

MOP-18 HIGHLIGHTS:

MONDAY, 30 OCTOBER 2006

The eighteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP-18) began on Monday morning with opening speeches, adoption of the agenda and agreement on the organization of work. Throughout the day, delegates discussed a wide range of agenda items, including: issues arising out of the 2006 reports of the TEAP; stockpiled ODS in the context of non-compliance; disclosure of interest guidelines for the TEAP and its Technical Options Committees; difficulties faced by some Article 5 parties in phasing out CFCs in the manufacture of MDIs; and key challenges to be faced by parties in the next decade. Contact groups and informal discussions on many of these issues were also held at lunch and in the evening.

PLENARY

OPENING OF THE PREPARATORY SEGMENT: Marco González, Executive Secretary of the Ozone Secretariat, opened MOP-18's preparatory segment, commending India's strong commitment to the Montreal Protocol. He highlighted progress achieved in reducing ODS, and current challenges in and opportunities for advancing the goals of the Protocol.

While stressing the importance of the Montreal Protocol, Thiru A. Raja, India's Minister of Environment and Forests, called upon delegates to consider favorably the use of CFCs in MDIs in developing countries, given the lack of viable technologies. He also noted other issues to be discussed at the meeting, including the safe disposal of unused ODS and illegal trade.

ORGANIZATIONAL MATTERS: Delegates adopted the agenda (UNEP/OzL.Pro.18/1), with additional items proposed by the EC, the US, CHINA and ARGENTINA, and agreed to the organization of work, as suggested by the Co-Chairs of the preparatory segment.

MEMBERSHIP OF PROTOCOL BODIES FOR 2007: Co-Chair of OEWG-26 and of MOP-18's preparatory segment, Nadzri Yahaya (Malaysia), explained that parties need to consider membership of the Implementation Committee and the Executive Committee of the Multilateral Fund (ExCom) for 2007, and chairmanship of the OEWG in 2007. He suggested that regional groups may wish to consider proposing nominations.

FINANCIAL REPORTS AND BUDGETS OF THE TRUST FUNDS FOR THE CONVENTION AND THE PROTOCOL: Co-Chair Yahaya called for establishing a budget contact group, known as the budget committee, which convened during the lunch break.

STATUS OF RATIFICATIONS: Co-Chair Yahaya requested the Secretariat to update a draft decision on the current status of ratifications of the ozone instruments (UNEP/OzL.Pro.18/3, draft decision XVIII/AA), and congratulated Equatorial Guinea for becoming a party to the Montreal Protocol.

ISSUES ARISING OUT OF THE 2006 REPORTS OF THE TEAP: Essential-use nominations: Co-Chair Yahaya explained that, in its May 2006 progress report, the TEAP recommended approval of the EC's and the US's essential-use nominations for CFCs in MDIs for 2007 and 2008.

Co-Chair Yahaya noted receipt of a nomination from the Russian Federation for the use of CFC-113 in aerospace applications for 2007-2010. He said that, given the date of the submission, the TEAP was not able to fully consider the request, but that it suggested the parties consider granting a one-year exemption, on the understanding that the request for 2008-2010 be subjected to a thorough review in 2007.

The EC explained that only preliminary discussions were held at OEWG-26 on draft decisions proposed by the US, the EC and the Russian Federation (UNEP/OzL.Pro.18/3, draft decisions XVIII/A, XVIII/B and XVIII/C) and Co-Chair Yahaya requested the relevant parties conduct discussions on the matter.

Draft terms of reference for case studies on environmentally sound destruction of ODS: Noting that the ExCom considered this issue at its last meeting, CANADA, supported by the EU, COLOMBIA, INDIA, BRAZIL, MEXICO, and JAPAN, suggested that the ExCom develop consolidated terms of reference, based on the terms of reference being considered by the Multilateral Fund and those contained in draft decision XVIII/D (UNEP/OzL.Pro.18/3). COLOMBIA emphasized the need for the final report on the case studies to be completed by 2007, and INDIA underscored the need for the ExCom to report to MOP-19. CANADA expressed hope that the parties could synthesize a "simple" proposal in the margins.

Other issues arising out of the 2006 TEAP reports: An outstanding process agent requests, Co-Chair of OEWG-26 and of MOP-18's preparatory segment, Tom Land (US), explained the TEAP found that Turkey and Brazil's requests did constitute process agent uses, and that Brazil's use was phased out in 2000. BRAZIL said it would try to provide additional information on its phase-out, as there may be some corrections concerning consumption. Co-Chair Land said the issue, together with the TEAP's findings, would be noted in the meeting report.

On the TEAP's membership and budget, Co-Chair Land recalled the TEAP's request, contained in its May 2006 progress report, for funding some travel by non-Article 5 experts during 2007. FINLAND, for the EU, suggested the issue could be discussed in the budget committee initially. With AUSTRALIA, the US suggested that non-Article 5 parties might expand efforts to provide support for their experts. ARGENTINA, with

MAURITIUS and BOLIVIA, highlighted the issue is broader than a budgetary matter. The TEAP clarified that the requested funding would finance travel in extraordinary circumstances and parties agreed to discuss the issue within the context of discussions on the future of the Montreal Protocol.

N-propyl bromide: The EC, supported by SWITZERLAND, noted its concern with the increasing use of n-propyl bromide (NPB), and suggested that the TEAP obtain more information on NPB and assess global emissions. It also noted it would table a draft decision on the matter.

STOCKPILED ODS RELATIVE TO COMPLIANCE: Maas Goote, Chair of the OEWG-26 contact group on this matter, suggested that the three options discussed at that meeting for dealing with cases of possible non-compliance be the starting point for discussions in a possible contact group at MOP-18.

The EU suggested earmarking stockpiled quantities in domestic systems, and noted that it is considering moving forward on a draft decision. A contact group convened on Monday evening.

DISCLOSURE OF INTEREST GUIDELINES FOR GROUPS SUCH AS THE TEAP AND ITS TOCS: Co-Chair Land explained that Canada had submitted a revised proposal on this issue (UNEP/OzL.Pro.18/3/Add.3) and CANADA said it wished to continue discussions with interested delegations. A contact group on the matter convened on Monday evening.

PROPOSAL BY CANADA FOR ADJUSTMENT OF THE MONTREAL PROTOCOL: Co-Chair Land recalled the discussion at OEWG-26 on the Canadian proposal to adjust the Protocol's provision concerning production of CFCs to meet the basic domestic needs of Article 5 parties (UNEP/OzL.Pro.18/3, chapter II). CANADA, supported by the US, urged the establishment of a contact group. The EC highlighted the importance of information on the size of Article 5 party needs. Supporting the proposal, MEXICO emphasized the need for affordable pharmaceutical-grade CFCs for use in MDIs in Article 5 parties. ARGENTINA noted that the proposal requires further work, while CAMEROON described the proposal as timely.

EXPERT MEETING ON THE REPORT OF THE TEAP AND THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE: The EU, noting the need to consider the relative urgency of the measures in the report, said it was developing a draft decision to enable action towards this end. The US, supported by INDIA, stated that prioritization of the measures was likely to be "peculiar" to parties. ARGENTINA emphasized the importance of HCFCs and the incentives created by the UNFCCC's Clean Development Mechanism, and noted that it was drafting a related decision. CAMEROON also said it was planning to prepare a draft decision on HFCs and HCFCs, and noted its willingness to work with Argentina. SWITZERLAND said that national authorities may need to establish priorities in some instances, but that in other instances, international cooperation is necessary.

The ENVIRONMENTAL INVESTIGATION AGENCY (EIA) emphasized that the global warming potential of HCFCs and HFCs could rival the total greenhouse gas emissions of the EU by 2015 and, with GREENPEACE, urged a fully-funded, accelerated phase-out. After a discussion on the number of contact groups necessary and their relevance to the future of the Protocol versus need for urgent action, Co-Chair Land said that one contact group would meet on early Tuesday.

DIFFICULTIES FACED BY SOME ARTICLE 5 PARTIES MANUFACTURING MDIs USING CFCs: Co-Chair Yahaya noted Decision XVII/14 relating to the difficulties faced by some Article 5 parties manufacturing MDIs using CFCs and draft decision XVIII/F (UNEP/OzL.Pro.18/3) furthering the theme. EGYPT, supported by INDIA, CHINA, PAKISTAN and BANGLADESH, highlighted the problems associated with phasing out CFCs in MDIs, such as lack of affordable alternatives. PAKISTAN emphasized the burden implied if non-CFC based MDIs are imported. EGYPT requested exemption from the CFC cap for MDIs for 2007-2008. COSTA RICA, INDIA and CHINA called for financial and technical

assistance. JAPAN highlighted the need for closer cooperation on technology transfer and urged the establishment of a contact group. A contact group on the matter was convened on Monday evening.

FEASIBILITY STUDY ON DEVELOPING A SYSTEM FOR MONITORING THE TRANSBOUNDARY MOVEMENT OF ODS: Duncan Brack, Chatham House, introduced the feasibility study conducted by Chatham House in cooperation with the EIA. Ezra Clarke, EIA, said the study sought to propose options for monitoring systems that would be useful in reducing illegal trade in ODS. Alexander von Bismarck, EIA, explained how monitoring systems fail, with Brack addressing various options that could be adopted by the parties.

Many countries thanked the consultants for the report, acknowledged the importance of addressing illegal transboundary trade in ODS, and described national efforts to address the issue. The EC noted that it has submitted a CRP on the topic, with Mexico volunteering to work on the proposal. Co-Chair Land suggested that parties see the paper before taking further action.

KEY CHALLENGES TO BE FACED BY THE PARTIES IN PROTECTING THE OZONE LAYER OVER THE NEXT DECADE: Co-Chair Land noted Canada's original proposal (UNEP/OzL.Pro.18/3, draft decision XVIII/H). CANADA thanked Parties that submitted official responses to its proposal (UNEP/OzL.Pro.18/Inf/5). In a wide-ranging discussion, many speakers welcomed the Canadian proposal, including the EU, ARGENTINA, JAPAN, FIJI, the US, CHINA, NEW ZEALAND, INDIA, NORWAY and others. Most supported taking up the issue in a contact group, and various ideas were put forward on the future review process.

Co-Chair Land said setting an agenda for future discussions is more important than the form they will take and announced the establishment of a contact group, which will convene later in the week.

CONTACT GROUPS AND INFORMAL DISCUSSIONS

BUDGET COMMITTEE: In a contact group on budgets, chaired by Jozef Buys (Belgium), Paul Horwitz, Deputy Executive Secretary, Ozone Secretariat, presented a note discussing: budgetary principles; overview of budgets; performance of the 2005 Protocol and Convention budgets; proposed changes for the 2007 Protocol budget; overview of the proposed 2007-2009 Protocol budgets; and review status of the Protocol Trust Fund. Participants discussed issues, including budget surplus and possible areas of added costs, arrangements for convening a meeting on the Canadian proposal regarding the future of the Protocol, and cash reserve scenarios. They agreed to revise the related draft decision on the financial reports and budgets of the Convention and Protocol Trust Funds (UNEP/OzL.Pro.18/4 and UNEP/OzL.Pro.18/4/Add.1).

DRAFT TERMS OF REFERENCE FOR CASE STUDIES ON ENVIRONMENTALLY SOUND DESTRUCTION OF ODS: Patrick McInerney, Australia, chaired this informal contact group, which convened during the lunch break. In response to Colombia's plenary recommendation that the study's final report be presented at MOP-19, participants discussed the time needed to produce a final report and the need for the study to commence as soon as possible. Participants agreed that Canada will continue work on the draft text.

IN THE CORRIDORS

On Monday, some delegates strolling in the cool corridors of Vigyan Bhavan expressed uncertainty about what the week would bring. While the upcoming twentieth anniversary of the Protocol and the achievements made in the past twenty years have left some participants questioning whether the parties had any large challenges left to confront, other participants noted that the entrenched interests at play in the phase-outs of methyl bromide and CFCs would likely lead to much spirited debate, as hinted at by the "minority opinion" contained in the TEAP's report.