

COP-7/MOP-17 HIGHLIGHTS: TUESDAY, 13 DECEMBER 2005

Delegates convened in plenary in the morning and evening to discuss issues including: process agents; the IPCC/TEAP Special Report on Safeguarding the Ozone Layer and the Global Climate System (IPCC/TEAP Special Report); illegal trade in ozone-depleting substances (ODS); and disclosure of interest guidelines for members of the Technology and Economic Assessment Panel (TEAP) and other bodies. Contact groups on a range of issues met in the afternoon and evening.

PLENARY

PROCESS AGENTS: On the EC's revised draft decisions on process agent uses and associated reporting and review processes (UNEP/OzL.Pro.17/CRP.4, CRP.5 and CRP.6), the EC and the US expressed hope that agreement could be reached at COP-7/MOP-17.

Ian Rae (Australia), Chemicals Technical Options Committee (CTOC), noted other applications by Israel, the EC and Turkey, which Co-Chair Tom Land (US) said would be considered by a contact group along with other process agent issues. On its resubmission of a process agent application, BRAZIL expressed willingness to meet bilaterally with TEAP.

IPCC/TEAP SPECIAL REPORT: Paul Ashford, TEAP, presented the conclusions of the Supplemental Report to the IPCC/TEAP Special Report, including that applying mitigation strategies to banks will result in earlier recovery of the ozone layer, and applying mitigation strategies in developing countries could involve greater costs due to infrastructure deficiencies. He noted that some options to limit refrigeration emissions are achievable and cost-effective, and that reducing ODS emissions would contribute to addressing climate change.

MAURITIUS, with NIGERIA, suggested focusing on best available practices and, with INDONESIA, called for increased use of hydrocarbon technologies. NIGERIA urged addressing cost implications of proposed measures. SENEGAL suggested further consideration of HFC-23 destruction under the climate regime. INDIA called for information on the total cost of emission reductions. The EC proposed an expert workshop in 2006 to consider the issue. The US supported further analysis of cost-effective mitigation strategies. The EC, the US and others agreed to work on a conference room paper on the findings of the IPCC/TEAP Special Report.

ILLEGAL TRADE IN ODS: After the EC summarized its draft decision (UNEP/OzL.Pro.17/CRP.7), MADAGASCAR underscored African countries' vulnerability to illegal trade and, with CHINA, JAPAN and NIGERIA, the need for capacity building. CHINA, with MALDIVES and NIGERIA, called on parties to strengthen language in the draft decision, particularly

regarding information exchange and UNEP regional networks. NEW ZEALAND supported the feasibility study, but noted concerns regarding administrative burdens and prior informed consent and, with JAPAN, emphasized the importance of licensing systems. BANGLADESH expressed concern about the difficulty of identifying mixed ODS. CANADA and NIGERIA suggested parties take advantage of synergies with other conventions. MAURITIUS called on parties to address illegal dumping of appliances containing ODS and offered to share its experience. Delegates established a contact group on the subject.

HANDBOOK ON CUNs: Methyl Bromide Technical Options Committee (MBOC) Co-Chair Nahum Mendoza (Mexico) underscored that standard presumptions used in the previous three rounds of CUNs were incorporated in the Handbook (UNEP/OzL.Pro.17/10), and that such presumptions should only be applied when technically or economically feasible. The US requested additional information on standard presumptions and CUNs. Noting that standard presumptions could not be applied in some countries, CANADA said such matters should be assessed on a case-by-case basis. Delegates agreed to discuss the issue in the methyl bromide contact group.

DISCLOSURE OF INTEREST GUIDELINES: CANADA presented its draft decision on disclosure of interest guidelines for members of TEAP and its Technical Options Committees (TOCs), and the Temporary Subsidiary Bodies (UNEP/OzL.Pro.17/CRP.2), noting that it had been revised after discussion at OEWG-25. Delegates agreed to defer consideration of this item to MOP-18, and CANADA asked parties and TEAP for comments in the interim.

LABORATORY AND ANALYTICAL USES OF METHYL BROMIDE: The EC introduced a revised version of draft decision XVII/F, authorizing laboratory and analytical uses of methyl bromide (UNEP/OzL.Pro.17/CRP.10). Co-Chair David Okioga (Kenya) invited parties to provide input on the proposed decision during COP-7/MOP-17.

RECAPTURING, RECYCLING AND DESTRUCTION OF METHYL BROMIDE USED IN SPACE FUMIGATION: NEW ZEALAND said its draft decision (UNEP/OzL.Pro.17/CRP.11) aims to encourage parties to provide information on technologies to recapture, recycle, destroy or reduce methyl bromide emissions. COLOMBIA said it would circulate an additional draft decision on this, and delegates agreed to forward the issue to the high-level segment.

ODS DESTRUCTION: COLOMBIA presented a Latin American and Caribbean Group (GRULAC) proposal on technical and financial implications of the environmentally sound destruction of ODS, noting the need to evaluate the technology and costs associated with replacing refrigeration

equipment containing CFCs. He said draft decision XVII/C (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3) is being revised, and discussion on this topic was suspended pending the revision.

TEAP ADMINISTRATIVE ISSUES: Steven Anderson, TEAP Co-Chair, presented an overview of TEAP administrative issues. He noted nominations for Co-Chairs for three TOCs, and difficulty in securing funding for participation of non-Article 5 experts. Plenary agreed to forward the nominations of Ian Rae (Australia) as Co-Chair of CTOC, and Dave Catchpole (UK) and Dan Verdonik (US) as Co-Chairs of the Halons Technical Options Committee, to the high-level segment. Co-Chair Land noted discussions on MBTOC Co-Chair nominations were ongoing.

PROPOSED ADJUSTMENT TO THE PROTOCOL: The EC's proposed adjustment to the methyl bromide phase-out schedule for Article 5 parties (UNEP/OzL.Pro.17/7) was postponed after several Article 5 parties said they could not accept the proposed schedule.

CONTACT GROUPS

BUDGETARY ISSUES: Chair Jean-Louis Wallace (Canada) presented draft decisions on the financial reports and budgets of the Convention and the Protocol, dealing with, *inter alia*: the 2006-2008 revised budget for the Convention trust fund; parties' contributions to the Convention trust fund for 2006-2008; the drawdown for 2006-2008 from the balances of the Convention and Protocol trust funds; and the revised 2005 and the proposed 2006 budgets for the Protocol trust fund. On travel costs (UNEP/OzL.Pro.17/5), one participant highlighted the need to identify opportunities for minimizing costs and finding other funding sources. Another participant supported maintaining the proposed amount for travel. The Secretariat said it will provide budget scenarios on drawdown options. The contact group will reconvene on Wednesday afternoon.

ESSENTIAL USES: A contact group chaired by Sophia Mylona (Norway) discussed essential-use nominations. Participants addressed: stocks of CFC metered-dose inhalers (MDIs), in particular pre-1996 stocks; whether 2007 exemptions for CFC MDIs should be granted now; and whether companies producing alternatives should be allowed to put CFC MDIs on the market. A number of participants noted the importance of balancing health and ozone layer protection in granting essential-use nominations. One nominating party provided details on its domestic process for allocating amounts of authorized CFCs for MDIs, and said it considered the issue to be a public health matter. A few delegates supported granting requested essential uses to protect health, given the cost of alternatives, while others urged ensuring that only necessary CFCs are approved. The group will reconvene Wednesday to continue its deliberations.

REPLENISHMENT OF THE MULTILATERAL FUND:

Discussions in the replenishment contact group began with TEAP providing answers to questions raised about its Replenishment Task Force Report. Discussions turned to the funding levels estimated in the Replenishment Report, totaling US\$439.22 million. Article 5 participants presented a common position, indicating several areas in which they felt TEAP's estimate was inadequate. Some non-Article 5 participants suggested using the figures in the Replenishment Report as a starting point, emphasizing basic assumptions of the Multilateral Fund. After consultation, Article 5 participants presented a revised proposal for which funding requirements totaled US\$686 million. On the costs of investment projects in the consumption sector, Article 5 participants emphasized that an additional US\$15 million was necessary as a contingency to address projects in countries not yet party to the Protocol, and for countries with adjusted baselines. After discussions, participants agreed to adopt the TEAP estimate for this sector and for investment projects in the production sector. The contact group will reconvene on Wednesday.

METHYL BROMIDE: The group was co-chaired by W.L. Sumathipala (Sri Lanka) and Nik Kiddle (New Zealand). Different methods of accounting for, and lack of clarity regarding the definition of, stockpiles were discussed, with some participants underscoring that tracing quantities held by end-users is impractical. One participant asked why stocks could not be accounted for in the nomination phase. Another participant noted: ongoing domestic litigation; the need for stocks to support non-critical uses; reduced quantity of methyl bromide allocated for 2006 critical-use exemptions (CUEs) due to domestic consideration of stocks; and the impracticality of assessing the impact of possible future stocks on CUNs.

Participants discussed the use of methyl bromide for the production of plant material under the quarantine and pre-shipment exemption and considering virtually impermeable film (VIF) in approving 2007 CUEs, with numerous non-Article 5 participants expressing reservations with the latter. On questions regarding CUEs for research and development, increases in quantities for specific categories of use for 2007, and the review of national management strategies, some countries noted small year-to-year changes were to be expected, and many non-Article 5 participants said TEAP should not review national management strategies. The contact group agreed to circulate initial CUE text among contact group participants and to meet on Wednesday.

PROCESS AGENTS: In the contact group on process agents, facilitated by Paul Krajnik (Austria) and Husamuddin Ahmadzai (Sweden), participants discussed issues relating to the EC's draft decision on reporting and review of process agent uses scheduled to be considered at MOP-17 (UNEP/OzL.Pro.17/CRP.4), including: timing for the submission of related data; commercial sensitivities surrounding some types of data; and the timing of TEAP's reviews of emissions associated with the listed process agent uses. The contact group will continue its discussions later in the week.

ILLEGAL TRADE IN ODS: This group was co-chaired by Peter Horrocks (EC) and Janusz Kozakiewicz (Poland). Participants began revising, paragraph-by-paragraph, a revised version of the draft decision on preventing illegal trade in controlled ODS (UNEP/OzL.Pro.17/CRP.7), including an appendix with draft terms of reference for a feasibility study on developing a system for monitoring transboundary movements of controlled ODS between parties. Participants proposed several minor amendments, including references to capacity building for Article 5 parties and to international trade statistics. Some participants suggested deleting an operative paragraph encouraging exporting parties to require information on licensing systems from importing parties prior to exports, and it was later proposed to include a reference to this issue in the study's terms of reference. The paragraph now "invites" parties that have systems of licensing information exchange in place to submit such information to the Secretariat. One participant stressed the need to consider the financial implications of the draft decision, and proposed text to address this issue. Participants agreed that, after further informal discussion, the draft decision will be presented in plenary, and submitted to the budget group for its consideration.

IN THE CORRIDORS

As the temperature in Dakar dropped on Tuesday, the climate inside Le Méridien Président Conference Centre warmed up, and substantive consultations in a range of contact groups and in informal meetings got under way. One participant suggested that more contentious issues would be easier to resolve if some parties were not haggling over relatively small quantities of ODS falling under specific exemptions, and another noted that the issue of stockpiles is shaping up as one to watch.