



COP10/MOP26 HIGHLIGHTS: MONDAY, 17 NOVEMBER 2014

The Preparatory Segment of the Vienna Convention (VC) COP10 and Montreal Protocol (MP) MOP26 opened on Monday, 17 November 2014, in Paris, France. In the morning, delegates heard opening statements from dignitaries and discussed, *inter alia*: budgetary issues; extension of the trust funds and replenishment of the MLF.

In the afternoon, delegates addressed essential-use exemptions (EUEs), critical-use exemptions (CUEs), a global exemption of controlled substances for laboratory and analytical uses, the availability of recovered, recycled or reclaimed halons, measures to facilitate the monitoring of trade in HCFCs and substituting substances, and the releases, breakdown products and opportunities for reduction of releases of ODS.

The Budget Committee and the contact group on the MLF replenishment met during the day.

OPENING SESSION

The Preparatory Segment was opened by Co-Chair Patrick McInerney (Australia). Ségolène Royal, Minister of Ecology, Sustainable Development and Energy, France, stressed the importance of the MLF to the Protocol's success, and pledged France's support for its replenishment. She urged forming a contact group to discuss the modalities of addressing HFCs under the Protocol, suggesting that an agreement on HFCs at MOP27 could contribute to the success of UNFCCC COP21 in Paris in 2015.

Highlighting the MP as a "shining example of multilateralism," Achim Steiner, UNEP Executive Director, emphasized the need for: a strong global partnership; patience to see "the positive results of our actions" as it takes time for planetary systems to recover; and taking into account decisions that bring results later in international negotiations.

ORGANIZATIONAL MATTERS

ADOPTION OF THE AGENDA OF THE PREPARATORY SEGMENT: Co-Chair McInerney introduced the agenda (UNEP/OzL.Conv.10/1/Rev.1 and UNEP/OzL.Pro.26/1/Rev.1).

Noting their disagreement with the amendment proposals, SAUDI ARABIA expressed willingness to comply with previous rulings since the rules of procedure had been applied. The FSM thanked Saudi Arabia for acceding not to remove the agenda item.

KUWAIT, IRAQ, EGYPT, JORDAN, BAHRAIN and TUNISIA preferred removing the item on proposed amendments, while the US, Italy, for the EU and its Member States, and NIGERIA favored keeping it on the agenda.

Co-Chair McInerney suggested that the proposed amendments be discussed and parties' views be reflected in the report of the meeting. Delegates agreed.

ORGANIZATION OF WORK: Co-Chair McInerney suggested, and delegates agreed, to address the topics in the order on the agenda.

COMBINED VIENNA CONVENTION AND MONTREAL PROTOCOL ISSUES

FINANCIAL REPORTS AND BUDGETS OF THE TRUST FUNDS FOR THE VIENNA CONVENTION AND THE MONTREAL PROTOCOL: Co-Chair Richard Mwendandu (Kenya) introduced the item on financial reports and budgets of the trust funds for the VC and the MP (UNEP/OzL.Conv.10/4, 4/Add.1 and UNEP/OzL.Pro.26/4, 4/Add.1). He called for a contact group to discuss these issues. An open-ended Budget Committee was established.

EXTENSION OF THE TRUST FUNDS FOR THE VIENNA CONVENTION AND THE MONTREAL PROTOCOL: On this issue (UNEP/OzL.Conv.10/4, 4/Add.1 and UNEP/OzL.Pro.26/4, 4/Add.1), Co-Chair Mwendandu noted that parties need to submit requests for the trust funds to be extended beyond 2017 and advised the Budget Committee that this aspect of the decision be forwarded to the High-Level Segment (HLS).

STATUS OF RATIFICATION OF THE BEIJING AMENDMENT TO THE MONTREAL PROTOCOL: Co-Chair Mwendandu noted that only one party has yet to ratify the Beijing amendment, following which all instruments under the MP will have universal membership.

MONTREAL PROTOCOL ISSUES

REPLENISHMENT OF THE MLF FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL: **Supplemental Report of the TEAP Replenishment Task Force:** Shiqiu Zhang (China), TEAP, explained the origin and development of TEAP's Supplemental Report. Lambert Kuijpers, TEAP Co-Chair, outlined the supplemental report findings, concluding that, *inter alia*: the most significant impact in the replenishment will be the way in which Cases 1 and 2 will be considered for the next two triennia; any major change in the proportion of foams versus refrigeration and air conditioning (RAC) will impact relative funding levels for the next two triennia; and all other issues investigated by the Task Force would only have minor effects on replenishment levels. Responding to India, Kuijpers explained that the TEAP did not suggest an increase to account for small and medium-sized enterprises (SMEs) because it did not have a cost effectiveness factor to use.

KUWAIT cautioned that equal distribution of funding is not a correct reflection of funding needs. MEXICO called for including the need for pilot projects in Article 5 countries and funding for swing plants production of HCFCs in future triennia, and, with VENEZUELA and ARGENTINA, noted a 10-30% inflation of equipment and technologies costs, depending on the sector.



LEBANON, with ARGENTINA, CHINA, COLOMBIA and JORDAN, stressed the need for increased funding for SMEs in the MLF Replenishment in light of higher incremental costs. LEBANON, ARGENTINA and JORDAN highlighted the importance of institutional strengthening. COLOMBIA expressed concern about the cost effectiveness factors used in the TEAP report.

The EU expressed readiness to assist Article 5 countries in complying with their phase-out schedules. COMOROS said continued support of implementation agencies is essential. NORWAY pledged a “strong” contribution to ensure stable and sufficient funding for HCFCs’ phase-out. CANADA, with AUSTRALIA, supported a contact group on the matter. The US urged finding a way to continue the cost-effective and efficient funding for the MLF.

Co-Chair McNerney announced the creation of a contact group to be co-facilitated by Agustín Sánchez (Mexico) and Jozef Buys (Belgium).

Extension of the Fixed-Exchange-Rate Mechanism for 2015–2017: Co-Chair Mwendandu referred this issue (UNEP/OzL.Conv.10/3-UNEP/OzL.Pro.26/3) to the MLF Replenishment Contact Group for discussion.

ISSUES RELATED TO EXEMPTIONS FROM ARTICLE 2 OF THE MONTREAL PROTOCOL: Nominations for EUEs for 2015 and 2016: Keiichi Ohnishi (Japan), Co-Chair, Chemicals Technical Options Committee (CTOC), reviewed CTOC’s recommendations for EUEs of 75 metric tons (MT) for the Russian Federation for aerospace purposes in 2015, 182.61 MT for China for MDIs, and 80 MTs of CTC for China for testing of oil, grease and total petroleum hydrocarbons in water for 2015 only. CHINA indicated its acceptance of the CTOC recommendations and desire for further talks with CTOC and other interested parties during the MOP so that China could phase out EUEs for laboratory and analytical uses. The EU and US indicated that they would like to discuss the issue further with China during the MOP. The RUSSIAN FEDERATION announced its current EUE nomination for aerospace uses would be its last. Co-Chair Mwendandu, noting no objections, said draft Decisions XXVI/[A] on aerospace uses and XXVI/[C] on MDI uses by China would be forwarded to the Ministerial Segment for adoption.

Nominations for CUEs for 2015 and 2016: Methyl Bromide TOC (MBTOC) Co-Chair Ian Porter (Australia), explained the Committee’s reasoning behind agreeing with critical use nominations (CUNs) from Australia, Canada and the US, and adjusting those from China and Mexico. MBTOC Co-Chair Mohammed Besri (Morocco) explained that the MBTOC had not recommended accepting Argentina’s CUN regarding tomatoes, green peppers and strawberries because Argentina had not provided suitable data to show that the alternatives registered and available in Argentina are ineffective.

ARGENTINA expressed surprise that the MBTOC rejected its CUN, and listed many reasons why it felt the CUN should be urgently reassessed. CUBA, BRAZIL, KUWAIT, VENEZUELA, INDIA, PAKISTAN, KENYA and BOLIVIA supported reconsidering Argentina’s CUN. AUSTRALIA announced it would submit a CRP on issues involving methyl bromide CUNs, and the EU suggested forming a contact group to discuss it. URUGUAY, KUWAIT and CHINA called for a contact group to discuss the issues raised by Argentina. Co-Chair Mwendandu said a contact group would be formed, with a view to drafting a decision on issues involving CUNs that could be discussed in plenary.

Global Exemption of Controlled Substances for Laboratory and Analytical Uses: The US reported that draft decision XXVI/[D] contained no bracketed text. The EU proposed, and delegate agreed, to include another paragraph whereby MOP26 decides “to encourage parties to continue to investigate domestically the possibility of replacing ODS in laboratory and analytical uses and to share the resulting information.” The draft decision was forwarded to the HLS as amended.

AVAILABILITY OF RECOVERED, RECYCLED OR RECLAIMED HALONS: NORWAY informed parties that draft decision XXVI/[E], proposed by the US and co-sponsored by Canada and Norway, had been considered at OEWG34 and contained no bracketed text.

BANGLADESH, INDONESIA, ARGENTINA, TUNISIA, SAUDI ARABIA, EGYPT and JORDAN reported on recovering, recycling or reclaiming halons in their respective countries, with several parties seeking guidance on the matter.

ARGENTINA proposed adding “on a voluntary basis” in paragraphs on: encouraging parties to liaise with their national civil aviation authorities, and to submit such information to the Ozone Secretariat; and inviting parties to reassess any national import and export restrictions other than licensing requirements. The draft decision was forwarded to the HLS as amended.

MEASURES TO FACILITATE THE MONITORING OF TRADE IN HCFCs AND SUBSTITUTING SUBSTANCES: Co-Chair Mwendandu introduced this item. The EU provided an overview of draft decision XXVI/[G], saying that the decision looks to amend the relevant custom codes to allow for better monitoring and data of the trade in HCFCs and the use of substituting substances, underscoring that it is a voluntary measure. He said that, due to bracketed text, further discussion is required. SAINT LUCIA, with CANADA and VENEZUELA, supported the decision, with SAINT LUCIA saying that illegal trade in ODS and HCFCs compromises efforts to protect the environment. KUWAIT and SAUDI ARABIA expressed concerns over the draft decision. A contact group was established to further discuss it.

RELEASES, BREAKDOWN PRODUCTS AND OPPORTUNITIES FOR REDUCTION OF RELEASES OF ODS: Introducing this item, Co-Chair Mwendandu noted that the original Decision XXVI/[F] had been turned into two decisions: XXVI/[H] and XXVI/[I]. Providing an overview of the decisions, the EU said that the Scientific Assessment Panel (SAP) had released an assessment for decision makers on ozone depletion, which informed the decision to split the original decisions. CANADA, opposed by INDIA, supported the draft decisions. The US, with AUSTRALIA, cautioned that the full assessment has not yet been released.

INDIA, with CHINA, opposed considering draft decision XXVI/[H] in a contact group, stating that it addressed issues that do not fall within the ambit of the MP. The EU supported a contact group. The US said those issues already fell under the SAP and the Environmental Effects Assessment Panel (EEAP) mandates. CANADA proposed addressing the discrepancy between emissions reported and those inferred from atmospheric measurements in a group without considering a draft decision. Co-Chair Mwendandu suggested that the EU and India consult bilaterally on draft decision XXVI/[I] and that draft decision XXVI/[H] be discussed in a contact group. No agreement could be reached, with discussions to resume on Tuesday morning.

IN THE CORRIDORS

On Monday, many delegates expressed concern at the quick proliferation of contact groups, especially the challenge it posed for small delegations. While many expected a Budget Committee and a contact group on MLF Replenishment, the surprise came in creating one on CUNs. Argentina’s defense of its CUN and rejection of MBTOC’s assessment as biased struck a chord with many developing countries. “We face similar challenges to Argentina,” confided one African delegate, “that we hope to resolve without resorting to a CUN. But if we need that option, we don’t want to set a precedent that could come back to haunt us.” Another insisted it was an equity issue. “Non-Article 5 countries,” he intimated, “had years of large CUEs granted, supported by similar arguments on difficulties finding substitutes, but now that the first Article 5 request is posed, it is seemingly rejected out-of-hand as not rigorous enough in detailing the lack of alternatives.”