



MOP-25 HIGHLIGHTS: TUESDAY, 22 OCTOBER 2013

MOP25 reconvened for its second day of deliberations on Tuesday, 22 October 2013, in Bangkok, Thailand.

In the morning, delegates discussed funding of production facilities for HCFCs and the terms of reference for the study on the MLF replenishment for 2015-2017. They also discussed: implementation of the Protocol with regard to SIDS; harmonizing and validating the MLF climate impact indicator; and proposed amendments to the Protocol. A contact group on the funding of production facilities for HCFCs met during lunch, followed by a meeting of the budget committee.

In the afternoon, plenary reconvened to conclude discussions on the proposed amendments to the Protocol, hear a report from the Implementation Committee (ImpCom) on compliance and data reporting issues and discuss staffing issues at the Ozone Secretariat and the reclassification of Croatia to an Article 2 country. They also reviewed a draft decision on the final report by the TEAP on additional information on ODS alternatives. Contact groups met in the evening on the terms of reference for the study on the MLF replenishment for 2015-2017, and on the implementation of the Protocol with regard to SIDS.

ISSUES RELATED TO FUNDING

FUNDING OF PRODUCTION FACILITIES FOR HCFCs: Co-Chair Camargo introduced the item on the funding of production facilities for HCFCs. INDIA recalled decision XIX/6 (adjustments to the Montreal Protocol with regard to HCFCs), which decides that MLF funding shall be stable and sufficient for Article 5 countries to meet the incremental costs of complying with the accelerated phase-out schedule for HCFCs. With ARGENTINA, he said that a decision has been submitted confirming the intent of decision XIX/6 and urges the MLF Executive Committee (ExCo) to, *inter alia*, finalize and approve the funding of HCFC production facilities; and consider any proactive regulatory actions taken by parties to restrict HCFC production ahead of the scheduled phase-out.

CANADA, with AUSTRALIA, opposed India's interpretation of decision XIX/6, and, with CHINA, the US and the EU, called for establishing a contact group, to which delegates agreed.

TERMS OF REFERENCE FOR THE STUDY ON THE 2015-2017 REPLENISHMENT OF THE MLF: Co-Chair

McInerney introduced the item, saying that it will be referred to a contact group for further consideration.

IMPLEMENTATION OF THE MONTREAL PROTOCOL WITH REGARD TO SIDS

Co-Chair Camargo introduced this item. BRAZIL, supported by INDIA, said that approval of the draft decision on the implementation of the Montreal Protocol with regard to SIDS would set a "dangerous" precedent by expanding the mandate of the Protocol, stating that the Protocol itself has a very specific mandate: the phase-out of ODS.

SAINT LUCIA, supported by COOK ISLANDS, SAMOA and TRINIDAD AND TOBAGO, expressed hope that, through further discussion in a contact group, an agreement could be reached in order to forward the draft decision to the HLS.

CANADA highlighted the precedent of the Montreal Protocol liaising with other secretariats, for example, with the IPCC on methyl bromide QPS issues. AUSTRALIA acknowledged the special case of SIDS and, along with the US, said the draft decision could benefit from discussion in a contact group, to which parties eventually agreed.

HARMONIZATION AND VALIDATION OF THE MLF CLIMATE IMPACT INDICATOR

Co-Chair Camargo introduced this agenda item. URUGUAY reported that it was still consulting on this issue. Parties agreed to return to this topic at a later stage.

PROPOSED AMENDMENTS TO THE MONTREAL PROTOCOL

Co-Chair McInerney introduced this item. The US, for CANADA and MEXICO, highlighted their proposal to phase down the production and consumption of HFCs. He observed that: as HFCs are replacements for HCFCs and CFCs, they could be discussed under the Montreal Protocol; the Protocol has a track record of success; and it is the only instrument with universal ratification. He noted that it was clear that HFCs would continue to be included under the UNFCCC and Kyoto Protocol for the purposes of the accounting and reporting of emissions and supported establishing a contact group to consider the proposal.

The ensuing debate focused on whether or not to establish a contact group to consider the amendments proposed by the US, Canada, Mexico and the Federated States of Micronesia. JAPAN, Ethiopia, for the AFRICAN GROUP, MACEDONIA, with ALBANIA, BOSNIA, and others, the EU, BANGLADESH, SAMOA, COOK ISLANDS, TRINIDAD



AND TOBAGO, CÔTE D'IVOIRE and AUSTRALIA called for establishing a contact group. NORWAY proposed considering the amendments in a more systematic manner by assessing the cost implications of the proposals as well as the environmental benefits, suggesting that the TEAP take up this work. SAINT LUCIA said that a contact group would be able to thoroughly investigate the issues surrounding the proposals. MEXICO, with the US and CANADA, clarified that a contact group to discuss the proposed amendments would not necessarily result in the negotiation or adoption of amendments, but would serve to resolve questions and uncertainties surrounding the proposals.

The DOMINICAN REPUBLIC inquired about potential substitutes for HFCs and emphasized the need to discuss the economic aspects of alternatives to HFCs. MALAYSIA called for more time to consider the proposed amendments without establishing a contact group and drew attention to the lack of proven alternatives, particularly for high ambient temperature countries. She further noted that the high cost of conversion to new alternatives would impact industries and economies. FIJI said that the amendments could not be considered until economically- and technically-feasible alternatives to HFCs are available.

SAUDI ARABIA, KUWAIT, BAHRAIN, IRAN, VENEZUELA, OMAN, ARGENTINA, BRAZIL, LIBYA, INDONESIA, the UNITED ARAB EMIRATES (UAE) and CHINA opposed establishing a contact group. CUBA and INDIA said that as HFCs are greenhouse gases and not ODS they do not fall under the remit of the Montreal Protocol.

SOUTH AFRICA questioned whether the amendment would imply exclusion of HFCs under the UNFCCC, given that the Montreal Protocol should not overstep the UNFCCC's mandate. He also noted the need to clarify how Article 5 countries would be assisted. With respect to HFCs, he said that if legally binding targets are accepted under the Montreal Protocol, new sources of funding and technological alternatives must be clearly identified.

Co-Chair McInerney said discussions among the Co-Chairs, the Executive Secretary and interested parties would take place to decide on a way forward.

COMPLIANCE AND DATA REPORTING ISSUES

Co-Chair Camargo invited the ImpCom to present their report. ImpCom President Janusz Kozakiewicz (Poland) provided information on non-compliance issues for three countries: Azerbaijan on HCFC phase-out; France on HCFC production control measures; and Kazakhstan on excess HCFC and methyl bromide consumption. He said that 188 of 197 parties have reported production and consumption data for 2012, representing 95% of parties, and urged that the nine outstanding national reports be submitted as soon as possible. On licensing systems, he requested that Botswana and South Sudan establish systems consistent with Article 4b (licensing the import and export of new, used, recycled and reclaimed controlled substances).

KAZAKHSTAN assured parties that it will ratify the Beijing Amendment before the end of 2013 and provide a response to its excess HCFC and methyl bromide consumption before March 2014. YEMEN said the security situation in her country has hindered data gathering and reporting. JORDAN and KUWAIT assured parties that their data would be reported during the week.

Co-Chair Camargo forwarded the recommendations of the ImpCom to the HLS for further consideration.

OTHER MATTERS

Co-Chair McInerney, introducing the agenda item on other matters, recalled that during the adoption of the agenda, Grenada requested discussion on staffing changes at the Ozone Secretariat and that the EU, on behalf of Croatia, had submitted a proposal for Croatia to be listed as an Article 2 country.

STAFFING CHANGES AT THE OZONE

SECRETARIAT: On staffing changes, GRENADA highlighted the need to address several staff member vacancies, including that of the Executive Secretary. He expressed willingness to assist in developing the Secretariat's work plan for 2014 and to consider the need to address these vacancies.

Co-Chair McInerney opened the floor for comments, with several parties commending the work of the Secretariat and Marco González's commitment to advance the ozone agenda effectively. SWITZERLAND highlighted, amongst others, the need to define when the next Executive Secretary will take office. Parties decided to establish a small informal group to further consider these matters.

REQUEST BY CROATIA TO BE REMOVED FROM THE LIST OF DEVELOPING COUNTRIES UNDER THE MONTREAL PROTOCOL:

The EU, on behalf of Croatia, introduced a draft decision (UNEP/OzL.Pro.25/CRP.6) requesting Croatia's reclassification from an Article 5 country to an Article 2 country. The draft decision was forwarded to the HLS for consideration.

FINAL REPORT BY THE TEAP ON ADDITIONAL INFORMATION ON ALTERNATIVES TO ODS

The EU introduced its draft decision (UNEP/OzL.Pro.25/CRP.4) on additional information in view of addressing HFCs, which requests that the TEAP establish a temporary subsidiary body to assess and prepare a report for consideration by OEWG34 on, *inter alia*, the economic costs and benefits of various scenarios for the global phase-down of the production and consumption of HFCs. He expressed hope that the draft decision will be discussed in a contact group. BRAZIL noted that several of their concerns had been addressed in the draft decision. INDIA requested more time for consideration.

IN THE CORRIDORS

On Tuesday, delegates devoted extensive time and energy to the proposed amendments for HFC phase-down. The debate, however, offered no surprises. Parties remained entrenched in their positions and there was no indication that either side might warm to a compromise. Many wondered how the impasse could be overcome. Some parties maintained that the Montreal Protocol was not the appropriate forum for addressing the issue since HFCs are not ODS; others observed that as CFC and HCFC phase-out has resulted in a proliferation of HFCs, the Protocol was indeed the correct forum to deal with this topic. The former preferred to continue considering the issue informally, as had happened at OEWG33.

"You can see where they are coming from, with so much uncertainty about alternatives and the cost," said one observer. However, other delegates treated the proposals with suspicion, saying that the willingness on the part of some parties to advance HFCs under the Montreal Protocol is to make up for inaction under the UNFCCC.