

MOP-19 HIGHLIGHTS: TUESDAY, 18 SEPTEMBER 2007

The nineteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP-19) continued on Tuesday with plenary sessions throughout the day and evening. The preparatory segment considered, *inter alia*, organizational matters, budget issues, hydrochlorofluorocarbon (HCFC) issues, and methyl bromide. The high-level segment heard statements from heads of delegations. Contact groups on HCFCs, illegal trade, budget, and terms of reference (ToR) for a study on the Multilateral Fund replenishment also met throughout the afternoon.

PLENARY

OPENING OF PREPARATORY SEGMENT: The preparatory session was co-chaired by Marcia Levaggi (Argentina) and Mikkel Sorensen (Denmark). Marco Gonzalez, Executive Secretary, Ozone Secretariat, opened the preparatory segment with a discussion of ODS targets for 2010, calling for an accelerated phase-out of HCFCs and sufficient funding for its accomplishment by Article 5 parties.

ORGANIZATIONAL MATTERS: Delegates adopted the preparatory segment agenda (UNEP/OzL.Pro.19/1) with the US' addition of nominations for the Scientific Assessment Panel (SAP) under Item 16 (other matters), and Australia's addition of halon assessment in 2006 under Item 9f (issues from the TEAP report). Delegates referred the Executive Committee's request to change its TOR to modify the number of times it meets (UNEP/OzL.Pro.19/3, Decision XIX/D) and the draft decision on the status of Romania (UNEP/OzL.Pro.19/3, Decision XIX/O) to the high-level segment. Draft decisions on future challenges (UNEP/OzL.Pro.19/3, Decisions XIX/F and XIX/G) were referred to the Multilateral Fund contact group.

BUDGET ISSUES: Co-Chair Levaggi established a contact group, to be chaired by Jiří Hlaváček (Czech Republic), to prepare draft decisions related to the Montreal Protocol budget and the trust funds of the Vienna Convention and the Montreal Protocol.

HCFC ISSUES: TEAP Report on Addressing HCFCs: TEAP Task Force Co-Chair Lambert Kuijpers (the Netherlands) presented TEAP report related to ozone depletion, highlighting trends in production and consumption of HCFCs, and the impact of the Kyoto Protocol's Clean Development Mechanism (CDM) on HCFC-22 production. TEAP Task Force Co-Chair Paul Ashford (UK) emphasized the need for early development of low global warming potential (GWP) alternatives to ensure climate benefits from an accelerated phase-out.

Kuijpers noted that TEAP did not address the cost effectiveness of available alternatives. He said estimated savings from a phase-out will depend on the availability of alternative technologies. KUWAIT suggested that an accelerated phase-out is unrealistic, given current urban growth rates in Asia, increasing HCFC consumption, and the lack of alternative technologies.

The US: asserted that technologies for destroying HCFC-23 are inexpensive; requested information on minor uses of HCFCs; and cautioned against assuming maximum climate benefits. The EUROPEAN COMMUNITY (EC) said that technical and economic alternatives exist for most HCFC uses, and requested more information on emission rates from feedstock. Supported by INDIA and INDONESIA, the EC said the UNFCCC is the appropriate forum for addressing the impact of phasing out HCFC on global warming.

TANZANIA called for more information on available alternatives and areas of application. JAPAN said measures such as controlling HCFC leakage would accrue as many benefits as an accelerated HCFC phase-out. ARGENTINA praised the report as a positive contribution to the relationship between the ozone and climate regimes. GREENPEACE urged parties to act on the report as soon as possible.

Adjustments to HCFC Phase-out Schedule: Co-Chair Levaggi reported that six proposals for an adjusted phase-out schedule had been received (UNEP/OzL.Pro.19/3, Chapter II). The US noted that perverse incentives exist while the CDM provides Certified Emission Reductions (CERs) for the destruction of HCFC-23, a by-product of HCFC production, and supported by SWITZERLAND, stressed the need to set a baseline.

Additional HCFC Proposal: Co-Chair Sorensen opened the floor for discussion on additional work on HCFCs (UNEP/OzL.Pro.19/3 Decision XIX/A). KUWAIT, supported by CHINA, proposed, *inter alia*: that TEAP study ways of encouraging use of HCFC substitutes in Article 5 countries, taking into account all uses and sectors; and that the Secretariat organize a workshop to examine TEAP's reports after MOP-20 in 2008.

Co-Chair Sorensen established a contact group, to be chaired by Syria, to consider Kuwait's proposal. CANADA reminded delegates that many of the proposal's elements relate closely to those being addressed in the HCFC contact group, and Co-Chair Sorensen agreed that the outcomes of the two contact groups would need to be considered together.

METHYL BROMIDE: The Methyl Bromide Technical Options Committee (MBTOC) reported "excellent progress" in phasing out methyl bromide, noting a significant decline in nominations for critical-use exemptions (CUEs) for 2008/2009.

Representatives of MBTOC said there are no known alternatives to methyl bromide for fumigation of dates, and that the Committee has no information on use of methyl bromide stocks.

Nominations for methyl bromide CUEs for 2008 and 2009: SWITZERLAND raised concern with the low uptake of alternatives and large CUE nominations proposed by some countries, noting that up to 40% of stocks were not being used for critical uses. The EC echoed these concerns and tabled a draft decision for consideration. The US said they had adopted alternatives in most sectors and noted that stocks will run out in 2009, and also raised concerns about the metadata used by MBTOC to derive CUEs.

Noting that substitutes for most methyl bromide uses exist, the NATURAL RESOURCES DEFENSE COUNCIL warned that progress on HCFCs would be undone by allowing large CUEs for methyl bromide. VENEZUELA called for strong reductions in methyl bromide use. Co-Chair Levaggi established a contact group, to be chaired by Canada.

Preventing Harmful Trade in Methyl Bromide Stocks: KENYA introduced the proposed decision on this issue (UNEP/OzL.Pro.19/3, Decision XIX/B), which it said aimed to help Article 5 parties combat unwanted imports. NEW ZEALAND, supported by AUSTRALIA, questioned how the draft decision might prevent unwanted trade and, supported by the US, said effective licensing was the most effective way of combating illegal trade. CANADA said the aim of the decision is to match supply with demand in Article 5 countries. Co-Chair Sorensen referred the proposal to the contact group on illegal trade.

MONTREAL DECLARATION: CANADA introduced a proposed draft Montreal Declaration (UNEP/OzL.Pro.19/3 Chapter IV) and a contact group was established.

2007 TEAP REPORTS: Co-Chair Sorensen noted that the TEAP study on carbon tetrachloride is not yet completed, and parties requested TEAP to include these results in next year's report. Following discussion: the draft decision on process agent related proposals was referred to the high level segment; the proposal on n-propyl bromide (UNEP/OzL.Pro.19/3, Decision XIX/K) was referred to the agenda item on short-lived substances; discussion on the TEAP report on campaign production of CFCs for MDI was deferred until MOP-20; and the request for funding non-Article 5 representatives' travel was referred to the budget contact group.

AUSTRALIA introduced a draft decision on projected regional imbalances of halons (UNEP/OzL.Pro.19/CRP.1). Discussion on the proposal was deferred until Wednesday.

Essential use nominations: Delegates discussed exemption requests from the Russian Federation for the aerospace industry and from the US for metered-dose inhalers (UNEP/OzL.Pro.19/3, Draft Decisions XIX/H and XIX/J). The EC and MEXICO supported the requests, while ARGENTINA opposed, noting the existence of alternatives. The RUSSIAN FEDERATION and the US noted that the requests were approved by OEWG-27 and endorsed by the TEAP.

NEW VERY SHORT-LIVED ODS: The EU tabled two draft proposals on new very short-lived ODS and n-propyl bromide (UNEP/OzL.Pro.19/3/CRP.8 and CRP.9). The US asserted that the substances do not pose a significant threat as ODS. Co-Chair Sorensen suggested deferring the matter.

HIGH-LEVEL SEGMENT: NORWAY highlighted key factors in the success of the Montreal Protocol, including sending credible signals to industry, and ensuring financial and technical support. ALGERIA called for greater interaction between the Montreal Protocol and other MEAs. VENEZUELA called for dealing with illicit trade, especially of methyl bromide. KYRGYZSTAN said illegal trade is a significant problem for economies in transition. The REPUBLIC OF KOREA urged implementation of licensing systems to combat illegal trade. THAILAND urged use of prior informed consent on imports of halon and carbon tetrachloride.

CAMBODIA, MONGOLIA, LIBERIA and NIGERIA supported an accelerated HCFC phase-out. MAURITANIA, KENYA, THAILAND, CHILE, TURKEY and TOGO commended the role of donors and the Multilateral Fund in promoting phase-out of ODS and, with INDONESIA, called for further assistance to accelerate HCFC phase-out. KENYA and TOGO added that assistance and mandated targets should take into account national circumstances and not adversely affect Article 5 countries' economies. The RUSSIAN FEDERATION called for assessing the economic and technical impacts of a phase-out. SWITZERLAND called for a realistic HCFC phase-out with a financial solution that addresses developing country constraints. SURINAME noted the lack of low-cost and easily available HCFC alternatives.

GHANA called for regional facilities for destroying ODS to be established. On the Multilateral Fund, SWITZERLAND suggested that funding should be maintained at least at existing levels, given the need for strengthened controls over HCFCs and destruction of existing stocks of HCFCs and halons.

CONTACT GROUPS

ILLEGAL TRADE: Participants continued to consider draft decisions on illegal trade in ODS (UNEP/OzL.Pro.19/3, Decision XIX/E), and agreed to include: implementation of licensing systems; enforcement of these systems; and improvement options. Contact group Chair Paul Krajnik (Austria) convened a small drafting group to prepare the paragraph on improvement, including a list of options to improve prevention of illegal trade.

BUDGET: The contact group reviewed the revised budget for 2007, and proposed 2008 and 2009 budgets of the Trust Fund for the Montreal Protocol (UNEP/OzL.Pro.19/5). The Ozone Secretariat outlined that the proposals feature minimal growth, level contributions, and a "soft landing" once the surplus is depleted. Most delegates called for zero nominal growth, and the Secretariat noted that the budget uses zero nominal growth for most budget lines. The group will reconvene on Wednesday.

TOR FOR THE STUDY ON MULTILATERAL FUND REPLENISHMENT: The contact group, co-chaired by David Omotosho (Nigeria) and Jozef Buys (Belgium), discussed alternative replenishment periods, and decided that the study should consider the financial and other implications of extending the replenishment period to up to 6 years. The group also considered studying possible measures for the destruction of equipment containing ODS. The group will reconvene on Wednesday.

HCFCs: The contact group discussed a Co-Chairs' draft text, including, *inter alia*: the choice of baselines; freeze dates for production and consumption in Article 5 and Article 2 countries; and sustained replenishments for the Multilateral Fund. The group also considered recommendations to the Executive Committee of the Multilateral Fund regarding: review of eligibility criteria; technical assistance to low-consumption Article 5 parties; and surveys to assist parties in improving baseline data. Co-Chairs Goote and Tushishvili agreed to revise the draft text for further discussion on Wednesday.

IN THE CORRIDORS

As delegates knuckled down to work in a closed contact group on HCFCs, one upbeat delegate remarked that they were entering the "critical stage in negotiations" and another said that "much more progress had been made than expected" on this sensitive issue. However other negotiators were more cautious, noting that text discussions were still at an early stage and that differences were far from being resolved. Overall, most participants were optimistic that a deal could be struck if compromises are made to bridge proposals for a baseline and freeze date, and issues of financial assistance and technology transfer.