

**SUMMARY OF THE SEVENTH CONFERENCE
OF THE PARTIES TO THE VIENNA
CONVENTION FOR THE PROTECTION OF
THE OZONE LAYER AND SEVENTEENTH
MEETING OF THE PARTIES TO THE
MONTREAL PROTOCOL ON SUBSTANCES
THAT DEplete THE OZONE LAYER:
12-16 DECEMBER 2005**

The seventh Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer and the seventeenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (COP-7/MOP-17) took place in Dakar, Senegal, from 12-16 December 2005. The joint meeting was attended by over 400 participants representing governments, UN agencies, intergovernmental and non-governmental organizations, academia, industry, and the agricultural sector.

COP-7/MOP-17 opened with a preparatory segment, from Monday to Wednesday, 12-14 December, that addressed the COP/MOP's substantive agenda items and related draft decisions. The preparatory segment was followed by a high-level segment, which convened from Thursday to Friday, 15-16 December, to adopt the decisions forwarded to it by the preparatory segment. As the preparatory segment did not conclude its work on a number of contentious issues by Wednesday, it reconvened several times during Thursday and Friday to address outstanding issues, including process agents, essential- and critical-use exemptions, and illegal trade in ozone depleting substances.

COP-7/MOP-17 adopted more than 50 decisions, including on: the Multilateral Fund for the Implementation of the Montreal Protocol; ratification; compliance; illegal trade; essential- and critical-use exemptions; process agents; and financial and administrative matters. Despite an extensive agenda for the joint meeting, the hard work of delegates in plenary, contact groups and informal sessions led to the resolution of all items, avoiding the need for a third extraordinary MOP, and bringing the meeting to a close, as scheduled, on Friday evening.

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, hindering its ability to prevent harmful ultraviolet rays from reaching the Earth. This would adversely affect ocean ecosystems, agricultural productivity and animal populations, and harm humans through higher rates of skin cancers, cataracts and weakened immune systems. In response to this growing concern, the United Nations Environment Programme (UNEP) convened a conference in March 1977 that adopted a World Plan of Action on the Ozone Layer and established a Coordinating Committee to guide future international action on ozone.

VIENNA CONVENTION: In May 1981, the UNEP Governing Council launched negotiations on an international agreement to protect the ozone layer and, in March 1985, the Vienna Convention for the Protection of the Ozone Layer was adopted. The Convention called for cooperation on monitoring, research and data exchange, but did not impose obligations to reduce the use of ozone-depleting substances (ODS). The Convention now has 190 parties.

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MONTREAL PROTOCOL: In September 1987, efforts to negotiate binding obligations on ODS led to the adoption of the Montreal Protocol on Substances that Deplete the Ozone Layer. The Protocol introduced control measures for some CFCs and halons for developed countries (non-Article 5 parties). Developing countries (Article 5 parties) were granted a grace period allowing them to increase their use of these ODS before taking on commitments. To date, the Protocol has 189 parties.

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

LONDON AMENDMENT AND ADJUSTMENTS: Delegates to MOP-2, which took place in London, UK, in 1990, tightened control schedules and agreed to add ten more CFCs to the list of ODS, as well as carbon tetrachloride (CTC) and methyl chloroform. To date, 179 parties have ratified the London Amendment. In addition, MOP-2 established the Multilateral Fund for the Implementation of the Montreal Protocol (Multilateral Fund). The Multilateral Fund meets the incremental costs incurred by Article 5 parties in implementing the Protocol's control measures and finances clearinghouse functions, including technical assistance, information, training, and the costs of the Multilateral Fund Secretariat. The Fund is replenished every three years, and has disbursed over US\$1.4 billion since its establishment.

COPENHAGEN AMENDMENT AND ADJUSTMENTS: At MOP-4, held in Copenhagen, Denmark, in 1992, delegates tightened existing control schedules and added controls on methyl bromide, hydrobromofluorocarbons (HBFCs) and hydrochlorofluorocarbons (HCFCs). MOP-4 also agreed to enact non-compliance procedures and to establish an Implementation Committee. The Implementation Committee examines cases of possible non-compliance by parties, and makes recommendations to the MOP aimed at securing full compliance. To date, 168 parties have ratified the Copenhagen Amendment.

MONTREAL AMENDMENT AND ADJUSTMENTS: At MOP-9, held in Montreal, Canada, in 1997, delegates agreed to a new licensing system for the import and export of ODS, in addition to tightening existing control schedules. They also agreed to a ban on trade in methyl bromide with non-parties to the Copenhagen Amendment. To date, 136 parties have ratified the Montreal Amendment.

BEIJING AMENDMENT AND ADJUSTMENTS: At MOP-11, held in Beijing, China, in 1999, delegates agreed to controls on bromochloromethane and additional controls on HCFCs, and to reporting on methyl bromide for quarantine and pre-shipment applications. MOP-11 also agreed to replenish the Multilateral Fund with US\$477.7 million for the triennium 2000-2002. To date, 101 parties have ratified the Beijing Amendment.

MOPs 12-14: MOP-12, held in Ouagadougou, Burkina Faso, in 2000, adopted the Ouagadougou Declaration, which encouraged parties to take steps to prevent illegal production, consumption and trade in ODS, and harmonize customs codes. The following year in Colombo, Sri Lanka, delegates to MOP-13 adopted the Colombo Declaration, which encouraged

parties to apply due care in using substances that may have ozone depletion potential, and to determine and use available, accessible and affordable alternatives and technologies that minimize environmental harm while protecting the ozone layer. At MOP-14, held in Rome, Italy, in 2002, delegates adopted 46 decisions, covering such matters as the Multilateral Fund's fixed-exchange-rate mechanism, compliance issues, and interaction with the World Trade Organization (WTO). MOP-14 also agreed to replenish the Multilateral Fund with US\$573 million for 2003-2005.

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

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

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

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

CURRENT ODS CONTROL SCHEDULES: Under the amendments and adjustments to the Montreal Protocol, non-Article 5 parties were required to phase out production and consumption of: halons by 1994; CFCs, CTC, methyl

chloroform and HBFCs by 1996; bromochloromethane by 2002; methyl bromide by 2005; and consumption of HCFCs by 2030 (with interim targets prior to those dates). However, there are exemptions to these phase-outs to allow for certain uses lacking feasible alternatives or in particular circumstances. Production of HCFCs was to be stabilized by 2004. Article 5 parties were required to phase out HBFCs by 1996 and bromochloromethane by 2002. These parties 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 reduction targets prior to a full phase-out). Production of HCFCs in Article 5 countries must be stabilized by 2016.

COP-7/MOP-17 REPORT

PREPARATORY SEGMENT

On Monday morning, 12 December 2005, the COP-7/MOP-17 preparatory segment was opened by Co-Chairs Tom Land (US) and David Okioga (Kenya). Marco González, Executive Secretary of the Ozone Secretariat, noted the opportunity provided by the meeting to celebrate the enduring political commitment of the international community to protect the ozone layer. He noted reductions in the consumption of ODS, and expressed appreciation for improvements in the timeliness and quality of data reporting by parties.

Diagne Fada, Minister of Environment and the Protection of Nature, Senegal, welcomed delegates to Dakar and thanked them for contributing to protection of the ozone layer. He noted the importance of environmental protection for future generations and said individuals, NGOs, and public and private entities must participate.

Co-Chair Land introduced the agenda (UNEP/OzL.Conv.7/1 and UNEP/OzL.Pro.17/1). Parties agreed to consider two items together, namely the report of the sixth meeting of the Ozone Research Managers to the Convention and the report of the Ozone Secretariat on the trust fund for financing activities on research and systematic observations relevant to the Convention. Parties also agreed to defer until 2006 consideration of a US proposal on multi-year exemptions for methyl bromide, and a European Community (EC) proposal for an amendment to the Protocol that would include an expedited procedure for adding new chemicals (UNEP/OzL.Pro.17/8). With these amendments, the agenda was adopted. Parties also agreed to the organization of work.

Throughout MOP-17, delegates discussed agenda items and corresponding draft decisions in plenary, contact groups and bilateral consultations. Rather than addressing agenda items in numerical order, issues likely to lead to the establishment of contact groups were addressed first, in an effort to ensure as little overlap between contact groups as possible. Draft decisions were approved by the preparatory segment, and forwarded to the high-level segment for adoption on Friday evening. The description of the negotiations, the summary of the decisions and other outcomes can be found below.

HIGH-LEVEL SEGMENT

Macky Sall, Senegal's Prime Minister, welcomed participants to the high-level segment on Thursday, 15 December. The Mayor of Dakar, Pape Diop, underscored that social and economic development must be coupled with environmental protection, and highlighted Senegal's efforts to achieve this goal.

Outlining achievements under the ozone treaties, Executive Secretary Marco González emphasized much remains to be done, particularly in developing countries, and noted the relevance of the replenishment of the Multilateral Fund to support this.

Bakary Kante, UNEP, noted the efforts of Senegal and other African countries in combating ODS, emphasizing the burden of global environmental threats on countries with fragile economies. He commended those involved in the Intergovernmental Panel on Climate Change (IPCC) and Technology and Economic Assessment Panel (TEAP) Special Report on Safeguarding the Ozone Layer and the Global Climate System (IPCC/TEAP Special Report).

Claudia McMurray, President of the Bureau of the Convention, said the achievements of the Convention and Protocol have largely resulted from strong scientific consensus. Prime Minister Sall commended the spirit of solidarity that has led to the ozone regime's success, and highlighted the fund on technical assistance and research, and the Multilateral Fund's replenishment as key financing priorities at COP-7/MOP-17.

Michael Williams, UNEP, presented awards to individuals who have contributed to ozone layer protection: Ayité-Lô Ajavon (Togo); Daniel Albritton (US); James Anderson (US); Pieter Aucamp (South Africa); Rumen Bojkov (Bulgaria); Paul Crutzen (Netherlands); Joseph Farman (UK); Mario Molina (Mexico); Frank Sherwood Rowland (US); Susan Solomon (US); Manfred Tevini (Germany); Mostafa Tolba (Egypt); Xiaoyan Tang (China); Jan van der Leun (Netherlands); and Robert Watson (US). He also conferred special awards to recognize the contributions of two former UNEP staff members, Omar El-Arini and Madhava Sarma.

Madhava Sarma, Executive Secretary of the Ozone Secretariat from 1991-2000, stressed current challenges to ozone layer protection, including: maintaining the international community's interest until full phase-out; increased use of exemptions by developed countries, which could involve a significant amount of ODS and could discourage Article 5 parties in their efforts to implement ODS control measures; illegal trade in ODS; increased HCFC production in Article 5 countries; potential greenhouse gas emissions from ODS alternatives; and the need to preserve the independence of assessment panels.

Delegates then elected Bureau members for COP-7 and MOP-17. For COP-7, Thierno Lo (Senegal) was elected President; Djismun Kasri (Indonesia), Nelson Espinosa (Cuba), and Vladimir Verveda (Turkmenistan) were elected Vice-Presidents; and Else Peuranen (Finland) was elected Rapporteur. For MOP-17, Tom Land (US) was elected President; Elena Dumitru (Romania), Jafrul Chowdhury (Bangladesh) and Victor Yameogo (Burkina Faso) were elected Vice-Presidents; and Fergusson John (St. Lucia) was elected Rapporteur.

The agenda was adopted and the organization of work agreed to without amendment (UNEP/OzL.Conv.7/1 and UNEP/OzL.Pro.17/1).

PRESENTATIONS BY THE ASSESSMENT PANELS:

Scientific Assessment Panel: Parties heard presentations from representatives of the Protocol's assessment panels. Ayité-Lô Ajavon (Togo), Scientific Assessment Panel Co-Chair, presented the first draft of the 2006 scientific assessment. He said the final report would describe new developments since the last assessment, and provide parties with information they had specifically requested. He noted the executive summary would be finalized in June 2006, and the final text by the end of December 2006.

Environmental Effects Assessment Panel: Jan van der Leun (Netherlands), Environmental Effects Assessment Panel Co-Chair, presented the Panel's 2005 progress report on the environmental effects of ozone depletion and its interaction with climate change. He said while ozone recovery is noticeable in the mid-latitudes, recovery in the polar regions will take considerably more time. He further noted that some studies now clarify the complex interactions between ozone depletion and climate change.

Technology and Economic Assessment Panel (TEAP):

José Pons (Venezuela), TEAP Co-Chair, presented a summary of TEAP's 2005 work and plans for 2006, noting the work of its Technical Options Committees (TOCs) and task forces. He said this work had included regular process reports and several special reports, together covering essential-use exemptions, methyl bromide critical-use nominations (CUNs) and stocks, Multilateral Fund replenishment, and the IPCC/TEAP Special Report.

PRESENTATION BY THE MULTILATERAL FUND

EXECUTIVE COMMITTEE: Paul Krajnik (Austria), Chair of the Multilateral Fund's Executive Committee (ExCom), presented ExCom's report for 2005 (UNEP/OzL.Pro.17/9). He outlined some key accomplishments in 2005, noting the ExCom had approved an additional 405 projects and activities with a total value of US\$289 million, that when implemented, would phase out over 95,000 metric tonnes of production and consumption.

COUNTRY STATEMENTS: On Thursday and Friday, delegates heard statements from senior officials and heads of delegation. Many speakers thanked Senegal for hosting COP-7/MOP-17 and reported on national activities carried out for implementing the goals of the Convention and the Protocol. Many Article 5 parties, including Bhutan, Jordan, Mexico and Somalia thanked international organizations and the Multilateral Fund for supporting the fulfillment of their Protocol obligations, and for promoting institutional strengthening and capacity building. Tanzania and South Africa highlighted the need to combat illegal trade in ODS. China stressed major obstacles to achieving final goals, including: illegal trade; technical problems in phasing out methyl bromide; funding HCFC phase-out; and Multilateral Fund replenishment. The Republic of Congo stressed the need for appropriate technical and financial assistance, and urged agreement on Multilateral Fund replenishment. Guinea Bissau said it has undertaken a number of legal and regulatory activities with the assistance of the Multilateral Fund.

Bangladesh said the refrigeration and air-conditioning sectors face the biggest challenges in ODS phase-out efforts, and called for technical assistance to address them. Namibia, Mauritania and Malaysia noted they have reduced ODS consumption, and expressed their gratitude to donor countries and the Multilateral Fund Secretariat for mobilizing resources to finance implementation activities.

Guatemala summarized its agricultural development and resulting dependency on products like methyl bromide, and noted its work on reducing ODS by improving agricultural practices. India stressed the need to assist small and micro enterprises with compliance, and proposed opening a special funding window for small and micro enterprises in all sectors in the next triennium. Underscoring its adoption of legislation to ban methyl bromide use from 2007 onwards, Brazil urged parties to reduce methyl bromide consumption.

Bolivia highlighted the importance of ODS elimination by non-Article 5 parties by 2010. Angola noted its capacity building activities to reduce ODS. The Dominican Republic highlighted its efforts to eliminate CFCs. Japan noted that it intends to promote expertise and technology transfer to shift to alternatives. Costa Rica said his country has developed methyl bromide alternatives. Burundi highlighted activities implemented to reduce ODS consumption. Fiji underscored the need to further develop technologies to replace methyl bromide. The United Kingdom, on behalf of the European Union (EU), noted that much scientific work remains to be done to further understand the science of ozone processes. He said that climate change could delay ozone recovery in some regions, and underscored the need for assessing the effectiveness of existing policies. Bulgaria stressed the importance of coordination between scientific findings, political processes, and the activities of business, civil society and social networks.

Uganda underscored the need for parties to address transparency in handling CUNs and connections between Protocol and WTO-related activities. Nigeria expressed concern about the large number of requests for CUNs, and noted the need for strengthening institutional capacity in Article 5 parties. The Republic of Korea emphasized the importance of ODS information exchange among parties. He said that long-term stabilization of the ozone layer depends on the availability of technology in developing countries.

The EC highlighted the need to maintain parties' efforts to ensure recovery of the ozone layer, including the need to: cease ODS use, especially when alternatives are available; minimize essential uses of CFCs and methyl bromide; identify appropriate mechanisms for destruction and disposal of ODS; and ensure that the phase-out of controlled substances by Article 5 countries is not undermined by illegal trade. She underscored the EC's commitment to pave the way forward and to encourage developing countries to pursue an "ozone-friendly path." Mexico highlighted the implementation of its national plan for the elimination of CFC consumption in the refrigeration sector. Israel noted it is promoting methyl bromide alternatives and sharing its experience with developing countries. Sudan underscored the need for: improving ODS controls; preventing illegal trade; and sufficient resources in the Multilateral Fund to facilitate compliance with control schedules under the Protocol. Noting the

IPCC/TEAP Special Report showed the need to reduce emissions of ODS and greenhouse gases simultaneously to ensure ozone layer recovery, Germany urged parties to fulfill the climate- and ozone-related environmental agreements.

Greenpeace reminded delegates that it believed 2005 has not been a good year for ozone or climate protection, and urged parties to plug the "loophole" of CUEs. The International Institute of Refrigeration stressed the need for changes in both refrigerants and refrigeration equipment to ensure reduction of their environmental impacts, and stressed its activities in promoting and disseminating knowledge of refrigeration technology.

COP-7/MOP-17 OUTCOMES AND DECISIONS

MOP-17 considered agenda items and related decisions on a variety of topics, including on: ratification; compliance and reporting; replenishment of the Multilateral Fund; methyl bromide-related matters; essential uses; illegal trade in and destruction of ODS; membership of various bodies; and administrative issues. In total, more than 50 decisions were adopted on Friday, 16 December. This section summarizes the negotiations and resulting decisions.

STATUS OF RATIFICATION OF THE OZONE

TREATIES: Preparatory Segment Co-Chair Okioga introduced draft decisions on the status of ratification of the Convention, the Protocol and amendments to the Protocol during Monday's preparatory segment (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), and commended Eritrea as the most recent country to ratify both instruments. Various delegates commented on recent domestic activities towards ratification, and parties agreed to forward the draft decisions to the high-level segment.

Final Decisions: In the decisions on status of ratification of the Convention and the Protocol (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), the COP/MOP notes with satisfaction the large number of countries that have ratified the Convention, the Protocol and its amendments; and urges all states that have not yet done so to ratify, approve or accede to the Convention, the Protocol and its amendments.

OZONE RESEARCH MANAGERS REPORT: During Monday's preparatory segment, the Secretariat presented the report of the sixth meeting of the Ozone Research Managers to the Convention (UNEP/OzL.Conv.7/6), noting that the report's recommendations have been drawn from national reports and reports from various international programmes and assessment activities. The Secretariat stressed the need for, *inter alia*: continued and enhanced research and observation activities; expanded measurement networks; enhanced information on the interrelationship between ozone and climate change; and increased funding and cooperation for implementing the report's recommendations. The US prepared, and the parties adopted, a draft decision on the issue based on the recommendations of the report, which is described in the section below on financial reports on the trust fund for research and observations relevant to the Convention (see page 6).

BUDGETARY ISSUES: Financial reports on the Protocol and Convention Trust Funds: On Monday in the preparatory segment, the Secretariat introduced the agenda item on the financial report and expenditures of the Protocol Trust Fund for 2004 (UNEP/OzL.Conv.7/4 and UNEP/OzL.Pro.17/4), and

the 2005-2007 budgets of the Protocol Trust Fund (UNEP/OzL.Conv.7/5 and UNEP/OzL.Pro.17/5). Co-Chair Land established a contact group to consider budgetary issues, including preparation of draft decisions on these matters. The contact group, chaired by Jean-Louis Wallace (Canada), met from Monday through Thursday. On Friday, Wallace introduced the proposal (UNEP/OzL.Pro.17/CRP.22 and UNEP/OzL.Pro.17/CRP.23) and the preparatory segment agreed to forward the proposed draft decisions to the high-level segment, where they were adopted.

During discussions, the Secretariat reported on the status of the trust fund for financing activities on research and systematic observations in developing countries and countries with economies in transition (CEITs). Noting that the fund expires in 2007, he said parties may wish to request the continuation of the fund, while the US referred to a draft decision reauthorizing it.

The Secretariat presented: budgetary principles; performance on past Convention and Protocol budgets; proposed changes to the 2006 Protocol budget; proposed Convention budgets for 2006-2008; and a review of the status of the Protocol Trust Fund. Parties discussed the revised 2005 budget and proposed 2006 and 2007 budgets of the Protocol Trust Fund, and bracketed the amounts for the operating cash reserve, drawdowns, subcontracts and travel costs. Chair Wallace presented draft decisions on the issues, including: the 2006-2008 revised budget for the Convention Trust Fund; parties' contributions to the Convention Trust Fund for 2006-2008; the drawdown for 2006-2008 from the balances of the Convention and Protocol Trust Funds; and the revised 2005 and the proposed 2006 budgets for the Protocol Trust Fund.

Participants debated possible drawdowns from the Convention Trust Fund for 2006-2008, and asked the Secretariat to provide scenarios to assist discussions. Participants also considered options for reducing the operating cash reserve and increasing drawdowns from the Protocol Trust Fund. Participants asked the Secretariat to analyze the impacts of such reductions and to prepare scenarios regarding parties' contributions.

After discussing Protocol budget scenarios prepared by the Secretariat, delegates agreed on: keeping the amount originally proposed for funding travel for Article 5 delegates to ozone-related meetings; having an operating cash reserve of 8.3% of the 2006 budget; suggesting an operating cash reserve of 15% of the 2007 budget; drawing down from the Protocol Trust Fund by US\$586,000; and allocating US\$34,000 to the MBTOC for 2006. On the Convention's budget, delegates agreed on US\$90,000 for an IPCC/TEAP workshop, and US\$200,000 for an ODS tracking system study. In presenting the draft decisions on the Convention and Protocol budgets, Chair Wallace noted that parties' contributions will remain relatively constant for 2006-2008.

Final Decisions: In the decision on the Convention's financial matters (UNEP/OzL.Pro.17/CRP.22), the COP, *inter alia*:

- takes note of the financial statement of the 2004-2005 Trust Fund and the report comparing actual and approved expenditures for 2004;
- approves the Trust Fund budget in the amount of US\$897,672 for 2006, US\$589,691 for 2007 and US\$1,162,601 for 2008, as set out in Annex I to the present decision;
- draws down US\$386,672 and US\$559,601 in 2006 and 2008 from the Fund balance, as set out in Annex II to the decision;

- allows the Secretariat to make transfers of up to 20% between certain main appropriation lines; and
- urges parties to pay their outstanding and future contributions promptly and in full.

In the decision on the Protocol's financial matters (UNEP/OzL.Pro.17/CRP.23), the MOP, *inter alia*:

- approves the 2006 Trust Fund budget in the amount of US\$4,678,532, and takes note of the proposed 2007 budget, as set out in Annex I to the present decision;
- authorizes the Secretariat to draw down US\$586,668 in 2006;
- authorizes the Secretariat to maintain a constant operating cash reserve of the estimated annual planned expenditures of 8.3% in 2006 and proposes an increase to 15% in 2007;
- urges parties to pay outstanding and future contributions promptly and in full;
- encourages parties, non-parties and other stakeholders to make financial contributions to MBTOC; and
- allows the Secretariat to make transfers of up to 20% from one main appropriation line of the approved budget to other main appropriation lines.

Financial reports on the trust fund for research and observations relevant to the Convention: On Wednesday in the preparatory segment, 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). The US and others engaged in informal consultations to finalize the text of the draft decision, which parties considered again in Thursday's preparatory segment, when they decided to forward it to the high-level segment, where it was adopted.

During discussions, the Czech Republic, for the Central and Eastern European countries (CEE), the EC, Argentina and Canada expressed support for the draft decision, stressing the importance of research and observations in developing countries and CEITs. Several parties suggested referring to regional balance in the allocation of funds. Canada, supported by the EC, suggested adding a reference to trust funds under the World Meteorological Organization (WMO). The Czech Republic urged parties to provide voluntary contributions, and pledged a contribution for 2006.

Final Decision: The preamble of the decision on the trust fund for research and observations relevant to the Convention (UNEP/OzL.Conv.7/CRP.14) notes, among others, the conclusions and recommendations of the sixth meeting of the Ozone Research Managers (UNEP/OzL.Conv.7/6) regarding the continuing need to ensure a stable, long-term and regionally-balanced observational capability, and the need to enhance the capacity of Article 5 parties and CEITs to enable them to maintain existing instruments and networks, install new capabilities to enhance observational capabilities, and disseminate information about the effects of ozone and ultraviolet changes.

The COP, *inter alia*:

- requests UNEP's Executive Director to extend the trust fund established pursuant to Decision VI/2 of the Convention up to 31 December 2015, so as to continue to support monitoring and research activities in developing countries and CEITs;
- agrees to take a decision at COP-10 as to whether to extend the trust fund beyond 2015;

- requests UNEP and WMO to continue their cooperation with respect to the trust fund;
- urges all parties and international organizations to make voluntary contributions to the fund, as well as in-kind contributions, for the priorities mentioned in the recommendations of the sixth meeting of the Ozone Research Managers; and
- requests the Ozone Secretariat to report to COP-8 on the operations of, contributions to, and expenditures from the trust fund since its inception.

ESSENTIAL-USE NOMINATIONS FOR 2006 AND 2007:

In Monday's preparatory segment, Co-Chair Land introduced a draft decision on essential-use nominations for controlled substances for non-Article 5 parties for 2006, and a decision on essential-use nominations for controlled substances for non-Article 5 parties for 2007, proposed by the US and the EC, respectively (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3). A contact group, chaired by Sophia Mylona (Norway), met on Tuesday and Thursday to address the issue, and the US and the EC engaged in bilateral discussions on Wednesday. A revised draft decision on essential uses for both 2006 and 2007 was presented in Friday's preparatory segment and forwarded to the high-level segment, which adopted it.

During discussions, the EC noted it was taking full account of existing CFC stocks, as recommended by the TEAP's report, and urged parties not to allocate CFCs to companies that were producing CFC-free metered-dose inhalers (MDIs). With Norway, the EC expressed its support for making nominations on a yearly basis.

Ensuing deliberations in the contact group focused on a number of key issues, including: stocks of CFC MDIs, in particular pre-1996 stocks; whether 2007 essential uses for CFC MDIs should be granted at MOP-17; and whether companies producing alternatives should be allowed to put CFC MDIs on the market. A number of participants stressed the need to balance human health and ozone layer protection in relation to essential uses, with one nominating party noting the importance of being granted a sufficient amount of essential-use allowances in order to ensure health protection. Others urged ensuring the approval of necessary CFCs only, and the need to consider stocks when making nominations and allocations of essential uses.

After contact group and informal consultations, the revised draft decisions introduced in Friday's preparatory segment reflected the compromises achieved, with approved amounts being substantially less than the amount nominated, partly because of the consideration of stocks. Switzerland expressed regret that TEAP recommendations for 2007 had not been followed and expressed hope that it would not occur again, and highlighted its domestic efforts to withdraw all pharmaceutical CFC-based preparations by 2006. The US said the decision represented a large reduction in essential uses, and noted it achieved a good balance between ozone layer and human health protection. Parties agreed to forward the draft decisions to the high-level segment, where they were adopted.

Final Decision: The preambular section of the decision on essential-use nominations for 2006 and 2007 (UNEP/OzL.Pro.17/CRP.21) recognizes the work of TEAP and its Medical Technical Options Committee, notes the progress made since Decision

XV/5 (promoting the closure of essential-use nominations for MDIs) in establishing a certain date by which parties will cease submitting nominations for MDIs whose sole active ingredient is salbutamol, and recalls paragraph 6 of Decision XV/5, relating to the phase-out of CFCs for MDIs whose active ingredient is not only salbutamol.

In the decision, the MOP:

- authorizes the levels of production and consumption for 2006 and 2007 necessary to satisfy essential uses of CFCs for MDIs for asthma and chronic obstructive pulmonary disease contained in the decision's annex;
- requests non-Article 5 parties allocating essential-use exemptions for CFCs for a manufacturer to consider pre- and post-1996 stocks so that no more than one year's operational supply is maintained by that manufacturer; and
- requests such parties to submit to the Secretariat a date, prior to MOP-18, by which they expect to have proposed regulations to determine the non-essentiality of most CFCs for MDIs whose sole active ingredient is salbutamol.

METHYL BROMIDE-RELATED ISSUES: MBTOC

Supplemental Report: Jonathan Banks (Australia), MBTOC Co-Chair, presented MBTOC's 2005 Supplemental Report in Monday's preparatory segment. The matter of the Supplemental Report, including 2006 and 2007 CUEs for methyl bromide, was referred to a contact group that met Tuesday through Thursday and was co-chaired by W.L. Sumathipala (Sri Lanka) and Nik Kiddle (New Zealand). On Friday, Co-Chair Kiddle presented a draft decision, and amendments to it, to the preparatory segment (UNEP/OzL.Pro.17/CRP.20), which agreed to forward the decision to the high-level segment, where it was adopted.

Discussions, the majority of which took place bilaterally between the US and the EC, focused on 2006 and 2007 CUEs and related issues, including stockpiles of methyl bromide, how use of emission minimization technologies such as virtually impermeable films (VIFs) affected MBTOC's CUE recommendations, methyl bromide use for pre-plant applications under the quarantine and pre-shipment (QPS) exemption, and national management strategies (NMSs).

On emissions minimization, Switzerland noted its desire for a more rigorous approach to MBTOC's consideration of VIFs. In the contact group, participants discussed how these techniques were taken into account by MBTOC. Some Article 5 parties emphasized the lack of availability of VIF in their countries.

In discussions on NMSs in the contact group, one non-Article 5 party proposed that TEAP review NMSs. Numerous other non-Article 5 participants, however, said TEAP should not review NMSs, noting that in doing so, it would be stepping beyond its terms of reference and engaging in policy matters that should be reserved for national governments.

On stocks, the EC stated that consideration of methyl bromide stockpiles is crucial for avoiding unnecessary production and imports, and the Natural Resources Defense Council (NRDC) noted concern on lack of US disclosure on this matter and urged parties to insist on full disclosure prior to approval of 2007 CUEs. In the contact group, participants discussed the wide variation in how parties account for stockpiles and the lack of clarity regarding their definition, with some non-Article 5 participants underscoring that tracing quantities held by end-

users is impractical. One non-Article 5 participant pushed for accounting for stocks in the nomination phase, rather than only when CUEs were allocated domestically. Another non-Article 5 participant noted: ongoing domestic litigation; the need for stocks to support non-critical uses; reduced quantity of methyl bromide allocated for 2006 CUEs due to domestic consideration of stocks; and the impracticality of assessing the impact of possible future stocks on CUNs.

On 2006 and 2007 CUEs, Japan, Argentina, Nigeria, Canada, Australia and Mexico initially expressed support for MBTOC's CUE recommendations, while Switzerland initially reserved its position on 2007 CUE quantities, given lack of data on stockpiles. Australia highlighted the need for early approval of 2007 CUEs to facilitate domestic CUE allocation. The US highlighted its concerns with MBTOC's standard presumptions. In the contact group, non-Article 5 parties disagreed on whether it was appropriate to grant CUEs for methyl bromide used for research and development. The US ultimately agreed to removal of supplemental quantities allocated to it in Table B of the draft decision.

Final Decision: In the preamble of the decision on CUEs for 2006 and 2007 (UNEP/OzL.Pro.17/CRP.20), parties thank TEAP for its work, and note some parties' reductions in licensed methyl bromide use, and the submission of NMSs by nominating parties. The MOP decides to:

- approve 2007 CUEs and supplemental quantities for 2006 CUEs, as contained in the appendix;
- direct parties to endeavor to authorize CUEs as listed in the appendices;
- direct parties to make up allocations in excess of CUEs from stocks and to endeavor to use stocks for research and development uses of methyl bromide;
- direct parties to take stocks into account when allocating CUEs and to request use of emission minimization techniques when allocating 2007 CUEs;
- request parties to report on their allocation process annually and to ensure their NMSs follow the aims of NMSs, as contained in Decision Ex.I/4 (on conditions for CUEs); and
- request MBTOC to review the use of pre-plant methyl bromide under the QPS exemption and, for CUEs, to annually report the amounts nominated, agreed, and licensed or used, for each category of use.

Handbook on CUNs: In Tuesday's preparatory segment, MBTOC Co-Chair Nahum Marban Mendoza (Mexico) presented the Handbook (UNEP/OzL.Pro.17/10) and delegates decided to further discuss the issue on Wednesday in the methyl bromide contact group. During discussions, MBTOC Co-Chair Mendoza underscored that standard presumptions used in the assessment of the previous three rounds of CUNs were incorporated in the Handbook, and that such presumptions should only be applied when technically or economically feasible. The US requested additional information on standard presumptions and CUNs. Noting that standard presumptions could not be applied in some countries, Canada said such matters should be assessed on a case-by-case basis. Delegates agreed to discuss the issue in the methyl bromide contact group, where 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 that the Handbook should be a “living document” to be updated as appropriate. Parties agreed not to take a decision on the handbook at this time.

Multi-year Exemptions: The US stated in Monday’s preparatory segment that it was willing to defer consideration of a draft decision on multi-year CUEs to a later date (UNEP/OzL.Pro.17/3).

Laboratory and Analytical Uses: On Tuesday in the preparatory segment, the EC introduced a draft decision authorizing laboratory and analytical uses of methyl bromide (UNEP/OzL.Pro.17/CRP.10). After informal consultations, the EC introduced a revised draft decision in the preparatory segment on Friday, which was adopted in the high-level segment.

Final Decision: In the decision on laboratory and analytical uses (UNEP/OzL.Pro.17/CRP.10/Rev.1), the MOP:

- authorizes production and consumption of methyl bromide in non-Article 5 parties necessary for laboratory and analytical critical uses;
- requests TEAP to consider such uses and other possible uses, and to report to OEWG-26; and
- agrees to adopt an illustrative list of such uses at MOP-18.

Recapturing, recycling and destruction in space fumigation: On Tuesday in the preparatory segment, New Zealand introduced its draft decision on this issue (UNEP/OzL.Pro.17/CRP.11), which it noted encourages parties to submit information to TEAP on technologies to recapture, recycle, destroy or reduce methyl bromide emissions. Delegates agreed to forward the issue to the high-level segment, where the decision was adopted with a minor amendment by New Zealand and an amendment by the EC. The EC’s amendment added the words “that could be a long-term decision” after a preambular paragraph that recalls Decision XI/13, which encourages the use of methyl bromide recovery and recycling technology until alternatives to methyl bromide for QPS uses are available.

Final Decision: In the decision on methyl bromide in space fumigation (UNEP/OzL.Pro.17/CRP.11), the MOP notes that recapture of methyl bromide is already carried out in several countries, and:

- encourages parties deploying or planning to deploy technologies to recapture, recycle, destroy, or reduce methyl bromide emissions from fixed facilities or sea container fumigation applications, and to provide data on such applications’ efficacy and feasibility to TEAP by 1 April 2006;
- encourages parties to report on any harmful by-products created using this technology;
- adopts a form for submitting this information, contained in the annex; and
- decides to include the findings of the data submitted in TEAP’s progress report for 2006 and to summarize parties’ experiences with recovery and destruction technologies.

Coordination with the International Plant Protection Convention (IPPC) Secretariat: The draft decision on coordination between the Ozone Secretariat and the IPPC Secretariat regarding QPS methyl bromide uses (UNEP/OzL.Pro.17/CRP.12) was introduced in Wednesday’s preparatory segment. Uganda supported the proposal, while New Zealand, Australia and the US suggested the decision take into account ongoing work occurring both with the QPS Task Force and on

Standard 15 of the International Standards for Phytosanitary Measures, which contains quarantine requirements. These parties agreed to work with the Group of Latin America and Caribbean countries (GRULAC) to amend the proposal. The revised version was introduced in the preparatory segment on Wednesday and forwarded to the high-level segment, where it was adopted.

Final Decision: The preambular section of the decision on coordination with the IPPC (UNEP/OzL.Pro.17/CRP.12/Rev.1): recalls coordination among UN bodies on QPS; acknowledges the Ozone Secretariat’s efforts in coordinating with the IPPC Secretariat; notes forthcoming proposals on Standard 15 from the IPPC’s Interim Commission on Phytosanitary Measures; and highlights the ozone layer risk imposed by increased QPS uses of methyl bromide and the importance of managing and, when feasible, replacing QPS uses of methyl bromide.

In the decision, the MOP decides:

- to request TEAP to share information from the QPS Task Force with IPPC bodies, and to prepare a document on methyl bromide alternatives for Standard 15 applications; and
- to request the Ozone Secretariat to liaise with the IPPC Secretariat regarding Standard 15 and to share with the IPPC Secretariat TEAP’s document on methyl bromide alternatives for Standard 15 applications.

REPLENISHMENT OF THE MULTILATERAL FUND:

Supplemental TEAP Replenishment Report: On Monday in the preparatory segment, Shiziu Zhang (China) and Lambert Kuijpers (Netherlands), Co-Chairs of TEAP’s Replenishment Task Force, presented the Report of the Assessment of the Funding Requirement for the Replenishment of the Multilateral Fund for 2006-2008, including the Supplementary Report of October 2005 and its December 2005 Addendum (the Replenishment Report). Parties established a contact group on replenishment, co-chaired by Oladapo Afolabi (Nigeria), Jozef Buys (Belgium), and Jukka Uosukainen (Finland), which met Tuesday through Friday. In Friday’s preparatory segment, Co-Chair Uosukainen reported the contact group had reached agreement on the replenishment, and the group’s report, with a draft decision on replenishment, was forwarded to the high-level segment.

Discussions focused on funding requirements, with reference to TEAP’s estimate of requirements in several areas. Article 5 countries supported allocating additional resources for phase-out and related activities. They supported further funding for, *inter alia*: non-investment activities, including institutional strengthening; demonstrations of ODS destruction projects; additional projects on process agents; HCFC consumption projects; and contingencies for unforeseen projects. Several non-Article 5 countries suggested TEAP had overestimated requirements in a number of areas, including institutional strengthening and investment projects. They suggested that funding ODS destruction was not appropriate, since compliance with the Protocol does not require destruction, and thus it could not be considered an incremental cost. On HCFC projects, they said funding in this area was premature. After lengthy informal negotiations, delegates agreed on a total amount of funding for replenishment.

In response to the contact group's report, the EC noted that the final figure was significantly higher than TEAP's estimate, and said it was receptive to the possibility that parties might bring forward reduction schedules for methyl bromide and HCFCs.

Final Decision: In the decision on Multilateral Fund replenishment (UNEP/OzL.Pro.17/CRP.25), the MOP:

- adopts a budget for 2006-2008 of US\$470 million, of which US\$59.6 million will be provided from anticipated contributions due to the Multilateral Fund and other sources from the 2003-2005 triennium, and US\$10 million will be provided from interest accruing to the Multilateral Fund during the triennium;
- adopts the scale of contributions based on replenishment of US\$133,466,667 for 2006 and 2007, and US\$133,466,666 for 2008;
- instructs the ExCom to ensure, as far as possible, that the whole of the budget is committed by the end of 2008; and
- urges non-Article 5 parties to make timely contributions.

The decision also notes that outstanding contributions from CEITs in the previous triennium amounted to US\$7,551,984. Individual contributions are listed in an annex to the decision.

Fixed-exchange-rate Mechanism: In Monday's preparatory segment, the EC introduced a draft decision on the fixed exchange-rate mechanism for replenishment of the Multilateral Fund (UNEP/OzL.Pro.17/3). The item was then considered in the contact group on replenishment, where all parties agreed to the proposal. On Friday in the preparatory segment, the EC noted the proposal had met with the contact group's approval, and the draft decision was forwarded to the high-level segment and adopted.

Final Decision: In the decision on the fixed-exchange-rate mechanism (UNEP/OzL.Pro.17/3), the MOP directs the Multilateral Fund's Treasurer to extend the fixed-exchange-rate mechanism for a further trial period of three years, and agrees that parties choosing to pay contributions in national currencies will calculate their contributions based on the average UN exchange rate for the six-month period beginning 1 January 2008.

PROCESS AGENTS: The agenda item on process agents was introduced in Tuesday's preparatory segment by Co-Chair Land in the context of Decision XV/7, in which TEAP was requested to review national nominations and make recommendations annually on uses to be added or removed from Table A of Decision X/14 (authorized uses and quantities of process agents) and that called for certain process agent uses to be treated as such for 2004 and 2005 only, pending a new TEAP review and reconsideration of their status at MOP-17. Ian Rae (Australia), Chemicals Technical Options Committee (CTOC), made a brief presentation on applications, including those by Israel, the EC, Turkey and Brazil. He noted that the uses presented by Turkey and Brazil did not fit neatly into the criteria adopted by parties (Decision X/14). On the resubmission of a process application from Brazil, parties noted that it is in the process of consulting further with TEAP and will report back to parties at OEWG-26. Three draft decisions on process agents were proposed by the EC, and a further decision on CFC production by non-Article 5 parties was proposed by Canada under this agenda item.

EC Draft Decisions on Process Agents: In Tuesday's preparatory segment, the EC introduced three draft decisions on process agent uses in the context of Decision XV/7, explaining that the draft decisions had arisen from discussions at OEWG-25 (UNEP/OzL.Pro.17/CRP.4, CRP.5 and CRP.6). A contact group was established, co-chaired by Paul Krajnik (Austria) and Husamuddin Ahmadzai (Sweden), which met on Tuesday and Wednesday. Informal discussions between the EC, the US, India, China and others were held on Thursday and Friday, and on Thursday, parties forwarded revised draft decisions on process agents to the high-level segment, which were then adopted.

On the draft decision on process agents, key issues discussed included the timing for parties to submit required data to TEAP, the timing and frequency of TEAP's review procedures for emissions associated with listed process agent uses, and commercial sensitivities associated with providing certain data to TEAP, particularly data relating to "annual capacity." The draft decision was revised to reflect these concerns, through: amendment of the timing for data submission and TEAP reviews; removal of the word "provisionally" from a reference to process agent applications "to be considered process agent uses in accordance with Decision X/14 to be confirmed at MOP-19;" and inclusion of "subject to applicable law providing for commercial or other confidentiality" with regard to submission of data on "annual capacity."

On the draft decision concerning a list of interim applications of process agent uses, India expressed concern with one of the process agents (production of DV acid chloride, DV methyl ester (intermediate)), and, after informal consultations, parties agreed to delete this process agent from the interim list.

Final Decisions: In the decision on process agents (UNEP/OzL.Pro.17/CRP.4/Rev.2), the MOP:

- reminds parties with process agent applications listed in Table A to Decision X/14 that they should report annually as per Decisions X/14 and XV/7 on the use of controlled substances as process agents;
- additionally requests parties that have emissive uses of process agents agreed to at MOP-17 to submit relevant data before 31 December 2006 to the Secretariat and TEAP;
- notes the process agent applications in the interim list agreed to at MOP-17 are to be considered process agent uses in accordance with Decision X/14 and are to be confirmed as process agents at MOP-19, based on the information required to be reported as per this decision;
- requests that, where parties install or commission new plants after 30 June 1999 using controlled substances as process agents, they submit their applications to the Secretariat and TEAP by 31 December 2006, or otherwise in a timely manner that allows TEAP to conduct an appropriate analysis;
- agrees that the exemptions referred to in Decision X/14 are process agent uses until a subsequent decision of the parties declares otherwise and that the exemptions should not be permanent and should be subject to regular review;
- requests TEAP and the ExCom to report to OEWG-27 and every other year thereafter, unless the parties decide otherwise, on progress made in reducing emissions from process agent uses;

- requests TEAP review information submitted under this decision and report and make recommendations to MOP-20 and every other year thereafter; and
- requests parties with process agent uses to submit data to TEAP and the Economic Assessment Panel on opportunities to reduce emissions listed in Table B of Decision X/14.

In the decision on the list of uses of controlled substances as process agents (UNEP/OzL.Pro.17/CRP.5/Rev.2), the MOP adopts a list of controlled substances as the revised Table A for Decision X/14.

In the decision on an interim list of uses of controlled substances as process agents (UNEP/OzL.Pro.17/CRP.6/Rev.2), the MOP adopts a list of controlled substances as the interim Table A *bis* for Decision X/14, subject to confirmation and inclusion in a reassessed Table A for decision at MOP-19.

CFC Production by non-Article 5 Parties: In Wednesday's preparatory segment, Canada introduced a draft decision to minimize CFC production in non-Article 5 parties that is intended to supply the basic domestic needs of Article 5 parties (UNEP/OzL.Pro.17/CRP.8). After informal consultations, a revised draft decision was introduced in Friday's preparatory segment, which was forwarded to the high-level segment and adopted.

In discussions, Canada 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 at MOP-18 of an adjustment to accelerate the CFC phase-out schedule to meet the basic needs of Article 5 parties. The EC and the US wanted to discuss the proposed adjustment further, and engaged in informal discussions with Canada on the proposal.

Final Decision: In the decision on CFC production by non-Article 5 parties (UNEP/OzL.Pro.17/CRP.8/Rev.1), the MOP:

- urges non-Article 5 parties that produce CFCs to meet basic domestic needs of Article 5 parties to ensure such production is truly required by requesting written affirmations from the importing parties, copies of which should be reported to the Secretariat;
- requests that the Secretariat report the level of such CFC production;
- urges non-Article 5 parties who produce CFCs for this purpose to ensure an accelerated phase-out of their production; and
- decides to consider at MOP-18 an adjustment to accelerate the phase-out schedule for such CFC production.

IPCC/TEAP SPECIAL REPORT: On Tuesday, Lambert Kuijpers, TEAP Co-Chair, presented the conclusions of the Supplemental Report to the IPCC/TEAP Special Report. After informal consultations on the Special Report as it relates to actions to address ozone depletion, the UK introduced a draft decision (UNEP/OzL.Pro.17/CRP.18) on behalf of the EC, New Zealand, Norway, Switzerland and the US, to the preparatory segment on Wednesday. Parties agreed to forward the draft decision to the high-level segment, where it was adopted without amendment.

In the presentation of the report, Co-Chair Kuijpers emphasized that: the application of mitigation strategies to banks will result in earlier recovery of the ozone layer; such application in developing countries could involve greater costs due to infrastructure deficiencies; options to limit refrigeration emissions are achievable and cost-effective; and reducing ODS emissions would contribute to addressing climate change. Several delegations commented on aspects of the report. Nigeria urged addressing the cost implications of the proposed measures. Senegal suggested further consideration of HFC-23 destruction under the climate regime. India called for information on the total cost of emissions reductions. The EC proposed an expert workshop in 2006 to consider the issue, and the US supported further analysis of cost-effective mitigation strategies. On its draft decision, the UK clarified that "in the margins" meant the proposed expert group meeting would take place immediately before or after OEWG-26.

Final Decision: The preamble of the decision on the IPCC/TEAP Special Report (UNEP/OzL.Pro.17/CRP.18) acknowledges, among others, the need for parties to have a full understanding of the policy implications for ozone layer protection of forecasts of emissions from banks of ODS in both global and regional terms, and that activities under the "mitigation scenario" presented in the Ozone Research Managers report provide an opportunity to protect the ozone layer further and to reduce greenhouse gases significantly.

In the decision, the MOP requests, *inter alia*:

- the Ozone Secretariat to organize an experts' workshop in the margins of OEWG-26 to consider issues arising from the IPCC/TEAP Special Report, and TEAP's Supplemental Report;
- parties to provide nominations of experts to attend the workshop to the Secretariat by 30 March 2006;
- that experts at the workshop produce a list of practical measures relating to ozone depletion that arise from the reports, indicating their associated cost-effectiveness;
- the Ozone Secretariat to produce a report of the workshop by 1 September 2006, and to present the report at MOP-18; and
- TEAP to coordinate with WMO and the Scientific Assessment Panel to clarify the source of the discrepancy between emissions determined from bottom-up methods and from atmospheric measurement.

ILLEGAL TRADE IN ODS: In Tuesday's preparatory segment, the EC introduced its draft decision on preventing illegal trade in ODS, explaining that the proposal contained an appendix with draft terms of reference for a feasibility study on developing a system for tracking the movement of ODS between parties (UNEP/OzL.Pro.17/CRP.7). A contact group was formed to discuss the issue and met throughout the week to revise the draft decision, which was subsequently taken up in the preparatory segment on Wednesday and Thursday. On Thursday the preparatory segment forwarded the draft decision to the high-level segment with the study's cost in brackets, which were removed on Friday and the decision was adopted with minor amendments.

The Environmental Investigation Agency urged parties to prioritize ODS smuggling control and China expressed its strong commitment to combat illegal trade. In the contact group,

co-chaired by Peter Horrocks (EC) and Janusz Kozakiewicz (Poland), participants took up the draft decision, suggesting references to capacity building for Article 5 parties and to international trade statistics. Participants disagreed on whether the proposal should require or “invite” exchange of information on licensing, due to the associated burden.

Final Decision: The preamble of the decision on illegal trade in ODS (UNEP/OzL.Pro.17/CRP.7/Rev.2) notes, *inter alia*, the need to control both import and export of all controlled ODS by all parties, in particular through the establishment of licensing systems. In the decision, the MOP:

- approves terms of reference for a study on the feasibility of developing an international system to monitor the transboundary movement of controlled ODS between parties, as contained in the appendix;
- invites parties to submit information to the Ozone Secretariat by 30 June 2006 on any existing systems of exchanging information on import and export licenses between importing and exporting parties;
- considers additional control measures with regard to the use of controlled ODS in particular sectors or applications;
- encourages further work on UNEP’s Green Customs Initiative in combating illegal trade in ODS;
- requests the ExCom to consider at its next meeting the recommendations of its report on customs officers training and licensing system projects, in particular in relation to capacity-building elements required to combat illegal trade; and
- approves a maximum of US\$200,000 from the Convention Trust Fund to facilitate the study.

DESTRUCTION OF ODS: Colombia, for GRULAC, introduced a draft decision on this issue (UNEP/OzL.Pro.17/CRP.13) in the preparatory segment on Wednesday. The draft requested TEAP to prepare terms of reference for conducting case studies in Article 5 parties on processes for replacing CFC-containing refrigeration and air-conditioning equipment. On Thursday in the preparatory segment, Austria and Japan introduced a draft decision requesting assistance to TEAP for a meeting on ODS destruction in early 2006 (UNEP/OzL.Pro.17/CRP.19). Both draft decisions were forwarded to the high-level segment, where they were adopted.

While the EC supported the proposal of Austria and Japan, it suggested that GRULAC withdraw its proposal, expressing concern that the two proposals overlapped. Japan said it saw no substantive overlap, while Cuba said GRULAC would prefer to proceed with its proposal. On Friday in the high-level segment, Colombia introduced an amendment to its proposal, which noted the outcomes of the ODS destruction meeting, and established that the terms of reference should be presented to OEWG-26 and that provision will be made for resources for this purpose in the 2006-2008 Multilateral Fund replenishment.

Final Decisions: In the decision on implications of environmentally-sound destruction of ODS (UNEP/OzL.Pro.17/CRP.13, as amended by Colombia), the MOP requests TEAP to provide terms of reference for conducting case studies in Article 5 countries.

In the decision on assistance from TEAP for the experts meeting on destruction (UNEP/OzL.Pro.17/CRP.19), the MOP requests TEAP and its TOCs to submit to the Multilateral Fund Secretariat available data to enable assessment of the current and future requirements for collecting and disposing of unwanted ODS.

TEAP ADMINISTRATIVE ISSUES: On Tuesday in the preparatory segment, TEAP Co-Chair Steven Andersen (US) presented an overview of TEAP administrative issues, including nominations for Co-Chairs for three TOCs. Delegates forwarded the nominations for the Halons Technical Options Committee (HTOC) and CTOC to the high-level segment. While nominations for HTOC and CTOC were not controversial, numerous informal consultations took place on nominations for MBTOC Co-Chairs, due to the need for parity of Article 5 and non-Article 5 representation and conflict of interest concerns. On Friday in the preparatory segment, Co-Chair Land reported that delegates had agreed that MBTOC would have four Co-Chairs, and their nominations were forwarded with those of the HTOC and CTOC to the high-level segment, where the draft decision was adopted.

Final Decision: In the decision on new Co-Chairs of the TOCs (UNEP/OzL.Pro.17/3, as amended to include names) the MOP lists: Ian Rae (Australia) and Masaaki Yamabe (Japan) as Co-Chairs of CTOC; David Catchpole (UK) and Dan Verdonik (US) as Co-Chairs of HTOC; and Michelle Marcotte (Canada), Ian Porter (Australia), Marta Pizano (Colombia) and Mohammed Besri (Morocco) as Co-Chairs of MBTOC. It also thanks outgoing Chairs of the MBTOC Jonathan Banks (Australia) and Nahum Marban Mendoza (Mexico) for their efforts on behalf of the Protocol.

CROSS-CUTTING ISSUES ON CTC AND CFC MDIs IN ARTICLE 5 PARTIES: Laboratory and Analytical Uses of CTC: Chile, for GRULAC, presented a draft decision on the need for CTC for laboratory and analytical uses (UNEP/OzL.Pro.17/CRP.16) on Wednesday in the preparatory segment. The matter was referred to a contact group, which convened Wednesday afternoon, when the matter was taken up along with that of CFC needs for MDIs in Article 5 parties.

Indonesia, Nigeria, and the contact group participants supported GRULAC’s proposal. One non-Article 5 party suggested additional language to protect against the decision providing a loophole for other parties to seek lenience under the decision for needs other than the particular ones envisaged here. Other non-Article 5 parties agreed, and further suggested the addition of language seeking guidance from technical bodies on possible longer-term solutions to the broader issue. Parties disagreed, however, on whether the broader issue was the need for essential-use exemptions in non-Article 5 countries prior to full phase-out or the wider need for small quantities of ODS. A revised draft decision (UNEP/OzL.Pro.17/CRP.16/Rev.1) was presented in the preparatory segment on Thursday and adopted on Friday.

Final Decision: The decision on laboratory and analytical uses of CTC (UNEP/OzL.Pro.17/CRP.16/Rev.1) contains preambular language noting CTC control measures in Article 5 countries, the importance of CTC in laboratory and analytical processes, and the lack of alternatives. The preamble also refers

to the global essential-use exemption in Decisions IX/17 and XV/8, the exclusion of Article 5 parties from using essential-use exemptions until full phase-out, and the possible threat posed by Article 5 CTC control measures to laboratory and analytical applications.

The MOP directs the Implementation Committee to defer consideration, until MOP-19, of compliance in relation to CTC control measures in those Article 5 parties providing evidence of the deviation arising out of need for CTC for laboratory and analytical processes, and urges minimization of CTC use for these needs by applying the relevant essential-use criteria.

Early Essential-use Exemptions for Article 5 Parties for MDIs: In Wednesday's preparatory segment, Bangladesh introduced a draft decision, regarding the need for CFCs, in addition to allowed amounts, for MDIs for 2007-2009 (UNEP/OzL.Pro.17/CRP.15). The matter was referred to the contact group also addressing CTC in Article 5 parties, where it was taken up on Wednesday afternoon. Parties considered the revised decision (UNEP/OzL.Pro.17/CRP.15/Rev.1) in the preparatory segment on Friday, and agreed to forward it to the high-level segment, where it was adopted on the same day.

Contact group discussions centered on the concern of some participants about language requesting TEAP to formally make a finding on technology transfer, and about requesting parties to defer consideration of compliance on this issue earlier than needed. An Article 5 participant underscored the need for parties to act now to allow for domestic licenses for CFC imports to be issued by late 2006. The group agreed that revised text would be developed in informal consultations to address these concerns.

Final Decision: The decision on MDI essential-use exemptions for Article 5 parties (UNEP/OzL.Pro.17/CRP.15/Rev.2) contains preambular language: noting non-Article 5 parties' access to essential-use exemptions for CFC MDIs and concern regarding the possible economic difficulty imposed by CFC phase-out in Article 5 parties; calling upon pharmaceutical companies to accelerate transition to non-CFC technologies in Article 5 countries; noting the need for work to document alternatives and concern that 2007 consumption levels for MDIs may exceed allowable amounts; and recognizing the need for MDIs in Article 5 parties to protect health and the possible difficulties they may face in obtaining CFCs for this purpose. The MOP decides to: request OEWG-26 to consider the issue; consider taking a decision on the issue at MOP-18; and request the ExCom to examine the broader issue and to consider regional workshops on alternatives to CFC MDIs.

DATES FOR FUTURE MONTREAL PROTOCOL MEETINGS: In Wednesday's preparatory segment, the EC introduced a draft decision on this issue (UNEP/OzL.Conv.7/3 and UNEP/OzL.Pro.17/3), which was forwarded to the high-level segment, where it was adopted on Friday.

During discussions, 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 and to make other minor changes.

Final Decision: In the decision on dates for future Protocol meetings (UNEP/OzL.Pro.17/3), the MOP requests:

- the Secretariat to post on its website by 31 January each year the indicative dates for the next OEWG and MOP; and
- TEAP to post on its website by 20 January each year the dates for TEAP and TOC meetings to be held in that same year, and to endeavor to provide TEAP, TOC and Task Force annual reports approximately seven months before each MOP.

DISCLOSURE OF INTEREST GUIDELINES: On Tuesday in the preparatory segment, Canada presented its draft decision on disclosure of interest guidelines for members of TEAP and its TOCs, and the Temporary Subsidiary Bodies (UNEP/OzL.Pro.17/CRP.2), noting that it had been revised after discussion at OEWG-25. Due to lack of consensus, delegates agreed to defer consideration of this item to MOP-18, and Canada asked parties and TEAP for comments in the interim.

MEMBERSHIP OF PROTOCOL BODIES FOR 2006:
Implementation Committee: In the preparatory segment on Wednesday, Co-Chair Land presented a draft decision on membership of the Implementation Committee (UNEP/OzL.Pro.17/3), noting the countries nominated for this Committee. The high-level segment approved the draft decision.

Final Decision: In the decision on Implementation Committee membership (UNEP/OzL.Pro.17/3, amended to include country names), the MOP confirms the positions of Cameroon, Georgia, Guatemala, Nepal and the Netherlands for one further year, and selects Argentina, Lebanon, New Zealand, Nigeria and Poland for a two-year period beginning on 1 January 2006. It also selects Georgia as President and New Zealand as Vice-President and Rapporteur for a term of one year.

Multilateral Fund ExCom: In the preparatory segment on Wednesday, Co-Chair Land presented a draft decision (UNEP/OzL.Pro.17/3) on the Multilateral Fund ExCom, noting that the African Group had not yet proposed its members. The issue was taken up again in the preparatory segment on Friday, when Co-Chair Land noted the remaining proposed members of the group, and parties requested the Secretariat to prepare a draft decision to forward to the high-level segment, where it was adopted.

Final Decision: In the decision on the Multilateral Fund ExCom (UNEP/OzL.Pro.17/3, amended to include names), members of the Multilateral Fund ExCom include the following Article 5 parties: Brazil, Burundi, Guinea, India, Mexico, Syria and Zambia; and non-Article 5 parties: Australia, Belgium, Czech Republic, Italy, Japan, Sweden, and the US. The decision also notes the selection of Khaled Klaly (Syria) as Chair and Lesley Downing (Australia) as Vice-Chair of the ExCom.

OEWG: In the preparatory segment on Wednesday, Co-Chair Land presented a draft decision on the OEWG, which the high-level segment approved.

Final Decision: In the decision on OEWG membership (UNEP/OzL.Pro.17/3, amended to include names), the MOP names Tom Land (US) and Nadzri Yahaya (Malaysia) as Co-Chairs of OEWG for 2006.

COMPLIANCE AND REPORTING ISSUES: Compliance and reporting issues were considered in the preparatory segment on Wednesday, and compliance-related decisions (UNEP/OzL.Pro.17/CRP.3 and CRP.3/Add.1) were adopted in the high-level segment on Friday.

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 a compilation of reporting and compliance-related draft decisions. He commended the high rate of data reporting for 2004 and noted issues considered at the Implementation Committee's meeting, including the relevance of stockpiling to compliance, and the low rate of reporting 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 in recent years due to the growing number of Article 5 parties progressing towards phase-out.

The EC noted that Greece recently completed its national procedures towards ratification of the Beijing Amendment, and Norway noted that it recently submitted information under Article 9. Highlighting the importance of reviewing the non-compliance procedure, Australia indicated that it had withdrawn its draft decision on this issue (UNEP/OzL.Pro.17/CRP.1), but that it planned to continue working on the matter. The remaining draft decisions were forwarded to the high-level segment, where they were adopted on Friday.

On Friday, MOP-18 President Land introduced the compliance-related draft decisions with minor amendments. In the draft decision concerning reports of the parties under Article 9 (UNEP/OzL.Pro.17/CRP.3), he noted that Norway and Sweden would be added to the list of countries that had provided reports.

Final Decisions: The MOP adopted 19 decisions on implementation issues (UNEP/OzL.Pro.17/CRP.3 and CRP.3/Add.1). The decisions note non-compliance by Armenia, Azerbaijan, Bangladesh, Bosnia and Herzegovina, Chile, Ecuador, Federated States of Micronesia, Fiji, Honduras, Kyrgyzstan, Libya, and Sierra Leone, and potential non-compliance by China and Kazakhstan. Additional decisions relate to: data and information provided by the parties; non-compliance with data reporting requirements; a revised plan of action to return Honduras to compliance; and a revised plan of action for the early phase-out of methyl bromide in Uruguay.

Belgium, Poland and Portugal and control of trade with non-parties: The EC introduced a draft decision on application of paragraph 8 of Article 4 (control of trade with non-parties) of the Protocol with respect to the Beijing Amendment to Belgium, Poland and Portugal (UNEP/OzL.Pro.17/CRP.9). This would allow these countries to engage in trade in controlled substances without having ratified the Beijing Amendment. After informal consultations, on Friday in the preparatory segment, the EC presented a revised proposal, noting that the major change was that such exceptions would be valid only until the next MOP. Delegates agreed to forward the proposal to the high-level segment, where it was adopted on Friday.

Final Decision: In the decision on the application to Belgium, Poland and Portugal of paragraph 8 of Article 4 with respect to the Beijing amendment (UNEP/OzL.Pro.17/CRP.9/Rev.1), the MOP: acknowledges that ratification processes in these countries are under way; notes that they are in full compliance with particular articles of the Protocol, and allows the trade-related exceptions in paragraph 8 of Article 4 until MOP-18.

Tajikistan and trade in controlled substances: In the preparatory segment on Friday, Georgia, on behalf of the Central and East European Group, presented a draft decision on application to Tajikistan of paragraph 8 of Article 4 of the Protocol with respect to the Beijing Amendment (UNEP/OzL.Pro.17/CRP.24), which would allow Tajikistan to engage in trade in controlled substances without having ratified the Beijing Amendment. The draft decision was forwarded to the high-level segment, where it was adopted on Friday.

Final Decision: In the decision on the application to Tajikistan of paragraph 8 of Article 4 with respect to the Beijing Amendment (UNEP/OzL.Pro.17/CRP.24), the MOP acknowledges that its ratification process is under way, notes that it is in full compliance with relevant articles of the Protocol, and allows the trade-related exceptions in paragraph 8 of Article 4 until MOP-18.

ADJUSTMENT OF THE MONTREAL PROTOCOL: In Tuesday's preparatory segment, the EC introduced a proposed adjustment to the methyl bromide phase-out schedule for Article 5 parties, which would lead to a 20% reduction in 2008 and 2010, and a 10% reduction in 2012 (UNEP/OzL.Pro.17/7). Several Article 5 parties said they could not accept the proposed schedule. The issue was postponed for consideration at a later time as no consensus was reached.

DATES AND VENUES FOR FUTURE MEETINGS: In Wednesday's preparatory segment, Canada noted it was considering the possibility of hosting MOP-19, which will be the twentieth anniversary of the adoption of the Protocol, and that it would report back to parties in 2006. Parties expressed their appreciation.

With regard to the timing of COP-8, MOP-17 President Land introduced a draft decision (UNEP.OzL.Conv.7/3) to the high-level segment on Friday, which the parties adopted.

Final Decision: In the decision on the timing of COP-8 (UNEP.OzL.Conv.7/3), the COP agrees to convene its eighth meeting back-to-back with MOP-20.

On dates and a venue for MOP-18, India offered to host MOP-18 and other related ozone meetings during 2006 in the high-level segment on Friday. Parties endorsed the offer by acclamation and the decision was adopted later on Friday.

Final Decision: In the decision on MOP-18 (UNEP.OzL.Pro.17/3), the MOP agrees to convene its eighteenth session in India with a firm date to be announced as soon as possible.

OTHER MATTERS: Request by Cyprus to be removed from the list of developing countries under the Montreal Protocol: On Wednesday, in the preparatory segment, the EC introduced a submission on behalf of Cyprus requesting the reclassification of Cyprus as a non-Article 5 party (UNEP/OzL.Pro.17/CRP.17). Parties agreed to forward the draft decision, which was adopted by the high-level segment on Friday.

Final Decision: In the decision on Cyprus (UNEP/OzL.Pro.17/CRP.17), the MOP notes and approves the request of Cyprus to be removed from the list of developing countries operating under Article 5 of the Montreal Protocol, and notes that Cyprus shall assume the obligations of a non-Article 5 party for the year 2005 and thereafter.

CLOSING PLENARY

The closing plenary was held on Friday evening. Delegates considered the reports of the joint meeting (UNEP/OzL.Conv.7/L.1, Add.1, Add.2, and Add.3, and UNEP/OzL.Pro.17/L.1, Add.1, Add.2, and Add.3), and adopted them after a number of minor amendments and statements of clarification.

COP-7 President Lo, on behalf of the Government of Senegal, thanked delegates for their hard work, hailing the spirit of cooperation evident at the meeting. He expressed appreciation to Senegal's "partners," especially France, Switzerland, Canada and UNEP, for contributing to the success of the meeting. He gavelled the meeting to a close at 8:54 pm.

A BRIEF ANALYSIS OF COP-7/MOP-17

STOCKING UP ON ODS OR DEPLETING PILES OF GOODWILL?

The seventh Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer and the seventeenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (COP-7/MOP-17) had a very full agenda, with many controversial issues from the past once again rearing their heads, including those related to essential-use exemptions, methyl bromide critical-use exemptions (CUEs), and replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol (Multilateral Fund). With this multiplicity of issues calling for delegates' attention and time, the corridors and conference rooms of Lé Méridien Conference Center buzzed, as a whole range of issues was sent to contact groups and informal discussions, many of them bilateral, for further negotiation. The Secretariat took great care to arrange the timing of contact group and plenary sessions so as to ensure the smooth progression of the meeting and to facilitate the participation of smaller delegations in all aspects of negotiations. The efforts of the Secretariat and delegates, and the trend towards informal and bilateral negotiations, appears to have paid off, with parties reaching compromises on most of the contentious issues on the agenda and avoiding a third extraordinary MOP. However, the potential risks of informally negotiating an increasing number of issues behind closed doors were also apparent. In particular, it is possible that the reliance on closed bilateral discussions could result in some delegates feeling excluded from key negotiations, weakening the sense of solidarity that has been so vital to the ozone regime's success over the past twenty years.

The purpose of this analysis is to briefly consider key matters addressed at COP-7/MOP-17, the issues underlying them, and the ways in which they were addressed.

LACK OF FOCUS...OR AN OPPORTUNITY TO BARTER?

It is not uncommon for delegates to deal with full COP/MOP agendas, however, the relative importance of the various challenges facing the parties under the ozone treaties is becoming increasingly muddled. In the early stages of the Protocol's implementation, while many issues had to be addressed, the breadth of the issues on which parties focused was relatively circumscribed. In the more recent phases of implementation, however, there is a wider array of important and disparate issues confronting the MOP. As Article 5 parties begin to contend

with the initial pinch of control measures for ozone-depleting substances (ODS) and the end stages of phase-outs in non-Article 5 parties drag on, the breadth of contentious matters has arguably stacked up.

The scope of themes forced parties to choose their battles wisely; not everyone could concentrate on all issues at once. This had both positive and negative implications for individual parties and for the MOP as a whole. On the one hand, it dispersed delegates' attention, creating space for parties to address contentious issues in lower-profile bilateral discussions. Moreover, because all key players were seeking concessions in one form or another, their relative negotiating power was weakened. This, in comparison to the past two years in particular, expanded opportunities for horse-trading between disparate proposals and, in combination with the general agreement on the need to avoid a new ExMOP, increased the probability of reaching agreement on potentially controversial issues. On the other hand, some noted that protection of the ozone layer and the democratic nature of the negotiations may have been compromised in the process.

STOCKS OF CONTENTION

Yet again, despite the dispersal of focus and the multi-faceted character of the negotiations, the issues that rose to the top at COP-7/MOP-17 were as predictable as the positions of the key parties and regional negotiating blocs. Thus, while exemptions for non-Article 5 parties, ODS stockpiles, and the always tricky question of financing proved to be divisive, the predictability of these issues – in particular due to lessons learned in negotiating CUNs over the past two years – meant most parties were prepared to make the necessary compromises and tradeoffs to move all issues forward.

The issue of stockpiles has also gained prominence at this stage in the Protocol's implementation. While the issue has been a staple at past meetings, all parties have increasingly come to realize that the issue cuts across a wide range of crucial matters, from exemptions to illegal trade to non-compliance. Some participants insist that ODS stockpiles must be taken into account to minimize further harm to the ozone layer, while others have made it difficult to openly take stockpiles into account as required, raising confidentiality and national sovereignty as valid justifications for concealing information on the quantity and nature of stockpiles. Moreover, a few delegates believe that some parties' dogged pursuit of this issue is distracting. These participants have contended that stockpiles are merely a necessary artifact of the need to supply exemptions and Article 5 parties' continued use, and that as these needs decrease, stockpiles will diminish almost regardless of the effort spent at this point fighting over their minimization. Those pursuing the subject, however, view stockpiles in non-Article 5 parties as a threat to the integrity of the Protocol, especially as the size of stockpiles grows relative to use. These parties see stockpiles as a potential loophole in the text of the Protocol, with important implications for ozone layer recovery. In addition, some are concerned about the fact that Article 5 parties are paying close attention to, and may follow the example of, their stronger and wealthier non-Article 5 counterparts.

Complicating the matter is definitional ambiguity. Some find it surprising that, at this advanced stage in the ozone regime, parties have yet to define what a “stockpile” is, and which types of stockpiling activities could constitute non-compliance with the Protocol’s obligations. Some have highlighted that this ambiguity may have allowed countries to interpret treaty language to suit domestic circumstances, thereby permitting some producers, distributors and/or users to amass relatively large quantities of ODS, at the same time that other parties claim to have no stockpiles and yet others appear unable or unwilling to collect all relevant information to assess the gravity of the problem at hand. The Ozone Secretariat’s recent review of four different categories of stockpiles reported on by parties, and of the resulting potential compliance problems, suggests that, in the future, parties may be impelled to take better care in accounting for their stockpiles.

Closely connected to the issue of stockpiles is the issue of exemptions, which proved to be, once again, controversial. Despite the general understanding that the Protocol’s efforts to protect the ozone layer should not compromise human health, and thus that parties need to carefully consider essential uses of ODS, some wondered at the beginning of the week whether the US would be able to withstand a possible assault on its nominations for CFCs for metered-dose inhalers (MDIs). Prior to the convening of COP-7/MOP-17, the Technology and Economic Assessment Panel (TEAP) received numerous letters, some from industry, which were seen by many as a direct affront to the US essential use request. This suggested to some that even industry had abandoned the US government position and that the US would therefore have a difficult time holding its position at MOP-17. The little time available to engage in protracted negotiations on one single issue and the incentives for parties to link disparate issues, however, made it easier than expected for the US to negotiate the issue bilaterally. As a result, the US delegation was able to secure a sufficient amount of exemptions to ensure inexpensive MDIs for its population, which does not have access to the public health systems enjoyed by many in Europe.

For some participants, both the critical- and essential-use exemptions sought by the EC and the US are relatively inconsequential. These parties have pointed out that, when taken in the broader context of the Vienna Convention and its Montreal Protocol, particularly when compared to the reductions achieved through the Protocol’s implementation, and to Article 5 non-compliance issues, the quantities exempted are not particularly troublesome. Thus, discussion on these issues was viewed by some participants as monotonous and of little value. Yet others noted the symbolic importance of non-Article 5 exemption requests, particularly because they send a message to Article 5 parties that economic interests are sufficient to weaken commitment to achieving the Protocol’s objectives.

The Multilateral Fund, as expected, was again a major issue of discussion, as it is every three years. While a special TEAP report had estimated how much funding would be required, Article 5 countries argued for significantly more funding than TEAP’s estimate, which they repeatedly stressed was too conservative. Non-Article 5 countries, in contrast, said TEAP’s estimate was excessive in some areas. The two sides engaged in discussions throughout the week, and remained

more than US\$100 million apart on a total funding amount for replenishment until late in the week. In a development that was surprising to some, however, parties came to a quick agreement on Friday morning, after both sides compromised to arrive at a number somewhere in the middle. In his presentation of the group’s results to plenary, the Co-Chair noted the positive atmosphere in the group, and suggested that perhaps this reflected the learning of the process over time.

Lastly, it is becoming increasingly apparent that the drafters of the Protocol were not able to anticipate the difficulties Article 5 parties would face during the phase-down of ODS use. The exemptions provided for non-Article 5 parties are essentially a “pressure valve” that has allowed these parties to continue ODS uses most difficult to phase out. In contrast, in Article 5 parties, the need for exemptions is a surprise because the implications of Article 5 parties’ low baselines during phase-down, rather than at phase-out, were not considered when drafting the Protocol. Consequently, unlike many of the challenges facing non-Article 5 parties, those facing Article 5 parties are difficult to address under the Protocol.

HOW TO WHITTLE AWAY THE PILE OF ISSUES: RESOLVING MATTERS BILATERALLY

Parties at COP-7/MOP-17 seemed keen on resolving difficult issues in contact groups and in informal and bilateral sessions to avoid both protracted plenary discussions and the impasses that have, in the past, led to two extraordinary MOPs (ExMOPs). This general trend towards relying on bilateral, and often confidential, consultations to resolve contentious issues generated the impression among some that the meeting was rather relaxed. However, those in the thick of the bilateral discussions found the meeting quite intense.

Some participants suggested that this trend in negotiating practice was more efficient, allowing key players to address the major issues in a focused and succinct manner without the unending and sometimes diverted discussions of plenary negotiations. Others mused that even if this approach could be credited with averting another ExMOP, excluding interested parties from the discussions was a large price to pay, and this change could ultimately threaten to undermine the multilateral and democratic nature of the process. Still others added that, while this style could be seen as an alteration when compared to the standard formal practice, in reality decisions have ultimately always been made in what amount to confidential bilaterals.

CONCLUSION

In highlighting that 2005 is the twentieth anniversary of the adoption of the Vienna Convention, Executive Secretary Marco González also reminded delegates that the final 20% of any global cooperative effort is often the hardest. The ultimate compromise reached in Dakar on CUEs was only possible, according to some delegates, because both the EC and the US were seeking mutual concessions on a range of issues, including CUEs, essential uses, and ratification of the Beijing Amendment by the EC member states. This suggests that the dispersal of attention was, as far as the efficiency and outcomes of the meeting are concerned, quite positive. Despite the numerous challenges that arose at COP-7/MOP-17, parties were able to work constructively and cooperatively to achieve their short-term

goals. However, the implications of the decisions reached, and the processes used to arrive at them at the joint meeting, remain to be seen, in particular for the longer-term mission of protecting the ozone layer.

Ultimately, the apparent discrepancy between those participants focused primarily on the integrity of the Protocol, and those shielding sovereignty and domestic regulatory discretion, may drain precious reserves of goodwill. Although the decades-long cooperation of the parties to the ozone treaties has resulted in a willingness to work together, some are worried that the many disagreements based on fundamental differences of opinion will, in the coming years, deplete the stockpiles of goodwill more swiftly than those of controlled ODS. Others predict that the former will only grow, as Article 5 parties and a number of non-Article 5 parties renew their commitment to protect the ozone layer.

UPCOMING MEETINGS

INTERNATIONAL CONFERENCE ON CHEMICALS MANAGEMENT: The International Conference on Chemicals Management (ICCM) to adopt the completed Strategic Approach for International Chemicals Management (SAICM) will be held in Dubai, United Arab Emirates, from 4-6 February 2006, immediately before the 9th Special Session of UNEP Governing Council and Global Ministerial Environment Forum. For more information, contact: UNEP Chemicals; tel: +41-22-917-8191; fax: +41-22-797-3460; e-mail: chemicals@unep.ch; internet: <http://www.chem.unep.ch/saicm/>

NINTH SPECIAL SESSION OF THE UNEP GC/GMEF: The ninth special session of UNEP's Governing Council/Global Ministerial Environment Forum will be held from 7-9 February 2006, in Dubai, United Arab Emirates. The major agenda items for UNEP GCSS-9/GMEF are energy and environment, and chemicals management. For more information, contact: Beverly Miller, Secretary for UNEP Governing Council; tel: +254-2-623-431; fax: +254-2-623-929; e-mail: beverly.miller@unep.org; internet: <http://www.unep.org>

FIFTH SESSION OF THE OPEN-ENDED WORKING GROUP OF THE BASEL CONVENTION: OEWG-5 will be held in Geneva, Switzerland, from 3-7 April 2006. For more information, contact: Secretariat of the Basel Convention; tel: +41-22-917-8218; fax: +41-22-797-3454; e-mail: sbc@unep.ch; internet: <http://www.basel.int>

TWENTY-FIFTH SESSION OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE: This meeting is tentatively planned for 19-21 April or 25-27 April 2006, in a location yet to be determined. For more information, contact: Rudie Bourgeois, IPCC Secretariat; tel: +41-22-730-8208/84; fax: +41-22-730-8025/13; e-mail: IPCC-Sec@wmo.int; internet: <http://www.ipcc.ch>

FOURTEENTH SESSION OF THE UN COMMISSION ON SUSTAINABLE DEVELOPMENT: CSD-14 will begin the second cycle of the Commission's new work programme, from 1-12 May 2006, at UN headquarters in New York. The meeting will review progress on atmosphere/air pollution, climate change, energy and industrial development. For more

information, contact: UN Division for Sustainable Development; tel: +1-212-963-8102; fax: +1-212-963-4260; e-mail: dsd@un.org; internet: <http://www.un.org/esa/sustdev/index.html>

SECOND CONFERENCE OF THE PARTIES TO THE STOCKHOLM CONVENTION ON PERSISTENT ORGANIC POLLUTANTS: POPs COP-2 is scheduled for 1-5 May 2006, in Geneva, Switzerland. For more information, contact: Secretariat of the Stockholm Convention; tel: +41-22-917-8191; fax: +41-22-797-3460; e-mail: ssc@pops.int; internet: <http://www.pops.int>

TWENTY-FIFTH OPEN-ENDED WORKING GROUP OF THE PARTIES TO THE MONTREAL PROTOCOL: This meeting is tentatively scheduled for the first week of July 2006, in Montreal, Canada. For more information, contact: Ozone Secretariat; tel: +254-2-62-3851; fax: +254-2-62-4691; e-mail: ozoneinfo@unep.org; internet: <http://www.unep.org/ozone>

EIGHTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL: MOP-18 is scheduled to take place in late 2006. India has offered to host the meeting, although the location is still to be confirmed. For more information, contact: Ozone Secretariat; tel: +254-2-62-3851; fax: +254-2-62-4691; e-mail: ozoneinfo@unep.org; internet: <http://www.unep.org/ozone>

GLOSSARY

CFCs	Chlorofluorocarbons
CUEs	Critical-use exemptions
CUNs	Critical-use nominations
CTC	Carbon tetrachloride
CTOC	Chemicals Technical Options Committee
ExCom	Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol
FTOC	Foams Technical Options Committee
HBFCs	Hydrobromofluorocarbons
HCFCs	Hydrochlorofluorocarbons
HTOC	Halons Technical Options Committee
MBTOC	Methyl Bromide Technical Options Committee
MDI	Metered-dose inhaler
NMS	National Management Strategy
ODS	Ozone-depleting substances
OEWG	Open-ended Working Group
QPS	Quarantine and pre-shipment
TEAP	Technology and Economic Assessment Panel
TOCs	Technical Options Committees
VIFs	Virtually impermeable films