

COP11/MOP29 HIGHLIGHTS: MONDAY, 20 NOVEMBER 2017

The preparatory segment of the Vienna Convention COP 11 and Montreal Protocol MOP 29 opened on Monday, 20 November 2017, in Montreal, Canada. In the morning, delegates heard opening statements and discussed, *inter alia*, financial reports and budgets of the trust funds, and the MLF replenishment.

In the afternoon, delegates addressed matters related to the Kigali Amendment, including the status of ratification. They also considered: essential-use exemptions (EUEs), and critical-use exemptions (CUEs); use of controlled substances as process agents; key messages from the TEAP 2017 report; HCFC phase-out; and energy efficiency.

OPENING OF THE PREPARATORY SEGMENT

OEWG 39 Co-Chair Cheikh Ndiaye Sylla (Senegal) opened the preparatory segment, lauding the thirtieth anniversary of the Montreal Protocol.

Noting Montreal is located in Mohawk territory, Elder Harvey Gabriel, indigenous Mohawk representative, led parties in a prayer. He presented a portrait depicting the tree of life, requesting delegates be stewards of the environment.

Catherine McKenna, Minister of Environment and Climate Change, Canada, said the Protocol demonstrates: the need for good science; the importance of leadership and listening to experts; and that innovation can help. Stating the Kigali Amendment can help avoid up to 0.5°C of global warming, Minister McKenna praised the 21 parties that have deposited instruments of ratification, allowing the Amendment to enter into force on 1 January 2019.

Brian Mulroney, former Prime Minister, Canada, lauded the Protocol's inclusive framework, political engagement, and the efforts of industry to meet the requirements of the mandated phase-downs. He called the Protocol a "unique, planet saving agreement" and underscored that the HFC phase-down will help Canada meet its Paris Agreement commitments.

Tina Birmpili, Executive Secretary, Ozone Secretariat, pointed to the interactions between science, policy, and diplomacy having contributed to the Protocol's success. She praised the Protocol's robust governance structure for allowing flexibility in tightening existing controls and building in new measures. Recalling, "we are a community with common objectives," Birmpili called upon parties to build on the "legacy of collaboration" to address issues such as the MLF replenishment.

ORGANIZATIONAL MATTERS:

ADOPTION OF THE AGENDA OF THE PREPARATORY SEGMENT: OEWG 39 Co-Chair Cynthia Newberg (US) introduced the provisional agenda (UNEP/OzL.Conv.11/1-UNEP/OzL.Pro.29/1 and UNEP/OzL.Conv.11/1/Add.1-UNEP/OzL.Pro.29/1/Add.1). SAUDI ARABIA, supported by BAHRAIN, requested addressing matters related to linkages between the HCFC phase-out and HFC phase-down. GRENADA requested

consideration of the effects of recent hurricanes on Small Island Developing States (SIDS) in the Caribbean. Co-Chair Newberg suggested the proposed topics be discussed under 'other matters.'

ORGANIZATION OF WORK: Co-Chair Newberg suggested, and delegates agreed, to address the topics in order of the agenda. Responding to SAUDI ARABIA on contact groups devoted to unresolved issues from OEWG 39, she stated delegates would be invited to reconvene these under the relevant agenda items.

FINANCIAL REPORTS AND BUDGETS OF THE TRUST FUNDS FOR THE VIENNA CONVENTION AND THE MONTREAL PROTOCOL

Co-Chair Newberg introduced this item (UNEP/OzL.Conv.11/4-UNEP/OzL.Pro.29/4, UNEP/OzL.Conv.11/4/Add.1-UNEP/OzL.Pro.29/4/Add.1, UNEP/OzL.Conv.11/2-UNEP/OzL.Pro.29/2 and UNEP/OzL.Conv.11/3-UNEP/OzL.Pro.29/3). Parties established a budget committee to discuss the relevant documents and prepare the necessary draft decisions.

MONTREAL PROTOCOL ISSUES

MLF REPLENISHMENT: Co-Chair Sylla introduced these items. **Supplementary Report of the TEAP Replenishment Task Force (RTF):** TEAP RTF Co-Chairs Lambert Kuijpers, Bella Maranon and Shiqui Zhang presented the supplementary report. Zhang described their mandate, including the OEWG 39 request for, *inter alia*, a scenario comparing previously approved projects with business plan estimates to determine uncertainty for planned activities. She highlighted OEWG requests, including: elaboration of the total funding requirement for components of the HCFC Phase-out Management Plans (HPMPs); HCFC production phase-out; and HFC phase-down enabling activities.

Kuijpers noted a deviation of 13.5% between planned and approved funding for 2005-2016. On additional HPMP-related requests, he said the RTF estimated US\$0-10 million for additional demonstration projects to encourage low- or zero-GWP activities. He noted deferring HPMP stage-three activities to the next triennium would result in zero costs, informing delegates that the HPMPs require US\$65.62 million for the triennium 2018-2020.

Maranon highlighted HPMP cost-effectiveness values for low volume countries (LVCs) and non-LVCs, noting the OEWG requested growth and zero-growth scenarios. She said they examined HFC phase-down enabling activities, highlighting the total funding requirement is US\$53.48 million.

BURKINA FASO and CAMEROON requested clarification on the zero value for HPMP stage-three activities. Kuijpers said OEWG 39 requested deferring all stage-three activities to after the 2018-2020 triennium. Kuijpers, responding to a query from MEXICO, said the OEWG requested information on the acceleration of the HCFC phase-out activities be omitted. CHINA queried the difference between planned and approved funding. Kuijpers said the figures are ranges, and the phase-out stage determines the fluctuations. KENYA requested clarification on

the reduction of planned funding for non-LVC countries. Kuijpers replied that reducing planned funding translates to an increase in approved funding.

EGYPT said there is insufficient funding to support voluntary HFC phase-down or enabling activities. MAURITIUS noted HPMP stage-three activities could overlap with stage one of the HFC phase-down. Underscoring continued support to the Protocol and the MLF, the US suggested all MLF contributions be used as effectively as possible. He called for fair burden sharing and prioritizing funds.

ESTONIA, on behalf of the EU and its 28 Member States (the EU), requested further explanation on the report's assumptions and methodologies. CHINA noted obstacles for adopting low-GWP alternatives.

A contact group was established to further consider these issues.

Extension of the Fixed-Exchange-Rate Mechanism for 2018–2020: BRAZIL underlined the mechanism is a key element of the MLF's success. AUSTRALIA highlighted the mechanism allows donors to plan their budget allocations in advance, saying the present decrease in contributions was a "swings and roundabout scenario," given that previously it has resulted in additional funds for the MLF. Co-Chair Sylla said the MLF replenishment contact group will consider this issue.

KIGALI AMENDMENT TO THE MONTREAL PROTOCOL TO PHASE DOWN HFCs: Status of Ratification of the Kigali Amendment: Co-Chair Newberg recalled that parties have traditionally adopted decisions to place amendments' ratification status on record, noting draft decisions prepared by the Secretariat. The US proposed wording to urge parties that have not yet done so, to consider ratifying the Kigali Amendment. Supporting the US, AUSTRALIA suggested including reference to approving or acceding to the Amendment. SAUDI ARABIA expressed concerns that references to ODS are inconsistent with the Amendment's focus on non-ODS substances. The EU and CANADA said adopting such a decision is an important signal. Co-Chair Newberg requested parties consult informally.

Data Reporting: Co-Chair Sylla recalled the OEWG 39 contact group, pointing to a draft decision on issues related to destruction technologies. He requested the contact group reconvene to continue deliberations.

ISSUES RELATED TO EXEMPTIONS FROM ARTICLE 2 OF THE MONTREAL PROTOCOL: Co-Chair Sylla introduced these items.

EUE Nominations for 2018: Co-Chair Sylla noted China's draft decision on EUEs for CTC uses (UNEP/OzL.Conv.11/3-UNEP/OzL.Pro.29/3). The EU, with CANADA and the US, requested further consultations.

CUE nominations for 2018 and 2019: Methyl Bromide Technical Options Committee (MBTOC) Co-Chair Mohammed Besri reported on trends in critical-use nominations (CUNs) and CUEs, highlighting a downward trend. MBTOC Co-Chair Ian Porter provided an overview of the MBTOC's assessment of CUNs from Argentina, Australia, Canada, China, and South Africa. He noted: China's intention to cease applying for CUNs in 2018; MBTOC's concern about methyl bromide uses for which there is no apparent reporting; and MBTOC feels the continuous recommendation of methyl bromide could become a barrier to adoption of alternatives.

On CUEs for strawberry runners, AUSTRALIA expressed its intention to prepare a CRP. CANADA clarified its nomination expressing concern over the safety of Prince Edward Island's groundwater reserves. Noting their phase-out of methyl bromide in 2010, the EU emphasized alternatives exist.

Co-Chair Sylla encouraged parties to continue discussions on the meeting's margins.

USE OF CONTROLLED SUBSTANCES AS PROCESS AGENTS: Co-Chair Newberg presented the draft decision (UNEP/OzL.Conv.11/3-UNEP/OzL.Pro.29/3). The US lauded progress in reducing ODS as process agents. MEXICO encouraged parties to develop alternatives.

KEY MESSAGES FROM THE TEAP 2017 REPORT:

Co-Chair Newberg introduced this item. Noting intersessional work, the EU said a CRP is being drafted, which, *inter alia*, calls for a greater understanding of the issue of halons and halon stocks. The US and CANADA urged continued development of the draft decision. AUSTRALIA suggested reiterating previous decisions to encourage parties to refrain from destroying recovered or recycled halons.

Newberg encouraged parties to continue discussions on the margins of the meeting.

On other items, the EU said it had noted literature about the potential threat 1,2-dichloroethane poses to the ozone layer. The SAP said it will briefly address this issue in their forthcoming presentation.

PHASE-OUT OF HCFCs: Newberg introduced this item, noting a draft decision has been submitted. The US requested work continue on the meeting's margins.

ENERGY EFFICIENCY (DECISION XXVIII/3): Co-Chair Sylla introduced this item, noting the sub-agenda items on the TEAP report on information submitted by parties on energy efficiency opportunities in the RAC sector, and issues related to financial and technical support for Article 5 parties.

Roberto Peixoto and Ashley Woodcock, TEAP Energy Efficiency Working Group Co-Chairs, presented the report, stating key messages include: increased energy efficiency is an important side benefit of the Protocol; demand for RAC and heat pumps (RACHP) is increasing rapidly, especially in Article 5 countries; and domestic transitions to low-GWP refrigerants could include parallel efforts to improve energy efficiency.

In the ensuing discussion, parties qualified the report as "a good first step" but many lamented its broad focus. Recalling previous requests for a workshop on energy efficiency, SAUDI ARABIA, supported by MEXICO and the EU, urged parties to convene it at OEWG 40. FEDERATED STATES OF MICRONESIA (FSM), supported by KUWAIT, MOROCCO, MAURITIUS, and MEXICO, suggested a task force on energy efficiency, saying it would submit a CRP on this. The US and CANADA urged parties articulate priorities for further work to provide clear guidance to TEAP. NIGERIA queried the role of extended producer responsibility to support energy efficiency. The EU suggested investigating, *inter alia*, green public procurement, and maintenance and leakage. The PHILIPPINES said any advocacy for energy efficiency should address low-GWP alternatives. MEXICO called for investigating technical and financial needs for adopting low-GWP HFC alternatives.

TEAP responded, saying, *inter alia*: this report was a first step and is general in nature; detailed scenarios are lacking, but could be explored if parties requested; and producers want to improve energy efficiency. TEAP underscored that it is up to parties to negotiate policy, but they can provide technical support.

A contact group was established to consider these issues.

IN THE CORRIDORS

Despite the chilly Canadian winter endured by delegates on their way to COP 11/ MOP 29's opening, the indoor atmosphere was warm. Delegates greeted each other in a celebratory spirit, keenly aware of the thirty-year journey tread by the world's most successful environmental treaty and that 21 parties have ratified the Kigali Amendment. Buoyed by these accomplishments, delegates hoped this would lead to a positive start to the negotiations, despite the thorny issues of budgets, MLF replenishment, and energy efficiency.

Unfortunately, as discussions advanced, some observers suggested this attitude gave way to the "old issues and concerns." As TEAP presented their energy efficiency report to mixed reviews, one observer said they thought the adoption of the Kigali Amendment had "put to bed" concerns that the Protocol was encroaching on the climate regime. Similarly, others noted the MLF replenishment discussions will be tricky to navigate as some parties called for "equitable burden sharing." Leaving the venue, a number of delegates hoped the chilly weather was not an omen for the week ahead.