



## **MOP-16 HIGHLIGHTS: WEDNESDAY, 24 NOVEMBER 2004**

Delegates met in Plenary, contact groups and informal consultations throughout the day and late into the evening in an attempt to conclude the work of MOP-16's preparatory segment ahead of Thursday and Friday's high-level segment. Parties considered agenda items on a wide range of issues, including compliance with the Protocol, trade, methyl bromide, membership of various bodies, administrative matters, and issues arising out of the reports of the Technology and Economic Assessment Panel (TEAP). By late Wednesday, Plenary had completed its work on a number of draft decisions, which were forwarded to the high-level segment. However, 13 outstanding issues remained, and the preparatory segment will convene once again on Thursday, after the opening session of the high-level segment.

### **PLENARY**

#### **RATIFICATION, DATA REPORTING, COMPLIANCE AND ILLEGAL TRADE: Issues Arising from the Implementation Committee: Recommendations on**

**Non-Compliance:** Delegates considered a compilation of draft decisions submitted by the Implementation Committee (UNEP/OzL.Pro.16/CRP.1). Regarding a draft decision on his country's non-compliance, NEPAL stated that illegally-traded goods containing CFCs that it had seized had not been released onto the domestic market. Delegates agreed to revise and forward the compilation of draft decisions to the high-level segment for its adoption.

Chair Kozakiewicz noted the need to clarify whether Decision XIV/7 allows the release of illegally-traded ODS on the domestic market within each Party's consumption limit. The BAHAMAS, PAKISTAN and VENEZUELA called for further guidance.

**Comments by the Implementation Committee on the Operation of Decision XV/3:** In regard to Parties' obligations under the Beijing Amendment, the US, supported by JAPAN, AUSTRALIA, CANADA, ARGENTINA and NEW ZEALAND, expressed concern about the compliance status of some EC members in the absence of an EC declaration of competence. The issue remained unresolved.

**Laboratory and Analytical Uses:** CANADA submitted a draft decision on laboratory and analytical uses of bromochloromethane (UNEP/OzL.Pro.16/CRP.17), which Parties agreed to forward to the high-level segment.

**Monitoring of Trade in ODS:** Delegates considered information reported by Parties on illegal trade in ODS (UNEP/OzL.Pro.16/7), streamlining information exchange on reducing such trade (UNEP/OzL.Pro.16/8), and a report by UNEP's Division of Technology, Industry and Economics (DTIE) on

activities of the regional networks to combat illegal trade (UNEP/OzL.Pro.16/13). UNEP DTIE said the purpose of its report was to suggest actions UNEP regional networks could take to prevent illegal trade. He highlighted the significance of: training of customs officers; identification of illegal trade "hotspots" and close collaboration between affected Parties; and private/public partnerships to combat illegal trade.

IRAN and SENEGAL underscored the value of regional meetings on illegal trade, and GABON stressed the importance of managing ODS trade under a regionally harmonized framework. Many Parties called for greater synergies and sharing of information between chemicals-related MEAs.

#### **Feasibility Study on a System for Tracking International**

**Trade in ODS:** GEORGIA and SRI LANKA presented draft decisions on, respectively, the cross-checking of exports of controlled substances to prevent illegal trade (UNEP/OzL.Pro.16/CRP.11) and a feasibility study on the development of a system of tracking international trade in ODS (UNEP/OzL.Pro.16/3.E). Several Parties expressed reservations regarding both proposals. JAPAN agreed to consolidate the decisions into one.

#### **Situation of Very Low-Volume Consuming Countries:**

The MALDIVES introduced a draft decision on the situation of these countries (UNEP/OzL.Pro.16/3). The US, supported by JAPAN, noted inconsistencies with the Protocol, but recognized the Maldives' need for assistance. Chair Kozakiewicz said the issue should be resolved in informal discussions.

**METHYL BROMIDE: Review of MBTOC Working Procedures:** The contact group on MBTOC met throughout the day to discuss remaining issues on the working procedures and terms of reference of the MBTOC (UNEP/OzL.Pro/AHWG.MBTOC/2/4), and a proposal by the EU on the duration of methyl bromide CUNs that asks MOP-17 to consider the elaboration of a framework for multi-year CUEs. On the first item, delegates agreed to delete a reference to stocks. On the second, participants discussed whether MOP-17 should work on the framework for granting multi-year CUEs, and whether further conditions would be applicable to multi-year CUEs/CUNs. Participants agreed on a draft decision (UNEP/OzL.Pro.16/CRP.22) asking MOP-17 to elaborate, "as far as possible," the framework, and to consider the possibility of further conditions.

On Wednesday evening, *Ad Hoc* Working Group Co-Chair Maas Goote (Netherlands) presented the two draft decisions to the Plenary. He indicated that issues in the draft decision on working procedures and terms of reference (UNEP/OzL.Pro.16/CRP.21) had been resolved, including the schedule for MBTOC assessment of CUNs. Delegates agreed to forward both decisions to the high-level segment for adoption.

**Critical Use Exemptions:** On Wednesday night, delegates were briefed in Plenary on ongoing consultations on CUEs,



with some progress reported. However, the group was unable to complete its work, and further negotiations were set for late Thursday morning.

**Trade in Products and Commodities Treated with Methyl Bromide:** Parties considered draft decisions on the issue submitted by Kenya (UNEP/OzL.Pro.16/CRP.13) and Switzerland (UNEP/OzL.Pro.16/CRP.16), and agreed that interested Parties should meet for further discussions.

**Handbook, Reporting Forms and Accounting Framework for Critical Uses of Methyl Bromide:** On Wednesday evening, Parties agreed to forward to the high-level segment a draft decision on this issue submitted by the EC (UNEP/OzL.Pro.16/CRP.9).

**Request for Technical and Financial Support Relating to Methyl Bromide Alternatives:** Delegates agreed to a draft decision submitted by Burkina Faso (UNEP/OzL.Pro.16/CRP.6), including a minor amendment proposed by Senegal.

**Coordination Among UN Bodies on Quarantine and Pre-shipment Uses:** Parties considered a draft decision submitted by Colombia and Guatemala (UNEP/OzL.Pro.16/CRP.12/Rev.1). However, as of late Wednesday night, delegates had been unable to agree on the final text, including an additional paragraph proposed by Argentina, which remained bracketed.

**Flexibility in Alternatives for Phasing Out Methyl Bromide:** Delegates considered text on methyl bromide alternatives submitted by Guatemala (UNEP/OzL.Pro.16/CRP.14). The US expressed concerns that the text might imply an attempt to alter the provisions of the Protocol, and the operational paragraphs were bracketed.

**ISSUES RELATED TO THE MULTILATERAL FUND: Terms of Reference for the Study on the 2006–2008 Replenishment of the Multilateral Fund:** Paul Krajnik (Austria) reported on consultations held Tuesday evening on a draft decision on this issue, informing delegates of agreement on a revised decision (UNEP/OzL.Pro/CRP.7/Rev.1). On eligibility under the Multilateral Fund, JAPAN raised the issue of destruction of ODS, as well as recovery and reduction. Paul Krajnik and the US said destruction was not eligible under the Fund. Parties' comments were noted, and the draft decision forwarded to the high-level segment for adoption.

**Evaluation and Review of the Financial Mechanism:** BRAZIL reported to Plenary on discussions that had produced a draft decision on the 2004 evaluation and review of the financial mechanism (UNEP/OzL.Pro.16/CRP.23). Delegates agreed to forward it to the high-level segment.

**ISSUES RAISED BY TEAP REPORTS: Essential-Use Nominations:** Delegates considered alternative draft decisions submitted by the EC (UNEP/OzL.Pro.16/CRP.3) and the US (UNEP/OzL.Pro.16/CRP.15) on essential-use nominations for non-Article 5 Parties. The US decision authorizes essential use nominations for CFCs for metered-dose inhalers for both 2005 and 2006, while the EC decision requests TEAP to review essential-use nominations for CFC-salbutamol for 2006. NORWAY, SWITZERLAND, the US Stakeholders Group on MDI Transitions and the International Pharmaceutical Aerosol Consortium (IPAC) supported the EU proposal. JAPAN, supported by ARGENTINA, said it would support the US proposal with the insertion of a reference to Decision XV/5. The US, EC and TEAP agreed to meet in informal consultations to address the issue.

**Assessment of Chillers and the Transition to Non-CFC Equipment:** Chair Kozakiewicz introduced a draft decision on chillers (UNEP/OzL.Pro.16/3). Parties decided to forward the decision to the high-level segment with a minor amendment by Argentina.

**Process-Agent Uses:** Parties considered a draft decision on listing controlled substances as process agents (UNEP/OzL.Pro.16/CRP.18). The EC proposed addressing the issue at the next OEWG, as some information was lacking. Parties agreed to forward the bracketed decision to the high-level segment.

**ADMINISTRATIVE ISSUES: Dates of Future Protocol Meetings:** The EC introduced a draft decision proposing to set the dates of Protocol meetings three years in advance (UNEP/OzL.Pro.16/CRP.2). The US, supported by AUSTRALIA, voiced concern regarding the practicality of the proposal. Interested Parties will work to produce a revised draft in consultation with TEAP.

**Cooperation Between the Montreal Protocol Secretariat and Other Conventions and Organizations:** CANADA introduced a draft decision on this issue (UNEP/OzL.Pro.16/CRP.4). JAPAN and COLOMBIA proposed amendments, which CANADA agreed to. Following the addition of text by the US clarifying that the Secretariat cannot provide any "legal interpretation" of the Protocol's provisions, the decision was forwarded to the high-level segment.

**OTHER MATTERS: Technical and Financial Assistance to Ensure Compliance After 2010:** FRANCE introduced a draft decision on this issue, and SWITZERLAND and the US suggested amendments (UNEP/OzL.Pro.16/CRP.19). The issue remained unresolved.

**Applications of Parties for Reclassification as Operating under Montreal Protocol Article 5, Paragraph 1:** Delegates agreed to forward text on this issue to the high-level segment, including applications from Turkmenistan and Malta for reclassification under the Protocol (UNEP/OzL.Pro.16/12).

**CLOSE OF THE PLENARY:** Shortly before 11:00 pm Wednesday, Parties were briefed on the status of negotiations, with Marco González, Executive Secretary, listing 13 issues that remained unresolved. These included items on: essential-use nominations for non-Article 5 Parties; trade in products and commodities treated with methyl bromide; financial assistance to the MBTOC; appointment of the Multilateral Fund's Chief Officer; equitable representation in the Multilateral Fund's Executive Committee; Implementation of Decision XV/3; the dates of future MOPs; adjustments and amendment to the Protocol; and outcomes from the budget committee and the CUE contact group. He indicated that the preparatory segment of MOP-16 would resume on Thursday, after the high-level segment had met, in order to resolve these outstanding issues.

#### **BUDGET SUB-COMMITTEE**

The Sub-Committee on financial matters considered the possible financial implications of the draft decision on financial support for the activities of the MBTOC (UNEP/OzL.Pro.16/CRP.8), pursued discussions on the budget for 2004 and the biennium 2005-2006, and agreed to add language noting the over-expenditure in 2004 (UNEP/OzL.Pro.16/6). Some developing countries raised concern over the application of the UN scale of assessments and suggested adding language reaffirming its indicative value. A further meeting of the Sub-Committee will be held on Thursday.

#### **IN THE CORRIDORS**

MOP-16 heated up Wednesday as organizers and delegates scrambled to conclude their work on as many issues as possible prior to the arrival of ministers and other senior officials for the high-level segment starting Thursday. By late Wednesday night, though, the prospects for consensus on a few key issues still seemed remote. Some participants were buzzing about the "testy" US-EU debate over 2006 essential-use allowances for CFCs for metered-dose inhalers. While some observers were highly critical of US efforts to maintain higher CFC allowances, others sympathized with the US government's concerns that the country's health system and regulatory structure meant patients would be forced to pay more for non-CFC asthma inhalers.

Some delegates were also speculating on whether disagreements on methyl bromide and other issues would require another Extraordinary MOP. Budget watchers noted the irony that those complaining about a financial blowout might also be adding to the budget needs if their disagreements at MOP-16 made another ExMOP necessary.