



## EXMOP HIGHLIGHTS: WEDNESDAY, 24 MARCH 2004

Delegates met in Plenary to hear opening remarks, address organizational matters and listen to a presentation on the 2004 Supplementary Report on critical-use nominations (CUNs) by the Technology and Economic Assessment Panel (TEAP). Parties and observers then made statements. In the afternoon, two contact groups convened to discuss nominations for critical-use exemptions (CUEs), and conditions for granting and reporting CUEs.

### PLENARY

**OPENING REMARKS:** Noting that informal consultations preceding the ExMOP contributed to promoting agreement between Parties, ExMOP President Jiri Hlavacek (Czech Republic) asked Parties to retain their determination to phase out ozone-depleting substances (ODSs) while maintaining uses that are critical or essential because of the absence of feasible alternatives or substitutes.

UNEP Executive Director Klaus Töpfer highlighted aspects of the Montreal Protocol's decision-making procedure central to past achievements. He stressed the need to address, among others: compliance issues; ODSs not listed in the Protocol; illegal trade; and linkages with other processes, including the UN Framework Convention on Climate Change and the Stockholm Convention on Persistent Organic Pollutants.

**ORGANIZATIONAL MATTERS:** Delegates approved the provisional agenda (UNEP/OzL.Pro.ExMP/1/1) without amendment.

Jukka Uosukainen (Finland) and Oladapo Afolabi (Nigeria), Co-Chairs of the open-ended informal consultations immediately preceding the ExMOP, introduced their summary of the consultations. Regarding the consultations' conclusions on conditions for granting CUEs, Co-Chair Uosukainen reported that participants agreed to forward to the ExMOP the principles governing the CUE process identified at the Buenos Aires informal consultations. On elements for conditions for granting CUEs, participants agreed to forward to the ExMOP the recommendation that TEAP study the potential for harmful trade in surplus methyl bromide. On nomination for CUEs, Co-Chair Afolabi said participants generally supported multi-year exemptions for three years, with several non-Article 5 Parties stressing the need for justification through a scientifically-based management strategy. Regarding consideration of

the working procedures of the Methyl Bromide Technical Options Committee (MBTOC) relating to the evaluation of CUNs, Co-Chair Uosukainen noted general agreement on the need to revitalize, strengthen, and reconstitute MBTOC, and said that the ExMOP should agree on a process and timetable for revitalizing MBTOC. On further specific interim reductions applicable to Article 5 Parties, Co-Chair Afolabi reported that several Parties supported some interim reductions, but that agreement was not reached regarding their timing or number.

**TEAP PRESENTATION:** Jonathan Banks, Co-Chair of TEAP, presented TEAP's 2004 Supplementary Report on CUNs. He said that in reviewing CUNs, MBTOC supplemented the technical information from Parties with its own expertise, expertise from other nominations, and all available sources of information. When unable to verify information based on its own expertise, MBTOC deferred to the expertise of nominating Parties, giving them the "benefit of the doubt." He noted that the MBTOC is seeking guidance from Parties on: the definition of economic feasibility; the evaluation of multi-year CUNs; CUNs that contribute to increases in methyl bromide use; CUNs for using equal amounts of methyl bromide over several years; dealing with the large number of small quantity CUNs; and phase-out plan requirements.

**STATEMENTS BY PARTIES AND OBSERVERS:** BANGLADESH, JAPAN and JORDAN said that CUEs should be granted on an annual basis. JAPAN called for flexibility in granting CUEs, warning that a requirement that CUEs be lower in subsequent years would not allow for adjustments based on emergency needs. GUATEMALA supported CUEs to solve practical problems. On conditions for granting CUEs, SWITZERLAND emphasized common but differentiated responsibility and the need for a continuous decline in the amount of Parties' CUE requests. NORWAY, COSTA RICA and JAPAN asked that CUEs be minimized. BRAZIL urged delegates to define clearer conditions for granting future CUEs. INDIA expressed support for recommendations made by MBTOC for approval of CUEs.

Regarding CUNs, INDIA expressed concern over the total quantity submitted for exemptions. BRAZIL noted that the high level of submitted CUNs challenges the exceptional nature of CUEs, and may undermine the efforts by Article 5 Parties to phase out methyl bromide.

UGANDA stressed the need for technical and financial assistance for research, alternatives, public awareness, and training activities. The PHILIPPINES suggested that elements recognized

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Paula Barrios <paula@iisd.org>, Noelle Eckley <noelle@iisd.org>, Pia Kohler <pia@iisd.org>, and Dagmar Lohan, Ph.D. <dagmar@iisd.org>. The Digital Editor is Francis Dejon <franz@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 Government of the United States of America (through the Department of State Bureau of Oceans and International Environmental and Scientific Affairs), the Government of Canada (through CIDA), the Swiss Agency for Environment, Forests and Landscape (SAEFL), the United Kingdom (through the Department for International Development - DFID), the Danish Ministry of Foreign Affairs, the Government of Germany (through the German Federal Ministry of Environment - BMU, and the German Federal Ministry of Development Cooperation - BMZ), and the Netherlands Ministry of Foreign Affairs. General Support for the *Bulletin* during 2004 is provided by the United Nations Environment Programme (UNEP), the Government of Australia, Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, the Ministry of Environment and the Ministry of Foreign Affairs of Sweden, the Ministry of Foreign Affairs of Norway, Swan International, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES) and the Japanese Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute - GISPRI). Specific funding for coverage of this meeting has been provided by the Australian Department of the Environment and Heritage and the Canadian Department of Foreign Affairs and International Trade. Funding for translation of the *Earth Negotiations Bulletin* in French has been provided by the International Organization of the Francophonie (IOF) and the French Ministry of Foreign Affairs. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD or other donors. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-212-644-0217 or 212 East 47th St. #21F, New York, NY 10017, USA.



in a decision on interim reductions include: accelerated phase-out of controlled uses of methyl bromide with support by the Multilateral Fund (MLF); the difficulties faced by Article 5 Parties in phasing out methyl bromide due to the impact of ongoing consumption in non Article 5 Parties; and a more flexible approach. BRAZIL called on Parties to address the concerns of Article 5 Parties.

SWITZERLAND stressed the importance of MBTOC transparency. NORWAY emphasized the need for a clearer mandate for TEAP in its future evaluations. JAPAN called for strengthening the MBTOC. EGYPT and SENEGAL prioritized developing effective and affordable alternatives to methyl bromide. JORDAN urged the MBTOC to continue work on methyl bromide alternatives. GUATEMALA expressed concern over the inability of Parties dependent on agriculture to find feasible alternatives within specific timeframes.

BANGLADESH called on Parties to take steps against unreported methyl bromide stockpiling, smuggling, and dumping in developing countries. NIGERIA called on Parties to retain the integrity of the Montreal Protocol. The NETHERLANDS, on behalf of the EU, stressed the need to find cooperative solutions. TURKEY outlined national measures undertaken in phasing out methyl bromide. COLOMBIA highlighted its zero consumption of methyl bromide since 1997 without support from the MLF. AUSTRALIA sought, and later received, confirmation from TEAP that TEAP did not change standard application rates for hot gas methyl bromide applications in its 2004 Supplementary Report.

The CALIFORNIA STRAWBERRY COMMISSION (CSC) expressed its commitment to methyl bromide alternatives but said that their use is not always feasible. Noting that the proposed CUEs represent "too large a cut over too short a period," he asked Parties to adjust the CUEs granted to the CSC in order to support a transition to alternative fumigants. The US asked MBTOC to comment on this request. MBTOC stated that transition speed represents a barrier for many nominating Parties. He suggested that Parties adopt a flexible approach to this issue, and that the CUE for CSC be adjusted accordingly. The EC expressed concern over the MBTOC response, argued that the original CUE should stand, and sought clarification from MBTOC and TEAP. MBTOC announced that it would meet with TEAP before responding.

Expressing concern over the size of CUEs sought by the US and others, the NATURAL RESOURCES DEFENSE COUNCIL requested that Parties protect the integrity of the Montreal Protocol by requiring that Parties, *inter alia*: reduce the use of methyl bromide as alternatives become available; report on existing stockpiles; and provide updates of regulatory actions to consider the latest health and safety data on methyl bromide. He also called on Parties to reduce the size of CUE requests below 30% and to refuse multi-year exemptions.

ExMOP President Hlavacek suggested that two contact groups meet in the afternoon. Parties agreed that the first contact group, co-chaired by Oladapo Afolabi (Nigeria) and Jukka Uosukainen (Finland), discuss nominations for CUEs; and that the second contact group, co-chaired by Pierre Pinault (Canada) and Sergio Sanchez Martinez (Mexico), discuss conditions for granting and reporting CUEs.

### CONTACT GROUPS

In the contact group on nominations for CUEs, delegates discussed proposals by the United States (UNEP/OzL.Pro.ExMP/CRP.6) and the European Community (UNEP/OzL.Pro.ExMP/CRP.5). The US proposal differentiates between two sets of numer-

ical caps relevant to CUEs: a cap for old production and a cap for new production. Parties would be allowed a certain CUE for methyl bromide use, and be given a cap on new production. Any shortfall between the amount needed for critical uses and the amount allowed to be produced could be offset by stockpiles. The proposal includes multi-year exemptions for 2005-2007. For the years 2005, 2006, and 2007, the US proposed a cap on production or consumption of 30%, 30%, and 28%, respectively, of baseline level, while CUEs were proposed at 37%, 35%, and 33%. The EC's proposal builds upon discussions at the informal consultations held in Buenos Aires. It allows critical uses at a level approved by the ExMOP, but limits Parties to no more than 30% of baseline levels for production and consumption for 2005. For 2006 and beyond, the EC proposal requires that the level of CUNs requested by Parties be lower in each subsequent year. The proposal also includes recommendations for a management strategy for methyl bromide, and establishes an information exchange mechanism on alternatives. Parties initiated discussions of the proposals by clarifying relevant issues, including the required reductions, the nature of the caps, and the quantities of available stockpiles.

In the contact group on conditions for granting and reporting CUEs, delegates discussed conference room papers on requirements for annual reporting, technical and financial assistance for identifying methyl bromide alternatives, a proposed TEAP clarification of exemptions for critical uses, and two draft decisions submitted by the US and the EC, respectively, on conditions for CUEs for non-Article 5 Parties (UNEP/OzL.Pro.ExMP/CRP.1-5).

### IN THE CORRIDORS

As negotiations got off to a quick start, several delegates noted the positive spirit of participants and commented that informal consultations in Buenos Aires and Montreal had laid the groundwork for efficient progress at the ExMOP. In particular, they said they were pleasantly surprised by a statement made during the open-ended informal consultations by a large non-Article 5 Party regarding its strong commitment to the Protocol.

While the corridors were filled with careful optimism about the meeting's outcome, some delegates expressed concern about the direction of the meeting, in particular the critical-use nomination review process led by the Methyl Bromide Technical Options Committee (MBTOC). A few feared that efforts to revitalize MBTOC may yet be derailed. Others remarked that it is crucial that the revitalization of the MBTOC comprise a clarification of its mandate and functions, so as to prevent ambiguous interpretations and guarantee transparency in the process of granting critical-use exemptions.

### THINGS TO LOOK FOR TODAY

**PLENARY:** Plenary will convene at 10:00 am to hear reports from the contact groups' Co-Chairs and continue discussing substantive issues and draft decisions on the agenda.

**CONTACT GROUPS:** The contact group on conditions for granting and reporting CUEs will reconvene at 9:00 am in the Plenary Hall to continue deliberation on a draft decision submitted by the US. The contact group on nominations for CUEs will reconvene at 9:00 am in Room 3 to continue its deliberations. Contact groups on further specific interim reductions for Article 5 Parties and on the work procedures of MBTOC relating to the evaluation of CUNs are also likely to be established.