



MOP-13 HIGHLIGHTS THURSDAY, 18 OCTOBER 2001

The high-level segment opened in the morning with cultural performances and statements by dignitaries, and continued in the afternoon with statements from, *inter alia*, the Assessment Panels, implementing agencies and delegations. The preparatory segment resumed early in the morning and in the afternoon to complete outstanding work.

HIGH-LEVEL SEGMENT

OPENING CEREMONY: Following cultural performances, Milton Catelin (Australia), MOP-12 President, opened the high-level segment. He urged Parties to ratify the Protocol's amendments and expressed concern over the delay in appointing the new Ozone Secretariat Executive Secretary.

Dinesh Gunawardena, Sri Lankan Minister of Transport and Environment, commented that Sri Lanka is ahead of schedule in meeting its Montreal Protocol obligations. Noting Sri Lanka's concern over climate change as a small island State, he underscored cooperation among developed and developing countries.

Shafqat Kakakhel, UNEP Deputy Executive Director, welcomed delegates on behalf of UNEP Executive Director Klaus Töpfer, and thanked Sri Lanka for its hospitality. He said the low cost of CFCs and the export of used CFC-dependent equipment to developing countries may impede Article 5 Party compliance. He urged the Multilateral Fund to facilitate accelerated reduction of CFC production in Article 5 Parties. He flagged illegal trade and new ODS as additional challenges to the ozone layer's recovery.

Ratnasiri Wickremanayake, Prime Minister of Sri Lanka, welcomed delegates to Sri Lanka and underscored the importance of strengthened international cooperation to protect the ozone layer. He stated that Sri Lanka uses relatively small amounts of CFCs and plans to phase them out by 2005, and has already implemented regulations to control ODS imports. He assured delegates that Sri Lanka would meet its commitment to protecting the ozone layer, and appealed to the global community to do the same.

MOP-12 President Catelin paid tribute to Patrick Széll (UK) and Heinrich Kraus (Germany), who are retiring from the ozone process, lauding their contributions to protecting the ozone layer.

ORGANIZATIONAL MATTERS: Delegates elected by acclamation Katana Ngala (Kenya) as MOP-13 President. They also elected to the Bureau as Vice-Presidents Dinesh Gunewardana (Sri Lanka), Jirí Hlaváček (Czech Republic) and Bishnu Tulsie (St. Lucia), and Laurence Mussett (France) as Rapporteur. Delegates then adopted the provisional agenda (UNEP/OzL.Pro/13/1).

ASSESSMENT PANEL PRESENTATIONS: Scientific Assessment Panel (SAP): The SAP Co-Chair outlined progress on the 2002 Scientific Assessment of Ozone Depletion, which will include chapters on: controlled substances and other source gases; very short-lived substances; polar ozone; global ozone; and surface UV radiation.

Environmental Effects Panel: The Panel Co-Chair discussed increases in skin cancer associated with ozone depletion and highlighted interactions with climate change, emphasizing that the incidence of skin cancer would increase with rising temperatures.

Technology and Economic Assessment Panel (TEAP): The Technical Options Committees (TOCs) delivered progress reports. The aerosols TOC noted that, other than for MDIs, there are no technical barriers to transitioning to alternatives, and that CFC use for MDI manufacture in non-Article 5 countries has fallen by 30% since 1996.

The solvents TOC noted that, with the European phase out scheduled for 2005, efforts have focused on implementing stringent regulations for trichloroethylene. The TOC is cataloguing suitable alternatives to HCFCs consistent with EC regulations. The foams TOC noted substantial developing country progress in phasing out CFCs in the foams sector, although financial constraints of small- and medium-sized enterprises impede progress. The availability of HCFCs after phase out in developed countries could also become an issue for developing countries.

The refrigeration TOC noted that: HFCs have been a significant part of the transition; hydrocarbon use continues to increase in domestic and other sub-sectors of commercial refrigeration; ammonia use as an alternative to HCFCs is growing; and research and development of carbon dioxide continues although commercialization is uncertain. The methyl bromide TOC noted good progress toward methyl bromide replacement, but said registration requirements remain the primary constraint.

IMPLEMENTING AGENCY STATEMENTS: UNDP noted that it has disbursed US\$214 million to fund ODS reduction projects and is currently implementing over 1,440 projects in 78 countries to eliminate an estimated 41,500 tonnes of ODS. She highlighted UNDP's refrigerator management plan (RMP) framework and the approval of US\$6.6 million for projects to eliminate methyl bromide. UNEP said it assists Article 5 countries with non-investment activities through its OzonAction programme, and highlighted its efforts to, *inter alia*, assist low volume-consuming countries to establish RMPs, and help both Parties and non-Parties to prepare country programmes. It is also working to secure universal ratification of the Protocol by 2002.

UNIDO highlighted support to enterprises in Article 5 countries through technological innovation and said it has demonstration projects on meeting freeze targets in 23 countries. UNIDO has 743 projects in over 60 countries totaling US\$241 million that will phase out 28,465 ODP tonnes. The WORLD BANK reported that it has completed projects resulting in the phase out of 110,000 ODP tonnes. He explained that the Bank assists Article 5 countries with Protocol implementation by combining investment with non-investment opportunities to help ensure that their ODS phase-out targets are obtainable.

MULTILATERAL FUND REPORT: The Multilateral Fund Executive Committee Chair Heinrich Kraus outlined the Committee's report (UNEP/OzL.Pro/13/7), noting that the Fund approved US\$86 million to eliminate 6,600 ODP tonnes in the past

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year. He said the Fund is shifting its focus from global level decreases to individual country compliance, and has adopted a new strategic planning framework. He stressed the need for urgent action to ensure Article 5 country compliance with the 2002 halon and methyl bromide freezes.

IMPLEMENTATION COMMITTEE REPORT: Implementation Committee President Maria Nolan (UK) reported that, during its two meetings, the Committee considered data reporting, compliance, and interaction with the Multilateral Fund's Executive Committee. She noted that the Committee requested the Secretariat to send warning letters to, and request explanations from, Parties potentially in non-compliance, and also considered, *inter alia*, draft decisions on 24 Parties in various stages of non-compliance (UNEP/OzL.Pro/CRP.12).

DELEGATION STATEMENTS: KENYA underscored the importance of the 2003-2005 Multilateral Fund replenishment for enabling Article 5 Parties to comply with their control measures. BURKINA FASO said its ODS consumption had declined significantly since 1999, but the export of CFC-based products to developing countries impedes phase-out efforts. He said transfer of non-obsolete, affordable technology is necessary to reduce ODS consumption. JAPAN highlighted a bilateral cooperation initiative to support South Asian and other developing countries in formulating compliance strategies, and announced that the initiative's pilot project will be in Sri Lanka.

TOGO stressed the need for ozone protection efforts to address poverty. He highlighted national activities to accelerate ODS elimination, support recovery and recycling programmes, and provide information on alternatives to users. INDIA noted its efforts to facilitate compliance, including a licensing system to regulate trade in ODS and a ban on ODS trade with non-Parties. He highlighted solvents, refrigeration servicing and process agents as remaining challenges. He urged the replenishment to take all Article 5 country concerns and financial requirements into account. MONGOLIA highlighted its licensing system, institutional strengthening projects, annual inventories, public awareness campaigns, train-the-trainers workshop for customs officers, and other measures to reduce ODS consumption.

PREPARATORY SEGMENT

TOC NOMINATIONS: Delegates endorsed the nominations of Nahum Marban-Mendoza (Mexico) and Miguel Wenceslao Quintero (Colombia) as Co-Chairs of the Methyl Bromide and Foams TOCs, respectively.

APPLICATION PROCEDURES FOR METHYL BROMIDE CRITICAL-USE EXEMPTIONS: AUSTRALIA introduced a draft decision (UNEP/OzL.Pro.13/CRP.18) prepared by the contact group on this issue. She noted that, without timely guidance, countries might submit non-uniform information, making it difficult to review requests equitably. She outlined basic information items that should comprise any exemption request, and highlighted the draft decision's call for the TEAP to prepare a handbook on critical-use nomination procedures and finalize a consolidated list of alternatives. The EC supported the draft decision, but stated that uses other than soil and quarantine and pre-shipment should also be covered, and that quantities should be given in kilograms. After consultations, Parties agreed to forward an amended draft decision to the high-level segment.

TRIBUTE TO THE HOST COUNTRY: Delegates forwarded to the high-level segment a draft decision (UNEP/OzL.Pro.13/CRP.17) thanking Sri Lanka for its hospitality.

FINANCIAL AND BUDGET MATTERS: The CZECH REPUBLIC reported on informal discussions on the financial report of the Trust Fund and the proposed 2002 and 2003 budgets. He noted that the budgets would achieve the goal of zero nominal growth and that the unspent balance from 2000 would be used in 2002-2003. MOP-14 will review the operating surplus. JAPAN stated that it preferred using the unspent balance at once. Delegates forwarded the draft decision to the high-level segment.

PREPARATION OF DRAFT DECISIONS: JAPAN supported a US-proposed draft decision (UNEP/OzL.Pro.13/CRP.6) inviting the Secretariat to refrain from preparing draft decisions on non-administrative issues or unless requested by Parties. BELGIUM, for the EU, supported the proposal but suggested that it be noted in the report rather than in a decision.

PROCEDURES FOR ASSESSING NEW SUBSTANCES'

ODP: The EC introduced a revised draft decision (UNEP/OzL.Pro.13/CRP.7/Rev.1) combining the previous EC and US proposals, which he said represents significant progress in working with industry. Delegates forwarded the draft decision to the high-level segment.

EXPEDITED PROCEDURES FOR ADDING NEW SUBSTANCES: The EC introduced a draft decision (UNEP/OzL.Pro.13/CRP.8) highlighting a request for the Legal Drafting Group to report to MOP-14, based on precedents compiled by the Secretariat, on ways to harmonize procedures for adding new substances with those of the Stockholm Convention on POPs and, as appropriate, other conventions. Patrick Széll, Legal Drafting Group Chair, said that expedited procedures for adding new substances would represent a significant change and require thorough consideration by the Group. The US and AUSTRALIA opposed the draft decision. SWITZERLAND supported it, underscoring that it simply requested a study to inform future debate. Following consultations, the EC proposed simply requesting the Secretariat to report to OEWG-22 on precedents in other conventions. Delegates forwarded the draft decision to the high-level segment as amended.

REVIEW OF THE FIXED-EXCHANGE-RATE MECHANISM: Recalling that it had withdrawn its previous proposal, the EU introduced a revised draft decision (UNEP/OzL.Pro.13/CRP.13/Rev.1) which incorporated Parties' concerns. Delegates forwarded it to the high-level segment.

AD HOC WORKING GROUP ON THE 2003-2005 MULTILATERAL FUND REPLENISHMENT: Introducing a proposal (UNEP/OzL.Pro.13/CRP.20) to establish an *Ad Hoc* Working Group on the 2003-2005 replenishment, NIGERIA recalled that such a group had been established at MOP-10 to work with the TEAP to review the 2000-2003 replenishment study. Following discussion on its timing, mandate and membership, delegates agreed to establish the Group, which would meet following OEWG-22 to provide initial feedback to the TEAP and advice on sensitivity analyses. Delegates also agreed that the Group will be composed of the Chair and members of the contact group on terms of reference for the Multilateral Fund replenishment study, plus a non-Article 5 Party Co-Chair. The draft decision was forwarded to the high-level segment as amended. GREENPEACE urged accelerated elimination of CFC consumption in developing countries and proposed that the replenishment study examine availability of funds to support such efforts. He proposed that CFC production in non-Article 5 Parties be summarily ended for WSSD.

IMPLEMENTATION COMMITTEE MEMBERSHIP: The Secretariat announced the nominations to the Implementation Committee for 2001-2003: Australia for non-Article 5 Parties, and Bangladesh, Bolivia, Bulgaria, Ghana and Jamaica for Article 5 Parties. Bangladesh will serve as President and Australia as Vice-President and Rapporteur.

EXECUTIVE COMMITTEE MEMBERSHIP: The Secretariat announced the nomination of Canada, Finland, France, Japan, the Netherlands, Poland and the US as non-Article 5 members, and Nigeria, Burundi, Tanzania, China, Syria, Colombia and El Salvador as Article 5 members. Nigeria will serve as Chair and Japan as Vice-Chair.

OPEN-ENDED WORKING GROUP CHAIRS: The Secretariat noted Milton Catelin (Australia) and Aloysius Kamperewera (Malawi) were nominated as OEWG Co-Chairs for 2001-2002.

IN THE CORRIDORS

The corridors were abuzz with activity Thursday, but more with the sampling of Sri Lankan tea and purchase of handicrafts than with debate on the negotiations. There was informal talk among some delegates, however, on how to tackle the problem of low-cost CFCs, with suggestions that MOP-14 might consider accelerating the phase out of CFC production allowances for meeting the basic needs of Article 5 Parties.

THINGS TO LOOK FOR TODAY

PLENARY: The high-level segment will continue at 10:00 am. Following delegation statements, delegates will consider the report of the preparatory segment and adopt decisions.