



**SUMMARY OF THE FIFTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL: 10-14 NOVEMBER 2003**

The fifteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP-15) opened on Monday, 10 November 2003, at the UN's Gigiri complex in Nairobi, Kenya. A preparatory segment was held from 10-12 November, followed by a high-level segment for ministers and other heads of delegations from 13-14 November. Approximately 500 participants from 126 countries, plus representatives from UN agencies, intergovernmental organizations, and non-governmental organizations (NGOs) attended the meeting.

MOP-15 adopted numerous decisions, covering: implications of entry into force of the Beijing Amendment, particularly as it relates to hydrochlorofluorocarbons (HCFCs); status of destruction technologies for ozone-depleting substances (ODS) and the code of good housekeeping; handling of ODS in foams and industry plants; South Africa's application for technical and financial assistance from the Global Environment Facility (GEF); and compliance issues.

MOP-15 faced a heavy agenda and key issues related to exemptions for methyl bromide from the Protocol's control measures. Delegates could not reach agreement on four items relating to methyl bromide: nominations for critical-use exemptions (CUEs); conditions for granting CUEs; further specific interim reductions; and consideration of the Methyl Bromide Technical Options Committee's work procedures relating to the evaluation of CUEs nominations. These items will be addressed in an extraordinary MOP that will be held in Montreal, Canada, from 24-26 March 2004.

**A BRIEF HISTORY OF THE OZONE REGIME**

Concerns that the Earth's stratospheric ozone layer could be at risk from chlorofluorocarbons (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, thus hindering its ability to prevent harmful ultraviolet (UV-B) rays from reaching the Earth. This would adversely affect ocean ecosystems, agricultural productivity and animal populations, as well as 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.

**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 ODS. To date, the Convention has 185 Parties.

**MONTREAL PROTOCOL:** Efforts to negotiate binding obligations on ODS continued, leading to the adoption of the Montreal Protocol on Substances that Deplete the Ozone Layer in September 1987. The Montreal 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 184 Parties. Since 1987, several amendments and adjustments to the Protocol have been adopted, with amendments adding new obligations and additional ODS, and adjustments tightening existing control schedules. Amendments require ratification by a defined number of Parties before they enter into force, while adjustments enter into force automatically.

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**LONDON AMENDMENT AND ADJUSTMENTS:** Delegates to MOP-2, which took place in London 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, 166 Parties have ratified the London Amendment. In addition, MOP-2 established the Multilateral Fund for the Implementation of the Montreal Protocol. The Fund meets the incremental costs of developing country implementation of the Protocol's control measures and finances clearing-house functions, including technical assistance, information, training and costs of the Fund's Secretariat. The Fund is replenished every three years, and has disbursed over US\$1.3 billion since its establishment.

**COPENHAGEN AMENDMENT AND ADJUSTMENTS:** At MOP-4, held in Copenhagen 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, including the establishment of an Implementation Committee. The Implementation Committee examines cases of possible non-compliance by Parties and the circumstances surrounding these, and makes recommendations to the MOP aimed at bringing about full compliance. To date, 154 Parties have ratified the Copenhagen Amendment.

**MONTREAL AMENDMENT AND ADJUSTMENTS:** At MOP-9, held in Montreal in 1997, in addition to further tightening the existing control schedules, delegates agreed to a new licensing system for the import and export of ODS. They also agreed to a ban on trade in methyl bromide with non-Parties to the Copenhagen Amendment. To date, 107 Parties have ratified the Montreal Amendment.

**BEIJING AMENDMENT AND ADJUSTMENTS:** At MOP-11, held in Beijing in 1999 together with COP-5 of the Vienna Convention, delegates agreed to controls on HCFC production and bromochloromethane (BCM), and to reporting on methyl bromide for quarantine and pre-shipment applications. To date, 57 Parties have ratified the Beijing Amendment. In addition, MOP-11 agreed to replenish the Multilateral Fund with US\$477.7 million for the triennium 2000-2002.

**MOP-12:** MOP-12 took place in Ouagadougou, Burkina Faso, from 11-14 December 2000. MOP-12 adopted decisions on: a correction to the Beijing Adjustments; measures to facilitate the transition from CFC-based metered-dose inhalers (MDIs); monitoring of international trade and prevention of illegal trade in ODS; and other issues. MOP-12 also adopted the Ouagadougou Declaration, which encourages Parties to, *inter alia*: take steps to prevent illegal production, consumption and trade in ODS and ODS-containing equipment and products; and harmonize customs codes.

**MOP-13:** MOP-13 took place in Colombo, Sri Lanka, from 16-19 October 2001. MOP-13 adopted decisions on: the terms of reference for a study by the Technology and Economic Assessment Panel on the 2003-2005 replenishment of the Multilateral Fund; a review of the Multilateral Fund's fixed-exchange-rate mechanism (FERM); Parties' compliance; procedures for assessing the ozone-depleting potential (ODP) of new substances; CFC production for MDIs; monitoring of international trade and prevention of illegal trade in ODS; and other issues. MOP-13 also adopted the Colombo Declaration, which encourages Parties to apply due care in using

substances that may have ODP; and determine and use available, accessible and affordable alternatives and technologies that minimize environmental harm while protecting the ozone layer.

**MOP-14:** MOP-14 convened in Rome, Italy, from 25-29 November 2002. Delegates adopted a record 46 decisions, covering such matters as the Multilateral Fund replenishment and its FERM, compliance issues, illegal trade, the transition from CFCs for MDIs, the relationship with the climate change regime; and interaction with the World Trade Organization. One of the key tasks on the agenda was the replenishment of the Multilateral Fund, which was allocated a budget of US\$573 million for 2003-2005. Delegates also considered the phase-out of methyl bromide, illegal trade in ODS, compliance procedures, the destruction of ODS, and synergies between ozone depletion and climate change.

### 30TH MEETING OF THE IMPLEMENTATION

**COMMITTEE:** Non-compliance by many Parties to the Montreal Protocol was the focus of the 30th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol, which was held from 4-7 July 2003, in Montreal, Canada. The Committee considered a substantial agenda of compliance-related matters, including cases of non-compliance with previous decisions by Parties. The Committee agreed to request additional information from several countries, expressed concern at some Parties' apparent non-compliance, and commended others on their success in addressing earlier problems. The Committee agreed to present a draft decision to MOP-15 urging the implementing agencies, and in particular UNEP's Compliance Assistance Programme, to assist the Committee, through the Ozone Secretariat, in following up decisions of the Parties on non-compliance and data reporting.

### 23RD MEETING OF THE OPEN-ENDED WORKING

**GROUP (OEWG):** Delegates attending the 23rd meeting of the OEWG of the Parties to the Montreal Protocol engaged in a review of progress and prepared for MOP-15. The OEWG, which met in Montreal from 7-11 July 2003, considered a proposal to amend the Protocol submitted by the European Community, as well as issues addressed by the Technology and Economic Assessment Panel (TEAP) in its 2003 progress report, and a report from the Halons Technical Options Committee. Delegates examined issues related to methyl bromide use in some detail. They also looked at progress made on the issue of a global harmonized system for the classification of ozone-depleting substances, and discussed the terms of reference for the evaluation of the Multilateral Fund. In their discussions on methyl bromide, some participants expressed concern at the assumptions used by the Methyl Bromide Technical Options Committee in its recent evaluation, and several speakers also drew attention to the considerable number of nominations for exemptions. However, following deliberations in a contact group, progress was reported on many of the matters under discussion. The report of the OEWG contains proposals for a number of draft decisions to be taken up at MOP-15, including text on conditions for granting critical-use exemptions for methyl bromide.

**CURRENT ODS CONTROL SCHEDULES:** Regarding the ODS control schedules resulting from the various amendments and adjustments to the Montreal Protocol, developed countries were required to phase out: halons by 1994; CFCs, CTC, methyl chloroform and HBFCs by 1996; and BCM by 2002. They must still phase out: methyl bromide by 2005 and consumption of HCFCs by



2030 (with interim targets up to those dates). Production of HCFCs must be stabilized by 2004. Developing countries were required to phase out HBFCs by 1996 and BCM by 2002. They must still phase out: CFCs, halons and CTC by 2010; methyl chloroform and methyl bromide by 2015; and consumption of HCFCs by 2040 (with interim targets up to those dates). Production of HCFCs must be stabilized by 2016.

## MOP-15 REPORT

### PREPARATORY SEGMENT

The preparatory segment was co-chaired by Khaled Klaly (Syria) and Maria Nolan (UK), Co-Chairs of the OEWG. Co-Chair Klaly opened this segment on Monday, 10 November. Newton Kulundu, Kenyan Minister for the Environment, Natural Resources and Wildlife, welcomed delegates to Nairobi, the seat of the Ozone Secretariat. He said that the lengthy agenda before this meeting demonstrates the importance of the issue under discussion. He outlined Kenya's achievements in ozone protection and commended the donor countries and implementing agencies for their financial and technical assistance. He noted the need for granting critical use exemptions for methyl bromide to developing countries.

Marco González, Executive Secretary of the Ozone Secretariat, extended a warm welcome to all participants on behalf of UNEP Executive Director Klaus Töpfer. He outlined the key agenda items before the preparatory segment of MOP-15, in particular:

- terms of references for the study on the management of the financial mechanisms of the Montreal Protocol;
- exemptions of ODS from the control measures, particularly of methyl bromide and metered-dose inhalers (MDIs);
- implications of entry into force of the Beijing Amendment, particularly in relation to trade in and supply of HCFCs;
- reporting of data;
- status of destruction technologies for ODS and code of good housekeeping; and
- plan of action to modify regulatory requirements that mandate the use of halons in new airframes.

Throughout the meeting, delegates discussed issues and corresponding draft decisions in plenary sessions, contact groups and bilateral consultations. Draft decisions were approved by the preparatory segment, and forwarded to the high-level segment for adoption. The description of the negotiations and the summaries of the decisions can be found below.

### HIGH-LEVEL SEGMENT

Marco González, Executive Secretary of the Ozone Secretariat, opened the high-level segment on Thursday, 13 November. In his opening remarks, MOP-14 President Rukman Senanayake (Sri Lanka) said that despite achievements in numerous areas of ozone-layer protection, many ODS still pose a problem and need concerted effort to be phased out. He urged delegates to implement decisions once they are adopted by the MOP.

Shafqat Kakakhel, UNEP Deputy Executive Director, delivered a statement on behalf of UNEP Executive Director Klaus Töpfer. He commended the evaluation and assessment work done on the ozone layer by various scientific panels, which reported both positive and worrisome findings; they should be used to arrive at sound decisions in order to move forward. He said that the Montreal Protocol, as a test case for all multilateral environmental agree-

ments, must not fail, and full compliance by all Parties is the key. He called for additional contributions to the Multilateral Fund and the Trust Fund of the Montreal Protocol. He announced that Maria Nolan (UK) has been appointed as the new Chief Officer of the Multilateral Fund.

Kenyan Vice President Arthur Moody Awori said that the protection of the ozone layer and implementation of the Montreal Protocol are global challenges. He called for: promoting partnerships among Parties; improving capacity building; promoting public awareness; enhancing national legal and institutional frameworks; and increasing technical and financial resources.

MOP-14 President Senanayake announced that China, Fiji, Jamaica and Senegal were winners of the 2003 Outstanding National Units Ozone Award, marking their outstanding work in implementing the Montreal Protocol and protecting the ozone layer.

Delegates elected members of the MOP-15 Bureau: Libor Ambrozek (Czech Republic) as President; Bala Mande (Nigeria), Juan Filpo (Dominican Republic), and Claudia McMurray (US) as Vice-Presidents; and Gabriel Luluaki (Papua New Guinea) as Rapporteur.

### ASSESSMENT PANEL REPORTS: TEAP 2002 Synthesis

**Report:** Steven Anderson, TEAP Co-Chair, presented the TEAP synthesis report that summarizes the policy-relevant findings of the separate reports of its Technical Options Committees (TOCs). He said the Montreal Protocol is effective in assisting the recovery of the ozone layer, but according to observations, it will remain vulnerable. Anderson noted that ODS phase-out can be achieved by 2005 in non-Article 5 Parties, but this would be costly and could increase energy consumption and greenhouse gas emissions. Recalling the availability of suitable alternatives for methyl bromide, he said the phase-out has been prolonged by the abundant supply of methyl bromide. He advised the developed countries to improve incentives for the commercialization of methyl bromide alternatives, and said that all Parties should plan for a full phase-out in three to six years.

**Scientific Assessment Panel (SAP):** Ayité-Lô Ajavon, SAP Co-Chair, predicted that the ozone hole is expected to disappear in 50 years, as the amount of ODS decline in the atmosphere. He noted that the key issue to be researched is how climate change will influence the recovery of the ozone layer.

**Environmental Effects Assessment Panel (EEAP):** Jan van der Leun, EEAP Co-Chair, said that Co-Chair Manfred Tevini resigned his post and that Janet Bornman is the new EEAP Co-Chair. He noted that new studies from the EEAP confirm that ozone depletion affects living organisms and that ultraviolet radiation increases the occurrence of skin cancer and cataracts.

**Technology and Economic Assessment Panel (TEAP):** TEAP Co-Chair José Pons Pons (Venezuela) presented the TEAP 2003 Report, and noted that the best approach to phasing out CFCs from MDIs is to enhance cooperation between governments and industry in order to define a timetable for removing particular groups of CFCs from the market.

Miguel Quintero, TEAP, noted that the foam market continues to grow as demand for high-performance insulation increases.

Gary Taylor, Co-Chair of the Halons TOC, called for more effort by the aviation sector and other industries to develop partnerships for establishing appropriate facilities to store halons.



Nahum Marban Mendoza, Co-Chair of the Methyl Bromide TOC, pointed out that there are available alternatives for methyl bromide and that numerous Article 5 Parties have acquired expertise through demonstration projects to show that many barriers to methyl bromide alternatives can be lifted in a few years.

Maaski Yamabe, TEAP, reported that the Solvents TOC has overcome the technology challenges for phasing out ODS solvents, coatings and adhesives, and therefore TEAP is retiring this TOC; the remaining solvents' issues will be dealt with by the new Chemical Uses and Processes TOC.

Lambert Kuijpers, TEAP Co-Chair, said that the TEAP/Intergovernmental Panel on Climate Change special report on safeguarding the ozone layer and the global climate change, requested by MOP-14, is due for 2005.

**IMPLEMENTING AGENCY REPORTS:** UNDP said that it has carried out over 1,000 activities towards promoting the success of the Montreal Protocol, and is currently working with governments on 20 national implementation plans. She said that UNDP is ready to assist Article 5 Parties to fulfill their specific obligations.

UNEP introduced its Compliance Assistance Programme, designed to provide evolving services to meet the emerging needs of developing country Parties. In the assistance programs, he highlighted promotion of partnerships, increasing public awareness and development of national strategies.

UNIDO said that it has carried out over 600 ODS projects in 68 countries with a focus on providing Article 5 Parties with comprehensive technical and institutional support, as well as on monitoring ODS movements.

The World Bank said that it has disbursed US\$52 million for projects on the reduction and phase-out of some ODS. He confirmed that the Bank is committed to exploring where assistance is needed and is cooperating closely with client countries.

The Global Environment Facility (GEF) said that it has already approved projects worth US\$160 million to assist Parties' efforts in fulfilling the Protocol's obligations, with most of them earmarked for countries with economies in transition.

**MULTILATERAL FUND EXECUTIVE COMMITTEE PRESENTATION:** Tadanori Inomata, Chair of the Executive Committee of the Multilateral Fund, reported that for the 2003-2005 triennium, the Multilateral Fund has been replenished with a total amount of US\$573 million. He highlighted the Committee's focus on business planning in order to facilitate provision of necessary resources where funds are most needed, especially for Article 5 Parties. He also pointed out the need to improve the recruitment process for the Chief Officer of the Multilateral Fund.

**DELEGATION STATEMENTS:** During the two-day high-level segment, delegates heard statements from 17 ministers and other heads of delegations.

Numerous countries welcomed the approval of the interpretation of the Beijing Amendment, relating to HCFCs, and expressed gratitude to the Multilateral Fund for the financial support provided to phase out ODS.

China, India, Jordan and Sri Lanka highlighted the need to take precautionary measures to prevent illegal trade of ODS.

Iran stressed cooperation among enforcement agencies. Nigeria noted that if Article 5 Parties are required to destroy ODS, the Multilateral Fund should assist them in doing so. Indonesia underscored that the ODS phase-out schedule, as agreed in the Montreal

Protocol, must be implemented by Parties. Japan said that developed countries should serve as an example and fulfill their obligations under the Montreal Protocol. Chile noted it is phasing out ODS, including methyl bromide and CFCs, and summarized his country's activities, which have been supported by the Multilateral Fund.

The Philippines noted the importance of international cooperation to protect the ozone layer and, with Botswana, said that Parties should address the social implications of measures to reduce ODS. She said that the phase-out of methyl bromide should be gradual, to prevent aggravating poverty in a variety of developing countries. Côte d'Ivoire expressed concern relating to phasing out consumption of methyl bromide, which will harm his country's economy and asked for exemptions to address this problem.

Uganda stated that CUEs for methyl bromide should be extended to developing countries, and called for continuous financial assistance and technology transfer to comply with the ozone treaties. Rwanda said that its government is committed to cooperation with other countries in implementing the Protocol. Bangladesh emphasized the interrelationship between ozone issues and climate change.

On behalf of the Pacific Islands States, Kiribati said that regional strategy is the key for small countries to implement the Protocol. The Lao People's Democratic Republic highlighted a national action plan for ODS. Brazil said the ozone regime respects the principle of common but differentiated responsibilities, taking into account the differences among countries relating to quantities of ODS consumption and access to technologies. The Russian Federation underscored it has been developing an initiative with implementing agencies to guarantee the definitive closure of ODS production.

Jordan highlighted it has eliminated 90% of ODS use from its industrial sector, and has also replaced methyl bromide use with available alternatives. Colombia suggested that the Ozone Secretariat maintain close contact with other international organizations, especially the World Trade Organization (WTO) and the Food and Agriculture Organization (FAO), to prevent MOP decisions from becoming an obstacle for international trade. Sudan said that the Multilateral Fund should be able to increase its funding for phasing out ODS and hoped that decisions taken in this meeting will be implemented, especially those relating to the Beijing Amendment.

The US said it strongly supports the Montreal Protocol and stressed that nominations for CUEs for methyl bromide will not undermine it. She urged Parties to approve the US nominations, as allocated by the TEAP, since there are no substitutes for methyl bromide available for farmers. Ukraine said it has prohibited import and export of the most dangerous ODS. He commended the GEF for assisting his country in acquiring ozone-safe technologies.

The European Community (EC) stressed that: ODS should be phased out as soon as possible; exemptions should not be of permanent nature; and nominations for CUEs should decrease each year. Italy, speaking on behalf of European Union (EU), strongly urged parties to ratify all ozone treaties in order to ensure the full function and operation of the Montreal Protocol. The Republic of Korea said its ratification of the Beijing Amendment can be expected in 2004.

Switzerland stressed that exemptions should not be used to help Parties to continue or increase their production and consumption of ODS; otherwise it will contradict the Protocol's objectives.



Cambodia called for financial and technical support in order to achieve the goal of phasing out CFCs in 2010. Namibia reported that its government has recently added ODS to import and export legislation. Egypt said phasing out methyl bromide and finding alternatives are very challenging, calling for capacity building in developing countries. Pakistan has undertaken a strong national campaign to support all ozone protection initiatives of international communities. Somalia called on international bodies to assist his country in building institutions for implementing the Protocol. The Environmental Investigation Agency urged transit parties to increase efforts in banning illegal trade and cautioned that stock-piling is a serious issue to be dealt with.

### **MOP-15 DECISIONS**

On Friday, delegates to the high-level segment adopted the following decisions.

**STUDY ON THE MANAGEMENT OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL:** On Monday, the Secretariat introduced the draft decision with the terms of reference for the study (UNEP/OzL.Pro/WG.1/23/5). The draft decision was originally submitted by Australia, Japan, and the EU. Japan sought clarification on funding the study. Italy, on behalf of the EU, suggested postponing substantive discussion on this issue until the EU submits a formal conference room paper (CRP). In the afternoon, the EU presented the revised draft decision (UNEP/OzL.Pro.15/CRP.4) and Parties agreed to Japan's suggestion to add the words "up to" before the figure of US\$500,000 for funding the study. The draft decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) approves the terms of reference for the study, sets up a steering panel of six members for selecting a consultant and supervising the work, and approves up to US\$500,000 in the 2004 budget for the study. The final report of the study will be made available to MOP-16.

**EXEMPTIONS OF ODS FROM THE CONTROL MEASURES: Presentation by the TEAP/Methyl Bromide TOC:** On Monday, TEAP Co-Chair Jonathan Banks (Australia) presented the TEAP Supplementary Report on 2003 Critical-Use Nominations (CUNs). The report indicates that 12 Parties have submitted a total number of 95 CUNs with a total of 14,903 metric tones of methyl bromide. Having reviewed and assessed all the CUNs, the TEAP Methyl Bromide TOC recommended that the CUNs be approved for one year only, noting that CUN approval for more than one year may discourage further development and adoption of alternatives. In the report, TEAP/MBTOC classified the CUNs into four categories, namely: recommended, noted, unable to recommend, and unable to evaluate, of which "noted" is a new one. He said the TEAP/MBTOC is seeking guidance from Parties on issues, including: common measures of economic feasibility; accounting guidelines for annual reporting; and treatment of nominations for use greater than historical. It is also seeking information from alternative suppliers on validation that critical methyl bromide uses can be eliminated.

On Tuesday, Co-Chair Nolan invited delegates to comment on the presentation made by TEAP/MBTOC on Monday. Canada, New Zealand and the US expressed preference for a multi-year nomination for CUEs in order to avoid duplicating TEAP's work, while Norway, Switzerland and others supported one-year approval only. The EC proposed that CUEs for methyl bromide should be

capped to a maximum of 30% of the Party's total consumption. The US argued lack of legal justification for the concept of a 30% nomination cap, while Canada noted that the concept reaches beyond the language of the ozone treaty. Japan said that 30% is too high.

Mexico, supported by Argentina and Guatemala, said that CUEs would create a difficulty for Article 5 Parties and affect their ability to compete in the international market and, as a result, the exemption will lead to an increase of methyl bromide consumption. Australia said that TEAP should be provided with more information to make consistent recommendations in this regard. The Natural Resources Defense Council cautioned that CUEs are fraught with the danger of reversing Parties' commitment to the methyl bromide phase-out. A representative from the California Strawberry Growers Association stressed farmers' need for CUEs. A representative from the fumigation industry stated that those who have already been attempting to phase out methyl bromide should not be punished by CUE grants. The EU said it will prepare a draft decision on the item for further consideration. A contact group on CUEs for methyl bromide was established, but could not reach agreement. The matter was subsequently referred to the proposed extraordinary meeting of MOP-15.

**Nominations for Critical-Use Exemptions for Methyl Bromide:** On Monday, Parties discussed the proposal by Algeria and Tunisia regarding the phase-out of methyl bromide that is used to fumigate fresh dates, and the non-availability of feasible alternatives. Algeria and Tunisia confirmed their desire to remain in compliance with the Montreal Protocol and appealed to Parties to assist in finding a solution.

Japan, supported by several countries, suggested that TEAP analyze the issue, so that Parties would be in a better position to decide, and noted that the question of compliance could be examined later. Switzerland proposed that TEAP establish whether alternatives exist, and the Implementation Committee take up the issue on a priority basis.

A contact group of interested Parties, led by Tunisia, met almost non-stop from Monday to Friday, but failed to reach agreement on the nominations for CUEs. On Thursday afternoon, the contact group on nominations for CUEs for methyl bromide and the contact group on conditions for granting CUEs for methyl bromide were merged to one contact group to simplify negotiations.

On Friday, after the contact group failed to reach agreement, the EC presented two draft decisions on the technical categories to be used by TEAP when assessing critical-use for methyl bromide (UNEP/OzL.Pro.15/CRP.26), and on convening an extraordinary MOP (UNEP/OzL.Pro.15/CRP.27). The EC suggested amendments to CRP.26 and CRP.27 to, *inter alia*, guarantee that the funding for experts' attendance is provided from the budget surplus. Canada supported the proposals and suggested the extraordinary MOP take place in Montreal, Canada. Steven Anderson, TEAP, proposed changing the dates for the methyl bromide TOC to convene and publish a report on the issue. He also said he understands that Parties are frustrated with TEAP categorizations for methyl bromide nominations, especially those categorized as "noted," and observed that the categories can be reclassified to become more decisive. The draft decision UNEP/OzL.Pro.15/CRP.26 was adopted as amended by the EC, Canada and TEAP. The draft decision UNEP/OzL.Pro.15/CRP.27 was also adopted.



**Final Decisions:** The decision (UNEP/OzL.Pro.15/CRP.26) invites Parties with nominations categorized as “noted” in the TEAP’s 2003 Supplementary Report, to submit information that relates to Methyl Bromide TOC comments on those uses, with additional clarification to be provided by this TOC, if requested by the Parties. It also requests TEAP to re-categorize critical-use nominations for methyl bromide only as “recommended,” “not recommended” or “unable to assess,” following the procedures established for essential uses.

The second decision (UNEP/OzL.Pro.15/CRP.27) agrees to convene an extraordinary MOP, to be held from 24-26 March 2004, in Montreal, Canada, to discuss the following issues:

- adjustment of the Montreal Protocol regarding further specific interim reductions of methyl bromide for the period beyond 2005, applicable to Article 5 Parties;
- nominations for CUEs for methyl bromide;
- conditions for granting and reporting on CUEs for methyl bromide; and
- consideration of the Methyl Bromide TOC’s work procedures relating to the evaluation of CUEs nominations.

**Conditions for Granting CUEs for Methyl Bromide:** On Monday, delegates debated a proposal presented by the Dominican Republic to OEWG-23 on granting CUEs for methyl bromide as well as a request to TEAP to evaluate the economic and environmental implications of such exemptions. Costa Rica, Kenya, and Tunisia supported the proposal, emphasizing the need for granting exemptions to Article 5 Parties. Argentina proposed an exemption period for no more than a year. The EC expressed its appreciation of the difficulties faced by some countries to phase out methyl bromide, and suggested establishing a contact group to further elaborate the proposal.

The US stressed the need to establish a mechanism to encourage Parties to phase out methyl bromide. Canada was of the view that Article 5 Parties and non-Article 5 Parties should be addressed separately. Burkina Faso said that close consultations should be held with the World Bank and the International Monetary Fund to reconcile issues relating to methyl bromide, the environment, development and privatization plans. Switzerland noted the need for, *inter alia*: a study carried out by TEAP on the economic impact of exemptions for methyl bromide on Article 5 Parties; and criteria for approving exemptions under Article 2 (control measures). China said that TEAP should conduct a study on whether alternative technologies were available and, with El Salvador, suggested the establishment of a contact group, which was established to address the issue.

On Thursday, the contact group on nominations for critical use for methyl bromide and the contact group on conditions for granting CUEs for methyl bromide were merged into one contact group. For the discussion of the joint contact group and the final decision, please see “Nominations for Critical-Use Exemptions for Methyl Bromide” above.

**Essential Uses of Controlled Substances:** On Monday, the Secretariat said that seven Parties have requested essential-use exemptions for MDIs for 2004 and 2005. He noted that Poland’s request also included essential-use exemption for laboratory and analytical uses. TEAP’s recommendations to approve the requests were considered by OEWG-23, which also recommended MOP-15 approval.

Addressing Poland’s 2004 and 2005 allocation for essential-use exemption of CFC MDIs, the EC asked Parties to transfer such nominations to it, in accordance with Poland’s accession. On the nomination submitted by the US, the EU and Switzerland enquired why it asked for an amount larger than the amount consumed in 2002. The US responded that its nomination took into account the worse-case scenario of demand for CFC MDIs in producing life-saving drugs for its citizens. The draft decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) authorizes the levels of production and consumption for essential uses of CFCs for MDIs as well as for laboratory and analytical uses, as stated in its annex. The decision also grants emergency exemptions.

**Promoting the Closure of Essential-Use Nominations for MDIs:** On Monday, the EU presented a draft decision (UNEP/OzL.Pro.15/CRP.1) aiming at strengthening the procedures for evaluating and authorizing essential-use volumes, and thereby promoting the phase-out, of CFC-based MDIs as soon as possible. New Zealand said it has made strong progress in the transition to CFC-free MDIs, but could not support the proposal, noting it would adversely affect healthcare. Australia, Nigeria and Switzerland welcomed a timely transition to CFC-free MDIs. The US supported CFC MDI phase-out, but was concerned about its adverse impacts on public health, and objected to setting a phase-out deadline for 2007. Canada shared the concerns of the US and pointed out that not all countries have the same system of delivering health care or approving drugs, which may cause some difficulties in the phase-out of MDIs.

The Russian Federation emphasized that MDI products have to be provided at affordable prices for the benefit of public health, noting that new CFC-free MDIs are expensive. China, supported by Brazil and Iran, argued that it would be unrealistic to phase out CFC MDIs before the deadline, and that the proposed draft decision should only be applicable to non-Article 5 Parties. The International Pharmaceutical Aerosol Consortium supported the EC proposal, and noted it has been investing resources in research and development of alternatives for CFC MDIs. Co-Chair Klaly called upon the EC and Canada to facilitate a contact group to examine the draft decision and suggest an appropriate timeframe for the phase-out of CFC MDIs.

On Tuesday, Canada reported that the contact group on CFC MDIs based its discussion on the EC proposal. On Wednesday, a revised draft decision (UNEP/OzL.Pro.15/CRP.1/Rev.1) was circulated but not discussed. On Friday, it was adopted, after consultations.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) requests non-Article 5 Parties to specify the active ingredients, the intended market for sale or distribution and the volume of CFCs required when submitting nominations for essential-use exemptions for CFCs for MDIs, as well as dates by which time it will cease making such nominations. The decision also requests the TEAP to make recommendations on these nominations. The phase-out plan states that no essential-use CFC volumes will be authorized after MOP-17, if non-Article 5 Parties fail to submit to the Secretariat, in time for consideration by OEWG-25, a plan of action regarding the phase-out of the domestic use of CFC-containing MDIs where the sole active ingredient is salbutamol.



### Review of Additional Exempted Uses of Controlled

**Substances as Process Agents:** On Monday, Co-Chair Nolan presented two draft decisions sponsored by the US: on the list of uses of controlled substances as process agents (UNEP/OzL.Pro.15/CRP.16); and on process agents (UNEP/OzL.Pro.15/CRP.17). Argentina presented another proposal on the use of bromochloromethane (BCM) for the production of Losartan as a process agent (UNEP/OzL.Pro.15/CRP.3). The US explained the two draft decisions: one requested TEAP to annually review Parties' requests to add new processes to the list of process agents contained in MOP Decision X/14; and the other contained a proposal for a revised Table A of MOP Decision X/14, listing the approved uses of controlled substances as process agents.

Gary Taylor, Chair of the Process Agent Task Force of TEAP, said that TEAP established a task force to deal with process agents because all decisions relating to the issue were time limited. He recalled that Parties have not made any requests to the task force since its 2002 report, and noted that TEAP proposed a new Chemical Uses and Processes Technical Options Committee to integrate topics including process agents and feedstocks, destruction, laboratory and analytical uses, solvents and CTC.

The Russian Federation noted the lack of information on the impact of the process agents on the ozone layer. Co-Chair Nolan said that the issue will be discussed when the US presents its revised proposal.

On Wednesday, delegates discussed the two draft decisions. Many delegates voiced support to the drafts. In response to Japan's comment, the US clarified that many process agents on the list are used and proposed by both non-Article 5 and Article 5 Parties. Japan indicated that the last two process agents listed in CRP.17 had not been formally reviewed by TEAP. Following clarifications from the US and the TEAP, Japan agreed to the inclusion of such agents with an understanding that all listed process agents will be formally reviewed by TEAP in the future. Both draft decisions were approved. Argentina agreed to withdraw its proposal (UNEP/OzL.Pro.15/CRP.3) that referred to the same issue.

**Final Decision:** The decision on list of uses of controlled substances as process agents (UNEP/OzL.Pro.15/L.2) adopts a list of such uses as a revised Table A for decision X/14. The decision on process agents requests the TEAP to review requests for consideration of specific uses against MOP Decision X/14 criteria for process agents, and makes recommendations to the Parties annually on uses that could be added to or removed from Table A. The decision also reminds Article 5 and non-Article 5 Parties to report on the use of controlled substances as process agents, the levels of emissions from those uses, and the containment technologies used to minimize emissions. The decision requests TEAP to report to OEWG-25 and every other year thereafter on progress made in reducing emissions of controlled substances from process-agent uses and on the implementation and development of emission-reduction techniques and alternatives processes not using ODS.

**Laboratory and Analytical Uses:** The discussion on Monday revolved around US and EC proposals on extending the global laboratory and analytical use exemptions to include several substances under the Protocol. On Wednesday, the EC presented the draft decision (UNEP/OzL.Pro.15/CRP.19), which extends the global laboratory and analytical use-exemption until 31 December

2007, and requests TEAP to report annually on procedures that can be performed without using controlled substances. The decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) extends the global laboratory and analytical use exemption under the conditions set in Annex II of the report of MOP-6 until 31 December 2007. It also requests the TEAP to report annually on the development and availability of laboratory and analytical procedures that can be performed without using the controlled substances in Annexes A, B and C (group II and group III) of the Protocol.

**IMPLICATIONS OF ENTRY INTO FORCE OF THE BEIJING AMENDMENT:** On Monday, the US reported that, on Saturday, 8 November, 33 countries participated in the contact group on this issue. He said the session was productive and the contact group would report to the Plenary. On Tuesday, the US presented the outcome of the contact group in document UNEP/OzL.Pro.15/CRP.15. He said that the contact group had reached an agreement, explaining some editorial changes to the text. A large number of countries expressed their support for the draft decision, which was approved, with minor editorial amendments.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) establishes that, *inter alia*: the term "State not party to this Protocol" will not apply to Article 5 Parties until 1 January 2016, when HCFC production and consumption measures will be in effect for such Parties; and the term "State not party to this Protocol" includes all other States and regional economic integration organizations that have not agreed to be bound by the Copenhagen and Beijing amendments.

**ADVANCEMENT OF THE DEADLINE FOR ANNUAL DATA REPORTING:** On Wednesday, the EC presented a draft decision on earlier data reporting, which proposed a commitment to report production and consumption data by 30 June, instead of 30 September, to be followed later by an amendment to the Protocol. Argentina, Brazil, Bangladesh, Nigeria, Indonesia and Japan expressed preference for a voluntary provisional arrangement. China referred to established national procedures for collecting statistical data that hamper a deadline change, and the Russian Federation expressed readiness to support the EC proposal, provided a transitional period of one or two years is envisaged. On Friday, the EC changed the wording from "requests" to "invites" Parties to report. China expressed concern over his country's inability to comply with such an invitation due to auditing requirements imposed by the Multilateral Fund. Delegates approved the draft decision, taking note of China's reservation.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) invites Parties to forward data to the Secretariat as soon as figures are available, preferably by 30 June each year, rather than 30 September, as currently required by the Protocol. The Secretariat is requested to report to the Parties on the arrangement and its beneficial effect on work of the Implementation Committee, to help Parties decide on the usefulness of an amendment to the Protocol to give legal effect to the proposition.

**STATUS OF DESTRUCTION TECHNOLOGIES FOR OZONE-DEPLETING SUBSTANCES AND THE CODE OF GOOD HOUSEKEEPING:** On Tuesday, Co-Chair Nolan said that following Decision XIV/6 on ODS destruction technologies, the TEAP and its Task Force on Destruction Technologies (TFDT) prepared an update of the Code of Good Housekeeping. She noted



that, at OEWG-23, Australia and Japan proposed a draft decision aiming at giving effect to TFDT's key recommendations. Australia said that minor revisions have been made, to include changes in the code for minimizing stock emissions prior to destruction.

El Salvador, supported by Kenya and Pakistan, expressed concern that many Article 5 Parties will not be able to follow the proposal's recommendations on ODS destruction technologies that are not economically feasible. Australia replied that the draft decision is not intended to include Article 5 Parties, since the Montreal Protocol does not require the Parties to destroy ODS. Noting that the draft decision is silent on establishing any obligation for Article 5 Parties, El Salvador and Kenya said that it should clearly exclude such Parties. Co-Chair Nolan suggested that Australia and Japan discuss this issue with Kenya, El Salvador and Pakistan, and report back to Plenary.

On Tuesday afternoon, Australia presented a revised draft decision (UNEP/OzL.Pro.15/CRP.2/Rev.1), which states that the Montreal Protocol does not require the Parties to destroy ODS. Nigeria observed that if Article 5 Parties are required to destroy ODS and there is no domestic technology available, the Multilateral Fund should provide the necessary funding. The revised draft decision was approved, taking note of Nigeria's concerns.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) lists in its Annex I the approved destruction processes, suggests substances for monitoring and declarations when using destruction technologies (Annex II), and establishes the code of good house-keeping (Annex III), which contains an outline of measures to ensure that environmental releases of ODS are minimized. The code includes measures relating to pre-delivery, arrival at the facility, testing and verification, storage and stock control, facility design, quantity and quality control, maintenance, and training.

**PLAN OF ACTION TO MODIFY REGULATORY REQUIREMENTS THAT MANDATE THE USE OF HALONS IN NEW AIRFRAMES:** On Monday, Co-Chair Klaly introduced a draft decision presented by the EC to the OEWG-23 contained in UNEP/OzL.Pro./WG.1/23/5, following TEAP's recommendations on the issue. The draft decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) authorizes representatives of the Ozone Secretariat and the TEAP to engage in discussions with the relevant International Civil Aviation Organization bodies in the development of a timely plan of action to enable consideration of the possibility of modifying the regulatory requirements that mandate the use of halons on new airframes, and to report to MOP-16.

**HANDLING AND DESTRUCTION OF FOAMS CONTAINING ODS AT THE END OF THEIR LIFE:** On Tuesday, delegates addressed two draft decisions (UNEP/OzL.Pro.15/CRP.6 and CRP.7) on this issue. CRP.7 proposed the terms of reference of an updated TEAP report on the current situation of handling and destroying foams containing ODS at the end of their life. While the EC and Japan worked intersessionally on this decision, no consensus was reached. Japan, as the sponsor of the draft decisions, informed the meeting that, following consultations with TEAP experts, it is rewriting the texts, and asked for deferring discussion. Replying to a query from Canada, TEAP acknowledged the technical problems under Japan's proposal, but said that TEAP can accomplish the work through its Rigid and Flexible

Foams Technical Options Committee, without establishing an additional task force. TEAP also confirmed that findings on the issue may appear in its April 2005 report.

On Tuesday afternoon, Japan announced it withdrew CRP.6, and introduced its revised proposal (UNEP/OzL.Pro.15/CRP.7/Rev.1). Japan noted that it does not insist on a separate report, and said that the revised draft decision asks TEAP to include updated information in its 2005 report. The decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) requests the TEAP, in its regular April 2005 report, to provide updated information on the handling and destruction of ODS containing thermal insulation foams, and to clarify distinctions between various destruction efficiencies.

**UPDATE ON THE STATUS OF CLASSIFICATION AND LABELING OF CONTROLLED SUBSTANCES UNDER THE MONTREAL PROTOCOL:** On Tuesday, the Secretariat presented a paper with updated information on the World Customs Organization (WCO) customs codes for pure ODS and mixtures of ODS (UNEP/OzL.Pro.15/INF/3).

Finland welcomed the Secretariat's paper, but Australia, Canada and the US noted a need to discuss the issue domestically, before proceeding to consultations among Parties. They also voiced concern with the process as recommended by the Secretariat. China highlighted the importance of discouraging trade in ODS. He urged that special consideration be given to mixtures containing CFCs, and stressed the importance of increased cooperation with the WCO. Iran said that while a uniform coding system is desirable, countries still have their national systems, and concluded that the Secretariat document came too late. Observing that the WCO Council will take up this matter in 2004, Pakistan pointed out that it was not appropriate to address the issue at this meeting. The Dominican Republic proposed discussing the problem of classification and labeling at the regional level.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) takes note of the submission and recommends further bilateral consultations on the issue.

**DATA AND INFORMATION REPORTING:** On Tuesday, the Secretariat presented a draft decision containing information provided by the Parties in accordance with Article 7 of the Montreal Protocol (UNEP/OzL.Pro.15/4). On Friday, delegates approved the draft decision.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) notes the satisfactory reporting of data for 2002 by the Parties, of which 23 have still not reported. It urges earlier reporting as soon as figures are available.

**RATIFICATION OF THE CONVENTION AND THE PROTOCOL AND ITS AMENDMENTS:** On Tuesday, the Secretariat presented the status of ratification/accession/acceptance/approval of the ozone treaties.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) notes the large number of ratifications of the Vienna Convention and the Montreal Protocol, and notes the 166 ratifications of the London Amendment, 154 of the Copenhagen Amendment, 107 of the Montreal Amendment, and 57 of the Beijing Amendment. The decision urges universal participation in the treaties.

**IMPLEMENTATION COMMITTEE MEMBERSHIP:** On Friday, Parties adopted a decision (UNEP/OzL.Pro.15/L.2) confirming the membership of Honduras, Italy, Lithuania, the





Maldives and Tunisia in the Implementation Committee for an additional year, and selecting Australia, Belize, Ethiopia, Jordan, and the Russian Federation as members of the Committee for a two-year period beginning 1 January 2004. Tunisia was selected as President and Italy as Vice-President and Rapporteur of the Implementation Committee for one year, effective 1 January 2004.

**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND MEMBERSHIP:** On Friday, Parties adopted a decision (UNEP/OzL.Pro.15/L.2) to endorse the selection of Austria, Belgium, Canada, Hungary, Japan, the UK and the US as non-Article 5 Party members of the Executive Committee, and of Argentina, Bangladesh, China, Cuba, Iran, Mauritius and Nigeria as Article 5 Party members for one year, effective 1 January 2004. Argentina will serve as Executive Committee Chair and Austria as Vice-Chair for one year beginning 1 January 2004.

**OEWG CO-CHAIRS:** On Friday, Parties adopted a decision (UNEP/OzL.Pro.15/L.2) endorsing the selection of Jorge Leiva (Chile) and Janus Kozabiewicz (Poland) as OEWG Co-Chairs for 2004.

**NON-COMPLIANCE ISSUES CONSIDERED BY THE IMPLEMENTATION COMMITTEE:** On Wednesday, Patrick McInerney (Australia), President of the Implementation Committee, reported on the issues of non-compliance addressed at its 31st meeting on 5-7 November 2003, and presented document UNEP/OzL.Pro.15/CRP.10, which contains a number of draft decisions relating to, *inter alia*:

- data and information provided by Parties;
- potential non-compliance with consumption of the controlled substances in Annex E by non Article 5 Parties in 2002, and requests for plans of action;
- potential non-compliance with consumption of Annex A, group I, ozone-depleting substances by Article 5 Parties for the control period 1 July 2001- 31 December 2002, and requests for plans of action; and
- non-compliance with the Montreal Protocol by several Parties.

Egypt, Latvia and Thailand informed the Plenary that they had submitted data and information to the Committee, which indicate they are already in compliance. Iran said the methodology of data and information reporting and lack of financial assistance from the Multilateral Fund made it difficult for Parties to comply. Armenia informed that it had ratified the London and Copenhagen Amendments. Nicaragua said it had not used methyl bromide in agriculture for many years. President McInerney said that the draft decisions contained in CRP.10 would be revised taking into account comments by Parties, and that individual cases will be reviewed the following year. On Friday, the draft decisions were adopted with some editorial amendments.

**Final Decisions:** Twenty-eight decisions were adopted on non-compliance (UNEP/OzL.Pro.15/L.2). Three decisions on data and information urge Parties to report consumption and production data as soon as possible once the figures are available, rather than waiting until the final deadline of 30 June each year.

Five decisions on potential non-compliance with consumption of Annex E substances request the non-compliance Parties to submit to the Implementation Committee for consideration at its next meeting an explanation for its excess consumption, together with a plan of action with time-specific benchmarks to ensure a prompt return to compliance.

There were also 20 decisions on potential non-compliance with consumption of Annex A substances that urge each individual Party to: report relevant data; submit a plan of action to ensure a return to compliance; and monitor the progress with regard to the phase-out of relevant ODS.

#### **SOUTH AFRICA'S APPLICATION FOR TECHNICAL AND FINANCIAL ASSISTANCE FROM THE GEF:**

Presenting the draft decision on Tuesday, the Secretariat noted that the matter required a decision by the GEF Council. Australia recalled the origins of the South African application, and suggested adding a proviso saying that the project proposals from South Africa should be considered "on an exceptional basis". The EC urged presenting a convincing case to the GEF, so that the proposal does not constitute a precedent. The draft decision was approved as amended.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) recalls that South Africa was classified as a developing country, and requests the GEF Council to consider, on an exceptional basis, project proposals from South Africa on phasing out methyl bromide for funding as per conditions and eligibility criteria applicable to all countries eligible for such assistance under the GEF.

#### **FINANCIAL REPORT ON THE TRUST FUNDS FOR THE VIENNA CONVENTION AND THE MONTREAL PROTOCOL AND BUDGET FOR THE MONTREAL PROTOCOL:**

On Tuesday, the Secretariat presented the following documents: Financial report on the trust funds for the Vienna Convention and the Montreal Protocol for the first year of the biennium 2002-2003 and expenditures for 2002 as compared to the approved budgets (UNEP/OzL./Pro.15/5); and Approved 2003, Revised Proposed 2004 and Proposed 2005 Budgets for the Trust Fund for the Montreal Protocol (UNEP/OzL.Pro.15/6).

On Thursday, delegates considered a draft decision on financial reports and budgets (UNEP/OzL.Pro.15/CRP.22 and UNEP/OzL.Pro.15/CRP.22/Rev.1). Brazil noted that the UN General Assembly will soon adopt a resolution on the scale of assessments for contributions that might be different from the one being used in the draft decision. Japan pointed out that it is common practice for UN bodies to follow the current scale rather than waiting for a new General Assembly resolution. After consultations, the draft decision was approved with Brazil's reservation. On Friday, Japan made some minor changes to the draft decision to reflect budgetary implications due to decisions to hold an extraordinary MOP and a special TEAP meeting, and these revisions were approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) approves the budget for the Trust Fund in the amount of US\$4,511,873 for 2004, which includes a provision in the amount of US\$500,000 to enable the Ozone Secretariat to facilitate the review of the Financial Mechanism. The decision also takes note of the proposed budget of US\$3,746,861 for 2005. The decision urges all Parties to pay their outstanding and future contributions promptly and in full, encourages non-Article 5 Parties to continue offering assistance to their members in the three assessment panels and their subsidiary bodies for their continued participation in the assessment activities.

#### **TERMS OF REFERENCE FOR ASSESSMENT PANELS:**

On Friday, delegates adopted a decision (UNEP/OzL.Pro.15/L.2) on the terms of reference (TORs) for the Scientific, Environmental Effects and Technology and Economic Assessment Panels. The



decision, *inter alia*, requests the three assessment panels to update their 2002 reports in 2006 and submit them to the Secretariat by 31 December 2006 for consideration by OEWG and by MOP-19.

**PRODUCTION FOR BASIC DOMESTIC NEEDS:** On Tuesday, delegates discussed a draft decision (UNEP/OzL.Pro.15/CRP.12) on production for basic domestic needs, presented by Canada. The decision requests TEAP to assess the quantities of controlled substances that are likely to be required and produced by Article 5 Parties, as well as the quantities of controlled substances, which need to be produced and exported by non-Article 5 Parties in order to meet the basic needs of Article 5 Parties. The US supported the draft decision while Argentina claimed the assessments would overburden TEAP's workload. Co-Chair Nolan asked Canada to continue consultations with interested Parties.

On Wednesday, Canada presented a revised draft decision on production for basic domestic needs (UNEP/OzL.Pro.15/CRP.12/Rev.1), which requests TEAP to conduct assessments of the quantities of production for basic domestic needs. The Environmental Investigation Agency urged Parties not to use such assessments as a pre-test for ignoring phase-out action. The draft decision was approved.

**Final Decision:** The decision (UNEP/OzL.Pro.15/L.2) requests the TEAP, *inter alia*, to: assess the quantities of controlled substances in Annex A, group I, and Annex B, group II, which are likely to be required by Article 5 Parties for the period 2004-2010; assess the permitted levels of production from companies in Article 5 Parties, taking into account schedules agreed for reduction in production under the Multilateral Fund; and present its report to OEWG-24 or MOP-16.

**CONTINUED ASSISTANCE FROM THE GEF TO COUNTRIES WITH ECONOMIES IN TRANSITION:** On Friday, delegates considered a draft decision on the issue, which was approved. The decision (UNEP/OzL.Pro.15/L.2) notes the GEF commitment to continue providing future assistance to countries with economies in transition to phase-out ODS.

**INSTITUTIONAL STRENGTHENING ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION:** On Friday, delegates considered a draft decision on the issue, which was approved. The decision (UNEP/OzL.Pro.15/L.2) urges countries with economies in transition that are experiencing difficulties in meeting their reporting obligations to consider working with implementing agencies and seeking GEF assistance. It also requests the GEF to favorably consider such applications for assistance, in accordance with its capacity-building criteria.

**DATES AND VENUE OF MOP-16:** On Friday, delegates considered a draft decision on the dates and venue of MOP-16. The decision (UNEP/OzL.Pro.15/L.2) on MOP-16 states it will be held in Prague, Czech Republic, from 22-26 November 2004.

**ADDITIONAL MATTERS DISCUSSED AT MOP-15  
FURTHER SPECIFIC INTERIM REDUCTIONS OF**

**METHYL BROMIDE:** An adjustment to the Montreal Protocol for further specific interim reductions of methyl bromide beyond 2005, applicable to Article 5 Parties, was proposed by the EC on Monday. Chile, Honduras and Mexico suggested that this was a complicated matter, which would be best dealt with after solving the problem of CUE nominations for methyl bromide. Canada

expressed concern with the proposed schedule and the amounts of methyl bromide to be eliminated. China was of the view that the timetable for phasing-out methyl bromide was unrealistic.

A contact group was established to further discuss the issue. However, in the absence of a decision on CUEs for methyl bromide, delegates decided to defer consideration of the issue. In the end, the issue was included as an item on the agenda of the extraordinary MOP (UNEP/OzL.Pro.15/CRP.27).

**UPDATE ON THE OBSERVER STATUS OF THE OZONE SECRETARIAT AT THE MEETINGS OF THE WTO:** The Secretariat presented updated information on the issue, and explained that the status of the Secretariat remains unresolved, in view of the collapse of the WTO Ministerial Conference in Cancun.

**PRODUCTS TREATED WITH METHYL BROMIDE:** On Tuesday morning, Kenya presented a draft decision (UNEP/OzL.Pro.15/CRP.8) on trade in products treated with methyl bromide. He requested Parties to reconsider the importing ban on products grown in soils treated with methyl bromide, since it conflicts with WTO rules and harms Article 5 Parties' economies, especially in Africa. Canada and the US reserved the right to revisit the issue after consulting with capitals. Egypt also asked for more time. On Wednesday, Kenya presented its revised proposal (UNEP/OzL.Pro.15/CRP.8/Rev.1). Canada and the US called for more research on the issue. Canada suggested that this proposal could be examined at OEWG-24. Co-Chair Klaly took note of the proposal and said it would be dealt with at OEWG-24.

**INTERNATIONAL TRANSIT TRADE:** On Thursday, Sri Lanka introduced proposal UNEP/OzL.Pro.15/CRP.14 on the international transit trade in ODS. Canada and the US remarked that this draft decision is similar to the one rejected by MOP-14 and, with New Zealand, asked for deferring it to OEWG-24. Pakistan noted that the proposal only asks UNEP to conduct a study, and urged the meeting to consider it. Sri Lanka said many countries encounter problems with the illegal trade in ODS, and the study would assist Parties in dealing with the issue. The proposal, however, was deferred to OEWG-24.

**CLOSING PLENARY**

On the meeting's final session on Friday evening, the EC invited Parties to join in declaring that methyl bromide alternatives do exist, and exemptions should be limited and temporary. He also said that each non-Article 5 Party should reduce and limit its consumption of methyl bromide, unless strong reasons prevent it from doing so. The Secretariat suggested that it would produce the report of the meeting (UNEP/OzL.Pro.15/L.1/Add.2), which will contain a summary of statements made by delegations, and will be available on the Secretariat website. The meeting concurred with this proposal. MOP-15 President Ambrozek thanked all participants and gavelled the meeting to a close at 7:30 pm.



## A BRIEF ANALYSIS OF MOP-15

### *FROM ROME DOWN TO NAIROBI*

The concerns brewing at last year's Rome Meeting of Parties to the "showcase" Montreal Protocol (MOP-14) have surfaced with a vengeance, this time in Nairobi. Whether due to complacency, loss of direction or a shifting world balance, MOP-15 was, in the eyes of many observers, a step sideways, if not backwards, from the shining path towards a total phase-out of ozone-depleting substances (ODS). The upward curve has taken an alarming dip; doubts abound if the Protocol had really passed the test this time. In a stark analysis, some pose the blunt question: "Are we undoing what has been achieved?"

### *A CUP NEVER EMPTY*

The main obstacle once again was methyl bromide, a toxic pesticide with a high ozone-depleting potential, whose appeal to several major non-Article 5 Parties has proved irresistible. The case evolves around applications for so-called "critical-use exemptions." The excessive nominations sought by the US and a handful of industrialized countries, most from the European Community, are seen to be blocking progress in implementing the Protocol. In the words of a delegate, the nominations tend to "phase in," instead of "phase out" this particular ODS. According to some students of the scene, the big methyl bromide manufacturers in the US have managed to convince farmers growing strawberries, tomatoes and other products that methyl bromide is safe, and current alternatives are too risky or expensive to match the chemical's sterilizing properties. This view is disputed by experts. Significantly, the Methyl Bromide Technical Options Committee (MBOC) has grudgingly "noted" some nominations, instead of saying outright that it is "unable to recommend."

The noxious residue from this latest outbreak of the "methyl bromide wars" has made an impact on the Protocol objectives; it also sends a dangerous political signal. If some of the non-Article 5 countries find it possible to forsake the phase-out promises made years ago, are the others not entitled to do the same, if not now, then at some future date? If methyl bromide becomes, in fact, an exception, could CFCs follow suit? If the chemical is already a clear case of addiction, would it not get worse? Are there plans to stockpile methyl bromide for future sales? These were some of the questions asked in the breezy corridors of the Gigiri complex during the course of the week. In this connection, some observers have been surprised by the lukewarm opposition of Article 5 countries to what some participants see as a breach of faith demonstrated by several affluent Protocol members. Are they planning to use the stand taken by the big methyl bromide consumers to as a pretext in some future bargaining? Can the worst-case explanation of this fact be that some developing countries are harboring a future exit strategy? No delegate volunteered to provide answers to these queries. They will be faced, however, with the same issues at the extraordinary MOP, to be held in Montreal in March 2004.

### *WAITING TO EXHALE*

If the methyl bromide case may be traced to the interests of the pesticide industry, the metered-dose inhaler problem may be fuelled by some pharmaceutical companies. It is also seen as an illustration of a paradoxical conflict of interest, when ambitious efforts to guard the Earth's population and its biota from cancers and other harmful effects of ultra-violet radiation have obscured

the more immediate social and medical consequences of opting for ODS-free substitutes. Russia, China, Brazil and a string of others have drawn the meeting's attention to the fact that an early closure of essential-use nominations for CFC-free inhalers, as promoted by the European Community, would affect millions of asthma sufferers in the transition economies and the developing world, who can ill afford expensive substitutes.

To be fair, there are those who insist that the transition would not be economically disruptive, and the cost of alternatives need not be prohibitive. However, the Montreal Protocol is no longer a "stand alone" technical arrangement; it has become part and parcel of the international sustainable development agenda, where combating poverty and showing a special concern for the social dimension should be at the heart of governmental policy. The prevailing view of the meeting was that any additional refinements to the Protocol should take due account of the actual capabilities of Parties and their domestic procedures. Countries must not find themselves pushed into non-compliance by hasty measures, like bringing forward reporting dates, or disregarding the pleas by Algeria and Tunisia to use methyl bromide for treating fresh dates, a crucial export commodity. Fortunately, this view was widely supported.

### *CIVIL OBEDIENCE?*

Curiously, few international NGOs attended MOP-15. Once bold and fiery proponents of the worldwide crusade to save the Earth's ozone layer, they seem to have been lulled into complacency, perhaps by the successes of the Protocol and its amendments and adjustments. The Natural Resources Defense Council, however, made a strong statement at the meeting, "shaming" the US with its nearly 10,000-ton methyl bromide critical-use nomination for 2005 and beyond. However, his voice reverberated in the wilderness.

Some veteran observers of the ozone scene believe that the hype surrounding the Montreal Protocol has gradually driven many civil society stakeholders into a state of premature retirement. After mastering the intricacies of the physical phenomena and promoting the international community's effective response, they sat back, or reverted to other causes. They stopped listening to scientists, and, what is more important, bar a few exceptions, have largely ignored the powerful economic interests that are driving the new disturbing trends. The international community's dedication of the 1980s and 1990s waits to be recaptured.

### *THE LOOPHOLES*

Methyl bromide exemptions and metered dose inhalers aren't the only problems facing the Montreal Protocol. Other hurdles and loopholes, though less daunting, still exist and may get worse over time. They concern the remaining stockpiles of ODS, production capacities in the developed and developing countries, problems with destruction technologies, and conflicting data.

Illegal trade in CFCs, although not on the MOP-15 agenda, remains a significant issue. According to some estimates, illegal trade is running at some 15 per cent of the total production. Lucrative markets remain, and are fuelled by surplus production and low costs. Unfortunately, the call by two developing countries to research the problem was not taken up by the meeting. What is required is greater transparency, a tighter grip on the transit trade,



including through effective licensing systems and stringent customs controls, with an accelerated phase-out of CFCs, hopefully choking off smuggling.

In contrast, the compliance procedure has proved effective, to the degree that Botswana now stands "cautioned" for the consumption of some 500 kilograms of methyl bromide over its diminutive baseline, although the country has an action plan in place for a total phase-out. At the other end of the spectrum, 12 industrialized countries have requested 95 critical-use exemptions for methyl bromide for a total of almost 15,000 tons, including 352 tons for golf course turf. They also insist that nominations extend to a number of years.

### **BACK TO THE FUTURE?**

In the final tally, MOP-15 did demonstrate some welcome achievements. Only 23 Parties failed to report data for 2002, which is an all-time record. The meeting acknowledged the largest number of new members so far, 184 for the Protocol. It revisited many of the items that were discussed in Rome, requested further studies, and adopted a number of sensible decisions. It streamlined some procedures and phase-out schedules. It resolved the convoluted legal issue of implications of the entry into force of the Beijing Amendment regarding HCFCs.

On the other hand, the meeting exposed a glaring deficiency in the methyl bromide equation; in this sense the session may be regarded as a step backwards. The debate has spawned dark rumors that the US, one of founding fathers of the ozone regime, may pull out from the Montreal Protocol altogether. The recent introduction by 21 US Congressmen of a bill that would authorize the US Environmental Protection Agency to grant industry the methyl bromide exemptions it wants, even if the MOP rejected them, was also regarded here as an ominous sign. Some delegates wondered if this in any way reflects the Bush administration's unilateralist stand, or rather, its failure to withstand pressure from agribusiness. The charges were strongly denied by the American delegation, which argued, with conviction, that its critical-use nominations were supported by the MBTOC, but were treated "unfairly" by the meeting. In these bleak circumstances holding an extraordinary meeting of the Parties several months from now seems a feeble attempt to make a real problem go away. Yet, as some insist, a new meeting may provide a glimmer of hope.

MOP-15's redeeming value is that it offered a sobering revelation; the fissures and power games that emerged in Nairobi will help the Parties and the public heed the pitfalls a highly successful treaty is encountering, fifteen years since its inception. MOP-15 has served as a reminder: the noble goal – saving the ozone layer – should not be forsaken.

### **THINGS TO LOOK FOR BEFORE MOP-16**

**GEF COUNCIL MEETING:** The GEF Council meeting will convene from 19-21 November 2003, in Washington, DC, US. NGO consultations will precede the Council meeting. For more information, contact: GEF Secretariat; tel +1-202-473-0508; fax: +1-202-522-3240; e-mail: [secretariatgef@worldbank.org](mailto:secretariatgef@worldbank.org); Internet: <http://www.gefweb.org>

**UNFCCC COP-9:** The ninth Conference of the Parties to the UN Framework Convention on Climate Change will convene from 1-12 December 2003, in Milan, Italy. For more information,

contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: [secretariat@unfccc.int](mailto:secretariat@unfccc.int); Internet: <http://www.unfccc.int/>

### **FOLLOW-UP MEETING OF THE WEST ASIA**

**NETWORK OF ODS OFFICERS:** This meeting will be held from 7-11 December 2003, in Damascus, Syria. For more information, contact: Dr. Abdul Al-Wadaee, Regional Network Coordinator, ROWA, Manama, Bahrain; tel: +973 826 600; fax: +973 825 110/1; e-mail: [naunrowa@unep.org.bh](mailto:naunrowa@unep.org.bh); Internet: <http://www.unep.org.bh/>

### **METHYL BROMIDE TECHNICAL OPTIONS**

**COMMITTEE:** The Committee will meet from 15-19 March 2004, in Lisbon, Portugal. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: <http://www.unep.org/ozone/>

**EXTRAORDINARY MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL:** An extraordinary Meeting of the Parties will take place from 24-26 March 2004, in Montreal, Canada. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: [http://www.unep.org/ozone](http://www.unep.org/ozone/)

### **EIGHTH SPECIAL SESSION OF THE UNEP**

**GOVERNING COUNCIL/FIFTH GLOBAL MINISTERIAL ENVIRONMENT FORUM:** The Eighth Special Session of the UNEP Governing Council/Fifth Global Ministerial Environment Forum will take place from 29-31 March 2004, in Seoul, Republic of Korea. For more information, contact: Beverly Miller, Secretary for UNEP Governing Council; tel: +254-2-623431; fax: +254-2-623929; e-mail: [beverly.miller@unep.org](mailto:beverly.miller@unep.org); Internet: <http://www.unep.org>

### **15TH ANNUAL EARTH TECHNOLOGIES FORUM:**

This forum will convene from 13-15 April 2004, in Washington DC, United States. It will address global climate change and ozone protection policy and technology issues. For more information, contact: Conference Secretariat; tel: +1-703-807-4052; fax: +1-703-528-1734; e-mail: [earthforum@alcalde-fay.com](mailto:earthforum@alcalde-fay.com); Internet: <http://www.earthforum.com>

### **24TH SESSION OF THE OPEN-ENDED WORKING**

**GROUP TO THE MONTREAL PROTOCOL:** OEWG-24 is scheduled to take place from 12-16 July 2004, in Geneva, Switzerland. For more information, contact: Ozone Secretariat; tel: +254-2-62-3850; fax: +254-2-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: [http://www.unep.org/ozone](http://www.unep.org/ozone/)

**SEVENTH MEETING OF THE CONFERENCE OF THE PARTIES (COP-7) TO THE BASEL CONVENTION:** Basel COP-7 is tentatively scheduled to convene from 25-29 October 2004, in Geneva, Switzerland. For more information contact: Basel Convention Secretariat; tel: +41-22-917-8218; fax: +41-22-797-3454; e-mail: [sbc@unep.ch](mailto:sbc@unep.ch); Internet: <http://www.basel.int>

**16TH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL (MOP-16):** MOP-16 will be held from 22-26 November 2004, in Prague, the Czech Republic. For more information, contact: Secretariat for the Vienna Convention and the Montreal Protocol; tel: +254-20-62-3850; fax: +254-20-62-3601; e-mail: [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org); Internet: [http://www.unep.org/ozone](http://www.unep.org/ozone/)