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MOP-13 HIGHLIGHTS
WEDNESDAY, 17 OCTOBER 2001

On the second and final day of the preparatory segment of MOP-13, delegates met in Plenary sessions to finalize draft decisions on, *inter alia*: production of CFCs for metered-dose inhalers (MDIs); monitoring of international trade and prevention of illegal trade in ODS; process agents; and compliance issues. In the afternoon, ministers from Article 5 Parties convened informally to discuss implementation challenges.

PLENARY

PRODUCTION OF CFCs FOR MDIs: Amending a draft decision it had presented at OEWG-21 (UNEP/OzL.Pro/wg.1/21/CRP.7), CUBA proposed requesting the Multilateral Fund Executive Committee to develop guidelines for preparing strategies and investment projects that would enable Article 5 countries to move to CFC-free MDIs. CANADA and the US supported the proposal. The US noted the lack of experience with CFC-free MDIs, even in developed countries. Delegates then considered a US-proposed draft decision on MDIs (UNEP/OzL.Pro/wg.1/21/CRP.8), calling upon the TEAP to further study CFC campaign production for MDIs. AUSTRALIA, supported by the EC, proposed specifying that the TEAP should present its findings to OEWG-22 and continue to monitor and report on the likely need for campaign production. The EC noted that production of CFCs for MDIs in the Netherlands would cease by 2005. Parties agreed to forward both draft decisions to the high-level segment.

ISSUES RELATING TO MONITORING OF INTERNATIONAL TRADE AND PREVENTION OF ILLEGAL TRADE IN ODS: Delegates considered a draft decision (UNEP/OzL.Pro/13/9) requesting the Secretariat to prepare a report for OEWG-22 on this topic. POLAND supported the further development of customs codes on ODS. INDIA proposed to add reference to substances mixed with ODS. The US, supported by CANADA and the EC, proposed streamlining the draft decision to avoid repeating text agreed to at MOP-11. The US later introduced a streamlined draft decision (UNEP/OzL.Pro.13/CRP.15) which was forwarded to the high-level segment.

CANADA introduced an information paper including recommendations by the World Customs Organization's Customs Cooperation Council and listing Canada's most common ODS harmonized codes. He remarked that Canada is developing a manual for law enforcement officials on illegal ODS trade and an electronic training package for customs officers.

PROCESS AGENTS: Heinrich Kraus (Germany), Multilateral Fund Executive Committee Chair, stated that the Committee has adopted framework guidelines for considering process-agent projects. He said that, since 1999, eleven process-agent projects have been approved, mostly small-scale and all involving process change. Nick Campbell, TEAP, said process-agent data provided by Article 5 countries is often not current, complete or consistent, and suggested that Parties agree on a common reporting format. He said several uses of ODS as process agents additional to those listed in Decision X/14 have been proposed, but have not yet been fully reviewed by the process agent task force.

INDIA, supported by CHINA and IRAN, said the TEAP report lacks sufficient detail to enable a meaningful evaluation. EGYPT called for clarification of the status of ODS used to remove impurities in aluminum production. CHINA said the list of ODS used as process agents should be expanded, and advocated specifying an allowed level of ODS emissions for all process agents.

The US reported that it had reached agreement with India to support the EC-proposed draft decision (UNEP/OzL.Pro.13/CRP.9), which requests the TEAP to present a full evaluation on ODS used as process agents to OEWG-22, with the understanding that sufficient information would be available in 2002 to amend the list of eligible process-agent uses. Delegates agreed to forward the draft decision to the high-level segment.

COMPLIANCE ISSUES: Maria Nolan (UK), President of the Implementation Committee, introduced draft decisions submitted by the Implementation Committee on compliance issues (UNEP/OzL.Pro.13/CRP.12). The first draft decision addressed Article 5 Parties (Bangladesh, Chad, Comoros, Dominican Republic, Honduras, Kenya, Mongolia, Niger, Nigeria, Oman, Papua New Guinea, Paraguay, Samoa and Solomon Islands) who had not submitted data for the initial CFC consumption freeze control period (1 July 1999 to 30 June 2000) and cautioned that measures would be applied if they failed to comply in the future. Other draft decisions addressed: the Russian Federation's efforts toward compliance, including ending CFC production in December 2000 and stopping ODS importation in March 2000; Armenia's non-compliance with data reporting for baseline determination; Kazakhstan and Tajikistan's consumption of Annex A and B substances without essential use exemptions; Argentina's non-compliance with the production freeze; and Belize, Cameroon, Ethiopia and Peru's non-compliance in the initial control period with the CFC consumption freeze.

The US expressed concern over non-compliance in the initial freeze period given the assistance provided through the Multilateral Fund. He emphasized that countries in non-compliance must adopt adequate monitoring schemes to ensure compliance.

OMAN noted that uncertainty over what consumption quantities were allowed had impeded its reporting and, noting efforts to reduce ODS consumption and import, requested that it be removed from the decision. SAMOA said it would provide the outstanding information and return to compliance as soon as possible. BANGLADESH noted efforts to phase out CFC consumption and projected a 50% reduction by 2002. BELIZE said delays in receiving financial assistance had hampered its compliance efforts, and highlighted its refrigeration management plan, training sessions for refrigerator technicians and a licensing system to be launched in November. He further noted that Belize's consumption baseline was underestimated.

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NIGERIA noted delays in compliance due to problems encountered in preparing its country programme. He highlighted Nigeria's import ban on second-hand equipment containing ODS and new licensing scheme. PERU and MEXICO stressed the importance of international aid for compliance. KENYA said it has a strategy for compliance in place and noted complications in sustaining the CFC freeze level in its foam-blowing industry as the replacement used was found to cause cancer. ARGENTINA said it hopes to be in compliance soon and highlighted its elaboration of an export and import licensing system.

ARMENIA said it had submitted the necessary data and expressed concern that this was not reflected. POLAND asked which ODS the Russian Federation had stopped importing and the RUSSIAN FEDERATION clarified that they were those in Annexes A and B. PAKISTAN remarked that the low cost of CFCs on the international market and relatively high cost of CFC substitutes impeded compliance, and called to remedy this situation.

BRAZIL said to "caution" Parties out of compliance was too strong, and called for weaker language. He also proposed that measures toward compliance specified in the draft decisions be deleted. The US opposed, noting that "caution" and specific measures had been included in previous compliance-related decisions. Implementation Committee President Nolan agreed with the US and supported adding the Russian Federation's clarification. The draft decisions were forwarded to the high-level segment.

REPORTING OF DATA: Delegates accepted the draft decision on data and information provided by Parties in accordance with Article 7 in UNEP/OzL.Pro.13/9, with the number of reporting Parties to be updated by the Secretariat.

RATIFICATION: Several delegates reported that they had recently submitted their instruments of ratification for various Amendments: the UK, for the Montreal and Beijing Amendments; the MALDIVES, for the Copenhagen and Montreal Amendments; NIGERIA, for the London, Copenhagen and Montreal Amendments; and TOGO for the Beijing Amendment. Delegates agreed to forward the draft decision on this item (UNEP/OzL.Pro.13/CRP.9) to the high-level segment.

EVALUATION STUDY ON THE FINANCIAL MECHANISM: Delegates accepted the EC-proposed draft decision calling for this study (UNEP/OzL.Pro.13/CRP.5), with JAPAN's addition of text requesting that the existing evaluation mechanisms in place within the UN system provide Parties with relevant findings on the management and functioning of the Mechanism. The draft decision was forwarded to the high-level segment.

REVIEW OF IMPLEMENTATION OF THE FIXED-EXCHANGE-RATE MECHANISM: Delegates considered an EC-proposed draft decision calling for a review of the fixed-exchange-rate mechanism (UNEP/OzL.Pro.13/CRP.13). INDIA called for the decision to state that the loss incurred due to the mechanism must be compensated for. The EC and JAPAN stated that this would be premature, as the mechanism remains in a trial period. BRAZIL, with NIGERIA, suggested adding that the review should explore ways to compensate for any shortfall. No consensus was reached and the EC withdrew its proposal.

N-PROPYL BROMIDE: Regarding the EC-proposed draft decision on n-propyl bromide (nPB) (UNEP/OzL.Pro.13/CRP.10), the US, supported by JAPAN, proposed deleting text on limiting the marketing and promotion of nPB, and proposed urging industry and users to "consider" limiting the use of nPB when more economically feasible and environmentally friendly alternatives are not available, rather than to "take precautionary action by" limiting its use. The decision was forwarded to the high-level segment.

OTHER MATTERS: A US draft decision directing UNEP to urgently hire an Executive Secretary for the Ozone Secretariat (UNEP/OzL.Pro.13/CRP.11) was supported and forwarded to the high-level segment.

PREPARATIONS FOR THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT (WSSD): Regarding the EC-proposed draft decision on preparing for WSSD (UNEP/OzL.Pro.13/CRP.14), delegates debated a paragraph on supporting collaboration on synergies between multilateral environmental agreements (MEAs). AUSTRALIA requested, and JAPAN opposed, deleting "synergies." Delegates agreed to retain "synergies" with US-proposed text clarifying support for "appropriate collaboration and synergies that may exist between MEAs as agreed by the Parties to those agreements."

Regarding text welcoming UNEP's work on ways to strengthen international environmental governance (IEG), IRAN preferred ways to "explore different aspects of" IEG. FINLAND said "strengthen" was UN General Assembly agreed language. Delegates supported an EC suggestion to welcome UNEP's work "in the framework of" IEG, and the draft decision was forwarded to the high-level segment.

TOR FOR THE STUDY OF THE 2003-2005 REPLENISHMENT OF THE MULTILATERAL FUND: BRAZIL reported that the closed contact group had reached agreement on a draft decision (UNEP/OzL.Pro.13/CRP.19). He explained that the group had reviewed an earlier G-77/China proposal and agreed that most of its concerns were covered by the existing guidelines and that any remaining concerns could be dealt with in future sensitivity analyses, as appropriate. Delegates agreed to forward the draft decision to the high-level segment, with the US' addition that the TEAP should take into account all control measures and relevant decisions of the Multilateral Fund Executive Committee when preparing its study.

ARTICLE 5 PARTY MINISTERS' MEETING

A high-level informal discussion for ministers from Article 5 countries was convened to exchange views on implementation of the Montreal Protocol. Shafqat Kakakhel, UNEP Deputy Executive Director, encouraged participants to identify whether impediments to compliance are financial, technical, political or institutional. Heinrich Kraus, Chair, Multilateral Fund Executive Committee, noted that the beginning of the compliance period for developing countries presents new challenges. Omar El-Arini, Chief Officer, Multilateral Fund, highlighted the need to remove barriers to technology transfer and combat illegal trade in ODS. He forecast that the price of CFCs will remain low for only two or three years and then substitutes will become more competitive. K. Madhava Sarma, Special Advisor to the UNEP Executive Director, described the availability of financing through the Multilateral Fund prior to the entry into force of obligations as an innovative feature of the Protocol. Maria Nolan, President, Implementation Committee, highlighted the importance of accurate and timely data reporting.

The ensuing discussion focused on, *inter alia*: competition between ministries and overlapping fields of responsibility; the need to prioritize the ozone issue; the impact of the low price of CFCs on their consumption and development of substitutes; the problem of illegal trade in ODS and dumping of second-hand ODS-containing equipment; the importance of technology transfer and information exchange; and the need to integrate ozone policies into national development strategies.

In closing, Sarma underscored that developing countries have a duty to ensure the continued success of the Montreal Protocol. He noted the Secretariat's intention to convene further high-level meetings to exchange views on Protocol implementation.

IN THE CORRIDORS

Delegates were discussing the lively Plenary debate on compliance, which applies to Article 5 Parties for the first time. Several delegates characterized the strong reactions by some Article 5 Parties to seeing their names listed as out of compliance as a positive sign, demonstrating the effectiveness of "name-and-shame."

THINGS TO LOOK FOR TODAY

PREPARATORY SEGMENT: The preparatory segment will resume at 8:30 am to conclude deliberations on, *inter alia*, the financial statement and budget for the Trust Fund, procedures to assess the ODP of new ODS, and other matters.

HIGH-LEVEL SEGMENT: The high-level segment will commence at 10:00 am with statements by Hon. Ratnasiri Wickremanayeke, Prime Minister of Sri Lanka; Shafqat Kakakhel, UNEP Deputy Executive Director; Milton Catelin, MOP-12 President; and others.