



MOP-15 HIGHLIGHTS: MONDAY, 10 NOVEMBER 2003

On the first day of the preparatory segment of the MOP-15, which was co-chaired by Khaled Klaly (Syrian Arab Republic) and Maria Nolan (UK), Co-Chairs of the Open-Ended Working Group of the Parties to the Montreal Protocol (OEWG), delegates met in Plenary to hear opening addresses, adopt the agenda and discuss the issues and draft decisions on: a study on the management of the financial mechanism of the Montreal Protocol; various issues relating to exemptions of ozone-depleting substances (ODS) from the control measures; implications of entry into force of the Beijing Amendment; and specific interim reductions of methyl bromide. The contact group on phase-out of methyl bromide and the contact group on CFC metered-dose inhalers (MDIs) met in the afternoon.

OPENING CEREMONY

Newton Kulundu, Minister for Environment, Natural Resources and Wildlife, Kenya, said that the lengthy agenda before this meeting is the testimony of the importance of the ozone issue. He credited his country's achievements in ozone protection to donor countries and implementing agencies for their financial and technical assistance. He noted the need for granting critical-use exemptions (CUEs) for methyl bromide to developing countries.

Marco González, Executive Secretary of the Ozone Secretariat, extended a welcome to all participants on behalf of Klaus Töpfer, Executive Director of UNEP. He outlined the key issues of the preparatory segment, in particular: terms of references for the study on the management of the financial mechanism of the Montreal Protocol; exemptions of ODS from the control measures, particularly of methyl bromide and MDIs; implications of entry into force of the Beijing Amendment; reporting of data; status of destruction technologies for ODS and code of good housekeeping; and plan of action to modify regulatory requirements that mandate the use of halons in new airframes.

PLENARY

ADOPTION OF AGENDA: Under the item of conditions for granting CUEs for methyl bromide, Co-Chair Maria Nolan proposed including two draft decisions: one by Algeria and Tunisia on phase-out of methyl bromide, and another one by the Dominican Republic on the conditions for granting CUEs for methyl bromide. CANADA asked for reserving under "other matters" a possibility to discuss two draft decisions: one relating to information provided by the Secretariat on the administration of the Trust Funds of the Vienna Convention and the Montreal Protocol; and another requesting the Technical and Economic Assessment Panel (TEAP) to carry out a study on CFCs to meet domestic needs. CHINA suggested including in the agenda possible new use of process agents. The agenda was approved with these additions.

STUDY ON THE MANAGEMENT OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL: The Ozone Secretariat introduced the draft decision with the terms of reference for the study (UNEP/OzL.Pro/WG.1/23/5). The draft decision was originally submitted by Australia, Japan, and the

European Union (EU). JAPAN sought clarification on funding the study. ITALY, for the EU, suggested postponing substantive discussion on the issue until the EU submits a formal conference room paper (CRP). In the afternoon, the EU presented the revised draft decision (UNEP/OzL.Pro.15/CRP.4) and Parties agreed to the Japan's suggestion to add the words "up to" before the figure of US\$500,000 for funding the study. The draft decision was approved.

EXEMPTIONS OF ODS FROM THE CONTROL

MEASURES: Nominations for Critical-Use Exemptions for

Methyl Bromide: Parties discussed the proposal by Algeria and Tunisia regarding the phase-out of methyl bromide that is used to fumigate fresh dates, and the non-availability of feasible alternatives. ALGERIA and TUNISIA confirmed their desire to remain in compliance with the Montreal Protocol and appealed to Parties to assist in finding a solution. JAPAN, supported by several countries, suggested TEAP to analyze the issue, so that Parties would be in a better position to decide, and noted that the question of compliance could be examined later. AUSTRALIA, EGYPT, KENYA, the EU and others expressed understanding for the predicament of certain countries, with GUATEMALA, JORDAN and NIGERIA lending full support to the proposal. SWITZERLAND proposed that TEAP establish whether alternatives exist, and the Implementation Committee take up the issue on a priority basis. A small contact group of interested Parties, led by Tunisia, met over lunch, and reported on progress made towards having the draft decision ready by Tuesday.

Presentation by the TEAP/MBTOC: TEAP Co-Chair Jonathan Banks (Australia) presented the TEAP Supplementary Report on 2003 Critical-Use Nominations (CUNs). The report indicates that 12 Parties nominated a total number of 95 CUNs with a total of 14,903 metric tonnes of methyl bromide. The TEAP/MBTOC recommends that CUNs be approved for one year only, noting that approval of CUNs for more than that may discourage further development and adoption of alternatives. In the report, TEAP/MBTOC classified the CUNs into four categories, namely: recommended, noted, unable to recommend, and unable to evaluate. He said the TEAP/MBTOC seeks guidance from Parties on issues, including: common measures of economic feasibility; accounting guidelines for annual reporting; and treatment of nominations for use greater than historical. It also seeks information from alternative suppliers on validation that critical methyl bromide uses can be eliminated.

Conditions for Granting CUEs for Methyl Bromide: Delegates debated over a proposal presented by the Dominican Republic to the OEWG-23 on granting CUEs for methyl bromide as well as a request to TEAP to evaluate the economic and environmental implications of such exemptions. COSTA RICA, KENYA, and TUNISIA supported the proposal, emphasizing the need for granting exemptions to Article 5 Parties. BRAZIL said each country's social and economic circumstances should be taken into account, and with ARGENTINA, proposed an exemption period for no more than one year. The EU expressed its appreciation of the difficulty faced by some countries to phase out methyl bromide,

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and suggested a contact group to further elaborate the proposal. The US stressed the need to establish a mechanism to encourage Parties to phase out methyl bromide. CANADA was of the view that Article 5 Parties and non-Article 5 Parties should be dealt with separately. BURKINA FASO said that close discussion should be held with the World Bank and the International Monetary Fund to conciliate issues relating to methyl bromide, the environment, development and privatization plans. SWITZERLAND pointed out the need for a study carried out by TEAP on the economic impact on Article 5 Parties of exemptions for methyl bromide; criteria for approving exemptions under Article 2 (control measures); and a homogeneous solution to be proposed by the Executive Committee for Article 5 Parties, which face difficulties in phasing-out methyl bromide. CHINA said that TEAP should conduct a study on whether alternative technology was available and, with EL SALVADOR, suggested the establishment of a contact group to further discuss the issue. Co-Chair Klaly established a contact group facilitated by the Dominican Republic, and asked it to report back to Plenary on Wednesday morning.

Essential Uses of Controlled Substances: The Secretariat said that seven Parties have requested essential-use exemptions for MDIs for 2004 and 2005. He noted that Poland's request also included essential-use exemption for laboratory and analytical uses. TEAP's recommendations to approve the requests were considered by OEWG-23, which also recommended their approval by MOP-15. Addressing Poland's 2004 and 2005 allocation for essential-use exemption of CFC MDIs, the European Commission asked Parties to transfer such nominations to it, in accordance with Poland's accession. On the nomination submitted by the US, the EU and SWITZERLAND enquired why it asked for an amount larger than the one consumed in 2002. The US answered that its nomination took into account the worse-case scenario of CFC MDIs demand for producing life-saving drugs for its citizens. The draft decision was approved.

Promoting the Closure of Essential-Use Nominations for MDIs: New Zealand said it has made strong progress in the transition to CFC-free MDIs, but noted it could not support the proposal. The EU presented a draft decision aiming at strengthening the procedures for evaluating and authorizing essential-use volumes, and thereby promoting the phase-out of CFC-based MDIs as soon as possible. AUSTRALIA, NIGERIA and SWITZERLAND, welcomed a timely transition to CFC-free MDIs. The US supported CFC MDI phase-out, but was concerned about its adverse impacts on public health, and objected to setting a phase-out deadline for 2007. CANADA pointed out that not all countries have the same system of delivering health care or approving drugs, which might cause some difficulties in the phase-out of MDIs. NEW ZEALAND said it has made strong progress in the transition to CFC-free MDIs. The RUSSIAN FEDERATION emphasized that MDI products have to be provided at acceptable prices, noting that new CFC-free MDIs are extremely expensive. CHINA, supported by BRAZIL and IRAN, argued that it would be unrealistic to phase out CFC MDIs before the proposed deadline, and that the proposed draft decision should only be applicable to Article 2 Parties. The International Pharmaceutical Aerosol Consortium supported the EU proposal, and noted it has been investing resources in research and development of alternatives for CFC MDIs. Co-Chair Klaly established a contact group, facilitated by the EU and Canada, to examine the proposal, suggest an appropriate timeframe for the phase-out of CFC MDIs, and report back to Plenary on Wednesday morning.

Review of Additional Exempted Uses of Controlled Substances as Process Agents: Co-Chair Nolan said that, at OEWG-23, the US introduced two draft decisions regarding process agents, and noted that in this meeting Argentina presented a proposal on the use of bromochloromethane (BCM) for the production of Losartan as a process agent.

The US explained the two draft decisions: one requested TEAP to annually review Parties' requests to add new processes to the list of process agents contained in Decision X/14; and the other contained a proposal for a revised Table A of Decision X/14, listing

the approved uses of controlled substances as process agents. Gary Taylor, Chair of the Process Agent Task Force, said that TEAP established a task force to deal with process agents because all decisions relating to the issue were time limited. He recalled that Parties have not made any requests to the task force since its 2002 report, and noted that TEAP proposed a new Chemical Technical Committee to classify newly identified feedstock and process agent uses, and update solvents and other chemical topical. Noting that at OEWG-23 some Parties expressed concern and made suggestions relating to the two proposals, the US will submit on Tuesday a revised draft decision containing both of its proposals. The RUSSIAN FEDERATION noted the lack of information on the impacts of the process agents on the ozone layer. Co-Chair Nolan said that the issue will be discussed when the US presents its revised proposal.

Laboratory and Analytical Uses: The US explained its proposal on extending the global laboratory and analytical use exemption outlined in decisions IX/7 and X/19 to include Annex C, Group II and Group III substances. He also reported that there is a counterproposal, and an attempt is underway to prepare a consolidated CRP draft decision to be submitted to the meeting on Tuesday.

IMPLICATIONS OF ENTRY INTO FORCE OF THE BEIJING AMENDMENT: The US reported that, on Saturday, 8 November, 33 countries participated in the contact group on the issue. He said the session was productive and the contact group will report to the Plenary on Tuesday.

FURTHER SPECIFIC INTERIM REDUCTIONS OF METHYL BROMIDE: The EU presented its proposal for an adjustment of the Montreal Protocol for further specific interim reductions of methyl bromide, applicable to Article 5 Parties. CHILE, MEXICO and HONDURAS suggested that this was a complicated matter, which would be best dealt with after solving the issue relating to CUNs for methyl bromide. CANADA expressed concern with the suggested schedule and the amounts of methyl bromide to be eliminated. CHINA said that the timetable for the phase-out of methyl bromide is unrealistic.

IN THE BREEZEWAYS

Negotiations started at a brisk pace on Monday morning. Following a well-established tradition, delegates continuously broke away into contact groups to hammer out compromise drafts. The groups proved, yet again, their effectiveness.

However, ambitious plans to phase out methyl bromide and CFC MDIs seem to meet resistance, in view of their immediate social and medical consequences. In the words of one delegate, "Science is not keeping up with implementation", thus pushing countries like Tunisia and Algeria into non-compliance, as there seem to be no suitable substitutes for methyl bromide for treating fresh dates.

While the European Union and powerful multinational producers insisted on a closure scenario for MDIs, Russia made a plea for retaining the possibility for millions of asthma sufferers to reach out to currently available cheap alternatives. The US and China have also voiced strong objections.

THINGS TO LOOK FOR TODAY

PLENARY: Plenary will convene at 10:00 am and 3:00 pm in Conference Room 2 to address, *inter alia*: amendment of the Montreal Protocol regarding the deadline for annual data reporting; status of destruction technologies for ODS; and plan of action relating to the use of halons in new airframes.

CONTACT GROUPS: The contact group on phase-out of methyl bromide has been scheduled to meet in Conference Room 7 at 3:00 pm, the contact group on conditions for granting CUEs for methyl bromide will meet in Conference Room 8 at 2:00 pm, and the contact group on CFC MDIs will convene at a time to be announced. The Budget Committee will convene in Conference Room 7 at 1:00 pm. The Executive Committee will meet in Conference Room 3 at 1:00 pm.