNEP and the Secretariat for hard work and diligence, and hoped delegates would take pleasant memories of Sri Lanka home with them. He called on all delegates to work to bring about a peaceful world and a better environment. Deputy Executive Secretary Graber thanked delegates, the conference staff and interpreters for making MOP-13 a success. The meeting was gavelled to a close at 6:15 pm.

A BRIEF ANALYSIS OF MOP-13

A NEW ERA OF IMPLEMENTATION

MOP-13 was another quiet staging post in the long fight against ozone depletion, with little drama, much "housekeeping" and a focus on implementation. While the low turnout could be attributed partly to the international situation stemming from the 11 September terrorist attacks in the US, some delegates claimed privately that colleagues had appealed to security concerns to avoid an uneventful meeting.

Notwithstanding its tranquility, MOP-13 marked a historical implementation juncture for the ozone regime, providing the first opportunity to review compliance by developing countries with their initial ODS controls. MOP-13 thus brought to a close the developing country "grace period" and, in so doing, quietly launched a new era in the regime. With these ODS almost phased out in the industrialized world, the continued success of the Montreal Protocol now depends largely on developing country compliance.

Considerable resources were mobilized during the grace period to help developing countries move away from ODS through financial assistance, awareness raising and capacity building. These efforts appear to have paid off. According to the Implementation Committee, most developing countries reporting the necessary data complied with their initial freeze controls, with only 20 – most of them small emitters – identified as out, or potentially out, of compliance. Although more than 50 developing countries (as well as 19 industrialized countries) have not yet reported data for 2000, including some of the largest emitters, this first stage in developing country compliance is cause for cautious optimism.

Countries named as non-compliers were clearly unhappy at being identified in this way, and there was some discomfort among developing countries more generally with the relatively strong language of the Implementation Committee's decisions. It is encouraging, however, that despite calls to remove names from the decisions or weaken their language, the decisions were adopted without amendment. Many seasoned delegates were heartened by the lively reactions to the Implementation Committee's decisions, seeing this as evidence of respect for the Committee and the effectiveness of "name and shame." Some also observed that the Committee's decisions would strengthen the hand of ozone officers in persuading their governments to prioritize ozone issues.

A critical dimension to developing country implementation is the provision of financial assistance through the Multilateral Fund, whose replenishment will be negotiated at MOP-14. Veiled warnings were issued by some donor countries that the level of replenishment will be linked to the extent of developing country compliance, while developing countries underscored that adequate financing is a pre-condition for compliance. These exchanges at MOP-13 foreshadow what are likely to be contentious debates at next year's MOP.

MOP-13 also shed light on a range of implementation challenges that are emerging in developing countries. One such challenge is the current low price of CFCs, which many developing countries warned is discouraging the use of alternatives. Some delegates observed that developed country CFC production to meet the "basic domestic needs" of developing countries is exacerbating the problem. While this production is being phased out (by 2010 for CFCs), several participants privately suggested that the phase-out should be accelerated. Any moves to do so would likely be resisted by developing countries, which fear losing their CFC supply before alternatives are available. Ensuring that developing countries are not stranded without CFCs to meet their basic needs while providing strong incentives to move to



alternatives is likely to be a difficult balance for the MOP to strike in the future.

A related issue highlighted by many developing countries is the dumping of ODS-dependent second-hand equipment. One African delegate reported that a ship carrying European CFC-based refrigerators and air-conditioning equipment is currently skirting the West African coast seeking to offload its cargo to an unscrupulous buyer. Another representative complained that, if left to itself, his country could phase out CFCs, but its efforts were being thwarted by industrialized countries using it as a CFC dumping ground.

A major global challenge frequently raised at MOP-13 was illegal trade. Trade has long been a positive force in the ozone regime: trade bans against non-Parties have encouraged widespread ratification, while fear of losing export markets has spurred many developing countries to a quicker ODS phase out. Trade, however, has now also become a negative force, since smuggling of ODS and ODS-containing equipment raises hurdles to the Protocol's implementation. Much uncertainty surrounds the extent of the problem, with a particularly critical question mark hovering over whether illegally-traded ODS come from allowed production quotas or, more ominously, from clandestine production facilities. Illegal production may also be keeping the CFC price low. Anecdotal evidence at MOP-13, together with studies released by UNEP and the Environmental Investigation Agency, suggest that the problem is serious and getting worse.

Debates on these issues, however, took place mostly on the margins of the meeting. Although MOP-13 commissioned a study on more sophisticated and potentially mandatory ODS labeling and the Secretariat maintains a list of national ODS trade bans, some delegates argued that more aggressive international action is needed. Others, however, responded that tackling illegal trade must "begin at home" with national legislation.

Aside from sparks ignited by the compliance decisions, much of MOP-13 was spent in the comfort zone of the implementation minutiae that have become the "bread and butter" of the ozone regime. Delegates certainly displayed a lack of appetite for negotiating any stronger commitments, forcing the EU to retreat from its long-standing efforts to tighten developing country HCFC controls and to water down a proposal on expedited procedures for adding new ODS. MOP-13 also confirmed that the regime's most consequential work is now done in the Multilateral Fund Executive Committee, the Implementation Committee and the Assessment Panels, rather than the MOP itself.

Overall, MOP-13 passed off with a smoothness and sense of routine that many other environmental agreements can only dream of. In these times of international turmoil and tension, Montreal Protocol meetings stand as a reassuring testament that the governments of the world can indeed work together for the greater global good.

THINGS TO LOOK FOR BEFORE MOP-14

SEVENTH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE:

COP-7 will take place from 29 October–9 November 2001, in Marrakech, Morocco. For more information, contact: the UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; Internet: <http://www.unfccc.int/>

METHYL BROMIDE ALTERNATIVES CONFERENCE:

This conference will be held from 5-8 November 2001, in San Diego, California, USA. For more information, contact: Ozone Secretariat;

tel: +254-2-62-1234; fax: +254-2-62-3601; e-mail: ozoneinfo@unep.org; Internet: <http://www.unep.org/ozone/>

METHYL BROMIDE TECHNICAL OPTIONS

COMMITTEE: The Committee will meet from 11-15 November 2001, in San Diego, California, USA. For more information, contact: Ozone Secretariat; tel: +254-2-62-1234; fax: +254-2-62-3601; e-mail: ozoneinfo@unep.org; Internet: <http://www.unep.org/ozone/>

SECOND SESSION OF THE SUB-COMMITTEE OF EXPERTS ON THE GLOBALLY HARMONIZED SYSTEM OF CLASSIFICATION AND LABELING OF CHEMICALS:

This meeting will be held from 12-14 December 2001, in Geneva. Subsequent meetings of the Sub-Committee are scheduled to take place on 12 July and in December 2002. For more information, contact: the UNECE Transport Division, tel: +41-22-907-2401; fax: +41-22-917-0039; e-mail: info.ece@unece.org; <http://www.unece.org/trans/main/dgdb/dgsubc4/c4age.html>

ENVIRONMENTAL EFFECTS ASSESSMENT PANEL: The Panel will meet from 25 February–4 March 2002, in Wellington, New Zealand, and from 14-21 September 2002, in Salt Lake City, Utah, USA. For more information, contact: Ozone Secretariat; tel: +254-2-62-1234; fax: +254-2-62-3601; e-mail: ozoneinfo@unep.org; Internet: <http://www.unep.org/ozone/>

EARTH TECHNOLOGIES FORUM: This conference and exhibition on global climate change and ozone protection technologies and policies will be held from 25-27 March 2002, in Washington, DC. Participants will discuss current technologies and efforts to bring them into the marketplace. For more information, contact: Earth Technologies Forum; tel: +1-703-807-4052; fax: +1-703-528-1734; e-mail: info@earthforum.com; Internet: <http://www.earthforum.com>

SIXTH SESSION OF THE POPS INTERGOVERNMENTAL NEGOTIATING COMMITTEE:

The sixth session of the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for Implementing International Action on Certain Persistent Organic Pollutants is tentatively scheduled for 17-22 June 2002, in Geneva. For more information contact: UNEP Chemicals; tel: +41-22-979-9183; fax: +41-22-797-3460; e-mail: pops@unep.ch; Internet: <http://irptc.unep.ch/pops/>

22ND MEETING OF THE OPEN-ENDED WORKING

GROUP: OEWG-22 is tentatively scheduled to take place in July 2002 in Geneva. For more information, contact: Ozone Secretariat; tel: +254-2-62-1234; fax: +254-2-62-3601; e-mail: ozoneinfo@unep.org; Internet: <http://www.unep.org/ozone/>

WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT:

The World Summit on Sustainable Development will take place in Johannesburg, South Africa, from 2-11 September 2002. For more information, contact: Andrey Vasilyev, DESA, New York; tel: +1-212-963-5949; e-mail: vasilyev@un.org; Major groups contact: Zehra Aydin-Sipos, DESA; tel: +1-212-963-8811; e-mail: aydin@un.org; Internet: <http://www.johannesburgsummit.org/>

FOURTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL AND SIXTH CONFERENCE OF THE PARTIES TO THE VIENNA CONVENTION:

MOP-14/COP-6 is scheduled to take place in Nairobi from 25-29 November 2002. For more information, contact: Ozone Secretariat; tel: +254-2-62-1234; fax: +254-2-62-3601 or 62-3913; e-mail: ozoneinfo@unep.org; Internet: <http://www.unep.org/ozone/>