
The twenty-sixth meeting of the Open-ended Working Group (OEWG-26) of the parties to the Montreal Protocol on Substances that Deplete the Ozone Layer convened in Montreal, Canada, from 3-6 July 2006. Over 340 delegates representing governments, UN agencies, non-governmental organizations, industry and agricultural interests attended. Delegates agreed to forward seven draft decisions to the eighteenth Meeting of the Parties to the Montreal Protocol (MOP-18), to be held in New Delhi, India, from 30 October 2006 to 3 November 2006. These draft decisions address: essential-use nominations for 2007 and 2008; an essential-use nomination for CFC-113 for aerospace applications in the Russian Federation for 2007-2010; terms of reference for the conduct of case studies on the environmentally sound recovery, transport and disposal of refrigeration and air-conditioning equipment containing chlorofluorocarbons (CFCs); sources of and opportunities for reducing carbon tetrachloride; facilitating the transition to non-CFC-based metered-dose inhalers in Article 5 parties; and an adjustment to the Montreal Protocol to advance the phase-out of the production of CFCs by non-Article 5 parties to meet the basic domestic needs of Article 5 parties. In preparing for MOP-18, other matters discussed by delegates included: disclosure of interest guidelines for groups such as the Technology and Economic Assessment Panel and its Technical Options Committees; treatment of stockpiled ODS relative to compliance; and launching a discussion on the future of the Montreal Protocol.

Under the guidance of Executive Secretary Marco González and OEWG-26 Co-Chairs Tom Land (US) and Nadzri Yahaya (Malaysia), delegates worked through the OEWG agenda promptly and the meeting finished on schedule on Thursday, evidencing the flexibility and dedication of the parties and the organization of the Secretariat.

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 in the early 1970s. At that time, scientists warned that the release of these substances into the atmosphere could deplete the ozone layer, hindering its ability to prevent harmful ultraviolet rays from reaching the Earth. This would adversely affect ocean ecosystems, agricultural productivity and animal populations, and harm humans through higher rates of skin cancers, 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 on ozone.

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 (ODS). The Convention now has 190 parties.

MONTREAL PROTOCOL: In September 1987, efforts to negotiate binding obligations to reduce the use of ODS led to the adoption of the Montreal Protocol on Substances that Deplete the Ozone Layer. The 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 189 parties.

Since 1987, several amendments and adjustments to the Protocol have been adopted, adding new obligations and additional ODS, and adjusting existing control schedules. Amendments require ratification by a defined number of parties before their entry into force, while adjustments enter into force automatically.

LONDON AMENDMENT AND ADJUSTMENTS: Delegates to the second Meeting of the Parties (MOP-2), which took place in London, UK, 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, 182 parties have ratified the London Amendment. In addition, MOP-2 established the Multilateral Fund for the Implementation of the Montreal Protocol (Multilateral Fund). The Multilateral Fund meets the incremental costs incurred by Article 5 parties in implementing the Protocol’s control measures and finances clearinghouse functions, including technical assistance, information, training, and the costs of the Multilateral Fund Secretariat. The Fund is replenished every three years, and has disbursed over US$1.9 billion since its establishment.

COPENHAGEN AMENDMENT AND ADJUSTMENTS: At MOP-4, held in Copenhagen, Denmark, in 1992, delegates tightened existing control schedules and added controls on methyl bromide, hydrobromofluorocarbons (HBFCs) and hydrochlorofluorocarbons (HCFCs). MOP-4 also agreed to enact non-compliance procedures and to establish an Implementation Committee. The Implementation Committee examines cases of possible non-compliance by parties, and makes recommendations to the MOP aimed at securing full compliance. To date, 173 parties have ratified the Copenhagen Amendment.

MONTREAL AMENDMENT AND ADJUSTMENTS: At MOP-9, held in Montreal, Canada, in 1997, delegates agreed to a new licensing system for the import and export of ODS, in addition to tightening existing control schedules. They also agreed to a ban on trade in methyl bromide with non-parties to the Copenhagen Amendment. To date, 145 parties have ratified the Montreal Amendment.

BEIJING AMENDMENT AND ADJUSTMENTS: At MOP-11, held in Beijing, China, in 1999, delegates agreed to controls on bromochloromethane and additional controls on HCFCs, and to reporting on methyl bromide for quarantine and pre-shipment (QPS) applications. MOP-11 also agreed to replenish the Multilateral Fund with US$440 million for the triennium 2000-2002. To date, 112 parties have ratified the Beijing Amendment.

MOPs 12-14: MOP-12, held in Ouagadougou, Burkina Faso, in 2000, adopted the Ouagadougou Declaration, which encouraged parties to take steps to prevent illegal production, consumption and trade in ODS, and harmonize customs codes. The following year in Colombo, Sri Lanka, delegates to MOP-13 adopted the Colombo Declaration, which encouraged parties to apply due care in using substances that may have ozone depletion potential, and to determine and use available, accessible and affordable alternatives and technologies that minimize environmental harm while protecting the ozone layer. At MOP-14, held in Rome, Italy, in 2002, delegates adopted 46 decisions, covering such matters as the Multilateral Fund’s fixed-exchange-rate mechanism, compliance issues, and interaction with the World Trade Organization. MOP-14 also agreed to replenish the Multilateral Fund with US$474 million for 2003-2005.

MOP-15: Like its predecessors, MOP-15, held in Nairobi, Kenya, in November 2003, resulted in decisions on a range of issues, including the implications of the entry into force of the Beijing Amendment. However, parties could not reach agreement on four items relating to methyl bromide, an ozone-depleting pesticide scheduled for a 2005 phase-out by non-Article 5 parties. Disagreements surfaced over exemptions allowing the use of methyl bromide beyond 2004 for “critical” uses where no technically or economically feasible alternatives are available. As a result of these disagreements, delegates took the unprecedented step of calling for an “extraordinary” MOP.

FIRST EXTRAORDINARY MOP: The first extraordinary meeting of the Parties to the Montreal Protocol (ExMOP-1) took place from 24-26 March 2004, in Montreal, Canada. Parties agreed to critical-use exemptions (CUEs) for methyl bromide for 2005 only. The introduction of a “double-cap” concept distinguishing between old and new production of methyl bromide was central to this compromise. Parties agreed to a cap for new production of 30% of parties’ 1991 baseline levels, meaning that where the capped amount was insufficient for approved critical uses in 2005, parties were required to use existing stockpiles. Parties also achieved compromises on conditions for approving and reporting on CUEs, and the working procedures of the Methyl Bromide Technical Options Committee (MBTOC).

MOP-16: MOP-16 took place in Prague, Czech Republic, from 22-26 November 2004. The parties adopted decisions on the Multilateral Fund, and on issues relating to ratification, data reporting, compliance, international and illegal trade in ODS, and financial and administrative matters. Despite lengthy discussions in the plenary, contact groups and informal gatherings, work on methyl bromide exemptions for 2006 was not completed. For the second time in the Protocol’s history, parties decided to hold an extraordinary MOP.

SECOND EXTRAORDINARY MOP: ExMOP-2 was held on 1 July 2005, in Montreal, Canada. Parties agreed to supplementary levels of CUEs for 2006 that had been left unresolved at MOP-16. Under the decision, parties also agreed that: CUEs allocated domestically that exceed levels permitted by the MOP must be drawn from existing stocks; methyl bromide stocks must be reported; and parties must “endeavor” to allocate CUEs to the particular categories specified in the decision.

COP-7/MOP-17: MOP-17 was held jointly with the seventh Conference of the Parties to the Vienna Convention in Dakar,
Senegal, from 12-16 December 2005. In addition to approving essential-use exemptions of CFCs for metered-dose inhalers (MDIs) for 2006 and 2007, supplemental CUEs for 2006 and CUEs for 2007, parties authorized production and consumption of methyl bromide in non-Article 5 parties for laboratory and analytical critical uses and requested the Technology and Economic Assessment Panel (TEAP) to report on such uses at OEWG-26, with a view to adopting an illustrative list of uses at MOP-18. Decisions were also taken on compliance, ratification, process agents and the submission of information on methyl bromide in space fumigation, and parties agreed to, inter alia: replenish the Multilateral Fund with US$400.4 million for 2006-2008; extend the Trust Fund for research and observations relevant to the Vienna Convention; hold an experts’ workshop in the margins of OEWG-26 to consider issues arising from the IPCC/TEAP Special Report on Safeguarding the Ozone Layer and the Global Climate System (IPCC/TEAP Special Report); the terms of reference for a study on developing an international system to monitor the transboundary movement of controlled ODS; and to request OEWG-26 to consider early essential-use exemptions for MDIs for Article 5 parties. Parties deferred consideration of several issues: the US’s proposal on multi-year CUEs; Canada’s proposal on disclosure of interest guidelines for bodies such as the TEAP and its Technical Options Committees (TOCs); and the European Community’s proposal for an adjustment to the methyl bromide phase-out schedule for Article 5 parties.

CURRENT ODS CONTROL SCHEDULES: Under the amendments to the Montreal Protocol, non-Article 5 parties were required to phase out production and consumption of: halons by 1994; CFCs, CTC and methyl chlorofluoride by 1996; bromochloromethane by 2002; and methyl bromide by 2005. Consumption of HCFCs is to be phased out by 2030 (with interim targets prior to those dates), with production to have been stabilized by 2004. Article 5 parties were required to phase out production and consumption of bromochloromethane by 2002. These parties must still phase out: production and consumption of CFCs, halons and CTC by 2010, and methyl chlorofluoride and methyl bromide by 2015; and consumption of HCFCs by 2040 (with interim reduction targets prior to phase-out). Production of HCFCs in Article 5 countries must be stabilized by 2016. There are exemptions to these phase-outs to allow for certain uses lacking feasible alternatives or in particular circumstances.

OEWG-26 REPORT

The twenty-sixth session of the Open-ended Working Group (OEWG-26) was opened on Monday, 3 July, by Nadzri Yahaya (Malaysia), who co-chaired the meeting with Tom Land (US).

In his opening statement, Marco González, Executive Secretary of the Ozone Secretariat, welcomed delegates on behalf of UNEP Executive Director Achim Steiner. He drew attention to a note by the Secretariat (UNEP/OzL.Pro.WG.1262), which provides background information on the OEWG-26 agenda items and on progress in the phase-out of ODS.

Co-Chair Yahaya introduced the provisional agenda (UNEP/OzL.Pro.WG.1/26/1) and proposed to include, under “Other Matters,” a progress report by the Scientific Assessment Panel (SAP) on the completion of its 2006 Assessment; an update from India on arrangements for MOP-18; a discussion on the timing of MOP-19; and a presentation by the Ozone Secretariat on updates to its website. Canada called for the initiation of a discussion on the future of the Montreal Protocol, and China proposed discussion of the provisional list of process agents adopted at MOP-17 (Decision XVII/8). The agenda was approved with these amendments, and parties agreed to the organization of work. Delegates then observed a minute of silence in honor of Lidia Assenova, of Bulgaria.

During OEWG-26, delegates convened daily in plenary, contact groups and informally to make progress on items on the agenda. This summary report is organized according to the agenda of the meeting.

ISSUES ARISING OUT OF THE 2006 TEAP PROGRESS REPORT

On Monday, delegates began consideration of the agenda item on issues arising out of the 2006 TEAP progress report with presentations from the Co-Chairs of the six TOCs and TEAP Co-Chair Lambert Kuijpers (Netherlands). After the presentations, delegates raised questions and made comments on issues in the TEAP progress report, to which members of the TEAP and its TOCs responded.

TEAP AND TOC BRIEFINGS: Medical Technical Options Committee (MTOC): Ashley Woodcock (UK), MTOC Co-Chair, reported that the amount of the European Community’s (EC) essential-use nominations for 2007 is similar to its amount for 2006, but that its 2006 nominations contained 180 tonnes for export to the US whereas its 2007 nominations do not, indicating an increase in CFCs in other areas. He also noted the significant decrease in the amount of the US nominations for 2008 as compared with previous years, and that the remaining CFC-based MDIs are subject to a domestic rule-making process aimed at phase-out but that they may still be allowed under this process in 2008.

While indicating that the US and EC nominations have been recommended by the MTOC and the TEAP, MTOC Co-Chair Woodcock said the nominations highlight some difficulties that parties may encounter in moving to the phase-out of CFC-based MDIs. In particular, he said stocks should be used before essential-use nominations requiring fresh production, and he emphasized that stocks require careful management as parties approach phase-out. He also noted that combination products containing CFCs, where each product is available separately in a CFC-free form, will not be considered to meet the essential-use criteria in the future and that the MTOC will not recommend essential-use nominations for companies that continue to market parallel products for the same drug.

MTOC Co-Chair Helen Tope (Australia) reported on progress with MDIs, noting that around 2,700 tonnes of CFCs were used in the manufacture of MDIs in 2005, representing a 5% reduction in use as compared with 2004. She reported that Japan concluded its transition to CFC-free MDIs in 2005 and that the Russian Federation has noted difficulties with its transition but that it is still committed to meeting its 2007 phase-out. On concerns raised by some Article 5 parties regarding phase-out of production of CFC-based MDIs, MTOC Co-Chair Tope said global phase-out should be achievable by 2010, given the widespread availability of alternatives, and emphasized that
challenges can be overcome by product launches and effective national transition strategies.

**Chemicals Technical Options Committee (CTOC):** Ian Rae (Australia), CTOC Co-Chair, highlighted: Brazil’s use of CTC in manufacturing vinyl chloride monomer; a proposal to replace CFCs with HCFCs as a process agent for the production of fluoropolymers; the difficulty of replacing analytical uses of methyl bromide; adoption of green chemistry practices; and the absence of technical barriers to the global transition to ODS alternatives for use in MDIs. CTOC Co-Chair Masaaki Yamabe (Japan) noted that historically observed atmospheric CTC concentrations are higher than those derived from estimated production, indicating that CTC emissions from industrial operations are likely to be underestimated. He also discussed essential-use nominations in the solvent sector and synergies with other multilateral environmental agreements.

**Flexible and Rigid Foams Technical Options Committee (FTOC):** Miguel Quintero (Colombia), FTOC Co-Chair, said that in developing countries, particularly larger countries in Asia and Latin America, the use of hydrocarbon-blown foam in appliances continues to grow, and noted that in developed countries the use of HCFC-141b in insulation foams is very limited following the introduction of bans on use in key markets.

**Halons Technical Options Committee (HTOC):** David Catchpole (UK), HTOC Co-Chair, said: a study on the use of halons in civil aviation is complete and a draft report has been prepared; halon-1301 is being used as a feedstock; halon-1301 essential-use exemptions have not been recommended by the HTOC or the TEAP because banks can supply such uses; and that halon-1301 can be recovered and recycled to the same international specification as newly produced halon-1301.

**Methyl Bromide Technical Options Committee (MBTOC):** Marta Pizano (Colombia), MBTOC Co-Chair, reported on trends in methyl bromide use in Article 5 and non-Article 5 parties and presented information on alternatives to the pre-plant soil use of methyl bromide. MBTOC Co-Chair Michelle Marcotte (Canada) discussed progress in post-harvest uses, highlighting both chemical and physical alternatives.

Jonathan Banks (Australia), Chair of the TEAP Task Force on uses of methyl bromide for QPS (TEAP QPS Task Force), noted the underreporting of methyl bromide uses in its surveys and said a comprehensive discussion of alternatives for QPS will be included in the MBTOC’s report for 2006. Regarding the request, contained in Decision XVII/11, for parties with experience in recapturing/recycling and destroying methyl bromide used in space fumigation to submit information on such experiences to the TEAP, he said only one party had submitted data on recapture systems. He further explained that the efficiency of the recapture and destruction of available methyl bromide, while not quantified by measurement, is likely to be high and is still under discussion.

**Refrigeration, Air-Conditioning and Heat Pumps Technical Options Committee (RTOC):** Radhey Agarwal (India), Co-Chair of RTOC, outlined the RTOC progress report, highlighting the need to consider alternative refrigerants with low global warming potentials. In terms of alternatives, he noted that HFCs continue to be the main alternative in most sectors considered by the RTOC, but highlighted the increased use of hydrocarbons, ammonia, carbon dioxide and fluorocarbons with low global warming potential.

**Other TEAP Issues:** On the draft guidelines for disclosure of interest for the TEAP and its TOCs, TEAP Co-Chair Kuijpers noted that the terms of conduct for the TEAP were drafted in 1995-96 and that efforts to further clarify these were welcomed. He underscored the challenge of strengthening the TEAP’s transparency and objectivity without placing an undue burden on TEAP members, the Secretariat or parties. On the scheduling implications of holding MOP-19 in September 2007, Kuijpers underscored the need to allow adequate time for TEAP and TOC deliberations prior to OEWG-27.

In the ensuing discussion, delegates made comments on a range of issues arising from the TEAP progress report, many of which directly related to the OEWG-26 agenda items on new essential-use nominations for 2007 and 2008, critical-use nominations (CUNs) for 2007 and 2008 and QPS matters with regard to methyl bromide (see pages 5, 7 and 8). Expressing concern about meeting the scheduled phase-out of CFCs by 2010 in the context of their use in MDIs, India, Jordan and Argentina noted the need for more financial support and information on alternatives, while Mauritius sought more information as to what was being done in such countries to meet the phase-out target.

MTOC responded by highlighting the safety and efficacy of non-CFC-based MDIs and emphasizing that the transition to CFC-free MDIs should occur in a timely manner for Article 5 parties. MTOC also noted its interest in speaking further to Article 5 parties about their particular phase-out difficulties.

In response to a question from the US on combination products, MTOC said the US can nominate a combination product, but that it would require a compelling explanation for it to be considered “essential.”

On Argentina’s comment regarding MTOC’s consideration of intellectual property rights in preparing its progress report, MTOC clarified that in 2010, formulation patents would not be problematic and underscored that, if the production of pharmaceutical-grade CFCs was no longer economically viable after 2009-2010, Article 5 parties facing significant delays in meeting their phase-out target may need to build stockpiles prior to that time.

Responding to a statement by Mauritius concerning the need to encourage the phase-out of ozone-depleting HFCs that also have a low global warming potential, MTOC referred to the work of the Joint TEAP/IPCC Working Group and underscored the increasing use of dry powder (propellant-free) inhalers. TEAP Co-Chair Kuijpers noted that, in light of the IPCC/TEAP Special Report, all TOCs would consider HCFCs and alternatives in their 2006 assessments. The Russian Federation requested the TEAP to provide an assessment of the global warming potential for alternatives to CFC-113.

On exemptions for laboratory uses of methyl bromide, China sought clarification of whether this includes exemptions for research into methyl bromide replacements. MBTOC said it had concluded that it was not necessary to include the field use of methyl bromide for demonstration purposes within the
exemption category for laboratory and analytical uses, rather that Article 5 parties may wish to consider it as part of a CUN or as part of the consumption currently allowed for Article 5 parties.

On the issue of strawberry runners, the EC recalled Decision XVII/9, which calls for the MBTOC to assess the effectiveness of methyl bromide soil fumigation to prevent QPS. The EC also: expressed interest in further informal discussions on options for preventing harmful trade in methyl bromide; expressed opposition to the use of previous recommendations for critical uses as a benchmark for future exemption recommendations; and called for methyl bromide stocks to be taken into account.

On unreported annual consumption of methyl bromide for QPS, the TEAP QPS Task Force noted that it is taking actions to fill data sets. On soil treatment in relation to QPS, the TEAP QPS Task Force noted differences in the interpretation of “quarantine and pre-shipment.”

After this introductory discussion, delegates turned to a consideration of the sub-items on the agenda concerning particular issues contained in the TEAP progress report.

NEW ESSENTIAL-USE NOMINATIONS FOR 2007 AND 2008: This agenda item was considered in plenary on Monday and Wednesday, and draft decisions on the matter were circulated by the EC on Tuesday (UNEP/OzL.Pro.WG.1/26/CRP.1), the US on Wednesday (UNEP/OzL.Pro.WG.1/26/CRP.5) and the Russian Federation on Thursday (UNEP/OzL.Pro.WG.1/26/CRP.9). Bilateral consultations on the matter were also carried out during the week. On Thursday, delegates agreed to forward the draft decisions to MOP-18 for consideration by the parties.

On Monday, Co-Chair Yahaya noted that in its 2006 progress report, the TEAP recommended approval of: 535 tonnes of CFCs for MDIs for the EC in 2007; 385 tonnes of CFCs for MDIs for the US in 2008; and 150 tonnes of CFC-113 for aerospace applications for the Russian Federation in 2007. He explained that, given the late submission of the multi-year nomination by the Russian Federation, the TEAP would undertake a more thorough review.

The EC noted its willingness to review its nominations in light of new developments and called for, inter alia: reconsidering the US nominations for 2008 in light of existing CFC stockpiles in the US; requiring companies to first use pre-1996 stocks; and limiting the domestic allocation of CFCs to companies that have made best efforts to develop and seek approval of CFC alternatives. The US explained that it would continue to account for inventories in its domestic processes and sought clarification from the EC on its essential-use nominations. Switzerland sought clarification on the availability of stockpiles in the US and the EC. Delegates then agreed that the US and the EC should undertake bilateral consultations on these issues.

On the recommended essential-use nominations for the Russian Federation, Nigeria, supported by the African Group and Mexico, asked that its nominations be subject to the full TEAP evaluation process before being approved. The Russian Federation underscored its overall reduction in the production and use of ODS, and stressed both the essential nature of its nomination and the need to ensure that CFC alternatives are not harmful to human health.

On Wednesday, the International Pharmaceutical Aerosol Consortium recommended that OEWG forward to MOP-18 for adoption, a decision that prohibits the authorization and allocation of CFCs for: the production of MDIs containing only salbutamol as the active ingredient that are intended for sale or distribution in non-Article 5 parties; CFC-based MDIs for which the company has launched a CFC-free alternative; and for MDI companies that are not currently conducting sincere and concerted efforts to develop CFC-free alternatives.

Draft Decisions: According to the draft decision on essential-use nominations for non-Article 5 parties, submitted by the EC (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, A), MOP-18 would decide:

- to authorize CFC production and consumption levels specified in the annex to the draft decision to satisfy essential uses for the production of MDIs other than MDIs intended for sale in non-Article 5 parties and containing only salbutamol as the active ingredient;
- that parties may not license, authorize or allocate essential-use CFCs for MDIs containing only salbutamol as the active ingredient in non-Article 5 party markets if CFC-free MDIs containing only salbutamol as the active ingredient are available in that market;
- that parties ensure that MDI companies not purchase or use newly-produced CFCs until they have used existing stocks of pre-1996 pharmaceutical-grade CFCs;
- that parties not license, authorize, or allocate essential-use CFCs for MDIs for any MDI company that has no practical prospect of completing research on and development of CFC-free alternatives for its products by the end of 2009 and is not diligently seeking approval of CFC-free alternatives in its domestic and export markets; and
- that each party authorized essential-use CFCs for 2007 and 2008 shall submit a plan of action containing a date for the final phase out of CFCs for MDIs for consideration by MOP-19.

The annex to the draft decision details the amounts, some of which are bracketed, that would be approved by MOP-18 for essential-use of CFCs for MDIs for the EC and the Russian Federation for 2007, and for the US for 2008. According to the draft decision submitted by the US on essential-use nominations of CFCs for MDIs for non-Article 5 parties for 2007 and 2008 (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, B), MOP-18 would decide:

- to authorize the levels of production and consumption for 2007 and 2008 necessary to satisfy essential uses of CFCs for MDIs as specified in the annexes to the draft decision, in addition to those levels authorized in Decision XVII/5; and
- that non-Article 5 parties, when licensing, authorizing or allocating essential-use exemptions for CFCs for a manufacturer, shall take into account pre- and post-1996 stocks, such that no more than a one-year operational supply is maintained by the manufacturer.

The annexes to the draft decision detail the amount, some of which are bracketed, of essential-use nominations that would be approved by MOP-18 for the EC for 2007 and for the US for 2008. According to the draft decision submitted by the Russian Federation on essential-use nominations for non-Article 5 parties for 2007 and 2008 (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, C), MOP-18 would decide, inter alia:
• to grant the Russian Federation an exemption for the production of 150 tonnes of CFC-113 for its essential use in its aerospace industry in 2007; and
• to request the TEAP and CTOC to continue their consideration of its essential-use nomination for CFC-113 for 2008-2010.

DRAFT TERMS OF REFERENCE FOR CASE STUDIES ON ENVIRONMENTALLY SOUND DESTRUCTION OF ODS: This agenda item was discussed in plenary on Monday and Wednesday, and in a contact group on Tuesday and Wednesday, chaired by Patrick McInerney (Australia). After discussions, parties agreed to forward a revised draft decision (UNEP/OzL.Pro.WG.1/26/CRP.6/Rev.1) to MOP-18 for consideration by the parties.

In introducing the issue to plenary, Co-Chair Land recalled that Decision XVII/17 requested the TEAP to prepare draft terms of reference (TORs) for case studies on the environmentally sound destruction of ODS. In the ensuing discussions, some delegates such as the US and Canada raised concerns regarding whether the draft TORs extend beyond the scope of Decision XVII/17. Colombia, Argentina, Brazil and Cameroon expressed support for the draft TORs, with Colombia highlighting the importance of the section of the TORs concerning the collection of data on non-Article 5 parties in each region for providing a more comprehensive view of ODS in obsolete equipment. Japan suggested that the scope of the study not be limited to CFCs contained in refrigeration and air-conditioning equipment, but that it also include consideration of halons. Noting that the Executive Committee of the Multilateral Fund (ExCom) will consider, at its 49th meeting to be held from 10-16 July 2006, whether to conduct a similar study, Finland, for the European Union (EU), urged parties to merge the studies or to conduct them in close cooperation with one another. Canada, with Switzerland, suggested that if parties decide to move forward with a TEAP study on ODS destruction, they should request the ExCom to defer consideration of its study until the completion of the TEAP study.

In the contact group, participants discussed draft terms of reference prepared by the US (UNEP/OzL.Pro.WG.1/26/CRP.6 and CRP.6/Rev.1), with many parties acknowledging it as an acceptable way forward. Ideas varied on which entity, including and CRP.6/Rev.1), with many parties acknowledging it as an acceptable way forward. Ideas varied on which entity, including the TEAP, the Multilateral Fund Secretariat, or the contractor would conduct the case study. Discussions addressed:
• the final disposal of CFCs not including recycling;
• the case studies’ scope;
• whether the case studies would describe economic or political policy incentives for phase-out of CFC-containing refrigeration and air-conditioning equipment;
• the need to include elements of TEAP draft terms of reference on schemes in non-Article 5 parties;
• building models based on studies of real examples, highlighting critical issues and factors for success;
• the need to include capacity for the recovery, transport, and final disposal of such equipment; and
• whether the case studies would provide a regional analysis of, or recommendations for, the management, transport and destruction of CFCs.

Many parties also addressed the need to consider the possibility of synergies with the Stockholm Convention on Persistent Organic Pollutants, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, with the EU proposing a new paragraph. After clarifications were made during the closing plenary, participants agreed to forward the draft decision with a large amount of the text remaining in brackets.

Draft Decision: The draft decision (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, D) asks the entity carrying out the case study to:
• develop case studies in Article 5 parties, with regional representation, on the technology and costs associated with a process for the replacement of CFC-containing refrigeration and air-conditioning equipment;
• include details about the technologies and costs associated with the replacement of CFC-containing refrigeration and air-conditioning equipment;
• review non-Article 5 Party experiences on ODS recovery, reclamation and destruction technologies with respect to refrigerant and/or blowing agent, and specific reference to types and scales of operations and transport (including relevant conventions) storage and disposal issues; and
• develop descriptive case studies of actual experiences associated with the replacement of the equipment.

SOURCES AND REDUCTIONS OF CTC EMISSIONS: Co-Chair Land introduced this agenda item to plenary on Monday, noting that Decision XVI/14 called on the TEAP to assess global emissions of CTC from certain specific source categories and to report to MOP-18 with an assessment of potential solutions for the reduction of emissions. The EC said that, in light of the TEAP progress report and the gap in data concerning the larger than predicted amount of CTC emissions, it would draft a conference room paper. This paper was released on Wednesday (UNEP/OzL.Pro.WG.1/26/CRP.8) but there was no substantive discussion of the issue in plenary and Co-Chair Land noted the draft decision would be forwarded to MOP-18 for consideration by the parties.

Draft Decision: In the draft decision (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, E), the MOP would request the TEAP to continue its assessment of global emissions of CTC, paying particular attention to:
• obtaining better data for industrial emissions to enable resolution of the discrepancy with atmospheric measurements;
• further investigating issues related to the production of CTC;
• estimating emissions from other sources such as landfills;
• proposing additional requirements and strategies for CTC controls; and,
• preparing a final report on the assessment for consideration at OEWG-27 and MOP-19.

OTHER ISSUES ARISING OUT OF THE TEAP PROGRESS REPORT: Co-Chair Land introduced the agenda item on Monday, noting that other issues in TEAP’s progress report include outstanding process agent requests by Brazil and Turkey and the TEAP’s membership and budget. There were no comments from the delegates and Co-Chair Land noted that this agenda item would be forwarded to MOP-18 for consideration by the parties.
METHYL BROMIDE-RELATED ISSUES

Methyl bromide-related matters were addressed in plenary throughout the day on Tuesday. Delegates first listened to a presentation by the MBTOC Co-Chairs on issues relating to CUNs for 2005-2008. MBTOC Co-Chair Ian Porter (Australia) explained that the MBTOC reviewed 90 CUNs submitted during 2006, totaling 2,557 tonnes for 2007 and 7,098 tonnes for 2008. He also noted that six parties that received CUEs in previous years did not submit nominations for 2007 and that only two uses for CUNs submitted in 2006 had not been nominated for use in a previous round. Outlining the amounts of CUNs submitted and CUEs approved between 2005 and 2008, MBTOC Co-Chair Porter noted that there has been a downward trend in amounts for all parties, except Israel. He explained that amounts considered by the MBTOC as “unable to assess” have been classified as such due to insufficient technical justifications, unclear research efforts and the slow rates of adoption of proven alternatives.

MBTOC Co-Chair Porter also outlined MBTOC’s review of future needs of methyl bromide for critical use, as presented in the 2006 TEAP progress report, explaining that it is based on an evaluation of national management strategies (NMS) submitted by Australia, Canada, Japan, the US, New Zealand and the EC, and on an evaluation of CUEs already granted. He indicated that in most cases, the NMS did not quantify future levels of need beyond those amounts stated in the CUNs, making it difficult to project when methyl bromide will be completely phased out.

MBTOC Co-Chair Marcotte outlined types of post-harvest CUN applications and noted that there were 28 CUNs submitted for structures and 15 submitted for commodities, such as chestnuts, dried fruit and dried cured pork. She then highlighted success stories of companies and parties regarding post-application alternatives to methyl bromide, including the Netherlands’ use of modified atmosphere for treating commodities at a large port and the US’ use of phosphine for fumigating pistachios.

On the TEAP’s report on options for preventing potential harmful trade in methyl bromide (Decision Ex.I/4), MBTOC Co-Chair Mohamed Besri (Morocco) explained that “harmful trade” is any trade that adversely impacts the implementation of control measures by any party, allows a back sliding from implementation already achieved, or is counter to the domestic policy of either the importing or exporting party. He highlighted three major categories of harmful trade, including the production of methyl bromide by non-Article 5 parties for the domestic needs of Article 5 parties, and emphasized the need for stronger systems for licensing methyl bromide in Article 5 parties as an option for preventing harmful trade in methyl bromide.

Delegates then turned to a consideration of the sub-items on the agenda related to methyl bromide, all of which were addressed in plenary on Tuesday.

CUNS FOR 2007 AND 2008: Co-Chair Yahaya outlined that in its 2006 progress report, MBTOC recommended 47 CUNs totaling 1,721 tonnes of methyl bromide, did not recommend 11 CUNs totaling 891 tonnes, and classified 32 CUNs, totaling 7,043 tonnes, as “unable to assess.” Norway queried the lack of adjustment for existing stocks in evaluating CUNs and MBTOC explained that it is up to parties to take stocks into account when submitting their CUNs. In response to a question from Mauritius on drawbacks of sulfuryl fluoride as an alternative to methyl bromide, MBTOC explained that while it is not as effective on insect eggs as methyl bromide, it can be supplemented with heat treatment. MBTOC also noted that its 2006 report will include an updated discussion of available methyl bromide alternatives.

Australia explained its need for an emergency CUN due to an increase in rice yields arising from the end of drought conditions in Australia. The US acknowledged improvements in the transparency of MBTOC’s reporting, but called upon MBTOC to also make available, inter alia: starting points of models; raw transformed data; rationales for model designs; and a full bibliography, including of studies excluded from consideration.

In response to a question from Canada about whether the MBTOC plans to expand its meta-analysis study of pre-plant soil use of methyl bromide alternatives (included in the 2006 progress report) to include alternatives for other uses, MBTOC explained that this would require analysis of a large number of studies on other uses, which are not currently available but, if funding were available, it could conduct more in-depth studies of other alternatives.

Cuba and Switzerland expressed concern over whether submissions of QPS use of methyl bromide for pre-plant soil applications are the result of a transfer from CUNs. The US explained its pre-plant soil applications fit the definition of QPS under the Montreal Protocol and said there is no relation between its reduction in CUNs and the categorization of those uses as QPS. The EC recalled Decision XVII/9, which calls upon the TEAP to determine whether soil fumigation with methyl bromide for QPS is effective, and, with Cuba, said it expected such a report prior to MOP-18.

Campesinos de California, with Cooperativa Campesina Campesina de California, expressed concern about the exposure of farm workers to potentially harmful chemicals being pushed through the regulatory process as alternatives to methyl bromide. The Environmental Affairs Council said while methyl bromide may pose some risks, the alternatives are worse for human health. The Natural Resources Defense Council (NRDC) said the US should provide information on why it needs more time to accomplish a transition to methyl bromide alternatives when other countries have achieved phase-out in less time. He also noted concern with the US’ large methyl bromide stockpile, the exact amount of which is not known. The Environmental Investigation Agency stressed the dramatic increase in methyl bromide use for QPS and the need to provide assistance to Article 5 parties in developing methyl bromide alternatives. MBTOC Co-Chair Porter emphasized that MBTOC is not a regulatory body for pesticides or alternatives and that it only considers methyl bromide alternatives that are already registered under domestic processes.

After discussion, the parties agreed that this issue would be reviewed by MBTOC at its meeting in Yokohama, Japan, in August 2006 and would be considered by the parties at MOP-18.

POSSIBLE NEED FOR CUNs IN THE NEXT FEW YEARS BASED ON A REVIEW OF NMS: Co-Chair Yahaya introduced the agenda item, noting that at ExMOP-1, parties requested the TEAP to submit a report to OEWG-26 on the possible need for critical uses over the next few years, based on a review of NMS submitted by parties (Decision Ex.I/4). He noted
that five countries, Australia, Canada, Japan, New Zealand and the US, had submitted their NMS in time for the TEAP progress report. Responding to a question from Argentina concerning guidelines for submitting NMS due to incomplete information, MBTOC said that any additional information would help it undertake a better review.

During the discussion, Canada and the US expressed regret over the late submission of the EU’s NMS and, with Australia, requested clarification of the timing of the EU’s submission. In response to the US, the EU clarified that their NMS was first submitted to MBTOC for consideration prior to its last meeting in Dubrovnik, Croatia, in April 2006. MBTOC said that while the EU forwarded a comprehensive plan in March 2006, it was not the final document and was therefore not included in the TEAP progress report. Australia requested clarification of whether MBTOC advised the EU that an aggregate form of the report was suitable to meet NMS requirements, with MBTOC emphasizing its mandate to summarize the submitted plans.

Co-Chair Yahaya noted that the issue would be considered by MOP-18.

**QPS MATTERS:** After Co-Chair Land opened discussions on the issue, Executive Secretary González explained that MOP-17 had requested the TEAP QPS Task Force to evaluate the long-term effectiveness of soil applications of methyl bromide to control quarantine pests on living plant material, and noted that, although Decision XVII/9 called on the Task Force to report on this issue to OEWG-26, the Task Force had had insufficient time to consider the issue and expects to report on it in the 2006 TEAP Assessment Report. He also reported on recent developments, including continued cooperation with the Secretariat of the International Plant Protection Convention (IPPC). Many delegates expressed interest in the outcome of the work of the TEAP QPS Task Force, and Argentina, Switzerland and the EC called for continuing work on QPS matters.

Switzerland highlighted concerns over potentially massive increases in methyl bromide use for QPS. The US underscored that QPS exemptions were instituted to protect ecosystems from invasive alien species. China called for taking into account the costs of methyl bromide alternatives.

NRDC warned that the implementation of the FAO’s International Phytosanitary Standard for Wood Packaging (ISPM15) could lead to an increase in methyl bromide use, and called for decreasing the unnecessary use of raw wood packaging. Greenpeace recommended that parties adopt mandatory reporting mechanisms to monitor the use of methyl bromide for QPS. The IPPC Secretariat highlighted that ISPM15 aims to prevent environmental damage from invasive alien species, and invited parties to the Montreal Protocol to cooperate in the ongoing updates and revisions of ISPM15.

**MULTI-YEAR EXEMPTIONS:** Co-Chair Yahaya introduced this item, explaining that it concerned a proposal by the US for multi-year CUës (UNEP/OzL.Pro.WG.1/26/6). He noted that Decision XVI/3 called on the parties to consider multi-year exemptions for methyl bromide, but that because of the heavy agenda at MOP-17, the parties agreed to postpone consideration of the issue until 2006.

The US outlined that potential advantages of a multi-year approach include reducing the workload of all actors involved in the CUN process, increasing certainty for parties and enhancing opportunities for exploring methyl bromide alternatives. Regarding a previously-raised concern that parties should submit their NMS before the further consideration of a multi-year approach, he noted that NMS have now been submitted. He proposed that interested parties work on this issue “in the margins” of OEWG-26 and intersessionally before further consideration by the parties at MOP-18.

**PREVENTING POTENTIAL HARMFUL TRADE IN METHYL BROMIDE STOCKS:** Co-Chair Land introduced the agenda item, noting that the parties requested TEAP to report on identifying options for preventing potential harmful trade of methyl bromide stocks to Article 5 parties (Decision Ex.I/5). He explained that TEAP was not able to complete this work prior to MOP-17, but that the report is now finished, and is contained in the TEAP 2006 progress report. The report defines harmful trade and lists options to address it including more robust licensing, prior informed consent procedures, and the levying of taxes to promote the adoption of alternatives. After discussion, Co-Chair Land said the issue would be forwarded to MOP-18 for consideration by the parties.

During the discussion on the TEAP’s proposal for a prior informed consent procedure, as contained in its 2006 progress report, Switzerland suggested that the procedure could be strengthened or made binding by a decision of the parties. Japan emphasized the need for accurate data on parties’ stockpiles, and said a prior informed consent procedure would require licensing, and, opposed by Mauritius, doubted the feasibility of levying taxes on methyl bromide trade. The US supported emphasizing licensing systems as an option. Colombia said parties must take into account the factors of international trade, highlighting the implication of ISPM15 for international trade in methyl bromide.

The US opposed the TEAP’s proposal on prior informed consent. The Dominican Republic emphasized the need to put in place the legal infrastructure for the phase-out of methyl bromide as some parties have decided to eliminate use of methyl bromide early. Indonesia expressed support for the implementation of a prior informed consent procedure so as to strengthen efforts to control methyl bromide and other ODS, and the EC reiterated its willingness to engage in dialogue on this issue.

**TEAP REPORT ON LABORATORY AND ANALYTICAL USES OF METHYL BROMIDE:** After Co-Chair Land introduced this agenda item to plenary, noting that MOP-17 authorized a laboratory and analytical critical-use exemption for certain specific uses of methyl bromide until 31 December 2006, subject to the same conditions applied to the essential-use exemption for laboratory and analytical uses (Decision XVII/10). Co-Chair Land noted that there were no comments and invited interested parties to submit a draft a decision or conference room paper on the issue for further consideration by the parties at MOP-18.

**DIFFICULTIES FACED BY SOME ARTICLE 5 PARTIES MANUFACTURING CFC-BASED MDIS:** This item was discussed in plenary on Monday and Thursday, and in a contact group on Monday, Tuesday and Wednesday. In introducing the item, Co-Chair Yahaya noted that Decision XVII/14 requested the ExCom to examine options for assisting Article 5 parties facing difficulties in the transition from CFC-
based MDIs for consideration by the parties at MOP-18. He explained that the ExCom’s recommendations are not yet available. The EC supported holding preparatory discussions on the issue prior to MOP-18, and delegates agreed to establish a contact group on the issue, which then met on Monday, facilitated by Atul Bagai, UNEP Compliance Assistance Programme, and on Tuesday and Wednesday, chaired by Agustín Sánchez (Mexico).

In contact group discussions, delegates heard further information on difficulties faced by several Article 5 parties in transitioning from CFC-based MDIs. They discussed proposed texts from: Bangladesh, which requests the ExCom to revise the cut-off date for MDI conversion projects; from Bangladesh and Egypt, which ask the Implementation Committee to defer consideration of the compliance status of parties who are unable to meet their consumption target due to CFC-based MDIs; and from the EC, which, inter alia, calls for providing assistance for transition strategies, for better supply-demand management and for technical assistance for campaign production. The group also debated the potential role of the Implementation Committee in addressing these difficulties and discussed options for combining the three proposals. On Thursday, parties agreed to forward a draft decision that reflected contact group deliberations (UNEP/OzL.Pro.WG.1/26/CRP.10) to MOP-18 for consideration by the parties.

**Draft Decision**: The draft decision submitted by Bangladesh, Egypt, the EC and Mexico (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, F) includes provisions whereby MOP-18 would request, inter alia:

- the ExCom to accord increased priority funding to projects in Article 5 parties facilitating the transition from CFC-based MDIs and consider reviewing the cut-off date for consideration of MDI conversion projects;
- the Implementation Committee to defer until 2010 consideration of the compliance status of Article 5 parties whose deviation from CFC consumption targets is due to CFC use in MDI production;
- the TEAP to assess and report on the need for, feasibility, optimal timing of and recommended quantities for a limited campaign production of CFCs exclusively for MDIs in Article 5 parties.

**TREATMENT OF STOCKPILED ODS RELATIVE TO COMPLIANCE**

This agenda item was discussed in plenary on Monday and Wednesday and in a contact group on Tuesday and Wednesday. While no draft decision was forwarded to MOP-18 on this issue, the parties made progress in contact group deliberations and, on Wednesday, agreed to request that the deliberations be reflected in the report of OEWG-26 and that the issue be discussed further at MOP-18.

In introducing a background document on the issue prepared by the Secretariat (UNEP/OzL.Pro.WG.1/26/5), Co-Chair Land recalled that at MOP-17, the parties deferred further consideration of this issue until OEWG-26. Maas Goote (Netherlands), President of the Implementation Committee in 2005, then provided further information, noting that at its 35th meeting, the Implementation Committee considered a report by the Secretariat concerning scenarios in which a party may stockpile ODS in one year for disposition in another in such a manner that may cause the party not to meet related phase-out obligations. The four identified scenarios were:

- ODS production in a given year stockpiled for domestic destruction or export for destruction in a future year;
- ODS production in a given year stockpiled for domestic feedstock use or export for that use in a future year;
- ODS production in a given year stockpiled for export to meet basic domestic needs of developing countries in a future year; and
- ODS imported in a given year stockpiled for domestic feedstock use in a future year.

He explained that the Implementation Committee concluded that only the fourth scenario should be considered to be consistent with the Protocol’s provisions but that, recognizing that this finding may cause practical difficulties for some parties, it realized the parties might wish to give further consideration to the issue.

During discussions in plenary, several countries provided concrete examples related to the four scenarios noted by the Implementation Committee. China stressed that where a feedstock producer receives a product order at the end of one year and the product cannot be exported until the following year, stockpiling for the purposes of marketing the product in the following year should not be considered to constitute an instance of non-compliance. Argentina also provided an additional, fifth scenario that may give rise to similar compliance questions, namely, the instance in which it is more environmentally and economically sound for an Article 5 party to over-produce and stockpile in one year so as to facilitate the early closure of a production facility.

The US said the definitions of “production” and “consumption” contained in Article 1 of the Montreal Protocol are open to several interpretations and he also noted the longstanding practice of parties not to count production for exempted purposes when reporting under the Protocol. Switzerland queried whether producing companies could prevent parties from having difficulties in relation to the second and third scenarios by providing further information on these difficulties, and sought concrete examples of the four scenarios presented by the Secretariat. The Philippines, supported by Pakistan, sought to broaden the coverage of stockpiled ODS to include the importation of ODS, particularly methyl bromide. Noting delays in the ozone hole’s recovery and increased global warming, Greenpeace said the regulatory regime of the Montreal Protocol needs to be adjusted to these new realities. He called for the elimination of all ODS, especially methyl bromide, and for selecting ODS alternatives that do not cause global warming.

During contact group discussions, parties were in general agreement with the findings of the Implementation Committee that the fourth scenario of stockpiling is consistent with the provisions of the Montreal Protocol. Most parties also agreed that findings of non-compliance in relation to the first three scenarios might create practical difficulties for some countries. Discussions thus focused on practical options for addressing the first three scenarios.

Three options emerged. Under the first option, the MOP would clarify that a party’s “production” would be calculated...
to include the subtraction of amounts earmarked for use for feedstock or destruction in a later year, provided that the party had a domestic system in place to ensure it be used for that purpose.

The second option would be for the Secretariat to continue to bring deviations to the attention of the Implementation Committee and for the Implementation Committee to monitor the cases with a view to preparing a report on the timeliness and size of the issue for consideration at a future MOP. Under the third approach, quantities not put to an intended use in a designated year would be registered through a “reporting framework” and would be deducted in the following year, taking in account existing reporting obligations. Delegates also noted the possibility of merging the approaches.

Delegates also addressed the issue of how the Protocol’s subsidiary bodies should address such issues should they arise prior to any action being taken by the parties at MOP-18 or at another MOP, with several delegates suggesting that parties direct the Implementation Committee and other subsidiary bodies of the Montreal Protocol not to take irreversible action until provided with further guidance by the MOP.

GUIDELINES FOR DISCLOSURE OF INTEREST FOR BODIES SUCH AS THE TEAP AND ITS TOCs

This item was discussed in plenary on Tuesday and Wednesday and in a contact group on Wednesday. In plenary, Canada introduced its revised proposal on guidelines for the disclosure of interests for bodies such as the TEAP, its TOCs and temporary subsidiary bodies (UNEP/OzL.Pro.WG.1/26/CRP.7), explaining that the proposal reflected comments submitted by parties and by the TEAP.

Switzerland expressed concern that constraints on interests would significantly reduce the pool of experts available to answer parties’ questions, and recommended instead that parties seek to achieve a balance of interests in these groups. The EU called for simplifying the document and for discussing the role of the Co-Chairs in managing any conflict of interests. Australia called for consistency with disclosure provisions under other multilateral environmental agreements, and underscored the need to increase transparency without preventing participation.

TEAP said the diminished willingness of its members’ employers to sponsor the cost of their participation in TEAP activities is the greatest constraint to maintaining the quality of TEAP committees. He called for a simplified and effective code of conduct and urged parties to maintain and increase financial support to the TEAP.

In the contact group, chaired by Satender Singh (Canada), delegates raised concerns about: the distinction between objective and apparent conflicts of interest, and means of managing conflicts of interest, with some favoring self-recusal over Co-Chair oversight.

In reporting back to plenary, contact group Chair Singh explained that the revised proposal (UNEP/OzL.Pro.WG.1/26/CRP.7) includes an annex, which outlines: sections on the functioning by members and on providing for disclosure and the annual publication of financial and other interests; definition of a conflict of interest and an illustrative list of interests; and a draft disclosure of interest form to be completed by potential TEAP and TOC members. He explained that some parties require more time to digest the proposal and invited further comments on it prior to MOP-18. Delegates agreed that Canada would continue to work on a revised proposal for consideration by the parties at that meeting.

PROPOSED ADJUSTMENTS TO THE MONTREAL PROTOCOL

The proposal by Canada for an adjustment to the Montreal Protocol concerning the production of CFCs in non-Article 5 countries for export to Article 5 countries under the basic domestic needs provision of the Montreal Protocol (UNEP/OzL.Pro.WG.1/26/4) was discussed in plenary and in a contact group, chaired by Pierre Pinault (Canada), on Wednesday. After contact group discussions led to the conclusion that a 2008 phase-out was largely impractical for some Article 5 parties, parties agreed, on Wednesday, to forward an amended version of the draft proposal, along with a background paper on the adjustment (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, G) to MOP-18 for consideration by the parties.

In introducing the proposal, Canada explained that Decision XVII/12 called for consideration of an adjustment to the phase-out schedule for CFCs at MOP-18 and that Canada’s proposal would call for non-Article 5 parties to cease basic domestic needs production by 1 January 2008, two years earlier than scheduled. He also contended that the continued production and export of CFCs by non-Article 5 parties is anomalous with phase-out efforts under the Protocol, particularly since the Multilateral Fund is currently financing the phase-out of related production in several Article 5 parties.

During contact group and plenary discussions, a range of parties, including Argentina, Brazil, Bangladesh, the US and the EC, noted the merit of Canada’s proposal but expressed concern regarding the continued need for pharmaceutical-grade CFCs for use in MDIs. In this regard, several parties suggested distinguishing between pharmaceutical-grade and general-use CFCs in adjusting the amount for basic domestic needs. Several parties also underscored the importance of taking into account the need for a market for lower-grade CFCs, which are co-produced with pharmaceutical-grade CFCs, and Japan noted that any additional increase in the price of CFCs arising from the proposal might encourage illegal trade. Mauritius expressed its support for Canada’s proposal. The EC also noted its use of a prior informed consent procedure to ensure that production matches needs, while the US responded that Canada’s proposal would go further than a prior informed consent procedure.

Draft Decision: In the draft decision (UNEP/OzL.Pro.WG.1/26/L.1/Add.2, G), the parties would adjust the Montreal Protocol by inserting text before Article 2A that would require each party to ensure that in 2008 and 2009, its calculated level of production of the controlled substances in Group I of Annex A for the basic domestic needs of Article 5 parties does not exceed “[X],” where “X” is an amount still to be agreed upon by the parties.

OTHER MATTERS

PROGRESS TOWARD THE 2006 ASSESSMENT OF THE SAP: On Monday, Ayité-Lô Ajavon (Togo), SAP Co-Chair, reported on progress toward its 2006 Assessment, as per the terms of reference agreed to at MOP-15 (Decision XV/53). He
noted that over 200 scientists have participated in its preparation and that each draft chapter has been reviewed three times. He also outlined the topics to be covered in the Assessment: ODS; ozone layer changes; and future expectations for ozone, ODS and ultra violet. He explained that the Assessment will include an executive summary, which was completed in June 2006 and which addresses: recent major findings and current scientific understanding; additional scientific evidence; and implications for policy formulation. Co-Chair Ajavon concluded by outlining the timeframe to completion, noting that the Assessment is scheduled to be available in printed form by March 2007.

**TIMING OF MEETINGS IN 2007:** In plenary on Wednesday, Executive Secretary González proposed a set of dates for meetings in 2007. Under the proposed schedule, the meetings of the OEWG and MBTOC would be moved forward to allow MOP-19 to coincide with the 20th anniversary of the adoption of the Montreal Protocol on 17 September 2006. He explained that such an arrangement would lead to a heavier Secretariat workload in preparation for those meetings but that it would not disrupt parties’ data reporting schedules. Argentina inquired as to the projected timing of the Implementation Committee meeting for 2007, and Nigeria called for relevant coordination with the Multilateral Fund Secretariat. Japan suggested that the MOP be held at its usual time and that side events be held at MOP-19 to commemorate the anniversary.

On Wednesday afternoon, Executive Secretary González reported back to plenary on informal consultations conducted with several parties and the TEAP. He informed delegates that agreement had been reached to hold OEWG-27 from 4-8 June 2007, and MOP-19 from 17-21 September 2007, and confirmed that the usual deadlines for reporting and submission of nominations (Article 7) would not be affected. On the hosting of MOP-19, Canada noted it had hosted the Protocol’s 10th anniversary event, explained it was still considering Canada’s hosting of the 20th anniversary meeting, and suggested it would understand if another party were to host MOP-19, since it might broaden the visibility of the event.

**OZONE SECRETARIAT WEBSITE:** On Tuesday, the Secretariat presented information on updates to its website. Noting the timelag between the publication of the Secretariat’s reports on the production and consumption of ODS by parties and the data contained in these reports, the Secretariat explained that the information contained in these reports would now also be available on its website. The Secretariat then demonstrated how to access this information via its online data access service. Executive Secretary González expressed hope that the service might be useful for analyses across regions, the historical evolution of substances and, eventually, for projections of future use.

**FUTURE OF THE MONTREAL PROTOCOL:** On Monday in plenary, Canada introduced a non-paper calling on parties to open a long and broad discussion on the future of the Montreal Protocol (UNEP/OzL.Pro.WG.1/26/CRP.4). Many delegates welcomed the paper and stressed the importance of learning from the successes of the Montreal Protocol. Several delegates stressed the need for internal deliberations on the issue and suggested discussing the matter further at MOP-18.

The EU said any discussion should be transparent and might last a long time. Argentina highlighted the Multilateral Fund, its Secretariat and the Implementation Committee as model institutions, and Peru called for examining the work of National Ozone Units in the future of the Montreal Protocol. Mauritius noted that other agreements look to the Montreal Protocol as the most successful multilateral environmental agreement.

China attributed the Montreal Protocol’s success to: a clear set of targets for phase-out; an excellent financial mechanism; the availability of mature alternative technologies; and a sector-based phase-out model.

Switzerland, supported by Tunisia, Brazil and Morocco, said Canada’s proposal to establish an intersessional working group on the issue was premature. Egypt suggested preparing a form to gather information from parties on the Protocol’s successes. Cuba proposed convening a special conference on the Protocol’s future and Argentina called for organizing a seminar immediately prior to MOP-18.

Canada suggested it could assemble a collection of party views on the future of the Montreal Protocol that could then be circulated prior to MOP-18 and discussed at a special meeting prior to MOP-18. Executive Secretary González suggested that comments be submitted by mid-September to allow for such a process. Switzerland, supported by the EU and Argentina, warned against rushing such a dialogue, and, while supporting an invitation for the submission of views on the future of the Montreal Protocol, he suggested that parties decide at MOP-18 how to broach discussions on the issue.

After some discussion, delegates agreed not to hold a seminar on the issue prior to MOP-18. Delegates also agreed that parties would provide written submissions to the Secretariat by 12 October 2006, outlining their views on the future of the Montreal Protocol, and that MOP-18 would discuss how to move this issue forward.

**DISCUSSION OF THE PROVISIONAL LIST OF PROCESS AGENTS ADOPTED AT MOP-17:** In plenary on Wednesday, China explained that, after consultations with its chemical experts, it believed that seven of the substances listed as process agents in the interim list of process agents agreed to at MOP-17 (Decision XVII/8) should be considered as feedstock uses not as process agents. With India, she requested the TEAP review the interim list to distinguish between feedstock and process agent uses; said if these chemicals are process agents, their use should be prohibited; and expressed a desire to continue discussions on the issue after the meeting.

Co-Chair Land said these concerns would be reflected in the meeting report and delegates agreed the issue should be taken up at MOP-18.

**CLOSING PLENARY**

The closing plenary took place on Thursday afternoon, with delegates adopting the draft report of the meeting (UNEP/OzL.Pro.WG.1/26/L.1, L.1/Add.1 and L.1/Add.2) with amendments. Afghanistan announced that his President approved domestic ODS regulations on Wednesday, 5 July 2006. Co-Chair Land thanked the Secretariat, the interpreters and other staff, delegates, Co-Chair Yahaya and the TEAP and its TOCs for their hard work before and during OEWG-26 and closed the meeting at 6:38 pm.
As has become the norm at meetings of the Open-Ended Working Group of the Montreal Protocol on Substances that Deplete the Ozone Layer, at its twenty-sixth session (OEWG-26), delegates engaged in laying the groundwork for substantive discussions on a variety of issues to be considered at the eighteenth Meeting of the Parties (MOP-18), to be held later this year in New Delhi, India. While methyl bromide-related matters, such as nominations for critical-use exemptions and quarantine and pre-shipment (QPS) remained a central part of delegates’ deliberations, a variety of other issues were also considered in detail, indicating a shift from some more recent meetings in the ozone process, where methyl bromide dominated plenary discussions. Other key issues taken up by delegates included difficulties arising from the transition to CFC-free metered-dose inhalers in developing country (Article 5) parties, compliance issues associated with this transition as well as with stockpiles of ozone-depleting substances (ODS), and launching a discussion the future of the Montreal Protocol. This brief analysis discusses these issues with a view toward MOP-18 and beyond.

As OEWG-26 Co-Chairs Tom Land (US) and Nadzri Yahaya (Malaysia) opened the meeting on Monday, 3 July, and proposed setting aside all of Tuesday to address methyl bromide-related matters, it may have seemed that OEWG was going to follow the same methyl bromide-centric pattern of recent years. However this was not the case at OEWG-26. As delegates responded to reports on the progress of the Scientific Assessment Panel, the Technology and Economic Assessment Panel (TEAP) and of its Technical Options Committees (TOCs) Monday morning, it became clear that they had come to OEWG-26 well prepared to delve into a wide range of substantive issues relevant to this advanced stage of the ozone-protection process. By the end of the meeting on Thursday, 6 July, five contact groups had convened, none of which dealt with the usually thorny questions concerning methyl bromide. In particular, the latest round of critical-use nominations did not spur an extensive debate and were largely addressed through informal consultations between different parties and between parties and the Methyl Bromide Technical Options Committee (MBTOC).

Several participants ascribed the broader scope of negotiations at OEWG-26 to the changing face of the regime, with the upcoming 20th anniversary of the adoption of the Montreal Protocol in September 2007 setting the tone for the week. Delegates not only agreed to adjust the timing of meetings in 2007 so that MOP-19 would coincide with the anniversary of the Protocol’s adoption, they also initiated discussions on the next two decades of the Montreal Protocol. The year 2010 – the target for the phase-out of the production and consumption of CFCs by Article 5 parties – looms large, and several countries called for addressing, in particular, the difficulties they are facing with the move toward phase-out, most notably relating to their transition to CFC-free MDIs. These Article 5 parties, who are most often the recipients of non-Article 5 produced pharmaceutical-grade CFCs, highlighted the challenge of gaining access to the necessary technologies to produce their own CFC-free MDIs and expressed concern that they would be unable to comply with the 2010 target.

This challenge – of encouraging practical approaches to phase-outs while deterring the exploitation of potential loopholes in the regime – was also reflected in discussions on the compliance implications of stockpiling ODS as part of phase-out strategies. Indeed, as Ozone Secretariat Executive Secretary Marco González underscored in his opening address, the reduction of ODS production and use becomes more difficult as total phase-out targets near.

Another such concern came to the fore as the TEAP QPS Task Force reported on pre-plant soil applications of methyl bromide. The Task Force explained that it relied on parties’ interpretations of whether methyl bromide use is allowed under the QPS exemption or whether it should be considered as a critical-use exemption, while several parties called on the Task Force to take on the responsibility of assessing whether methyl bromide exemptions for QPS were indeed applied appropriately. Undoubtedly, the Task Force’s report on the effectiveness of such QPS methyl bromide applications will be eagerly reviewed when it becomes available, as delegates prepare for MOP-18. On a related QPS issue, several parties, experts and observers feared that the recent entry into force of the FAO’s International Phyto-sanitary Standard for Wood Packaging (known as ISPM15 and which mandates either heat or methyl bromide treatment) could lead to a marked increase in the use of methyl bromide worldwide.

Following MOP-17’s revision of TEAP working procedures, OEWG-26 exhibited a continued focus on the Montreal Protocol’s advisory bodies. While many participants remarked on recent improvements in the transparency of the TEAP and TOCs’ work, a contact group considered a Canadian proposal on developing a form for experts to annually declare actual, apparent or potential conflicts of interest. In plenary, the decision-making process of the MBTOC was again scrutinized. In particular, an undercurrent of concern related to the late submission of the National Management Strategy of the EC. In addition, MBTOC’s review of critical-use nominations yet again produced a large volume (over 7,000 tonnes) of “unable to assess” determinations and some delegates warned that the OEWG merely “danced” around the issue and that these methyl-bromide related issues could again monopolize negotiations at MOP-18 as critical-use exemptions for 2007 will have to be finalized.

As the Montreal Protocol prepares to enter in its third decade, many experienced delegates and scholars are quick to acknowledge that it remains a prime example of successful multilateral environmental agreement-making. Yet, others have underscored the need to continue to pursue its goals and there are rising calls across several agenda items – for increased synergies with other more recent multilateral environmental agreements, such as the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the UN Framework Convention on Climate Change. This latter effort is reflected by a more prevalent emphasis on the global warming potential of ODS alternatives and by an increasing dialogue with the climate community, exemplified by the workshop on the Intergovernmental Panel on Climate Change/TEAP Special report, held immediately following OEWG-26.
Even though OEWG-26 only forwarded seven draft decisions to MOP-18, the meeting provided parties the opportunity to make substantial progress on a multitude of agenda items and sowed the seeds for intersessional dialogue in upcoming months. Moreover, the Executive Committee of the Multilateral Fund, the MBTOC and the Implementation Committee will all be meeting prior to MOP-18 and these meetings are sure to further lay the groundwork for MOP-18. Experienced ozone delegates noted that they were expecting a busy few months as they prepare for a productive meeting in New Delhi.

UPCOMING MEETINGS

FORTY-NINTH MEETING OF THE MONTREAL PROTOCOL FUND'S EXECUTIVE COMMITTEE: The ExCom will meet from 10-14 July 2006, in Montreal, Canada. The meeting will be attended by representatives of countries that are currently members of ExCom: Brazil, Burundi, Guinea, India, Mexico, Syrian Arab Republic and Zambia (Article 5 countries); and Australia, Belgium, the Czech Republic, Italy, Japan, Sweden and the US (non-Article 5 countries). For more information, contact: Secretariat of the Multilateral Fund; tel: +1-514-282-1122; fax: +1-514-282-0068; e-mail: secretariat@unmfs.org; internet: http://www.multilateralfund.org/49th_meeting_of_the_executive.htm

HALONS TECHNICAL OPTIONS COMMITTEE: This Committee is scheduled to meet from 23-25 August 2006, in Winnipeg, Canada. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://ozone.unep.org

METHYL BROMIDE TECHNICAL OPTIONS COMMITTEE: This Committee is meeting from 28 August to 2 September 2006, in Yokohama, Japan. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://ozone.unep.org

FLEXIBLE AND RIGID FOAMS TECHNICAL OPTIONS COMMITTEE: This Committee is scheduled to meet in September 2006, in Salt Lake City, USA. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://ozone.unep.org

FIFTH SESSION OF THE INTERGOVERNMENTAL FORUM ON CHEMICAL SAFETY: IFCS FORUM V is scheduled to take place from 25-29 September 2006, with pre-meetings on 23-24 September, in Budapest, Hungary. For more information, contact: IFCS Secretariat; tel: +41-22-791-3873; fax: +41-22-791-4875; e-mail: ifcs@who.ch; internet: http://www.who.int/ifcs/forums/five/en/index.html

THIRD CONFERENCE OF PARTIES TO THE ROTTERDAM CONVENTION: PIC COP-3 will take place from 9-13 October 2006, in Geneva, Switzerland. For more information, contact: Rotterdam Convention Secretariat; tel: +41-22-917-8296; fax: +41-22-917-8082; e-mail: pic@pic.int; internet: http://www.pic.int

REFRIGERATION, AIR-CONDITIONING AND HEAT PUMPS TECHNICAL OPTIONS COMMITTEE: This Committee will meet from 25-27 October 2006, in New Delhi, India. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://ozone.unep.org

THIRTY-SEVENTH MEETING OF THE MONTREAL PROTOCOL'S IMPLEMENTATION COMMITTEE: This meeting will take place from 25-27 October 2006, in New Delhi, India. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://hq.unep.org/ozone/Events/meetings2006and2007.asp

EIGHTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL: MOP-18 will take place from 30 October 2006 to 3 November 2006, in New Delhi, India. For more information, contact: Ozone Secretariat; tel: +254-20-762-3850/1; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: http://ozone.unep.org

GLOSSARY

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFCs</td>
<td>Chlorofluorocarbons</td>
</tr>
<tr>
<td>CUEs</td>
<td>Critical-use exemptions</td>
</tr>
<tr>
<td>CUNs</td>
<td>Critical-use nominations</td>
</tr>
<tr>
<td>CTC</td>
<td>Carbon tetrachloride</td>
</tr>
<tr>
<td>CTOC</td>
<td>Chemicals Technical Options Committee</td>
</tr>
<tr>
<td>ExCom</td>
<td>Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol</td>
</tr>
<tr>
<td>FTOC</td>
<td>Flexible and Rigid Foams Technical Options Committee</td>
</tr>
<tr>
<td>HBFCs</td>
<td>Hydrobromofluorocarbons</td>
</tr>
<tr>
<td>HCFCs</td>
<td>Hydrochlorofluorocarbons</td>
</tr>
<tr>
<td>HTOC</td>
<td>Halons Technical Options Committee</td>
</tr>
<tr>
<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change/Technology and Economic Assessment Panel Special Report on Safeguarding the Ozone Layer and the Global Climate System</td>
</tr>
<tr>
<td>ISPM15</td>
<td>FAO's International Phytosanitary Standard for Wood Packaging</td>
</tr>
<tr>
<td>MBTOC</td>
<td>Methyl Bromide Technical Options Committee</td>
</tr>
<tr>
<td>MDI</td>
<td>Metered-dose inhaler</td>
</tr>
<tr>
<td>MTCO</td>
<td>Medical Technical Options Committee</td>
</tr>
<tr>
<td>NMS</td>
<td>National Management Strategies</td>
</tr>
<tr>
<td>ODS</td>
<td>Ozone-depleting substances</td>
</tr>
<tr>
<td>OEWG</td>
<td>Open-ended Working Group</td>
</tr>
<tr>
<td>QPS</td>
<td>Quarantine and pre-shipment</td>
</tr>
<tr>
<td>RTOC</td>
<td>Refrigeration, Air-Conditioning and Heat Pumps Technical Options Committee</td>
</tr>
<tr>
<td>SAP</td>
<td>Scientific Assessment Panel</td>
</tr>
<tr>
<td>TEAP</td>
<td>Technology and Economic Assessment Panel</td>
</tr>
<tr>
<td>TEAP QPS</td>
<td>TEAP Task Force on uses of methyl bromide for QPS</td>
</tr>
<tr>
<td>TOCs</td>
<td>Technical Options Committees</td>
</tr>
<tr>
<td>TORs</td>
<td>Terms of reference</td>
</tr>
</tbody>
</table>
“Your Meeting” Bulletin

IISD REPORTING SERVICES now at your meeting

This product was developed in 2003 specifically for large conferences that include both substantive discussions and side events. Building on the success of the Earth Negotiations Bulletin and ENB on the Side, “Your Meeting” Bulletin was created as a conference daily report. IISD Reporting Services was hired to publish in this format at the World Forestry Congress, Renewables 2004 and the IUCN World Conservation Congress.

“Your Meeting” Bulletin is a 4-6 page daily report and summary issue that includes coverage of policy discussions and/or negotiations, and extensive reporting from side events and special events during the conference.

For further information or to make arrangements for IISD Reporting Services to cover your meeting conference or workshop, contact the Managing Director:

Langston James “Kimo” Goree VI
212 E 47th St. #21F, New York
NY 10017 USA
Phone: +1 646-536-7556
Fax: +1 646-219-0955
kimo@iisd.org

Visit our website at www.iisd.ca to find all of the information you need. Subscribe free-of-charge to our publications at: www.iisd.ca/email/subscribe.htm
To view the IISD Reporting Services archives go to: www.iisd.ca