



## SUMMARY OF THE FOURTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL AND THE SIXTH CONFERENCE OF THE PARTIES TO THE VIENNA CONVENTION: 25-29 NOVEMBER 2002

The 14th Meeting of the Parties (MOP-14) to the Montreal Protocol on Substances that Deplete the Ozone Layer and the 6th Conference of the Parties (COP-6) to the Vienna Convention for the Protection of the Ozone Layer convened in Rome, Italy, from 25-29 November 2002. The joint meeting was attended by 612 participants from 148 countries, plus representatives from UN agencies, intergovernmental organizations, and non-governmental organizations (NGOs).

A preparatory segment was held from 25-27 November, resuming in the afternoon of 28 November to complete outstanding business. A high-level segment convened from 28-29 November. MOP-14/COP-6 adopted 46 decisions, a larger number than ever before, covering: the Multilateral Fund replenishment and its fixed-exchange-rate mechanism (FERM); compliance issues; illegal trade; transition from chlorofluorocarbons (CFC) for metered-dose inhalers (MDIs); the relationship with the climate change regime; and interaction with the World Trade Organization (WTO).

MOP-14/COP-6 enjoyed the highest levels of attendance, including by ministers, since MOP-11, with many delegates flying in especially for discussions on the Multilateral Fund and scientific research under the Vienna Convention. MOP-14/COP-6 faced a heavy agenda and, unusually for an ozone meeting, needed a night session to complete its business. The key task facing MOP-14/COP-6 was undoubtedly the replenishment of the Multilateral Fund, with most participants pronouncing themselves satisfied with the level agreed. However, delegates also had to address a number of issues that may have a strong effect on the future effectiveness of the ozone regime and could undermine the regime's achievements, including the methyl bromide phase-out, illegal trade in ozone depleting substances (ODS), compliance procedures, the destruction of ODS, and synergies between ozone depletion and climate change.

## 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 these substances into the atmosphere could deplete the ozone layer, thus hindering its ability to prevent harmful ultraviolet (UV) rays from reaching the Earth. This would adversely affect ocean ecosystems, agricultural productivity and animal populations, as well as harm humans through 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 in March 1977 that adopted a World Plan of Action on the Ozone Layer and established a Coordinating Committee to guide future international action.

**VIENNA CONVENTION:** In May 1981, the UNEP Governing Council launched negotiations on an international agreement to protect the ozone layer and, in March 1985, the Vienna Convention for the Protection of the Ozone Layer was adopted. The Convention called for cooperation on monitoring, research and data exchange, but did not impose obligations to reduce the use of ozone-depleting substances. To date, the Convention has 185 Parties.

**MONTREAL PROTOCOL:** Efforts to negotiate binding obligations on ODS continued, leading to the adoption of the Montreal Protocol on Substances that Deplete the Ozone Layer, in

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September 1987. The Montreal Protocol introduced control measures for some CFCs and halons for developed countries (non-Article 5 Parties). Developing countries (Article 5 Parties) were granted a grace period allowing them to increase their use of these ODS before taking on commitments. To date, the Protocol has 184 Parties.

Since 1987, several amendments and adjustments to the Protocol have been agreed, with amendments adding new obligations and additional ODS, and adjustments tightening existing control schedules. Amendments require ratification by a defined number of Parties before entering into force, while adjustments enter into force automatically.

**LONDON AMENDMENT AND ADJUSTMENTS:** Delegates to MOP-2, which took place in London in 1990, tightened control schedules and agreed to add ten more CFCs to the list of ODS, as well as carbon tetrachloride (CTC) and methyl chloroform. To date, 164 Parties have ratified the London Amendment.

In addition, MOP-2 established the Multilateral Fund for the Implementation of the Montreal Protocol. The Fund meets the incremental costs of developing country implementation of the Protocol's control measures and finances clearing-house functions, including technical assistance, information, training and costs of the Fund Secretariat. The Fund is replenished every three years, and has disbursed over US\$1.3 billion since its establishment.

**COPENHAGEN AMENDMENT AND ADJUSTMENTS:** At MOP-4, held in Copenhagen in 1992, delegates tightened existing control schedules and added controls on methyl bromide, hydrobromofluorocarbons (HBFCs) and consumption of hydrochlorofluorocarbons (HCFCs). MOP-4 also agreed to enact non-compliance procedures, including the establishment of an Implementation Committee. The Implementation Committee examines cases of possible non-compliance by Parties and the circumstances surrounding these, and makes recommendations to the MOP aimed at bringing about full compliance. To date, 142 Parties have ratified the Copenhagen Amendment.

**MONTREAL AMENDMENT AND ADJUSTMENTS:** At MOP-9, held in Montreal in 1997, in addition to further tightening the existing control schedules, delegates agreed to a new licensing system for the import and export of ODS. They also agreed to a ban on trade in methyl bromide with non-Parties to the Copenhagen Amendment. To date, 84 Parties have ratified the Montreal Amendment.

**BEIJING AMENDMENT AND ADJUSTMENTS:** At MOP-11, held in Beijing in 1999 together with COP-5 to the Vienna Convention, delegates agreed to controls on HCFC production and bromochloromethane (BCM), and to reporting on methyl bromide for quarantine and pre-shipment (QPS) applications. To date, 41 Parties have ratified the Beijing Amendment. In addition, MOP-11 agreed to replenish the Multilateral Fund with US\$477.7 million for the triennium 2000-2002.

**MOP-12:** MOP-12 took place in Ouagadougou, Burkina Faso, from 11-14 December 2000. Delegates adopted decisions on: a correction to the Beijing Adjustments; measures to facilitate the transition from CFC-based MDIs; monitoring of international trade and prevention of illegal trade in ODS; and other issues. MOP-12 also 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, and harmonize customs codes.

**MOP-13:** MOP-13 took place in Colombo, Sri Lanka, from 16-19 October 2001. MOP-13 adopted decisions on: the terms of reference for a study by the Technology and Economic Assessment Panel (TEAP) on the 2003-2005 replenishment of the Multilateral

Fund; a review of the Multilateral Fund's FERM; Parties' compliance; procedures for assessing the ozone-depleting potential (ODP) of new substances; CFC production for MDIs; monitoring of international trade and prevention of illegal trade in ODS; the budget of the Trust Fund; and other issues. MOP-13 also adopted the Colombo Declaration, which encourages Parties to, *inter alia*: apply due care in using substances that may have ODP; and determine and use available, accessible and affordable alternatives and technologies that minimize environmental harm while protecting the ozone layer.

**CURRENT ODS CONTROL SCHEDULES:** Regarding the ODS control schedules resulting from the various amendments/adjustments to the Montreal Protocol: developed countries were required to phase out: halons by 1994; CFCs, CTC, methyl chloroform and HBFCs by 1996; and BCM by 2002. They must still phase out: methyl bromide by 2005 and consumption of HCFCs by 2030 (with interim targets up to those dates). Production of HCFCs must be stabilized by 2004.

Developing countries were required to phase out HBFCs by 1996 and BCM by 2002. They must still phase out: CFCs, halons and CTC by 2010; methyl chloroform and methyl bromide by 2015; and consumption of HCFCs by 2040 (with interim targets up to those dates). Production of HCFCs must be stabilized by 2016.

## REPORT OF MOP-14/COP-6

### PREPARATORY SEGMENT

Preparatory segment Co-Chair Milton Catelin (Australia) opened the meeting on Monday morning, 25 November. The Director General of the Italian Ministry of the Environment and Territory, Corrado Clini, emphasized the importance of concentrating on ODS phase-out in developing countries, the development of technology for the destruction of ODS and combating illegal trade. Highlighting that the World Summit for Sustainable Development (WSSD) had favored partnerships to deal with sustainable development, he noted the Multilateral Fund as a concrete and effective partnership that should serve as a reference for other organizations.

Marco González, Executive Secretary of the Ozone Secretariat, welcomed delegates on behalf of UNEP Executive Director Klaus Töpfer. After highlighting a number of priority agenda items, González stressed the importance of coordination with other international bodies, including the WTO, UNEP, the United Nations Framework Convention on Climate Change (UNFCCC), and the Basel Convention on the Control of Transboundary Movements of Hazardous Waste.

Co-Chair Catelin introduced the provisional agenda (UNEP/OzL.Conv.6/1-UNEP/OzL.Pro.14/1) and reported a request from South Africa to withdraw item 6 on methyl bromide phase-out in South Africa. Regarding issues under "Other matters," the US proposed addressing the interaction between the Implementation Committee and the Multilateral Fund Executive Committee. Colombia, with Canada and China, suggested discussing the relationship between the Montreal Protocol and the WTO, while the Dominican Republic requested consideration of critical-use exemptions for methyl bromide for non-Article 5 Parties. Kenya proposed addressing modalities and procedures for critical-use exemptions for methyl bromide by Article 5 Parties, and the European Community (EC) suggested discussion of expedited procedures for adding new ODS to the Protocol, and ODS recovery. Cuba called for consideration of policies for the refrigeration service sector and chiller end use. Argentina, with Congo, highlighted the need to discuss research funding under the Vienna Convention. The agenda was adopted with these modifications.



During the preparatory segment, delegates engaged in discussions in plenary meetings, contact groups and bilateral consultations. They approved draft decisions, which were forwarded to the high-level segment for adoption. Items that were not completed during the preparatory segment, including the Multilateral Fund replenishment, the FERM, and issues relating to methyl bromide were referred to the high-level segment for further consideration. The discussions of the negotiations and summary of the decisions can be found below.

### HIGH-LEVEL SEGMENT

Enrico Gasbarra, Deputy Mayor of Rome, opened the high-level segment on Thursday, 28 November. He welcomed delegates and underscored Rome's contribution to the environment in the international arena.

Fabio Fajardo Moros (Cuba), COP-5 President, noted that the success of the ozone regime shows the effectiveness of political will and underscored the importance of seeking synergies with the UNFCCC.

Rukman Senanayake, MOP-13 Vice-President, lauded the successful implementation of the Montreal Protocol but drew attention to challenges for the next decade.

Shafqat Kakakhel, UNEP Deputy Executive Director, stressed that ozone protection is far from accomplished and that failure to comply with the Montreal Protocol could jeopardize the ozone layer's recovery. He called on developed countries to provide support to enable developing countries to fulfill their commitments.

Altero Matteoli, Italian Minister of the Environment and Territory, welcomed participants and said that the Montreal Protocol and its Multilateral Fund are models of cooperation and partnership. He noted Italy's significant role in introducing sound technology in refrigeration and plastics. Stephen Andersen (TEAP Co-Chair) and K. Madhava Sarma (former Executive Secretary of the Ozone Secretariat) presented Matteoli with the book "Protection of the Ozone Layer: The United Nations History."

Delegates then elected members of the COP-6 Bureau: Paul Horwitz (US) as COP-6 President; Victor Yameogo (Burkina Faso), Shajahan Siraj (Bangladesh) and Jiri Hlaváček (Czech Republic) as Vice-Presidents; and Javier Camargo (Colombia) as Rapporteur. Concerning the MOP-14 Bureau, delegates elected Rukman Senanayake (Sri Lanka) as MOP-14 President; Mikheil Tushishvili (Georgia), Jorge Salazar Cardenal (Nicaragua) and Giuliana Gasparrini (Italy) as Vice-Presidents; and Margaret Sangarwe (Zimbabwe) as Rapporteur.

**ASSESSMENT PANEL REPORTS: Scientific Assessment Panel (SAP):** Dan Albritton, SAP Co-Chair, presented highlights of the 2002 scientific assessment of ozone depletion. He explained that, *inter alia*, total chlorine abundance in the stratosphere is at or near a peak, and the 2002 assessment outlines a scientific approach for estimating the impacts of very short-lived ODS.

**Environmental Effects Assessment Panel (EEAP):** Jan van der Leun, EEAP Co-Chair, introduced the 2002 assessment report on the environmental effects of ozone depletion and its interactions with climate change. He explained that ozone depletion and climate change influence each other and may have synergistic impacts on health, terrestrial and aquatic ecosystems, biogeochemical cycles and air quality.

**Technology and Economic Assessment Panel (TEAP):** José Pons Pons, TEAP Co-Chair, presented the 2002 TEAP progress report. He said small quantities of ODS may be necessary to maintain air quality in emergency vehicles in contaminated areas and there are sufficient ODS for such specialized uses.

Lambert Kuijpers, TEAP Co-Chair, discussed the collection, recovery and storage of ODS. He explained, *inter alia*, that: aerosol products, MDIs and solvents are nearly completely emissive applications with only negligible amounts of recoverable ODS; methyl bromide applications are mainly emissive but some can be recovered from closed systems; and foams, refrigeration and fire protection are delayed emission applications with large recoverable ODS inventories.

Jonathan Banks, TEAP, outlined the work of the TEAP task force on ODS destruction technology, foam and methyl bromide. He noted that: the task force evaluated 45, and recommended 12 ODS destruction technologies; the technical acceptability of hydrocarbons in foams has increased with new technologies and safety practices; the availability of low-priced CFC-11 hinders phase-out in Article 5 Parties; and substantial progress has been made in the development and trial of alternatives to methyl bromide.

Radhey Agarwal, TEAP, said R-210A is the dominant replacement for HCFC-22 in air conditioning units, and noted that for mobile air conditioners, hydrofluorocarbon (HFC)-134A systems are becoming less emissive.

**IMPLEMENTING AGENCY REPORTS:** The United Nations Development Programme (UNDP) highlighted that its Montreal Protocol Unit is working in collaboration with a number of Article 5 Parties on the implementation of 16 total phase-out programmes covering all sectors.

UNEP highlighted its role in assisting Article 5 Parties in complying with the Montreal Protocol's commitments by implementing non-investment activities, including capacity building, training, and policy design. He remarked that UNEP has developed partnerships with the public and private sectors, other UN agencies, NGOs and the secretariats of related conventions to tackle ozone depletion.

The United Nations Industrial Development Organization (UNIDO) underscored that it has assisted ODS phase-out through projects in several Article 5 countries. He remarked that Multilateral Fund replenishment would ensure that the implementing agencies are able to assist Parties to comply with their Montreal Protocol commitments.

The World Bank highlighted its role in implementing ODS phase-out projects. Noting the WSSD's outcomes, he underscored that the success of the Montreal Protocol depends largely on the Multilateral Fund.

**MULTILATERAL FUND REPORT:** Oladapo Afolabi (Nigeria), Multilateral Fund Executive Committee Chair, presented the Executive Committee's report. Highlighting the Committee's achievements, he emphasized that despite the Montreal Protocol's success it is crucial to continue monitoring the compliance of Article 5 Parties and providing assistance when needed.

**DELEGATION STATEMENTS:** During the two-day high-level segment, delegates heard 44 statements from ministers and other high-level officials.

Many delegations, including Brazil, China, Costa Rica, Denmark on behalf of the EU, Egypt, Jordan, Kenya, Mauritius, Nigeria, Republic of Korea, Syria, Tanzania, Togo, Tunisia, Uruguay, Venezuela and Zimbabwe, emphasized the importance of the Multilateral Fund replenishment at appropriate levels to assist Article 5 Parties in complying with the Montreal Protocol's targets. The US supported the high end of the TEAP's funding estimate for the Multilateral Fund replenishment.

Costa Rica, Iran, South Africa and Tanzania stressed the importance of combating illegal trade in ODS, while Burkina Faso, China, Indonesia, and Venezuela highlighted the need for international technical and financial cooperation in this effort.





Several Parties, including Costa Rica, Japan, Norway, Republic of Korea, South Africa, Syria, Thailand and Tunisia, underscored the importance of the WSSD outcomes related to the Montreal Protocol. The EU highlighted agreement at the WSSD to assist developing countries to comply with the Montreal Protocol's targets. Mauritius said that increasing developing countries' debt was inconsistent with the WSSD Plan of Implementation. The EU, Iran, Norway, Poland, Republic of Korea, Thailand and Zimbabwe highlighted synergies between the Montreal Protocol and the UNFCCC.

Bangladesh noted projects undertaken with assistance from the Multilateral Fund on aerosol sector phase-out and service technician training and stressed the need to pay due attention to global warming. Armenia announced that it would soon ratify the Montreal Protocol's amendments. China reported that it has initiated ratification of the Copenhagen amendment.

Japan called on the international community to provide financial and technical assistance and, with Indonesia, stressed the growing need to build cooperation among Parties and stakeholders. Slovakia noted its contribution to the Multilateral Fund and said that the Fund's replenishment should take into account the capability of donors. Uganda advocated increasing funding for technology transfer and stressed the importance of non-investment ODS projects. Estonia underscored the importance of enhancing compliance, the licensing system for ODS import/export and data reporting. Egypt described its achievements in reducing ODS use in industry and agriculture.

Sierra Leone noted its emergence from years of civil conflict, stressing the difficulty of quantifying its ODS in light of illegal trade in ODS, and asked for assistance in achieving full compliance. Rwanda noted its first participation in the high-level segment and drew attention to the need for the Ozone Secretariat to increase assistance for new Parties. Bosnia and Herzegovina, also noting its first participation in a high-level segment, stated that given its special circumstances it could "hardly accept" non-compliance status in the Implementation Committee report.

Costa Rica noted challenges to ODS phase-out such as the lack of access to CFC-free technologies. Israel cited its substantial research and development on alternatives to methyl bromide. South Africa highlighted the need to identify viable alternatives to methyl bromide and appealed to Parties for a review of the conditions imposed upon it, which limit its access to the Multilateral Fund. Togo emphasized the need for monitoring stations in developing countries and these Parties' access to new technologies.

Sudan noted that the ozone treaties are successful examples of international agreements based on a precautionary approach and common but differentiated responsibilities. Uzbekistan detailed ongoing efforts to fulfill its commitments, including training customs officials and taking part in an ozone research and monitoring network. India proposed to open a special funding window within the Multilateral Fund with different cost efficiency thresholds for small and medium businesses in all sectors for the next triennium. Kenya asked for procedures and modalities to be established for Article 5 Parties' critical-use exemptions of methyl bromide. The EC noted the political importance of combating illegal trade, and highlighted the role of the regional networks managed by UNEP/Division of Technology, Industry and Economics (DTIE). Congo stressed that it has ratified all amendments, reported on training of refrigeration technicians and customs officers, and requested funding for an ozone-monitoring station.

Tanzania underscored that cooperation between developing and developed countries should observe the principle of common but differentiated responsibilities, and Cambodia noted the importance of this principle when establishing time-bound obligations for Parties. Congo remarked that despite difficulties related to war it is developing activities to implement the Montreal Protocol, including raising public awareness and elaborating draft environmental legislation. Namibia highlighted the efforts of its Ozone Office to promote education and public awareness on the effects of ozone depletion.

The Russian Federation said it is developing regulations to encourage ODS phase-out and introducing changes in national law and taxation to reduce residual ODS consumption. Pakistan highlighted the importance of new technology in phasing out ODS. Brazil hoped that the replenishment of the Multilateral Fund would allow assistance to all Article 5 Parties, ensuring their full compliance. Malawi stressed the importance of institutional strengthening and training to implement and monitor ODS phase-out projects.

Highlighting difficulties for low-volume consuming countries in complying with Montreal Protocol's obligations, the Maldives proposed creating a "low-low-volume consuming countries" category. Romania noted that it is undertaking measures to phase out ODS ahead of targets. Noting ozone depletion's threat to health and the environment, Panama said it is seeking partnerships in carrying out research on skin cancer and identifying mechanisms to increase public availability of solar protection devices. Mexico noted a decrease in its CFC consumption and the closure of CFC-producing plants.

The Environmental Investigation Agency expressed disappointment with the decision on illegal trade and concern about the EU's on-going production of ODS.

#### **MOP-14/COP-6 DECISIONS**

On Friday, delegates to the high-level segment adopted 46 decisions. Unless otherwise stated, these decisions are contained in documents UNEP/OzL.Pro.14/- UNEP/OzL.Conv.6/ L.1 and L.1/ Corr.1, Add.1 and Add.1/Corr.1, and Add.2.

**VIENNA CONVENTION RESEARCH:** On Monday, COP-5 President Fajardo Moros introduced the funding situation regarding ozone-related monitoring activities in developing countries. Argentina, with the Czech Republic, stressed the importance of research activities, as included in the WSSD Plan of Implementation. Costa Rica, the EU and others noted that financial support for ozone monitoring is necessary to evaluate the Montreal Protocol's effectiveness. Argentina supported use of the Vienna Convention Trust Fund to finance these activities. Canada stated that any use of Vienna Convention Trust Fund surpluses should be for specific projects with specific time frames.

The EU emphasized the need for improved understanding of the relationship between ozone loss and climate change. The Czech Republic announced plans to contribute US\$30,000-US\$50,000 to a three-year support and training programme. Bolivia, Colombia, Congo, Georgia and Kenya requested support for their national monitoring efforts.

The World Meteorological Organization (WMO) presented a proposal for ozone and ultraviolet (UV) measurement over a five-year period, including: ground-based column ozone calibration; UV instrument calibration; instrument repair and upgrading; operator training; and creation of new ozonesonde stations in developing countries. He emphasized the pressing need for calibration, notably in 17 developing countries for 2003-2004, and highlighted the limited funding available for monitoring and calibrating even in developed countries.



The Ozone Secretariat noted that the current terms of reference for the Vienna Convention Trust Fund would not allow allocation of funds for the WMO proposal. Switzerland suggested establishing a special initiative within the Trust Fund and Japan said the Ozone Secretariat could be mandated to manage such work.

A contact group, chaired by Argentina, met to continue discussions and on Wednesday Argentina introduced a draft decision establishing a new voluntary fund. After protracted debate regarding the details of the new fund's management and operation, Parties agreed to forward the draft decision to the high-level segment for adoption.

**Final Decision:** This decision requests UNEP, in consultation with the WMO, to establish an extrabudgetary fund for receiving voluntary contributions to finance activities on research and systematic observations in developing countries and countries with economies in transition. It notes that the primary aim of the fund should be to provide complementary support for the continued maintenance and calibration of the existing WMO Global Atmospheric Watch ground-based stations for ozone monitoring to address balanced global coverage, and requests the WMO and UNEP to draw attention to opportunities for meeting common objectives among conventions, in particular the UNFCCC. The institutional arrangements for the operation of the Fund will be reviewed at COP-7.

**REPLENISHMENT OF THE MULTILATERAL FUND:** On Monday, the TEAP presented the "Supplementary Report on the 2003-2005 Multilateral Fund Replenishment," which addresses additional information requested by the *Ad Hoc* Working Group on Replenishment at OEWG-22. He noted that the Supplementary Report changes several components used to calculate the total funding requirement. The TEAP estimates the total funding requirement for 2003-2005 to be between US\$530.5-US\$568.7 million.

Venezuela, on behalf of the G-77/China, and supported by numerous Article 5 Parties, noted the importance of adequate funding for the next triennium, when Article 5 Parties must meet significant ODS targets, and called for a US\$924.6 million replenishment of the Multilateral Fund. Canada, on behalf of the "Like-minded Group," with several non-Article 5 Parties, supported the TEAP's report as a good basis for discussion.

The EU noted that the latest Executive Committee decisions, especially on CTC and methyl bromide, would assist assessing required funding levels. Iran, supported by India, highlighted the need to avoid undesirable effects on small and family-based enterprises. Brazil noted concerns related to data, new Parties' requests for financial assistance, and reclassification of countries. Greenpeace urged delegates to support the funding level proposed by Article 5 Parties, and asked these Parties to choose technologies that do not contribute to ozone depletion.

A contact group co-chaired by Finland and Nigeria was established to continue discussions. Members of the contact group included Botswana, Brazil, China, Colombia, the Dominican Republic, Indonesia, Iran, Mauritius and Venezuela for Article 5 Parties; and Canada, France, Germany, Italy, Japan, Netherlands, Poland, UK and US for non-Article 5 Parties. The contact group met throughout the week, breaking into a smaller group when necessary.

On Friday evening, Nigeria reported agreement on the replenishment draft decision (UNEP/OzL.Pro.14/CRP.17) and COP-6 President Horwitz highlighted it was the largest ever. Austria put on record that, while it is willing to comply with the replenishment, it cannot secure full and timely payment. Germany asked that it be recorded that its consent is contingent on the approval of the

German Parliament Budget Committee and hoped it would be able to obtain approval by the end of the year. Syria urged donors to make timely payment in accordance with the decision.

**Final Decision:** The decision adopts a budget for the Multilateral Fund for 2003-2005 of US\$573 million, of which: US\$76 million comes from unallocated funds for 2000-2002; US\$23 million from interest accruing to the Fund and other sources during 2003-2005; and US\$474 million from the scale of contributions from Parties for the triennium. The decision also notes that outstanding contributions from some Parties with economies in transition for 2000-2002 amount to over US\$10.5 million, and calls on the Executive Committee to ensure that, as far as possible, the whole 2003-2005 budget is committed.

**FIXED-EXCHANGE-RATE MECHANISM:** On Tuesday, Omar El-Arini, Chief Officer of the Multilateral Fund Secretariat, presented an update to the final report on the FERM for payment of contributions to the Multilateral Fund, which was introduced for a trial period during the current triennium. Anthony Brough, consultant to the Fund Secretariat, outlined the update's findings. He noted that, despite a recent reversal of the general decline of currencies against the US dollar for much of the triennium, projected losses from the FERM would still amount to US\$17.7 million. He highlighted, however, that this had not hindered allocation of funds by the Multilateral Fund. Brough reported a lack of conclusive evidence on the FERM's overall impacts, remarking that, while it has administrative advantages for contributors and thus promotes timely payment, it introduces uncertainty for the Fund Secretariat. Noting the variety of contribution systems that exist in the international arena, he said three years is insufficient to evaluate the FERM's impacts.

Australia, Canada, the Czech Republic, the EU, New Zealand and Norway supported the continuation of the FERM. Australia, the Czech Republic and Norway proposed calculation of the dollar exchange rate as the average over the six months prior to the MOP before the end of the triennium. The US called for averaging over a longer period. The EU, opposed by the US, suggested Parties consider using the Euro as the contributing currency. Japan expressed concern at the losses resulting from the FERM. Brazil highlighted the FERM's mixed results and called for consideration of how to compensate for losses if the trial period is extended. Noting lack of consensus, Co-Chair Catelin urged interested Parties to continue discussions bilaterally.

On Friday evening, the EU reported agreement on a decision on the issue (UNEP/OzL.Pro.14/CRP.8/Rev.2).

**Final Decision:** The decision directs the Treasurer to extend the FERM for a further trial period of three years and states that Parties choosing to pay in national currencies will calculate their contributions based on an average UN exchange rate for the 12 months preceding the replenishment period. The decision establishes that no Party should change its contributing currency during the triennium, and only Parties with inflation rate fluctuations of under 10% for the preceding triennium are eligible for the FERM.

**COMPLIANCE ISSUES:** On Wednesday, Implementation Committee President Mahfuzul Haque (Bangladesh) introduced the draft recommendations on compliance issues agreed at the Committee's 29th meeting, held immediately prior to MOP-14/COP-6.

The Maldives said it had written to the Ozone Secretariat explaining the reasons for its non-compliance and stating that it would cease ODS imports for the next two years in order to return to compliance. The Ozone Secretariat noted that this information had been taken into account in the Implementation Committee's recommendation. The US queried why the Maldives had not



attended the Implementation Committee meeting. In response to the Ozone Secretariat's comment that Parties are only invited to attend Committee meetings in complex cases, the US proposed that all Parties under consideration should be invited to present their cases.

Confirming its commitment to fulfilling its treaty obligations, Libya stated that the implementation of its national programme had been delayed until 1999 due to the opposition of "some countries" as a result of UN sanctions. Bosnia and Herzegovina said it had written to the Ozone Secretariat explaining that its baseline was artificially low as it covered a period of war when ODS production ceased, and requesting a baseline of 2001. Remarking that it had already provided information to the Implementation Committee to support its requested baseline data change, Yemen asked why further information had been requested. Implementation Committee President Haque stressed that the Committee exercises caution when considering proposed baseline data changes. The UK emphasized that the Implementation Committee's recommendations are only as sound as the information available to it.

On Thursday, Implementation Committee President Haque introduced a corrigendum to the Implementation Committee's recommendations and apologized to the Ukraine for the error of including the country's name in the list of non-compliant Parties. Co-Chair Catelin noted a reservation by the Maldives regarding its compliance status and the country's request to include a note in the report adding that it had submitted a plan of action, including a licensing system, an ODS import quota system and controls on existing stocks of CFCs. The draft decisions were forwarded to the high-level segment for adoption.

On Friday, COP-6 President Horwitz expressed regret at the large number of non-compliance decisions, but highlighted that many Parties appear to now be returning to compliance.

**Final Decisions:** MOP-14 adopted 24 decisions on compliance.

**Data Reporting:** The four decisions on data reporting note that: 49 out of 180 Parties have not reported required data for 2001; 13 Article 5 Parties, many of which have only recently ratified the Montreal Protocol, have not reported any data; a number of Article 5 Parties have not reported required data for one or more base years or to establish their baselines; and the Protocol allows Parties to submit best estimates where actual data is not available.

**Potential Non-compliance:** This decision notes that Guatemala, Malta, Pakistan and Papua New Guinea have failed to report data for the 2000/2001 control period, and have reported excess annual emissions for either 2000 or 2001. In the absence of further clarification, these Parties are presumed to be in non-compliance. The decision states that these Parties should continue to receive international assistance to help meet their commitments, 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 under the non-compliance procedure (suspension of rights and privileges under the Protocol), including the possibility of actions available under Article 4 (control of trade with non-Parties) (hereafter referred to as "other measures").

**Non-compliance by Albania, the Bahamas, Bolivia, Bosnia and Herzegovina, Libya, the Maldives, Namibia, Nepal, and Saint Vincent and the Grenadines:** These decisions note that Albania, the Bahamas, Bolivia, Bosnia and Herzegovina, Libya, the Maldives, Namibia, Nepal, and Saint Vincent and the Grenadines are in non-compliance with their CFC obligations for 2000/2001 and request the nine Parties to submit a plan of action to the Implementation Committee, which may include import controls on ODS and ODS equipment. These Parties may continue to receive

international assistance, but if they fail to return to compliance in a timely manner, other measures will be considered. The decision on Albania notes that the Executive Committee has not yet approved its country programme, although it has approved funds to facilitate compliance.

**Requests for Changes in Baseline Data:** This decision accepts requests for baseline data changes from Belize, Bulgaria, Paraguay and Sri Lanka, noting that these countries have provided sufficient supporting information.

**Non-compliance by non-Article 5 Parties:** This decision notes that Belarus and Latvia have reported consumption data in 2000 above their control levels and strongly requests these Parties to provide explanatory information, as a matter of urgency, to be reviewed at the next meeting of the Implementation Committee.

**Non-compliance Cases Considered at MOP-13:** These decisions concern Parties who were the subject of MOP-13 decisions on their compliance status.

Regarding Bangladesh, the decision notes that it was also in non-compliance for 2000/2001, but is expected to return to compliance for 2001/2002.

Regarding Belize, Ethiopia and Nigeria, the decisions note that, while these countries are in non-compliance for 2000/2001, they have submitted plans of action, which should enable them to return to compliance by 2003. The decision notes the inclusion in these plans of action of benchmarks for reducing CFC consumption and, in the case of Belize and Nigeria, commitments regarding import/export licensing systems and bans on ODS-using equipment imports.

Regarding Cameroon, the decision states that it has not submitted a plan of action as requested by MOP-13, and is in non-compliance for 2000/2001. The decision calls on UNEP and UNIDO to report to the Implementation Committee on their projects underway in Cameroon, and stresses to the Government its Montreal Protocol obligations.

For all the above countries, the decisions note that Parties should continue to receive international assistance but that if they fail to return to compliance, Parties will consider other measures.

Regarding Armenia, the decision notes that it is in non-compliance for 2000 and has not yet ratified the London Amendment, which MOP-13 specified was a precondition for funding. The decision also notes that the Implementation Committee should review Armenia's situation after resolution of Armenia's request for reclassification as an Article 5 Party.

Regarding the Russian Federation, the decision notes with appreciation that its data confirms the complete phase-out of production and consumption of Annex A and B substances (CFCs, halons, CTC and methyl chloroform).

**Licensing Systems:** This decision notes that 59 Parties to the Montreal Amendment have established import/export licensing systems as required by that amendment, and that 56 non-Parties to the Montreal Amendment have also done so. The decision urges all remaining Parties to the Montreal Amendment to follow suit, and encourages non-Parties to the Amendment to also do so.

**ILLEGAL TRADE:** On Monday, the Ozone Secretariat recalled that draft decisions on monitoring of trade in ODS and preventing illegal trade in ODS had been developed at OEWG-22. A contact group, chaired by Poland, was established to continue discussions. Some Parties opposed undertaking a study on the labeling of used ODS and products containing ODS, and stressed the need to avoid language with funding implications. Parties highlighted the potential of UNEP regional networks and other networks for increased cooperation on illegal trade, and agreed to





request a report on the activities of regional networks on means of combating illegal trade. They could not agree, however, on the need for Parties to report joint efforts to the Ozone Secretariat.

On Wednesday, Poland introduced a revised draft decision. The EC, with Bosnia and Herzegovina, Canada, Japan and Norway, supported the decision, and many Parties stressed the importance of regional networks. Botswana, with China, Libya and Peru, highlighted the need for capacity building for Article 5 Parties in combating illegal trade. Japan noted, and Poland concurred, that concerns expressed by some Parties on the lack of capacity building were addressed by the references to regional networks, the training of customs officers and licensing system projects. Opposed by the US, China called for the Multilateral Fund Executive Committee to provide financial and technical assistance to Article 5 Parties in combating illegal trade. The Maldives, with Mauritius and the Russian Federation, expressed concern over the fate of ODS seized by customs officers. Burkina Faso proposed that the Ozone Secretariat be requested to explore options for reducing illegal trade with both governments and stakeholders. The Ozone Secretariat later submitted a revised draft decision but delegates could not agree on matters pertaining to the seizure of ODS and financial assistance through the Multilateral Fund.

Discussions resumed on Thursday, and Poland announced agreement on amendments to the draft decision. Delegates did not accept an additional proposal by the EC to specify that seized illegal imports should not be counted in a Party's consumption provided they are not exported for commercial purposes. Colombia proposed, and Parties agreed, to clarify that the encouragement to Parties to introduce "economic incentives" to promote ODS substitutes should "not impair international trade." The draft decision was forwarded to the high-level segment for adoption.

**Final Decision:** This decision encourages Parties to: consider means and continued efforts to monitor international transit trade; introduce economic incentives to promote the use of ODS substitutes that do not impair international trade; and make greater use of UNEP regional networks and other networks. It also:

- urges Parties to introduce the 1999 and any new World Customs Organization recommendations to their national customs classification;
- requests UNEP/DTIE to report to MOP-16 on activities of regional networks with regard to combating illegal trade;
- invites Parties to report to the Ozone Secretariat fully proven cases of illegal trade in ODS;
- provides for illegally-traded quantities not to be counted against the Parties' consumption provided the Party does not place these on its own market; and
- requests the Executive Committee to continue to provide financial and technical assistance to Article 5 Parties on this issue.

**METERED-DOSE INHALERS:** On Wednesday, the EC introduced a draft decision on a global database and assessment to complete the transition from CFC to CFC-free MDIs. Cuba, with China and Syria, called for ensuring and accelerating transfer of CFC-free MDI technologies to Article 5 Parties. China, supported by the Russian Federation, noted that Article 5 Parties have not gained sufficient support from the Multilateral Fund on this issue, and called on non-Article 5 Parties to provide adequate information to Article 5 Parties. Many Parties expressed concern over the January 2003 deadline for submitting information on CFC and CFC-free MDIs. In response, the US suggested that Parties make a "best effort" to submit this information by February 2003 and

asked for data on any price disparity between CFC and CFC-free asthma and chronic obstructive pulmonary disease (COPD) treatments.

After a contact group meeting, the EC presented a revised draft decision and noted, *inter alia*, the addition of dry-powder inhalers (DPIs) and the request for Parties to submit "available" information on inhaler treatments for asthma and COPD. China made reservations and suggested further discussion. On Thursday, the EC reported that, following informal consultations, China's concerns had been assuaged and Parties agreed to forward the draft decision to the high-level segment for adoption.

**Final Decision:** This decision on a global database and assessment to determine appropriate measures to complete the transition from CFC MDIs requests each Party or regional economic integration organization to submit available information to the Ozone Secretariat by 28 February 2003, and annual updates thereafter on:

- CFC and CFC-free MDIs and DPIs sold or distributed within the Party;
- CFC and CFC-free MDIs and DPIs produced within the Party for export to other Parties; and
- CFC-free MDIs and DPIs approved, authorized for marketing or launched in the Party's territory.

The TEAP is requested to take into account that information, with other available information, in its annual assessment, and Parties are requested to pay due consideration to this information when reviewing their national transition strategies.

#### RELATIONSHIP WITH THE CLIMATE CHANGE

**REGIME:** On Monday, the Ozone Secretariat introduced the decision by UNFCCC COP-8 on the relationship between efforts to protect the ozone layer and the global climate system. Australia, with Colombia, expressed disappointment with the COP-8 decision, but stated that she would not oppose it if given further information on its financial implications. Argentina supported linking the two Conventions, while Japan recommended preparing a report containing factual analysis and policy elements.

On Wednesday, the EU and Norway introduced a draft decision on the issue. The US, supported by Australia and the Russian Federation, opposed "consideration" by the OEWG of the joint TEAP/Intergovernmental Panel on Climate Change (IPCC) report requested by the UNFCCC COP-8 decision. Switzerland disagreed, stressing the usefulness of having the OEWG consider corollary issues between ozone protection and climate change, including HFC use. Stressing that the Montreal Protocol has no purview over HFCs and perfluorocarbons, the US, opposed by the EU, asked to delete a request to "submit" the report to the OEWG.

Highlighting that the Multilateral Fund supports HFC projects, Greenpeace stressed that Parties, especially developing countries, should be keenly interested in the results of the TEAP/IPCC report.

After further consultations and procedural debate, the EU reported that agreement had been reached on amendments to the draft decision, and it was forwarded to the Plenary for adoption.

**Final Decision:** The final decision requests the TEAP to work with the IPCC in preparing the report requested by UNFCCC COP-8 and to address all areas in one single integrated report to be finalized by early 2005. The decision states that the report should be completed in time to be submitted simultaneously to the UNFCCC's Subsidiary Body for Scientific and Technological Advice and to the OEWG for consideration in so far as it relates to actions to address ozone depletion.

**RELATIONSHIP WITH THE WORLD TRADE ORGANIZATION:** On Thursday, Colombia introduced a draft decision on interaction with the WTO. Several Parties expressed support for the draft decision. Delegates debated whether the Ozone Secre-



Secretariat should consult with Multilateral Fund Executive Committee members and/or Montreal Protocol Parties before responding to any WTO requests to provide expert advice on the Montreal Protocol's trade provisions. Several Parties noted that the MOP is the only body capable of interpreting the Protocol's trade provisions. The US, opposed by Switzerland, supported mandating the Ozone Secretariat to consult with Executive Committee members between MOP sessions in order to expedite responding to requests for advice. Argentina argued that the MOP should be consulted, despite the delay involved. Libya noted that the Ozone Secretariat could consult with Parties by requesting submissions, rather than waiting for a MOP. Delegates agreed to a US suggestion to mandate the Ozone Secretariat to provide general advice, but defer to the MOP for a deeper interpretation of the Protocol's trade-related provisions. Switzerland accepted the proposal, but noted for the record that it wishes to be systematically consulted on any matter concerning the relationship between the Montreal Protocol and the WTO. The draft decision was forwarded to the high-level segment for adoption. On adoption of the decision, the Ozone Secretariat reported that its application for observer status with the WTO is still pending.

**Final Decision:** This decision requests the Ozone Secretariat to:

- report to the Parties on any meetings it attends at the WTO and on any substantive contacts with the WTO Secretariat and its Committee Secretariats;
- monitor developments in the WTO Committee on Trade and Environment and report thereon to the Parties; and,
- in coordination with the Multilateral Fund Secretariat, consult with Parties and the Executive Committee before responding to requests from the WTO for general advice, and refer to the Parties if it is asked for interpretations of the Montreal Protocol's trade provisions.

#### **EXECUTIVE COMMITTEE/IMPLEMENTATION**

**COMMITTEE INTERACTION:** On Monday, the US introduced a draft decision on interaction between the Executive Committee and the Implementation Committee, noting problems faced by the Executive Committee when assessing funding projects where non-compliance by Article 5 Parties is implied. He said the Executive Committee's inclination is to refer any decision to the Implementation Committee or MOP, but stressed that this delays the Party's return to compliance.

The Dominican Republic expressed concern over criteria for determining whether a country is in compliance. Bosnia and Herzegovina, China, Mauritius and Uganda cited circumstances that lead countries to non-compliance, including administrative hurdles and inadequate financial support and capacity building, especially in low-volume consuming countries. China, with Mauritius, said countries under such circumstances should not be "abruptly" categorized as non-compliant and denied funding. Discussion continued in a contact group chaired by the US. On Wednesday, the US reported agreement on a revised draft decision, which was forwarded to the high-level segment for adoption.

**Final Decision:** This decision:

- requests the Executive Committee to include language in its relevant funding decisions clarifying that these are without prejudice either to a Party's duty to meet its Protocol obligations or to the operation of the non-compliance procedure;
- notes that the Implementation Committee may take into account information from the Executive Committee, but that the latter has no formal role in crafting Implementation Committee recommendations;
- notes that Implementation Committee action should not be

construed as directly requiring the Executive Committee to take any specific action regarding project funding; and

- notes that the two Committees are independent of each other, with the Multilateral Fund operating under the Parties' authority and the Implementation Committee reporting recommendations to the Parties for possible decision.

**GLOBALLY HARMONIZED SYSTEM:** On Wednesday, the EC introduced a draft decision on considering use of the UN Economic and Social Council's (ECOSOC) Globally Harmonized System (GHS) for the classification and labeling of chemicals that deplete the ozone layer. He noted that ODS are not currently included in the GHS. After informal consultations, delegates agreed to forward a revised draft decision to the high-level segment for adoption.

**Final Decision:** Noting that the GHS could provide valuable information concerning the safe handling of ODS in trade, the workplace and consumer products, this decision requests the Ozone Secretariat to contact the ECOSOC Subcommittee of Experts once ECOSOC has adopted the GHS and, if ODS are not included in its programme of work, to evaluate the possibilities for and feasibility of including ODS and report to OEWG-23.

**REFRIGERATION SERVICING AND CHILLERS:** On Wednesday, delegates considered a draft decision submitted by 20 Central and South American countries recommending that the Multilateral Fund finance investment projects in the refrigeration servicing and chiller sector. China, India, Iran, Syria and Tanzania supported the draft decision. Noting expert advice that electricity savings achieved by new chillers lead to short pay-back periods, the US said the Executive Committee had approved a small number of chiller projects on loan basis. He remarked that adopting a draft decision with funding implications would be premature as the Multilateral Fund Secretariat is exploring the sector's potential funding eligibility. China, with Cuba, highlighted this sector's importance for low-volume consuming countries. Discussions continued in a contact group.

On Thursday, Cuba presented a revised draft decision and proposed that the TEAP submit its report on the refrigeration service sector made up by chillers to OEWG-23 rather than to the Executive Committee. The draft decision was forwarded to the high-level segment for adoption.

**Final Decision:** This decision requests the TEAP to collect data and assess the portion of the refrigeration service sector made up by chillers, identify incentives and impediments to the transition to non-CFC equipment, and prepare a report to be considered by OEWG-23.

**ODS DESTRUCTION TECHNOLOGIES:** On Monday, Australia, supported by Canada and the EU, proposed to finalize its draft decision, submitted at OEWG-22, on the status of ODS destruction technologies. Japan queried whether the destruction and removal efficiencies stipulated in the draft decision represent mandatory obligations and are achievable. Emphasizing the issue's complexity, the TEAP stated that the efficiencies could be achieved in virtually all facilities if properly managed. A contact group, chaired by Australia, met on this issue.

On Wednesday, Australia introduced a draft decision. In addition to requesting the TEAP to update guidance on ensuring that ODS release is minimized during the operation of approved destruction technologies, China suggested that the TEAP also provide guidance on minimizing the environmental impact of such technologies. Japan expressed reservations to the draft decision, which were noted in the report. The draft decision was forwarded to the high-level segment.

**Final Decision:** This decision:





- approves several destruction technologies for CFCs, HCFCs and halons, in addition to those listed in previous MOP decisions;
- requests the TEAP to update, by OEWG-23, the Code of Good Housekeeping to provide guidance on minimizing ODS release and environmental impact during operation of the approved technologies; and
- calls for consideration at OEWG-24 of the need to review the status of destruction technologies in 2005, including their environmental and economic performance and their commercial viability.

**ESSENTIAL-USE EXEMPTIONS:** On Monday, Executive Secretary González noted that requested essential-use exemptions for 2003 and 2004, amounting to 6,000 and 5,000 tonnes, respectively, are significantly smaller than the 16,000 tonnes approved for 1996, and lauded non-Article 5 Parties' adoption of new technologies.

Poland and Uzbekistan noted that their submitted exemption nominations were not included in the list. Recalling MOP-11 decision XI/15, which eliminates certain uses from the global exemption for laboratory and analytical uses from 2002, Poland reported that non-ODS alternatives are not yet fully developed for those uses. He suggested, and the TEAP agreed, that his country therefore apply for an emergency-use exemption.

**Final Decision:** This decision grants essential-use exemptions for 2003 and 2004 for CFC-11, 12 and 114 to Australia, the EC, Japan, Poland, the Russian Federation, the Ukraine and the US.

**CLARIFICATION OF TERMINOLOGY:** On Monday, Poland noted discrepancies in the use of terminology in MOP decisions. With the US, he underscored the need to avoid future discrepancies and the problems involved in changing the meaning of certain terms in light of prior national ratification. Co-Chair Catelin requested Poland and the US to prepare a draft decision, which, on Wednesday, was forwarded to the high-level segment for adoption.

**Final Decision:** This decision states that the terms "recovered," "recycled" and "reclaimed" have been used inconsistently, and urges Parties to be precise in future decisions.

**APPLICATION FOR RECLASSIFICATION BY ARMENIA:** On Monday, Armenia, supported by Australia, Canada, the EU, the US and the Czech Republic on behalf of the Eastern European Group, requested reclassification as an Article 5 Party, emphasizing its small size and low Gross Domestic Product. The Ozone Secretariat confirmed that Armenia's CFC consumption is 0.01 kg per capita per year, which is below the threshold required for Article 5 Party classification. The US, supported by Australia, Canada and the EU, stated that Armenia should not have access to the Multilateral Fund until it ratifies the London Amendment. The draft decision was forwarded to the high-level segment for adoption.

**Final Decision:** This decision accepts Armenia's application to be listed as an Article 5 Party, on the understanding that it must ratify the London Amendment before the Multilateral Fund can render it any assistance.

**FINANCIAL STATEMENTS AND BUDGETS:** On Thursday, Jirí Hlaváček, Chair of the Budget Committee, introduced draft decisions on the Vienna Convention and Montreal Protocol Trust Funds. Noting savings in both Trust Funds, he highlighted that the draft decisions establish two new Ozone Secretariat posts, on communication and information, and on implementation. He also presented a document on the terms of reference for the administration of the Trust Funds, which, *inter alia*, notes changes

introduced by the UN General Assembly (UNGA) to the UN scale of contributions and invites Parties to consider their impacts on the two Trust Funds.

Brazil, with China, expressed reservations, and China noted that the changes should not automatically apply to special UN agencies and other international organizations. The draft decisions were forwarded to the high-level segment for adoption, with agreement that the expressed reservations would be noted in the report.

**Final Decisions:** On the Montreal Protocol Trust Fund, the decision approves a budget of US\$3,855,220 for 2003 and takes note of the proposed budget of US\$3,921,664 for 2004, both including a draw down from the Fund balance. The decision also states that unspent balances will be drawn upon in 2003, 2004 and 2005, while annually accruing interest income will be used in 2003 and 2004.

On the Vienna Convention Trust Fund, the decision approves a budget of US\$449,690 for 2003, US\$559,689 for 2004 and US\$1,233,169 for 2005; and takes note of the proposed budget of US\$556,299 for 2006, all including a draw down from the Fund balance. The 2001 unspent balance will also be drawn down in 2003 and 2005. In addition, the decisions amend the terms of reference of both Trust Funds to provide that no Party's contribution shall exceed 22% (rather than 25%) of the total of voluntary contributions, in accordance with the UNGA resolution contained in document A/RES/55/5/B-F.

**STATUS OF RATIFICATION:** On Monday, delegates agreed to forward a draft decision on the status of ratification of the Vienna Convention and the Montreal Protocol and its amendments to the high-level segment for adoption.

**Final Decision:** This decision notes with satisfaction the large number of Parties that have ratified the Convention and the Protocol. It further notes that, as of 28 November 2002: 164 Parties had ratified the London Amendment; 142 the Copenhagen Amendment; 84 the Montreal Amendment; and 41 the Beijing Amendment, which entered into force on 25 February 2002. The decision urges all Parties that have not yet done so to ratify the ozone treaties.

**IMPLEMENTATION COMMITTEE MEMBERSHIP:** On Friday, Parties adopted a decision confirming the membership of Australia, Bangladesh, Bulgaria, Ghana and Jamaica on the Implementation Committee for an additional year, and selected Honduras, Italy, Lithuania, the Maldives and Tunisia as new members for a two-year period beginning 1 January 2003. Australia was selected as President, and Jamaica as Vice-President and Rapporteur, of the Implementation Committee for one year effective 1 January 2003.

**EXECUTIVE COMMITTEE MEMBERSHIP:** On Friday, Parties adopted a decision confirming the selection of Austria, Belgium, Canada, France, Hungary, Japan and the US as non-Article 5 Party members of the Executive Committee, and of Bolivia, Burundi, El Salvador, India, Jordan, Mauritius and Saint Lucia as Article 5 Party members for one year effective 1 January 2003. Tadanori Inomata (Japan) will serve as Executive Committee Chair and Roberto Rivas (El Salvador) as Vice-Chair for one year beginning 1 January 2003.

**OEWG CO-CHAIRS:** On Friday, Parties adopted a decision endorsing the selection of Khaled Klaly (Syria) and Maria Nolan (UK) as OEWG Co-Chairs for 2003.

**DATES AND VENUES OF MOP-15 AND COP-7:** On Friday, delegates considered draft decisions on the dates and venues of MOP-15 and COP-7.



**Final Decision:** The decision on MOP-15 states it will be convened in Nairobi in 2003 on dates to be decided. Delegates agreed to add a provision noting that alternative arrangements may be made if any offers are received to host the meeting. COP-7 will be convened in 2005 in conjunction with MOP-17.

#### **ADDITIONAL MATTERS DISCUSSED AT MOP-14/COP-6**

**EXPEDITED PROCEDURES FOR NEW ODS:** On Wednesday, the EU said it would present a report on expedited procedures for new ODS in 2003.

**REVIEW OF THE NON-COMPLIANCE PROCEDURE:** On Tuesday, the US introduced a draft decision, submitted by Australia, the EU, New Zealand and the US, aimed at improving the operation of the Implementation Committee.

Canada and Japan supported the draft decision. Several Parties expressed support for certain elements, including inviting outgoing members to participate in the next Committee meeting, urging Committee members to attend all meetings, and requesting the Ozone Secretariat to address language difficulties, but opposed other elements, including extending members' possible length of service to three consecutive terms, hastening the timing of communications regarding compliance status between the Ozone Secretariat and Parties from three to one-and-a-half months, and urging Parties to submit statistical data within six, rather than nine, months.

The proponents underscored that the draft decision was a "package deal" and the proposal was withdrawn.

**METHYL BROMIDE CRITICAL-USE EXEMPTIONS:** There were two draft decisions relating to methyl bromide.

On Wednesday, the Dominican Republic introduced its draft decision requesting further information from the TEAP on the potential implications of critical-use exemptions on the sustainability of methyl bromide phase-out efforts in both Article 5 and non-Article 5 Parties, and calling on the TEAP to initiate dialogue with the WTO and other organizations on trade-related issues that may result from such exemptions. Noting that several Article 5 Parties are accelerating their methyl bromide phase-out while some non-Article 5 Parties are seeking critical-use exemptions for this ODS, he drew attention to competitiveness concerns. Brazil, Costa Rica, Peru and Switzerland supported the draft decision. Under-scoring that Parties agreed to the methyl bromide phase-out schedule based on the consideration of critical-use exemptions according to agreed criteria, the US stated it would be unfair to now set new criteria.

The Crop Protection Coalition urged Parties to examine the impact of methyl bromide phase-out on farming and international trade. Martinez Berry Farms called on Parties to avoid further methyl bromide restrictions until effective alternatives are found. Greenpeace urged Parties to ensure that the methyl bromide phase-out schedule is rigorously adhered to, and preferably accelerated, in both Article 5 and non-Article 5 Parties. He noted that if large methyl bromide users in developed countries are exempted from the phase-out schedule, it would send the wrong signal to users in developing countries.

Recalling that the TEAP is preparing a report for OEWG-23 on methyl bromide alternatives in developing countries, the EC proposed postponing discussion. The US asked that the draft decision be bracketed.

Kenya introduced a second draft decision, which calls on the TEAP to establish procedures and modalities for the critical-use exemption of methyl bromide for Article 5 Parties that are committed to an early phase-out of this ODS before 2015. Uganda supported, while Australia and the US opposed, the proposal.

On Friday, delegates further considered the two decisions in the high-level segment. COP-6 President Horwitz noted lack of consensus and, after informal consultations, the Dominican Republic and Kenya agreed to withdraw their proposals on the understanding that these would be considered in 2003 and that their concerns would be noted in the report.

**PROCESS AGENTS:** On Tuesday, the US introduced a draft decision on process agents submitted with Australia and China. He explained that the draft decision contains a list of uses of controlled substances as process agents, and listed control agents that would be treated in the same manner as feedstocks for non-Article 5 Parties. He also noted that for Article 5 Parties listed controlled substances in plants in operation before 1 January 1999 would be treated in the same manner as feedstocks until three years after the Executive Committee determines that the process agent applications for a country are eligible for funding. He underscored that this draft decision would ensure that Article 5 Parties would not be found non-compliant for reasons beyond their control.

Several Parties, including Brazil, Egypt, India, Poland and Switzerland, expressed concerns with the draft decision and, after protracted debate, the US said it would no longer pursue the proposal.

**CENTRAL AND EASTERN EUROPEAN REGIONAL NETWORK:** On Wednesday, Georgia introduced a draft decision on the creation of a regional network of Central and Eastern European Article 5 Parties. He emphasized that similar networks exist in other regions. The US and the EU inquired about the proposal's financial implications. After informal consultations, Georgia withdrew the draft decision, saying it would pursue the matter in other fora.

**ODS RECOVERY:** On Wednesday, the EC withdrew its proposal to discuss ODS recovery.

#### **CLOSING PLENARY**

On Friday evening, 29 November, after adoption of the outstanding decisions on the Multilateral Fund replenishment and the fixed-exchange-rate mechanism, UNEP Deputy Executive Director Kakakhel expressed profound satisfaction at the success of the meeting, noting that this should dispel doubts about the strength of international solidarity.

Highlighting the "vitality and dynamism" of delegates, Executive Secretary González reported that MOP-14/COP-6 had enjoyed participation by over 50 Ministers.

COP-6 President Horwitz thanked all participants and Ozone Secretariat staff for their hard work, and the Government of Italy for its hospitality. He paid tribute to Co-Chair Catelin, noting his move to another post, and gave the meeting to a close at 8:15 pm.

### **A BRIEF ANALYSIS OF MOP-14/COP-6**

#### **THE OZONE REGIME: A VICTIM OF ITS OWN SUCCESS?**

The Montreal Protocol is widely cited as one of the most successful multilateral environmental agreements, with the reduction of global ODS production and consumption by more than 80% serving as a testament to that success. In addition, studies indicating that the ozone hole was smaller this year have led many to feel optimistic about the future. However, there is concern that the good news may lull governments into complacency. Indeed, scientists are quick to point out that this year's apparent ozone recovery is likely to be simply a reflection of natural atmospheric variations.

Some MOP-14/COP-6 participants claimed that smugness about the Montreal Protocol's success has caused the Parties to lose much of the boldness that they exhibited in the early days of the



ozone regime. If this is true, it could be reason for alarm, because hurdles are yet to be overcome that could undermine the Montreal Protocol's achievements. These hurdles include the methyl bromide phase-out, illegal trade in ODS, compliance procedures, destruction of ODS, and synergies between ozone depletion and climate change. While the main item on the agenda of MOP-14/COP-6 was the Multilateral Fund replenishment, the aforementioned hurdles were also the subject of what one delegate called "robust debate," underscoring their importance for the ozone regime's future.

### SHOW ME THE MONEY

Most would agree that money was the dominant theme for MOP-14/COP-6. First and foremost, delegates had to reach agreement on the appropriate level of replenishment for the Multilateral Fund for the next triennium. It is interesting to note that the Fund has never experienced a shortage, no project proposals have ever been rejected for lack of funding, and in the previous triennium the Fund had a US\$76 million surplus despite losses resulting from the fixed-exchange rate mechanism. The funding for 2003-2005 is considered by many to be particularly crucial, since Article 5 Parties must now comply with their commitments to cut their use of CFCs, halons and CTC by 50% by the end of the triennium, with smaller cuts required in methyl bromide and methyl chloroform.

The substantial gap of some US\$400 million between the level of funding recommended by the TEAP and that initially requested by the G-77/China – a larger gap than during the previous replenishment negotiations at MOP-11 – suggested that negotiations would be difficult. After week-long negotiations that, in the words of one participant, just "beat around the bush" until the final day, the agreed figure of US\$573 million used the ingenious solution of including interest to be accrued over the triennium as a bridge between the "bottom lines" of donor and developing countries. This figure, at the high end of the TEAP's recommended range, was seen by some as signifying that the Parties are still very committed to the Montreal Protocol. Others, however, pointed out that the new money is only a fraction more than for the previous replenishment, and that the US\$23 million contribution accruing from interest can hardly be relied upon. Some developing countries similarly expressed concern that the reclassification as Article 5 Parties of some economies in transition may lead to greater demands on the Multilateral Fund.

### STUMBLING BLOCKS

**METHYL BROMIDE:** One of the hottest issues on the horizon of the ozone regime is likely to be critical-use exemptions for methyl bromide, which developed countries must phase out by 2005. The methyl bromide phase-out promises to be particularly complicated because of the many diverse end users in the agricultural sector and the lack of cheap and convenient substitutes. Any further action on methyl bromide will thus require strong political will, which one participant likened to that seen in 1992 for the halon phase-out. As one participant phrased it, "This is a delicate political issue, but you need to push if you want to kill the devil."

There were signs of the emerging political controversy surrounding this issue at MOP-14/COP-6, with higher than usual attendance by industry NGOs representing methyl bromide users, and fears expressed by developing countries, spurred by competitiveness concerns, that developed countries may be granted large critical-use exemptions. These fears were stoked by rumors circulating around the meeting that powerful agricultural groups from some large developed countries are poised to request massive exemptions and even lobby for legislation that would weaken the Montreal Protocol's methyl bromide provisions. With TEAP set to

release a report on methyl bromide and developing countries pledging to reintroduce their decisions on critical-use exemptions, OEWG-23 in July 2003 may see some heated debates.

**ILLEGAL TRADE:** Amid concerns that illegal trade in ODS may drive developing countries into non-compliance, MOP-14 passed a decision on this long-debated issue. Many delegates saw its adoption as a significant step forward. In particular, some participants seemed optimistic about the potential of the UNEP regional networks cited in the decision to enhance cooperation in tackling illegal trade. Others, however, dismissed the decision as "flimsy" because, among other criticisms, it does not attempt to rein in remaining ODS production, especially by those developed countries that are still producing to meet the basic domestic needs of developing countries, nor does it adequately address the crucial need to strengthen enforcement, for instance, through the creation of an enforcement unit or officer.

Money again played a role in the negotiations on this issue, with some major donor countries insisting that they could not agree to any decision with financial implications, while developing countries highlighted that they were powerless without the necessary training and equipment to detect illegal imports. One difficulty is that no one knows the true extent of ODS illegal trade, but many acknowledge that it has the potential to undermine the achievements of the Montreal Protocol, in particular by keeping CFC prices low, thereby discouraging the adoption of alternatives. In this regard, participants welcomed emerging news that China may be considering an early phase-out of CFC production in order to curb illegal trade. Others claimed the alleged problem of illegal trade is exaggerated and the real issue that developing countries will face will be shortage of CFCs as developed countries close down their production facilities.

**COMPLIANCE PROCEDURES:** Now that Article 5 Parties have moved beyond the Montreal Protocol's "grace period" and are subject to the non-compliance procedure, the Implementation Committee faces the challenge of having to monitor the compliance of many more countries with very different circumstances and at varying stages of implementation. The fact that the Implementation Committee meeting exceeded its latest scheduled meeting time by a day, and approved a record number of decisions, points to the Committee's expanding role. The standard decision language used in the past may no longer be adequate to cover the multitude of reasons for non-compliance by developing countries, some of which are genuinely outside a Party's control, such as war and the inability of low-volume consuming countries to import tiny amounts of ODS. Some have suggested that the Implementation Committee may be inadequately prepared for its expanded role, and may require new working practices, increased resources, and more support from the Ozone Secretariat to take on the challenge of dealing with an inevitably larger volume of developing country compliance cases. In this context, there was relief in the Ozone Secretariat at the approval of a new post – the first increase in Secretariat staff in many years – to work on implementation issues.

**DESTROYING ODS:** The destruction of ODS is an issue that some feel is crucial to the effectiveness of the Montreal Protocol. There is an enormous quantity of stockpiled ODS that should, if possible, be destroyed before they leak into the atmosphere, but there is no legal requirement to destroy ODS under the Montreal Protocol. Some have suggested that incentives should be provided to encourage ODS destruction, for example by linking critical-use exemptions for methyl bromide to mandatory CFC destruction. Opponents point out that destruction technologies are expensive and themselves have negative environmental side effects. Although





MOP-14 took a decision on ODS destruction technologies, it does not go to the heart of the problem and set up a clear plan for destroying ODS.

**CLIMATE CHANGE:** The interaction between climate change and ozone depletion is another complicated matter that a few delegations seem to prefer not to discuss. All the same, some scientists are stressing that climate change magnifies uncertainties in the understanding of ozone depletion and may delay ozone recovery and exacerbate the impacts of ozone depletion. MOP-14 was able to take only a minimalist decision on interaction with the climate change regime, with one Party having difficulty in even accepting that the joint TEAP/IPCC report should be submitted to the OEWG. The true scale of the threat posed by climate change to the ozone regime's effectiveness is, yet again, uncertain, but if governments are unwilling to give it due attention for political reasons, those uncertainties will never be resolved.

#### **A FUTURE OF UNCERTAINTY**

The mixed results of MOP-14/COP-6 mirror the uncertainty over the success of the Montreal Protocol itself. The above-mentioned issues – methyl bromide, illegal trade, non-compliance, ODS destruction and relationship with climate change – will surely be further debated at upcoming MOPs. Some claim the problem of ozone depletion is under control, with the hurdles just loose ends that need tying up. Others, however, argue that these stumbling blocks may be more serious, and, together, pose a real threat to the future of the Montreal Protocol and the ozone layer.

#### **THINGS TO LOOK FOR BEFORE MOP-15**

**BASEL CONVENTION COP-6:** The sixth Conference of the Parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal will take place from 9-13 December 2002, in Geneva, Switzerland. For more information, contact: Secretariat of the Basel Convention; tel: +41-22-979-8218; fax: +41-22-797-3454; e-mail: [sbc@unep.ch](mailto:sbc@unep.ch); Internet: <http://www.basel.int>

**28TH SESSION OF THE IPCC BUREAU:** The 28th session of the IPCC Bureau and associated meetings will take place from 9-11 December 2002, in Geneva, Switzerland. For more information, contact: IPCC Secretariat; tel: +41-22-730-8208; fax: +41-22-730-8025; e-mail: [ipcc\\_sec@gateway.wmo.ch](mailto:ipcc_sec@gateway.wmo.ch); Internet: <http://www.ipcc.ch>

#### **REFRIGERATION TECHNICAL OPTIONS**

**COMMITTEE:** The Committee will meet from 13-14 December 2002, in Paris, France. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: <http://www.unep.ch/ozone/>

**49TH SESSION OF THE WMO BUREAU:** The 49th session of the WMO Bureau will take place from 28-31 January 2003, in Geneva, Switzerland. For more information, contact: WMO Secretariat; tel: +41-22-730-8111; fax: +41-22-730-8181; e-mail: [ipa@www.wmo.ch](mailto:ipa@www.wmo.ch); Internet: <http://www.wmo.ch>

**20TH SESSION OF THE IPCC PLENARY:** The 20th Session of the IPCC Plenary is tentatively scheduled to take place from 17-21 February 2003, in Paris, France. For more information, contact: IPCC Secretariat; tel: +41-22-730-8208; fax: +41-22-730-8025; e-mail: [ipcc\\_sec@gateway.wmo.ch](mailto:ipcc_sec@gateway.wmo.ch); Internet: <http://www.ipcc.ch>

#### **METHYL BROMIDE TECHNICAL OPTIONS**

**COMMITTEE:** The Committee will meet from 16-23 March 2003, in Cape Town, South Africa. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: <http://www.unep.ch/ozone/>

**EARTH TECHNOLOGIES FORUM:** This conference and exhibition on global climate change and ozone protection technologies and policies will be held from 22-24 April 2003, in Washington, DC, US. For more information, contact: Earth Technologies Forum; tel: +1-703-807-4052; fax: +1-703-528-1734; e-mail: [earthforum@alcade-fay.com](mailto:earthforum@alcade-fay.com); Internet: <http://www.earthforum.com/>

**18TH SESSIONS OF THE SUBSIDIARY BODIES TO THE UNFCCC:** The 18th sessions of the Subsidiary Bodies to the UN Framework Convention on Climate Change will take place from 2-13 June 2003, in Bonn, Germany. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: [secretariat@unfccc.int](mailto:secretariat@unfccc.int); Internet: <http://www.unfccc.int>

**SIXTH FUMIGANTS AND PHEROMONES INTERNATIONAL TECHNICAL CONFERENCE AND WORKSHOP - SHARING THROUGH EDUCATION:** The 6th Fumigants and Pheromones International Technical Conference and Workshop will take place in Copenhagen, Denmark, from 3-5 June 2003. For more information, contact: David Mueller; tel: +1-317-896-9300, fax: +1-317-867-5757; e-mail: [insectsltd@aol.com](mailto:insectsltd@aol.com); Internet: <http://www.insectslimited.com>

**SEVENTH SESSION OF THE POPS INTERGOVERNMENTAL NEGOTIATING COMMITTEE:** The 7th session of the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for Implementing International Action on Certain Persistent Organic Pollutants is scheduled for 14-18 July 2003, in Geneva, Switzerland. For more information, contact: Interim Secretariat for the Stockholm Convention; tel: +41-22-979-8191; fax: +41-22-797-3460; e-mail: [ssc@chemicals.unep.ch](mailto:ssc@chemicals.unep.ch); Internet: <http://www.pops.int>

**23RD SESSION OF THE OPEN-ENDED WORKING GROUP TO THE MONTREAL PROTOCOL:** OEWG-23 is tentatively scheduled to take place in July 2003, at a venue to be determined. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: <http://www.unep.ch/ozone>

**NINTH SESSION OF THE CONFERENCE OF THE PARTIES TO THE UNFCCC AND 19TH SESSIONS OF THE SUBSIDIARY BODIES:** COP-9 and SB-19 are scheduled to take place from 1-12 December 2003, in Milan, Italy. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: [secretariat@unfccc.int](mailto:secretariat@unfccc.int); Internet: <http://www.unfccc.int>

**15TH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL:** MOP-15 is provisionally scheduled to take place in Nairobi, Kenya, at a date to be determined in late 2003. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: <http://www.unep.ch/ozone>