

COP-7/MOP-17 HIGHLIGHTS: WEDNESDAY, 14 DECEMBER 2005

In morning and evening plenary sessions, delegates considered, among other issues: laboratory and analytical uses of carbon tetrachloride (CTC); compliance; ozone depleting substances (ODS); and CFC production by non-Article 5 parties. While the high-level segment of COP-7/MOP-17 will open on Thursday morning, the preparatory segment will reconvene to consider outstanding issues. Several contact groups met in the afternoon and evening.

PLENARY

DATES OF FUTURE PROTOCOL MEETINGS:

Regarding its draft decision XVII/J on this issue (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), the EC suggested changes to the timeframe for providing information on Protocol meeting dates, noting such changes allow the Secretariat to better plan meetings, and for parties to comply with submission deadlines. The US queried the feasibility of the Secretariat complying with the proposed changes. After informal consultations, delegates agreed to change the timeframe, make other minor changes and forward the amended draft decision to the high-level segment.

LABORATORY AND ANALYTICAL USES OF

CARBON TETRACHLORIDE: Chile, for the Latin America and Caribbean Group (GRULAC), presented the proposed draft decision (UNEP/OzL.Pro.17/CRP.16) supported by INDONESIA and NIGERIA. The EC said it is working with Chile and others to ensure consistency with language in previous decisions. Co-Chair Land suggested interested parties consult informally.

EARLY ESSENTIAL-USE EXEMPTIONS FOR ARTICLE 5 PARTIES FOR MDIs: After BANGLADESH introduced its draft decision regarding the need for CFCs for MDIs in addition to allowed amounts for 2007-2009 (UNEP/OzL.Pro.17/CRP.15), the US, with the EC, pointed out similarities with GRULAC's proposal on CTC (UNEP/OzL.Pro.17/CRP.16), and suggested informal consultations. A joint contact group was formed to discuss the two proposals.

COMPLIANCE AND REPORTING ISSUES:

Implementation Committee President Maas Goote (Netherlands) presented the report of the Implementation Committee's thirty-fifth meeting, held from 7-9 December 2005 (UNEP/OzL.Pro/ImpCom/35/10), and introduced several compliance-related draft decisions (UNEP/OzL.Pro.17/CRP.3 and CRP.3/Add.1). He commended the high rate of data reporting for 2004 and noted issues considered at the Committee's meeting, including the relevance of stockpiling to compliance, and reporting on research, development and information exchange under Article 9 of the Protocol (research, development, public awareness and exchange of information). He also supported review of the Protocol's compliance procedures, given the Implementation Committee's increased workload. Co-Chair Land noted the draft decisions would be forwarded to the high-level segment.

The EC said Greece recently ratified the Beijing Amendment, and NORWAY said it recently submitted information under Article 9. Noting the importance of reviewing the non-compliance procedure, AUSTRALIA said it had withdrawn its draft decision (UNEP/OzL.Pro.17/CRP.1) but planned to continue working on this issue.

RESEARCH AND OBSERVATIONS TRUST FUND:

The US introduced a draft decision to extend the trust fund for activities on research and observations relevant to the Convention (UNEP/OzL.Conv.7/CRP.14). ARGENTINA, the CZECH REPUBLIC, for Central and Eastern European countries (CEE), the EC and CANADA expressed support for the draft decision, stressing the importance of research and observations in developing countries and countries with economies in transition. Several parties suggested referring to regional balance in allocating funds. CANADA, supported by the EC, suggested a reference to future activities, and to trust funds under the World Meteorological Organization. The CZECH REPUBLIC urged parties to provide voluntary contributions, and pledged a contribution for 2006. Parties agreed the US, the EC and Argentina would finalize the draft decision before forwarding it to the high-level segment.

CFC PRODUCTION BY NON-ARTICLE 5 PARTIES:

CANADA introduced its draft decision to minimize CFC production in non-Article 5 parties (UNEP/OzL.Pro.17/CRP.8) intended to supply the basic domestic needs of Article 5 parties. He said the draft decision: proposes to set up a prior informed consent provision for CFC trade under the basic domestic needs provision; urges non-Article 5 parties to phase out CFC production as soon as feasible; and suggests consideration of an adjustment to accelerate the CFC phase-out schedule to meet the basic needs of Article 5 parties at MOP-18. The EC said it had implemented measures to reduce CFC production and, with the US, expressed its intention to discuss the proposed adjustment further. MEXICO and MAURITIUS supported the proposal. The ENVIRONMENTAL INVESTIGATION AGENCY highlighted the excessive supply of CFCs in some non-Article 5 countries, and urged such parties to accelerate the phase-out of CFC production. The EC and CANADA agreed to work on the draft decision.

METHYL-BROMIDE-RELATED ISSUES: Coordination with the International Plant Protection Convention (IPPC) Secretariat: Colombia, for GRULAC, summarized the draft decision on coordination on quarantine and pre-shipment (QPS) uses of methyl bromide, particularly uses under standard 15 of the International Standards for Phytosanitary Measures (UNEP/OzL.Pro.17/CRP.12). UGANDA noted its support for the proposal and the difficulty of using the accepted alternative in Article 5 countries. NEW ZEALAND encouraged coordination with the Food and Agriculture Organization and, with AUSTRALIA and the US, suggested that the proposal better account for ongoing work regarding standard 15 and

under the QPS Task Force. The US cautioned against imposing TEAP's views on the IPPC. After informal consultation, BRAZIL presented a revised draft decision (UNEP/OzL.Pro.17/CRP.12/Rev.1) and delegates agreed to forward it to the high-level segment.

ENVIRONMENTALLY SOUND DESTRUCTION OF ODS: Colombia, for GRULAC, introduced a draft decision on technical and financial implications of the environmentally sound destruction of ODS (UNEP/OzL.Pro.17/CRP.13), which requests TEAP to prepare terms of reference for conducting case studies on the replacement of CFC-containing refrigeration and air conditioning equipment. Parties agreed to forward the draft decision to the high-level segment.

ILLEGAL TRADE IN ODS: The EC introduced the revised draft decision on preventing illegal trade in controlled ODS, which contains an appendix with terms of reference for a feasibility study on the matter (UNEP/OzL.Pro.17/CRP.7/Rev.1). He highlighted, *inter alia*, two paragraphs in the appendix, including the study's financial implications, which remain in brackets. The ENVIRONMENTAL INVESTIGATION AGENCY said it had documented "shocking" smuggling operations, and urged parties to prioritize ODS smuggling control. CHINA expressed its commitment to combating illegal trade. NEW ZEALAND suggested the draft decision focus on giving technology and support to countries where illegal trade is occurring. The EC, Canada and others engaged in informal consultations to finalize the draft decision, and proposed a number of amendments, while noting the financing issue remains unresolved.

MEMBERSHIP OF PROTOCOL BODIES FOR 2006:
Co-Chairs of the Technical Options Committees: Co-Chair Land presented updated draft decision XVII/BB (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), noting Ian Rae (Australia) and Masaaki Yamabe (Japan) as Co-Chairs for the Chemicals Technical Options Committee, and Dave Catchpole (UK) and Dan Verdonick (US) for the Halons Technical Options Committee. He said Methyl Bromide Technical Options Committee Co-Chairs are yet to be confirmed.

Membership of the Implementation Committee: Co-Chair Land presented updated draft decision XVII/CC (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), with the additional proposed members being New Zealand, Lebanon, Poland, Nigeria and Argentina. He noted ongoing consultations over the positions of President and Vice-President.

Membership of the Executive Committee of the Multilateral Fund: Co-Chair Land presented updated draft decision XVII/DD (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), with additional proposed members being Syria, India, Zambia, New Guinea, Mali, Brazil, Mexico, Australia, Italy, Japan, Sweden, the US and the Czech Republic. NIGERIA noted ongoing consultations in the African Group on additional members.

Co-Chairs of OEWG: Co-Chair Land presented updated draft decision XVII/EE (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), noting he and Nadzri Yahaya (Malaysia) have been selected as Co-Chairs for 2006.

OTHER MATTERS: The EC introduced a submission on behalf of Cyprus (UNEP/OzL.Pro.17/CRP.17) requesting the reclassification of Cyprus as a non-Article 5 party. Plenary agreed to forward the request to the high-level segment.

CONTACT GROUPS

BUDGETARY ISSUES: On the Convention budget, participants debated possible drawdowns from the Convention trust fund for 2006-2008, and asked the Secretariat to provide scenarios to assist discussions. On the Protocol budget, participants considered options for reducing the operating cash reserve and increasing drawdowns from the Protocol Trust Fund (UNEP/OzL.Pro.17/5). Participants asked the Secretariat to analyze the impacts of such reductions and to prepare scenarios regarding parties' contributions. One participant suggested reducing funds for travel costs, and another proposed financing

the ODS tracking system study and an IPCC/TEAP workshop through voluntary contributions. The contact group will reconvene Thursday morning.

REPLENISHMENT OF THE MULTILATERAL FUND: Participants agreed to TEAP's estimate of funding requirements for categories of project preparation costs and other funding requirements. On new requirements, discussion focused on demonstration projects on ODS destruction. A number of non-Article 5 participants acknowledged the importance of destruction, but argued that funding it was not appropriate, as compliance with the Protocol does not require destruction, while Article 5 participants said significantly more funding was needed. They also argued for funding HCFC projects, while non-Article 5 participants said this was premature. On non-investment projects, non-Article 5 participants suggested TEAP's estimates were high, particularly for institutional strengthening, while Article 5 participants argued for additional funding for capacity building. Disagreements remained on additional project funding for process agents and a contingency proposed by Article 5 participants for unforeseen projects. The contact group will reconvene on Thursday.

METHYL BROMIDE: Considering the proposed texts on critical-use nominations (CUNs), participants agreed to request the use of stocks where available for research and development, and to bracket annexes with critical-use exemption (CUE) quantities, as amended, pending verification of the calculations and bilateral discussions on stocks and pre-plant use under the QPS exemption. Participants paid particular attention to language on the reporting of domestic allocation of CUEs, requests to use emission minimization techniques, and reporting amounts authorized and used. Participants turned down a proposal asking TEAP to review national management strategies (NMSs), which received support from participants, and agreed to language asking nominating parties to ensure their NMSs follow the requirements of Decision Ex.I/4 for phase-out of critical uses. Participants agreed not to seek adoption of the CUN Handbook by the MOP and one non-Article 5 participant expressed concern regarding standard presumptions. They agreed to forward the draft decision to the high-level segment in brackets, pending bilateral consultation.

CROSS-CUTTING ISSUES ON CTCs and CFC MDIs IN ARTICLE 5 PARTIES: On some uses of ODS in Article 5 parties that would fall under essential-use exemptions in non-Article 5 parties, participants agreed the needs expressed in the two proposals were valid. They also agreed to add language to GRULAC's proposal (UNEP/OzL.Pro.17/CRP.16), which defers consideration of compliance under CTC control measures and ensures use is consistent with essential-use criteria. Regarding Bangladesh's proposal on CFC MDIs in 2007-2009 (UNEP/OzL.Pro.17/CRP.15), some participants expressed concern about language requesting TEAP to formally make a finding on technology transfer and also with requesting parties to defer consideration of compliance on this issue at this time. A participant underscored the need for certainty from the MOP to allow for domestic licensing of imports. The group decided to work on text requesting MOP-18 to consider the issue and requesting the Multilateral Fund Executive Committee and TEAP to consider a longer-term solution.

IN THE CORRIDORS

Wednesday ended with some issues still on the agenda of the preparatory segment, although participants appeared confident these will be resolved by the close of the meeting. Some delegates seemed keen to address the most difficult issues, including stockpiles, CUNs and budgetary matters, bilaterally and informally to avoid protracted plenary discussions and the impasses that led to the recent extraordinary MOPs. At this stage, many see signs that an extraordinary MOP will be averted, with bilateral and informal consultations continuing.