



MOP-16 HIGHLIGHTS: THURSDAY, 25 NOVEMBER 2004

MOP-16's high-level segment began Thursday morning with the election of officers, adoption of the agenda, and speeches from senior officials and heads of delegation. The preparatory segment reconvened in the afternoon with the aim of completing its work on draft decisions covering various substantive issues, including methyl bromide, essential-use nominations for non-Article 5 Parties, trade in products treated with methyl bromide, and financial assistance to the MBTOC. Various contact groups and informal consultations convened to further facilitate progress on these issues.

HIGH-LEVEL SEGMENT

OPENING OF THE HIGH-LEVEL SEGMENT: Libor Ambrozek, MOP-15 President, welcomed participants to the high-level segment. He stressed the need for MOP-16 to find alternatives to methyl bromide, and to adopt and implement all decisions on its agenda, particularly on essential uses, CUEs for methyl bromide, the Multilateral Fund's replenishment for 2006-2008, and compliance.

Stressing the ozone regime is a success story and a model for other environmental instruments, Klaus Töpfer, Executive Director of UNEP, urged Parties to send a clear signal of their commitment to phase out methyl bromide as soon as possible, and to deal with, *inter alia*, pre-shipment and quarantine uses, process agents uses, and compliance.

Stanislav Gross, Prime Minister of the Czech Republic, praised the ambitious targets set by the Protocol, and their sound scientific foundation. He spoke of the Czech Republic's achievements in phasing out ODS and readiness to assist other Parties in their implementation of the Protocol's provisions.

ORGANIZATIONAL MATTERS: Parties elected MOP-16's Bureau. Alan Flores (Costa Rica) was elected President, while Ndiaye Cheikh Sylla (Senegal), Abdul H.M. Fowzie (Sri Lanka), and Jukka Uosukainen (Finland) were elected Vice Presidents. Rodica Ella Morohoi (Romania) was elected Rapporteur. The agenda was adopted without amendment.

PRESENTATIONS BY ASSESSMENT PANELS: Ayite-Lo Ajavon (Togo) presented on the 2006 Scientific Assessment, reporting that the Scientific Assessment Panel had started its preparatory work. Janet Bornman, Co-Chair of the Environmental Effects Assessment Panel, presented the panel's 2004 progress report on the environmental effects of ozone depletion and its interaction with climate change.

TEAP Co-Chair Stephen Andersen announced the following nominations for new technical options committee (TOC) co-chairs: David Catchpole (UK) and Daniel Verdonik (US) for the Halons TOC; Masaaki Yamabe (Japan) and Ian Rae (Australia)

for the Chemicals TOC; and Michelle Marcotte (Canada) and Ian Porter (Australia) for the MBTOC. Delegates then heard progress reports from the various TOCs, as well as on basic domestic needs, process agents, essential use nominations for MDIs, critical use nominations, and the IPCC-TEAP Special Report.

PRESENTATIONS BY OTHER ORGANIZATIONS AND AGENCIES: Steve Gorman, World Bank, stressed the role of his institution in enabling Article 5 Parties to meet their obligations in reducing consumption and production of CFCs in a sustainable manner.

Noting that UNDP has a portfolio of CFC-reducing activities in 92 countries, Suelly Carvalho, UNDP, stressed the importance of developing synergies, national ownership, and enforcement of legislation in achieving the successful phase out of CFCs.

Rajendra Shende, UNEP, outlined the main activities of UNEP Ozone Action Branch, including: the regional delivery of assistance; direct actions at the country level; and early warning systems.

Sidi Menad Si Ahmed, UNIDO, outlined structural changes in his organization's approach to assisting Article 5 Parties, and stressed the challenge of shifting from a project-based approach towards implementing national and sectoral phase-out plans.

COUNTRY STATEMENTS: KENYA expressed concern that Article 5 Parties are receiving negative signals from those non-Article 5 Parties calling for large exemptions, while Article 5 Parties are labeled as being in non-compliance for production and consumption volumes just above their limits. MEXICO reported on the conclusions of the Scientific Symposium recently held in Prague, which urged against negating the gains achieved by the Montreal Protocol by granting excessive exemptions for methyl bromide. Noting the challenges his country faces in implementing the Protocol due to its recent ratification, BHUTAN requested an extension until 2006 of the deadline by which his country should achieve a 50% reduction in CFC consumption.

SRI LANKA and TANZANIA noted the serious problem that illegal trade in ODS poses, with the latter emphasizing the need for assistance in Article 5 countries to combat illegal trade. BANGLADESH encouraged increased consideration of ODS alternatives' global warming potential, and expressed support for a study on the replenishment of the Multilateral Fund.

PREPARATORY SEGMENT

Chair Kozakiewicz reconvened MOP-16's preparatory segment on Thursday afternoon, to address outstanding draft decisions.

ISSUES ARISING OUT OF TEAP REPORTS: Process Agents: Delegates debated a draft decision containing a table of controlled substances listed as process agents (UNEP/OzL. Pro.16/CRP.18). The EC could not agree to the table and



suggested considering the matter at OEWG-25. Highlighting TEAP's work on this issue, the US expressed concern at the EC's position and concluded that the EC is "refusing to look at the information available." Chair Kozakiewicz said the table would be forwarded in brackets to the high-level segment.

Essential-Use Nominations for Non-Article 5 Parties:

Chair Kozakiewicz noted that discussions on this issue were ongoing and remained unresolved.

METHYL BROMIDE: Financial Assistance to MBTOC:

Delegates considered a draft decision on this issue (UNEP/OzL.Pro.16/CRP.8), including an annex containing three budget scenarios. The US questioned aspects of the decision's annex, including a "surprise" TEAP proposal to fund an additional co-chair's attendance at certain meetings. With the issue remaining unresolved, the bracketed draft decision was forwarded to the high-level segment.

Coordination among UN Bodies on Quarantine and Pre-shipment Uses: Delegates considered revised text on this issue submitted by Colombia and Guatemala (UNEP/OzL.Pro.16/CRP.12/Rev.2). The US expressed reservations over text that requests importing Parties "to accept the wood packaging treated with alternative methods to methyl bromide, in accordance with standard 15." However, delegates agreed to compromise language proposed by CANADA to replace "request" with "encourage" and "accept" with "consider," and the decision was forwarded to the high-level segment.

MULTILATERAL FUND: Amendment to the Terms of Reference for Nominating the Multilateral Fund's Chief Officer: Chair Kozakiewicz indicated that, after discussions on this issue, no decision would be taken at this meeting.

Equitable Geographical Representation in the Multilateral Fund Executive Committee: Delegates considered a proposal to grant one seat in the Executive Committee to countries of Eastern Europe and Central Asia (UNEP/OzL.Pro.16/3). Mexico, for GRULAC, added a proposal to increase the size of the Committee. After the US and JAPAN said they could not agree to GRULAC's proposal, GRULAC said it would confer within its group and report back to Plenary later.

RATIFICATION, DATA REPORTING, COMPLIANCE AND TRADE: Feasibility Study on a System for Tracking International Trade: JAPAN introduced a new draft decision combining two earlier proposals and input from other Parties (UNEP/OzL.Pro.16/CRP.24). The US raised several concerns, including the funding implications of the decision's request for a workshop and a report. The US, the EC and others then proposed specific amendments. In spite of concerns expressed by IRAN, delegates agreed to forward to the high-level segment an amended text that includes reference to holding a workshop, funding permitting.

Comments by the Implementation Committee on the Operation of Decision XV/3: Regarding Parties' obligations under the Beijing Amendment, the US said it was still considering the issue and that its input may take the form of a unilateral declaration submitted to the high-level segment. Chair Kozakiewicz concluded consideration of the issue, adding that Parties could raise the matter in the high-level segment.

ADMINISTRATIVE ISSUES: Dates of Future Montreal Protocol Meetings: The EC introduced a revised draft decision proposing to set indicative dates of Protocol meetings three years in advance (UNEP/OzL.Pro.16/CRP.2/Rev.1). The US inserted textual changes, including language clarifying that dates cannot be finalized too far ahead of time, and Parties agreed to forward the amended text to the high-level segment.

PROPOSED ADJUSTMENTS AND AMENDMENT OF THE MONTREAL PROTOCOL: The EC briefed Parties on a side event it had held and suggested that, in order to move forward, OEWG-25 could take up this matter in 2005. Parties agreed to this proposal.

OTHER MATTERS: Technical and Financial Assistance by the Multilateral Fund to Ensure Compliance after 2010:

Parties considered a draft decision on this issue submitted by France (UNEP/OzL.Pro.16/CRP.19). GRULAC suggested that consideration of this issue be deferred to a later MOP. CANADA and JAPAN preferred moving forward on this at MOP-16. Chair Kozakiewicz said the issue could not be referred to MOP-16's high-level segment, but could be taken-up at a subsequent meeting.

International Year of the Ozone Layer: Parties agreed to forward a draft decision from Venezuela declaring 2007 as the International Year of the Ozone Layer (UNEP/OzL.Pro.16/CRP.20/Rev.1), with an addition by the US of a reference to the expectation that the ozone layer will recover by 2050 "if there is full compliance" with the Protocol.

CLOSE OF THE PLENARY: Late Thursday afternoon, Chair Kozakiewicz closed the meeting, noting that work on most outstanding issues had been concluded, but that a further meeting of the preparatory segment would take place at 8:00am Friday to finalize considerations of CUNs and other remaining issues.

CONTACT GROUP ON CRITICAL USE NOMINATIONS

A contact group met throughout the day to consider two proposals, one by the EU, another by the US, on CUEs for 2005-2006. In accordance with Decisions Ex.I/3 and IX/6, the EU's proposal requests Parties with CUE levels of production and consumption for critical uses in excess of those permitted to make up the difference by using quantities of methyl bromide from available stocks. It also provides for an extraordinary meeting of the Parties to be held in conjunction with OEWG-25 to make a decision on the portion of the 2006 CUNs which remains controversial. Delegates requested the Co-Chair and the US to merge the two proposals. The group will reconvene Friday morning to consider the merged draft decision.

SUB-COMMITTEE ON FINANCIAL MATTERS

The Sub-Committee met all afternoon on Thursday to discuss a draft decision on financial matters and a draft budget for the biennium 2005-2006 prepared by the Secretariat. Delegates were unable to agree on language on the application of the scale of assessments but agreed to maintain a working capital reserve of 15% of the annual expenditures for the biennium. The Sub-Committee will meet again on Friday morning.

IN THE CORRIDORS

"Not another ExMOP!" exclaimed one delegate as the prospect of a second extraordinary Meeting of the Parties grew more certain following animated discussions in the contact group on critical use nominations. By late afternoon, most participants seemed to think that an ExMOP will be required in mid-2005 to deal with the intricate matter of 2006 exemptions. The contact group negotiations also revealed the fragile nature of the compromise deal struck at the first ExMOP, with one non-Article 5 Party seemingly intent on undoing the agreement to use existing stocks of methyl bromide to supply the approved CUEs if the level of uses granted exceeds that of the Protocol's control measures. Some felt that convening an ExMOP will send the wrong signal about an otherwise successful regime, and a more appropriate way to move forward would be for MOP-16 to adopt a political decision incorporating reduction levels, which would reflect a compromise by nominating Parties.

Meanwhile, in the sub-committee on financial matters, some observers were experiencing a sense of *déjà vu* in the debate over the application of the scale of assessments, which seemed to be progressing along the lines of other recent multilateral environmental negotiations. However, several delegates predicted that the debates on this issue would probably not take the dramatic turn of the recent Basel Convention COP.