



MOP-24 HIGHLIGHTS: TUESDAY, 13 NOVEMBER 2012

The preparatory segment of MOP-24 reconvened in Geneva, Switzerland, on Tuesday, 13 November 2012. In the morning, delegates discussed proposals on: clean production of HCFC-22; additional MLF funding to implement the Protocol to maximize the climate benefit of the accelerated phase-out of HCFCs; and funding of production facilities for HCFCs.

During the afternoon and evening, delegates took up amendments to the Montreal Protocol and the proposal on the implications of the outcome of the UN Conference on Sustainable Development (UNCSD or Rio+20) held earlier this year. Contact groups met on the budget, QPS, ODS on ships, alternatives to ODS, feedstocks and TEAP administrative.

PROPOSAL ON CLEAN PRODUCTION OF HCFC-22 THROUGH BY-PRODUCT EMISSION CONTROL

Co-Chair Alkemade opened discussion on this issue. The US introduced the proposal on the clean production of HCFC-22, and, with MEXICO, noted that HCFC-22 production is expected to continue for another two decades, possibly longer as a feedstock. The US, supported by MEXICO, recommended undertaking demonstration projects to better understand the effects of HCFC-22 production. ARGENTINA preferred accelerated elimination of HCFC-22.

Responding to queries from INDIA, the US said, *inter alia*: clean production is general terminology reflecting environmental responsibility; the proposal does not detract from accelerated phase-out; and the proposed study focuses on the costs, benefits, environmental implications and climate impacts of HCFC-22 production.

CHINA said the Protocol is not mandated to cover HFC-23. INDIA, opposing further discussion, said the Protocol is not the appropriate forum for controlling by-product emissions. JAPAN prioritized HCFC-22 phase-out but was prepared to discuss the issue.

NIGERIA supported a study on the environmental effects of HCFC-22 conducted by TEAP, in consultation with SAP, and preferred delaying decision on a demonstration project until after completion of the study. He stressed that parties have a moral duty to address HCFC-22 production because of the environmental impacts.

CANADA prioritized phasing out HCFC-22 production. He supported the proposal, suggested the ExCom take a decision and proposed considering a cost effective phase-out of HCFC-22 production, alongside issues under the agenda item on funding of HCFC production facilities. EIA, supporting the pilot study, said the Protocol has an obligation to ensure HCFC-22 production does not harm the global climate.

Co-Chair Alkemade proposed, and delegates agreed, to delay decision until after discussions on the agenda item on funding of HCFC production facilities.

PROPOSAL ON ADDITIONAL FUNDING OF THE IMPLEMENTATION OF THE MONTREAL PROTOCOL TO MAXIMIZE THE CLIMATE BENEFIT OF THE ACCELERATED PHASE-OUT OF HCFCs

Co-Chair Odat introduced the proposal, which was put forward by Switzerland. SWITZERLAND outlined intersessional discussions, stating that the proposal: does not create new obligations; and seeks additional voluntary funds to enhance climate benefits of accelerated HCFC phase-out. INDIA, COLOMBIA, KUWAIT, URUGUAY, CHINA, BRAZIL and MOROCCO voiced concern on the proposal's lack of clarity. INDIA noted that Decision XIX/6 states funding shall be stable and sufficient for ODS phase-out. URUGUAY encouraged focusing on ODS. The US, CANADA, NORWAY, the EU and INDONESIA supported the draft, noting its voluntary nature. BRAZIL recommended taking up the proposal within other MLF discussions. BURKINA FASO said more efforts are needed to improve funding. Co-Chair Odat established a contact group chaired by Philippe Chemouny (Canada) and Peter Enoh (Cameroon).

PROPOSAL ON FUNDING OF PRODUCTION FACILITIES FOR HCFCs

Co-Chair Odat introduced a draft decision put forward by India during OEWS-32, which aims to reiterate the intent of decision XIX/6. He said it urges the ExCom to finalize the guidelines for funding production facilities and requests the ExCom to take into account proactive regulatory actions to limit HCFC production beyond the required control schedule.

INDIA said the decision is in response to the deadline for Article 5 parties to comply with ODS control schedules, and that it seeks to counteract negative effects that compliance may have on the economy, as well as possible non-compliance.

AUSTRALIA opposed, noting it only reiterates decision XIX/6. The US questioned the intent of the decision, and queried how it relates to eligible incremental costs. JAPAN said the draft decision was expanding the MLF beyond its scope.

INDIA stressed that the decision addresses the fact that the phase-out guidelines have not been finalized. The Chair proposed forming a contact group. NIGERIA, the US, CHINA and others said they would only consider the proposal if discussions are held in conjunction with those on clean production of HCFC-22 through by-product emission control.

Co-Chair Odat formed two separate groups to discuss agenda items 10 and 12, with the US coordinating the agenda item 10 group.

PROPOSED AMENDMENTS TO THE MONTREAL PROTOCOL

Co-Chair Alkemade introduced this agenda item, asking the proponents to present their proposals. The FEDERATED STATES OF MICRONESIA (FSM) proposed a gradual phase-down in the consumption and production of HFCs. He said

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the Protocol has expertise in phasing down production and consumption of gases chemically similar to HFCs. He further emphasized that parties have a legal obligation to address adverse effects on the ozone layer, including on the climate system. FSM and the US reminded delegates that the Rio+20 outcome document supports a phase-down of HFCs. The US said the benefits of the North American proposal amount to nearly 100 gigatonnes of carbon dioxide equivalent in direct benefits. He stressed that decisions taken by the Montreal Protocol have implications for climate and urged action to avoid depleting the climate benefits achieved under the Protocol. Canada addressed frequently asked questions on the proposal, which are also contained in document UNEP/OzL.Pro.24/INF/7. The US and MEXICO said the Protocol is the appropriate institution to address this issue, with the US stressing the expertise of TEAP, SAP and the MLF. MEXICO emphasized the Protocol's recognition of common responsibilities, and called for urgent action.

Co-Chair Alkemade then opened the floor for questions. Noting that it still uses HFCs, MONGOLIA expressed concern about technologies. AUSTRALIA asked the proponents how they saw their proposals working together. KUWAIT queried the global warming contribution of HFCs compared to other global warming gases. IRAN expressed concern about alternatives for developing countries. The EU asked how the proponents calculated the costs and availability of alternatives. FSM hoped to have a contact group discussion on the proposals to agree on schedules, financing and other differences between the two proposals. They further noted that UN experts have estimated that addressing HFCs would prevent 0.1 degree Celsius of warming by 2050, with MEXICO adding that SIDS are already affected. The US said the amendment will not undermine the UNFCCC's efforts and described reports on availability of alternatives, noting that some alternatives will move down the "ladder" from high GWP to lower GWP.

INDIA questioned: the effect of the proposals on modifying the ozone layer; expertise within the Protocol and the UNFCCC and its subsidiary bodies; and the binding nature of the Rio+20 outcomes document. He stressed that HFCs are covered under the Kyoto Protocol "basket of gases." In response, the US said, *inter alia*, that the proposals do not have an effect on modifying the ozone layer but stressed the link between actions on the ozone side and effects on the climate side. He recognized expertise in many bodies but felt the Protocol has a greater expertise in phasing down production and consumption of such substances.

The RUSSIAN FEDERATION, NIGERIA, ISRAEL, BRAZIL, AUSTRALIA, BANGLADESH, JAPAN, MACEDONIA, and others called for establishing a contact group to discuss the proposed amendment. IRAN, IRAQ and TUNISIA expressed uncertainty in discussing this topic, citing, *inter alia*: patent ramifications; lack of ODS alternatives; legal and procedural issues; and wider political problems. ARGENTINA, INDIA, CUBA, URUGUAY, MALAYSIA, SAUDI ARABIA, CHINA and others opposed establishing a contact group, stating that HFCs are within the Kyoto Protocol's purview. CHINA said it remains open to discussion.

Following some debate, Co-Chair Alkemade established a discussion group.

PROPOSAL ON THE IMPLICATIONS OF THE UNCSD OUTCOME DOCUMENT FOR SIDS WITH REGARD TO THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Co-Chair Odat introduced this issue, noting that ST. LUCIA and TRINIDAD AND TOBAGO, the proposal's proponents, were not present. GRENADA said it had communicated with ST. LUCIA on the matter and that they preferred deferring the agenda item to the next OEWG. Following clarification questions on procedure and responses by the Secretariat, delegates agreed to defer the agenda item to OEWG-33.

COMPLIANCE AND DATA REPORTING ISSUES

PROPOSAL ON THE DIFFERENCES BETWEEN DATA REPORTED ON IMPORTS AND DATA REPORTED ON EXPORTS: Co-Chair Alkemade introduced the issue and asked the EU to provide an update on intersessional work. The EU described its work, noting it had circulated a revised text, and requested time to finalize the proposal. Co-Chair Alkemade asked India and the US to co-chair the contact group.

PRESENTATION ON AND CONSIDERATION OF THE WORK AND RECOMMENDED DECISIONS FORWARDED BY THE IMPLEMENTATION COMMITTEE UNDER THE NON-COMPLIANCE PROCEDURE FOR THE MONTREAL PROTOCOL:

Co-Chair Odat introduced the issue and gave the floor to SRI LANKA, on behalf of the ImpCom. SRI LANKA presented the progress on data reporting, noting, *inter alia*, that 192 out of 196 parties have reported their consumption and production data for 2011 and described efforts made by Parties to ratify all amendments to the Protocol. Delegates agreed to forward the report and associated decisions to the high-level segment.

OTHER MATTERS

On ratification of the Beijing amendment, ECUADOR described a CRP it prepared with BOLIVIA. CANADA introduced a CRP on methyl bromide exemptions put forward by the US, CANADA and AUSTRALIA. Both issues will be returned to during plenary.

CONTACT GROUP ON ALTERNATIVES TO ODS

The contact group met in the morning to address the draft decision on additional information on alternatives to ODS (UNEP/OzL.Pro.24/8; draft decision XXIV/[E]). INDIA suggested addressing the request to prepare a report to TEAP, without specifying that a temporary subsidiary body or task force will be established. BRAZIL proposed dropping reference to experts with additional expertise. The US and the EU proposed retaining mention of the latter, as well as of the task force option.

CONTACT GROUP ON FEEDSTOCKS

The EU clarified their CRP on feedstock use, stating its purpose is not to prohibit feedstock uses but rather examine different uses. He said the proposal's intention is to have a dataset to facilitate a sound TEAP assessment. INDIA, CANADA, the US and CHINA questioned the timing of the discussion. The EU clarified that there is an article in the Montreal Protocol that deals with feedstock uses, but a lack of knowledge remains. The US highlighted a case-study approach, as a different way of addressing feedstock uses. SAP and CTC (Chemical Technical Options Committee) members were asked to share their findings regarding data discrepancies from top-down and bottom-up emissions.

IN THE CORRIDORS

"A golden opportunity to celebrate the silver anniversary of the Montreal Protocol!" – this was how a delegate referred to the possibility of a decision on phasing out HFCs. However, debate over the thorny issues ran an expected course. Proponents of the North American and Micronesian amendments delivered comprehensive presentations during the afternoon plenary. Clearly, they and their opponents had done their homework as the pros and cons of a possible phase-out were debated by both sides; economic, legal (links to Kyoto and UNFCCC) and even "moral" arguments were evoked, causing, in the words of one observer, "sparks to fly." To another delegate, it seemed to be a replay of old battles. One seasoned delegate, however, detected a slight shift in alliances, pointing to Russia's suggestion to establish a contact group to address HFCs, with several other delegations toning down objections to "discussing" the problem.

However, the very idea of "discussing" met a passionate retort from India, whose objections persisted throughout the evening, including over the status of the Rio+20 outcome document and the meaning of the terms "co-chair" and "convener" (of the contact group). This left many participants frustrated and concerned whether a meaningful exchange would be at all possible in the remaining days.