



MOP-16 HIGHLIGHTS: MONDAY, 22 NOVEMBER 2004

The Sixteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP-16) began on Monday morning with opening speeches, followed by the adoption of the agenda and agreement on the organization of work. Delegates then took up issues arising out of the reports of the Technology and Economic Assessment Panel (TEAP). In the afternoon, delegates resumed their consideration of TEAP-related matters before turning to the agenda item on methyl bromide.

OPENING OF THE PREPARATORY SEGMENT

MOP-16's preparatory segment began with opening presentations from representatives of the host country and UNEP. Janusz Kozakiewicz (Poland), the co-chair of the Open-ended Working Group (OEWG), was elected chair of MOP-16's preparatory segment.

UNEP Deputy Executive Director Shafqat Kakakhel highlighted progress in dealing with the ozone challenge since the adoption of the Montreal Protocol in 1987, and commended countries that recently ratified the Protocol and its amendments. He then drew attention to six main topics on MOP-16's agenda: issues arising out of TEAP reports; methyl bromide; the Multilateral Fund; ratification, data reporting, compliance, and international and illegal trade; membership of various bodies and committees; and administrative and financial matters. He also highlighted a proposed amendment and adjustments to the Montreal Protocol by the European Community (EC).

Libor Ambrozek, Minister of Environment of the Czech Republic, called for a collective approach to applying the precautionary principle. He urged delegates to work in a spirit of consensus and to heed the recommendations of the recent Scientific Symposium.

ORGANIZATIONAL MATTERS: Chair Kozakiewicz introduced the meeting's agenda (UNEP/OzL.Pro.16/1). Delegates adopted the agenda with amendments proposed by the EU, Georgia, the EC and the Executive Secretary. Delegates also agreed on the organization of work for the meeting.

TEAP REPORTS

Delegates took up the agenda item on issues arising out of the reports of the TEAP, starting with briefings on several reports.

BASIC DOMESTIC NEEDS: TEAP Co-Chair Lambert Kuijpers (Netherlands) presented the report of the TEAP Basic Domestic Needs Task Force. Noting the lack of reliable data on basic domestic needs production requirements, he called on Parties to examine their data reporting systems.

PROCESS AGENTS: TEAP members Ian Rae, Masaaki Yamabe and José Pons presented on the work of the Process Agents Task Force under MOP-15 Decision XV/7, which

requested TEAP to review and make recommendations for changes to the list of process agent uses in Table A of Decision X/14. Rae and Yamabe presented on nine nominations submitted by five Parties. Pons urged Parties to clarify whether the process agent uses in Table A for which there are alternatives should be approved for both Article 5 and non-Article 5 Parties. He said the inclusion of process agents in Table A should not be seen as giving non-Article 5 Parties an option to use them, but should actually facilitate their phase out, with help from the Multilateral Fund.

HALONS: The Halons Technical Options Committee (HTOC) interim Co-Chair David Catchpole reported on discussions with the International Civil Aviation Organization (ICAO), as authorized by Decision XV/11, on moving away from mandating halon use in airframes. He noted that, as a result of these discussions, ICAO will issue regulations requiring the use of alternatives in new aircraft designs in 2009.

METHYL BROMIDE: Jonathan Banks, Co-Chair of the Methyl Bromide Technical Options Committee (MBOC), pointed out that, rather than reducing the quantities nominated for CUEs in 2006 compared with 2005, some nominations actually sought to increase them. He emphasized that TEAP's recommendations to grant less than the quantity nominated, typically 20% less, were based on the assumed use of virtually impermeable films (VIFs), higher chloropicrin proportions, or phasing-in of alternatives. He underscored, *inter alia*: that local regulations and/or alternatives' registration status were the major reasons for recommending CUEs; the difficulty of assessing the methyl bromide need for nursery and propagation stocks; and the inability of TEAP to take into account reduced frequency of methyl bromide use when considering only single-year CUEs. He said the handbook on CUNs for methyl bromide, which includes an accounting framework and an annual reporting form, has been revised to incorporate the decisions and guidance from the Extraordinary MOP, and awaits incorporation of decisions taken at this meeting.

QUESTION-AND-ANSWER SESSION: Delegates were given an opportunity to comment on the four TEAP reports that had been presented. CHINA expressed concerns about carbon tetrachloride phase-out, questioning whether it was on schedule, while KUWAIT suggested a code of practice for refrigerants and further guidance on alternatives. The ENVIRONMENTAL INVESTIGATION AGENCY, an NGO, expressed concerns over the data used in the basic domestic needs study, urging further consideration of market forces. He called for a study of the CFC market, drawing attention to illegal CFC production and trade, a supply surplus that has kept CFC prices from rising, and slower-than-expected take-up of alternatives.

Later in the day, Chair Kozakiewicz returned to issues of basic domestic needs, halons, and process agents, formally introducing TEAP's assessment of the availability of supply of CFCs and



carbon tetrachloride required for basic domestic needs of Article 5 Parties for 2004-2010; the development of an action plan for modification of regulatory requirements on halon use in new airframes; and the review of requests for consideration of specific process agent uses. On process agent uses, the EC proposed deferring its consideration until OEWG-25 due to insufficient information.

RECOMMENDATIONS FROM OEWG-24: Following the initial TEAP briefings, delegates considered relevant recommendations emerging from OEWG-24.

Essential-Use Nominations for Non-Article 5 Parties: The EC introduced a draft decision on essential-use nominations for 2005 and 2006 exemptions for non-Article 5 Parties (UNEP/OzL.Pro.16/CRP.3). He noted that the proposal had been endorsed by the International Pharmaceutical Aerosol Consortium and the US Stakeholder Group on MDI Transition. MAURITANIA supported the EC proposal. Stressing that the issue of essential-use nominations had been negotiated at length at MOP-15, AUSTRALIA, supported by CANADA, ARGENTINA and JAPAN, suggested that the issue not be reopened until after there is a report of progress in implementing Decision XV/5 on promoting the closure of essential-use nominations for metered-dose inhalers (MDIs). The US agreed, and outlined the status of domestic implementation of decision XV/5. SWITZERLAND said the EC draft decision relates to the medium term and requires further definition. The EC stressed that information contained in Parties' plans of action for phase out of CFCs for salbutamol inhalers, in particular clarification of the CFC stock levels held by manufacturing firms, will provide a key input into TEAP decision making on essential-use exemptions. The RUSSIAN FEDERATION provided information in support of an essential-use nomination for 2005 presented at OEWG-24.

Chillers and non-CFC Equipment: Chair Kozakiewicz introduced a draft decision on assessment of the portion of the refrigeration service sector made up by chillers and transition to non-CFC equipment (NEP/OzL.Pro.16/3). Responding to a proposal by Cuba on the funding of additional demonstration projects, the US noted that incremental costs incurred in converting chillers are ineligible for funding, and that such projects cannot be funded in all countries.

Carbon Tetrachloride Emissions: The EC introduced a draft decision on sources of carbon tetrachloride emissions and means of reducing such emissions (UNEP/OzL.Pro.16/3). Parties decided to forward the decision to the high-level segment for its consideration.

Review of Approved Destruction Technologies: CANADA introduced a draft decision on the review of approved destruction technologies (UNEP/OzL.Pro.16/3). Parties decided to forward it to the high-level segment.

METHYL BROMIDE

EC PROPOSAL ON INTERIM REDUCTIONS FOR

METHYL BROMIDE: The EC introduced its proposed adjustment to the Montreal Protocol to introduce further interim reductions on methyl bromide for Article 5 Parties. Noting a graph illustrating the high level of compliance by Article 5 Parties, he proposed forming a contact group on this issue. KENYA, JORDAN, TUNISIA, MOROCCO and IRAN opposed adopting interim reductions, stating that alternatives are not available for all uses. BRAZIL, ARGENTINA and MEXICO said it would be premature to create a contact group on interim reductions, and the BAHAMAS proposed deferring consideration of interim reductions to 2007-2008. BRAZIL and others suggested discussing the issue as a "possible scenario" under the replenishment of the Multi-lateral Fund. Stressing the lack of consensus on establishing interim measures, COLOMBIA and JAPAN opposed this idea. Chair Kozakiewicz suggested Parties consult informally on this issue.

TRADE IN PRODUCTS TREATED WITH METHYL

BROMIDE: KENYA introduced a draft decision on trade in products or commodities treated with methyl bromide (UNEP/OzL/Pro.16/3). Emphasizing the importance of agriculture to developing countries, he argued that, as long as countries comply with the Montreal Protocol, there should be no trade barriers to products treated with methyl bromide. While 13 countries supported the draft decision, SWITZERLAND, JAPAN and CHINA expressed concerns about, *inter alia*: the lack of specificity in the decision; implications for international law and other relevant Protocol provisions; and the possible desirability of trade barriers in the long run to encourage a full methyl bromide phase-out. Given the relatively widespread support for the decision, Chair Kozakiewicz suggested Kenya consult with interested Parties on the issue.

SUPPORT FOR METHYL BROMIDE ALTERNATIVES:

Chair Kozakiewicz recalled that the issue of technical and financial support relating to methyl bromide had been introduced at the Extraordinary MOP in March 2004, and that Burkina Faso had subsequently raised the matter at OEWG-24, resulting in a draft decision (UNEP/OzL.Pro.16/3), which remains in brackets. The US raised concerns about interpretation of the decision and its cost implications, and Chair Kozakiewicz requested the US and Burkina Faso to draft a decision that satisfied interested Parties' concerns.

CRITICAL USE EXEMPTIONS FOR METHYL

BROMIDE: Chair Kozakiewicz introduced the item on recommendations of the MBTOC on nominations for critical use exemptions for methyl bromide. CANADA, supported by the US and AUSTRALIA, expressed disappointment with the report, arguing that the proposed 20% cuts in CUEs were arbitrary. The US and AUSTRALIA added that the Working Group should not engage in policy making and that economic considerations had not been taken into account.

AUSTRALIA further noted inconsistencies in the treatment of CUNs. Jonathan Banks replied that the CUNs had been assessed on an individual basis and that the Group did not seek to make policy recommendations.

The EC supported a case-by-case approach to granting CUEs. NEW ZEALAND stressed the need to be open to reduction levels less stringent than 20% for future CUE rounds. JAPAN stressed that it is the responsibility of the Parties to prove whether the MBTOC's recommendations are feasible. BRAZIL questioned the consistency of arguments used to justify recommended CUEs in the MBTOC report. The NATURAL RESOURCES DEFENSE COUNCIL said the MBTOC should consider recent use levels when assessing CUNs.

SWITZERLAND urged Parties to respect the MBTOC's mandate to undertake technical assessments, and CUBA said the MBTOC report provides a technical basis for discussion. Chair Kozakiewicz proposed the establishment of a contact group to discuss methyl bromide CUEs, and interested Parties agreed to meet and elect co-chairs on Tuesday.

IN THE CORRIDORS

Participants were reflecting Monday evening on a somewhat "flat" and "dull" opening day. However, some feared the quiet start was just the calm before the storm, and not cause for optimism that MOP-16 would be a smooth and uneventful ride. In particular, delegates voiced concerns that controversies over methyl bromide and possibly metered-dose inhalers could emerge once contact groups begin to meet. Methyl bromide again loomed as the biggest minefield, with CUEs for 2006 and the role and mandate of the MBTOC likely to prove especially difficult. In spite of these concerns, several delegates seemed determined that there should not be a repeat of the "MOP-15 meltdown."