

MOP-18 HIGHLIGHTS: WEDNESDAY, 1 NOVEMBER 2006

During afternoon and evening plenary sessions, delegates discussed compliance and data reporting issues, heard updates on progress in contact groups and revisited outstanding agenda items. Throughout the day, much work took place in contact groups, including groups on: CUNs and methyl bromide-related matters; disclosure of interest guidelines; difficulties faced by some Article 5 parties manufacturing CFC-based MDIs; and Canada's proposal to adjust the Protocol to meet the basic domestic needs of Article 5 parties.

PLENARY

MEMBERSHIP OF PROTOCOL BODIES FOR

2007: Co-Chair Land updated delegates on nominations for membership of various Protocol bodies in 2007 and urged regional groupings to provide the Secretariat with nominations for outstanding positions.

FINANCIAL REPORTS AND BUDGETS OF THE CONVENTION AND PROTOCOL TRUST FUNDS:

Chair of the budget committee, Jozef Buys (Belgium), reported that agreement was reached on providing flexibility to the Secretariat for accommodating the expenditures of the Protocol's twentieth anniversary celebrations within existing budget lines, and on the budget scenario that maintains the working capital reserve at 8.3% for 2007 and 11.3% for 2008. Co-Chair of OEWG-26 and of MOP-18's preparatory segment, Tom Land (US), said a draft decision is being prepared to reflect the work of the budget committee and to allow for a two day meeting on the future of the Montreal Protocol.

STATUS OF RATIFICATIONS: Parties agreed to forward to the high-level segment a standard draft decision celebrating the status of ratifications of the ozone instruments and urging non-parties to ratify (UNEP/OzL.Pro.18/3, draft decision XVIII/AA).

ISSUES ARISING OUT OF THE 2006 REPORTS OF

THE TEAP: Essential-use nominations: Co-Chair Land noted that the US has prepared a draft decision (UNEP/OzL.Pro.18/CRP.10), which seeks to incorporate ideas contained in the separate draft decisions of the US, the EC and the Russian Federation (UNEP/OzL.Pro.18/3, draft decisions XVIII/A, XVIII/B and XVIII/C). The US said parties have not yet reached a resolution and that informal discussions will continue.

Draft terms of reference for case studies on

environmentally sound destruction of ODS: Contact group chair Patrick McInerney (Australia) introduced revised draft terms of reference (UNEP/OzL.Pro.18/CRP.8), noting that they reflected the collaboration of many parties. Parties agreed to forward the text to the high-level segment.

Sources of CTC emissions and opportunities for

reductions: The US reported that agreement was reached on a draft decision (UNEP/OzL.Pro.18/CRP.14) and parties agreed to forward it to the high-level segment.

N-propyl bromide: The EC reported that it had had productive informal discussions on a draft decision, and the parties agreed to forward the revised draft decision to the high-level segment (UNEP/OzL.Pro.18/CRP.2/Rev.1).

EXPERT MEETING ON THE REPORTS OF THE TEAP

AND THE IPCC: Contact group Co-Chair, Sophia Mylona (Norway), reported that the group discussed draft decisions put forward by Argentina (UNEP/OzL.Pro.18/CRP.4) and the EU (UNEP/OzL.Pro.18/CRP.5), and that while it made some progress, the group would continue discussions on Thursday.

METHYL BROMIDE-RELATED MATTERS: Review of CUNs: Contact group Co-Chair Pierre Pinault (Canada) said the group's key differences on draft decisions of the EC and the US (UNEP/OzL.Pro.18/CRP.7 and UNEP/OzL.Pro.18/CRP.9) were certain non-recommendations by MBTOC and how to treat stockpiles. He said the group would reconvene on Thursday.

QPS: On cooperation with the IPPC, Chair of the "non-group," Philippe Tulkens (EC), said that while the group had made progress, it would meet for further discussions on Thursday.

Options for preventing potential harmful trade: Delegates agreed to defer consideration of the matter until OEWG-27.

Laboratory and analytical uses: NORWAY reported that it had engaged in bilateral consultations with CTOC and introduced a revised draft decision (UNEP/OzL.Pro.18/CRP.12), which parties agreed to forward to the high-level segment.

DIFFICULTIES FACED BY SOME ARTICLE 5

PARTIES MANUFACTURING MDIs USING CFCs: Chair of the contact group, Agustín Sánchez (Mexico), noted that participants had reached agreement on many issues and were working on a draft decision. Co-Chair Land noted that a draft decision should be available on Thursday.

STOCKPILED ODS RELATIVE TO COMPLIANCE:

Contact group Chair, Maas Goote (Netherlands), reported that participants had reached consensus on a revised text (UNEP/OzL.Pro.18/CRP.13), which calls for investigation and review of the size of stockpiles relative to non-compliance and addresses some parties' concerns regarding possible future scenarios. Parties agreed to forward the draft decision to the high-level segment.

DISCLOSURE OF INTEREST GUIDELINES FOR

GROUPS SUCH AS THE TEAP AND ITS TOCS: Contact group Chair Paul Krajnik (Austria) explained that participants had not reached consensus on a revised version of Canada's proposal (UNEP/OzL.Pro.18/3/Add.3) and suggested participants undertake bilateral consultations to consider whether to revisit the TEAP's existing code of conduct.

FEASIBILITY STUDY ON DEVELOPING A SYSTEM FOR MONITORING THE TRANSBOUNDARY

MOVEMENT OF ODS: The EC noted that, after consultations with Mexico and New Zealand, it had a revised draft decision on behalf of the three parties, (UNEP/OzL.Pro.18/CRP3.Rev1) on, *inter alia*, encouraging UNEP's Compliance Assistance

Programme to continue its efforts to train ozone officers and customs officers on best practices. After a statement from Burkina Faso, parties agreed to allow time for informal consultation prior to forwarding the draft decision to the high-level segment.

KEY CHALLENGES TO BE FACED BY THE PARTIES IN PROTECTING THE OZONE LAYER OVER THE NEXT DECADE: In the evening, the Co-Chair of the contact group, Philippe Chemouny (Canada), reported that the group had reached agreement on holding a two-day "dialogue" prior to OEWG-27 and that it was working on a draft decision to reflect the arrangements and agenda for that workshop.

COMPLIANCE AND DATA REPORTING ISSUES: The President of the Implementation Committee (ImpCom), Mikheil Tushishvili, Georgia, presented a summary of ImpCom's thirty-sixth and thirty-seventh meetings (UNEP/OzL.Pro./ImpCom/36/7). He discussed key items including: progress on data reporting by most parties; clarification of deviations in data; Bangladesh's notification of non-compliance (UNEP/OzL.Pro.18/INF/10/Add.1); and approval and monitoring of compliance plans of action. The parties agreed to forward the draft decisions on compliance (UNEP/OzL.Pro.18/CRP.1), as amended to exclude Tanzania, to the high-level segment.

Concerning reporting on very small (*de minimis*) quantities of ODS, ImpCom President Tushishvili explained that the Protocol provides no guidance. Noting possible approaches proposed by the Secretariat (UNEP/OzL.Pro.18/INF/7, Annex II), he said ImpCom recommended a combination approach, and invited the MOP to decide whether it wishes to set a *de minimis* level. The EU suggested deferring the issue until OEWG-27 and inviting submissions on the Secretariat's proposed approaches by March 2007 (UNEP/OzL.Pro.18/CRP.6), while the US, with AUSTRALIA, supported a return to the historical practice of reporting data to one decimal place. The EU said it could accept reporting to one decimal place and that it would withdraw its draft decision. Parties agreed to defer consideration of the issue.

PROPOSAL BY CANADA FOR ADJUSTMENT OF THE MONTREAL PROTOCOL: Co-Chair of the contact group, Laura Berón (Argentina), explained that the group discussed, among other matters, CFC production figures for non-Article 5 parties for meeting basic domestic needs of Article 5 parties in 2008-2009, and noted that the group is considering acceptable percentages for CFC production in non-Article 5 parties.

CONTACT GROUPS AND INFORMAL DISCUSSIONS

EXPERT MEETING ON THE REPORTS OF THE TEAP AND THE IPCC: Chair Mylona (Norway) continued discussion of two draft decisions, one tabled by the EU (UNEP/OzL.Pro.18/CRP.5), which was later revised, and one by Argentina (UNEP/OzL.Pro.18/CRP.4). Some participants suggested merging the two draft decisions. Several delegates indicated that the focus of the second draft decision concerned a specific problem related to HCFC-22 facilities, as opposed to the broader theme of the first draft decision, being future work stemming from the experts' workshop. Chair Mylona called on interested parties to consult directly and participants agreed to meet again.

CUNs AND METHYL BROMIDE-RELATED MATTERS: On CUEs, participants worked on a common text and discussed differences of opinion, with one participant highlighting language that limits production if sufficient stocks exist. Participants also discussed: restrictions on the quantity of available stocks; whether 2008 supplemental CUNs should be subject to a review by the TEAP of the circumstances of previously approved 2008 CUEs; whether CUEs should be contingent on NMSs and the competence of the EC with regard to methyl bromide; and, whether "stocks" referred to operational, pre-existing, or critical-use specific reserves. Participants also discussed the size of stockpiles needed, with one participant specifying that available stock information reflects stocks existing prior to 2005, and others expressing concern about loopholes. The contact group deferred further discussion of the draft text, pending further bilateral discussions with MBTOC, until it reconvened on Thursday.

COOPERATION WITH THE IPPC ON QPS: Participants sought agreement on a revised text, which seeks cooperation and recognition of work already undertaken. After minor changes to preambular language, many participants expressed interest in the text reflecting more general language on the request to the TEAP, while another participant preferred to prescribe the scope of cooperation more specifically. While not reaching agreement, participants expressed interest in continuing to work toward a compromise.

DIFFICULTIES FACED BY SOME ARTICLE 5 PARTIES MANUFACTURING MDIs USING CFCs: Contact group Chair Sánchez continued discussions of the draft decision forwarded from OEWG-26 (UNEP/OzL.Pro.18/3, draft decision XVIII/F). Participants agreed to preambular language noting non-Article 5 parties' progress in phasing out CFC-based MDIs and to introduce language regarding consideration of options for addressing non-compliance difficulties of Article 5 parties. Participants also discussed issues relating to submission of an export manufacturing transition plan for CFC-based MDI manufacturers and considered replacing UNEP with the Executive Committee of the Multilateral Fund as the body to provide support for 2007 regional workshops on transitioning.

STOCKPILED ODS RELATIVE TO COMPLIANCE: Contact group Chair Goote introduced his informal proposal, and explained the requests the Secretariat to maintain a record of the cases where parties exceed allowed levels and requests the parties to reconsider this issue at MOP-21, once the scope of these situations has been assessed. Many participants expressed general agreement with the proposal. One participant expressed hope that the issue could be revisited earlier than MOP-21, while another noted disappointment with the lack of guidance for ImpCom concerning parties that have exceeded the "allowed" level of production and consumption. After discussion over the necessity of wording on possible future scenarios, a paragraph was added specifying that the ImpCom would address such cases within the established non-compliance procedures.

DISCLOSURE OF INTEREST GUIDELINES FOR GROUPS SUCH AS THE TEAP AND ITS TOCS: The contact group met to consider a revised version of Canada's proposal (UNEP/OzL.Pro.18/3/Add.3) produced by contact group Chair Krajnik. Chair Krajnik explained changes to the text, including: a shorter operative component; removal of the distinction between real and potential conflicts of interest; and simplification of the disclosure of interests form. Participants remained divided on several issues, including on the illustrative list of potential conflicts of interest.

KEY CHALLENGES TO BE FACED BY THE PARTIES IN PROTECTING THE OZONE LAYER OVER THE NEXT DECADE: The contact group, co-chaired by Philippe Chemouny (Canada) and Marcia Levaggi (Argentina), held two meetings during the day. The Co-Chairs presented a revised draft decision on convening a two-day open-ended "dialogue," preceding OEWG-27, to discuss issues related to the key future challenges faced by the Montreal Protocol. Participants discussed modalities of the dialogue, including the content of the background document the Secretariat will prepare. Participants also reached agreement on the dialogue's agenda: HCFCs; other ODS; future of the Multilateral Fund; compliance and illegal trade; cooperation with relevant MEAs; administration and institutional issues; and scientific assessment and monitoring. Participants agreed to continue work on the draft decision on Thursday.

IN THE CORRIDORS

The corridors were buzzing with activity on Wednesday, as non-party participants lingered outside the doors of closed contact groups and delegates scurried from group to group. Yet again, participants noted the ironic nature of negotiations, with the disclosure of interest contact group seemingly opaque. On CUEs, one participant noted that ongoing bilateral discussions are putting the MBTOC in an awkward position, as political and technical considerations have been thrown into a single, volatile pot.