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**Open-ended Working Group of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**
Twenty-fifth meeting
Montreal, 27–30 June 2005

**Report of the twenty-fifth meeting of the Open-ended Working
Group of the Parties to the Montreal Protocol**

I. Opening of the meeting

1. The twenty-fifth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer was held in Montreal, from 27 to 30 June 2005. The meeting was co-chaired by Mr. David Okioga (Kenya) and Mr. Tom Land (United States of America).
2. The meeting was opened at 10 a.m. on 27 June by Mr. Land, who welcomed the participants before giving the floor to Mr. Marco Gonzalez, the Executive Secretary of the Ozone Secretariat, to deliver an opening statement on behalf of Mr. Klaus Töpfer, the Executive Director of the United Nations Environment Programme (UNEP).
3. Mr. Gonzalez extended a warm welcome to all the participants to the symbolic city of Montreal. He then drew attention to the milestones that would be celebrated by the ozone family during 2005: the twentieth anniversary of the signing of the Vienna Convention for the Protection of the Ozone Layer, the tenth anniversary of the awarding of the Nobel Prize to Mr. Paul Crutzen, Mr. Mario Molina and Mr. Sherwood Rowland for their pioneering work on the impact of chlorofluorocarbons (CFCs) on the stratospheric ozone layer and the fifteenth anniversary of the negotiation of the Multilateral Fund for the Implementation of the Montreal Protocol. It was also fitting to celebrate the international community's lasting political commitment to the Montreal Protocol and the countless, technical and in-kind contribution of the Parties.
4. Welcoming Eritrea as the most recent Party to the Protocol, he highlighted the fact that currently, there were only six States that were not yet Parties to the Protocol, but spoke of the goal of the list of Parties being expanded to include at least two more Parties in the next two years. He then called upon all Parties to speedily ratify any outstanding amendments that they were not yet party to, stressing, however, that the ratification of the treaties governing the protection of the ozone layer was not an end in itself, but rather an expression of a commitment to implement and comply with the obligations they contained. In that context, he noted that a number of Parties were failing to meet their phase-out obligations, and that while efforts were being made to provide all possible assistance to enable them to comply, the responsibility for compliance remained with each individual Party.
5. Mr. Gonzalez described the year 2005 as a very important year in the history of the Protocol given the large number of control measures that would have to be applied. In that regard, he cautioned against complacency, pointing out that considerable work still needed to be accomplished. He also

noted that the outcome of the discussions on the replenishment of the Multilateral Fund would be crucial for achieving the goals of the Protocol and enabling all Parties operating under paragraph 1 of Article 5 to comply with the Protocol's control provisions.

6. On a positive note, Mr. Gonzalez highlighted the significant progress that had been made in addressing metered-dose inhalers containing CFCs, and congratulated both industry and Governments for their partnership which had been instrumental in achieving that progress. He also mentioned the special report by the Technology and Economic Assessment Panel (TEAP) and the Intergovernmental Panel on Climate Change (IPCC) on ozone and climate issues, which made clear reference to the significant contribution to climate protection that had been made by the Parties to the Montreal Protocol through the phase-out of ozone-depleting substances.

7. Turning to the agenda before the meeting, Mr. Gonzalez noted that there were several major and complex issues for the Working Group to consider. In order to help the Parties address those issues, and with the agreement of the co-chairs, the agenda had been streamlined to focus on only those issues where there was a need for action by the Parties. He also drew attention to the section of the Secretariat's note contained in UNEP/OzL.Pro.WG.1/25/2, bearing basic information for the Parties on the items of the agenda, and informed the Parties that the Secretariat would be implementing new practical measures at the current meeting to keep the Parties fully and constantly informed of the issues that would be covered on the agenda.

8. In closing, he wished the participants fruitful discussions. He also seized the opportunity to express condolences, on behalf of the meeting, to the family, friends and colleagues of the late Mr. Manfred Schneider of Austria, an active member of the Montreal Protocol family who had lost his life during the great tsunami disaster of 2004. In addition, he expressed deep sympathy for the families and communities that had been affected by that disaster.

9. Following the opening statement by Mr. Gonzalez, Mr. Paul Krajnik, head of the Austrian delegation, paid tribute to his former colleague, describing him as a very skilled and dedicated negotiator with a deep commitment to the success of environment-related agreements and protocols such as the Montreal Protocol. The meeting then observed a minute of silence in memory of Mr. Schneider.

II. Organizational matters

A. Attendance

10. The following Parties to the Montreal Protocol were present: Afghanistan, Albania, Algeria, Angola, Argentina, Armenia, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Belize, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Comoros, Congo, Costa Rica, Cuba, Czech Republic, Denmark, Dominica, Egypt, El Salvador, Estonia, Ethiopia, European Community, Fiji, Finland, France, Gabon, Georgia, Germany, Ghana, Grenada, Guatemala, Guinea, Haiti, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Lao People's Democratic Republic, Latvia, Lebanon, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritius, Mexico, Micronesia (Federated States of), Moldova (Republic of), Morocco, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Serbia and Montenegro, Seychelles, Slovakia, Slovenia, Solomon Islands, South Africa, Somalia, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, The former Yugoslav Republic of Macedonia, Tonga, Trinidad and Tobago, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen and Zambia.

11. Observers from the following State not party to the Montreal Protocol were also present: Democratic Republic of the Congo.

12. Observers from the following United Nations entities, organizations and specialized agencies were also present: Division of Technology, Industry and Economics, Division of Environmental Conventions, United Nations Development Programme; United Nations Environment Programme, United Nations Framework Convention on Climate Change, United Nations Industrial Development Organization; World Bank; Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol; Scientific Assessment Panel; Technology and Economic Assessment Panel; Medical

Technical Options Committee; Foams Technical Options Committee; Halons Technical Options Committee; Refrigeration, Air-Conditioning and Heat Pumps Technical Options Committee and the Methyl Bromide Technical Options Committee.

13. The following intergovernmental and non-governmental organizations were also represented: 3M Company, Agro District Chemicals; Albermarle Corporation; Alliance for Responsible Atmospheric Policy; American Lung Association; American Thoracic Society; Arvesta Cooperation, California Strawberry Commission; Canadian Atmosphere Protection Alliance, CIDA; Crop Protection Coalition; DC Consulting, DOW Agrosiences; Environmental Investigation Agency; Eversheds; Florida Fruit and Vegetable Association; Florida Tomato Exchange; Fumigation Service and Supply; Glaxosmithkline; Great Lakes Chemical Corporation; Greenpeace International, Hunton and Williams; Industrial Technology Research Institute; Inter-American Institute for Cooperation on Agriculture; JICOP; Korea Specialty Chemical Industry Association; Market Access Solutions Limited; Mebrom; Methyl Bromide Global Coalition; Natural Resources Defence Council; Nordiko Quarantine Systems; North American Millers' Association; R&M Consultancy, Inc.; Secretariat of the Pacific Regional Environment Programme; Trical Inc.; US Floral Industry; University of California and Value Recovery, Inc.

B. Adoption of the agenda

14. The following agenda was adopted, as orally amended, on the basis of the provisional agenda contained in document UNEP/OzL.Pro/WG.1/25/1/Rev.1:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Consideration of issues arising out of the 2005 progress report of the Technology and Economic Assessment Panel:
 - (a) Essential-use nominations for non-Article 5 Parties;
 - (i) Second review of the essential-use nominations for 2006 taking into account decision XV/5 (decision XVI/12, paragraph 1);
 - (ii) Review of new nominations for essential-use exemptions for 2006 and 2007 taking into account decision XV/5;
 - (b) Review of the status of destruction technologies identified by the Technology and Economic Assessment Panel in its 2002 report as emerging (decision XVI/15);
 - (c) Process agent issues:
 - (i) Review of requests related to process agent uses and tables A and B of decisions X/14 and XV/6 (decision XV/7 paragraphs 3, 6 and 7);
 - (ii) Reconsideration of the process agent uses listed in decision XV/7 that were given an exemption for 2004 and 2005 pending further consideration;
 - (d) Consideration of the Technology and Economic Assessment Panel/Intergovernmental Panel on Climate Change assessment report as it relates to actions to address ozone depletion (decision XIV/10);
 - (e) Technology and Economic Assessment Panel administrative issues;
 - (f) Any other issues arising out of the Technology and Economic Assessment Panel reports.
4. Consideration of methyl bromide-related issues:
 - (a) Review of new nominations for critical-use exemptions for methyl bromide for 2006 and 2007;
 - (b) Multi-year exemptions for methyl bromide use (decision XVI/3);

- (c) Options which Parties may consider for preventing potential harmful trade of methyl bromide stocks to Article 5 Parties as consumption is reduced in non-Article 5 Parties (decision Ex.I/4, paragraph 9);¹
 - (d) Modification of the handbook on critical-use nominations (paragraph 113 of the report of the Sixteenth Meeting of the Parties);²
 - (e) Standard presumptions that underlie the Methyl Bromide Technical Options Committee's recommendations of critical-use nominations (annex I, paragraph 2, of the report of the Sixteenth Meeting of the Parties).²
5. Consideration of issues related to the Multilateral Fund for the Implementation of the Montreal Protocol:
 - (a) Technology and Economic Assessment Panel study on the 2006–2008 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol (decision XVI/35);
 - (b) Need to ensure equitable geographical representation in the Executive Committee of the Multilateral Fund (decision XVI/38);
 - (c) Executive Committee report on the evaluation of customs officers training and licensing system projects (decision XIV/7).
 6. Monitoring and preventing illegal trade in ozone-depleting substances (decision XVI/33).
 7. Discussion of any proposed adjustments of the Montreal Protocol.
 8. Discussion of any proposed amendments of the Montreal Protocol.
 9. Obligations of Parties to the Beijing Amendment under Article 4 of the Montreal Protocol with respect to hydrochlorofluorocarbons (decision XV/3).
 10. Other matters.
 11. Adoption of the report.
 12. Closure of the meeting.

15. The Working Group agreed to consider under item 3(f), a review of methyl bromide laboratory and analytical uses, and under item 10, "Other matters", draft decisions on: the review of financial assistance to the Methyl Bromide Technical Options Committee (MBTOC); the establishment of indicative dates for meetings of the Open-ended Working Group and the Parties; and, conflict of interest guidelines for groups such as TEAP and its Technical Options Committees (TOCs).

C. Organization of work

16. The Co-Chair noted that the agenda comprised a number of complex issues but that with the Parties' cooperation the proceedings would be conducted in a smooth and efficient manner. He reviewed some administrative matters before presenting a proposed organization of work which the Working Group adopted.

III. Consideration of the 2005 progress report of the Technology and Economic Assessment Panel (agenda item 3)

17. The Co-Chair introduced agenda item 3 on the progress report of the Technology and Economic Assessment Panel. He expressed gratitude to all the Panel members for their extraordinary efforts in putting together an impressive report.

¹ UNEP/OzL.Pro.ExMP/1/3.

² UNEP/OzL.Pro.16/17.

A. Presentation of the reports of the Panel and of its technical options committees

18. The co-chair of TEAP, Mr. Lambert Kuijpers, introduced the Panel's 2005 progress report and invited the co-chairs of its various technical options committees to present their findings to the Open-ended Working Group.

1. Medical Technical Options Committee

19. Mr. Ashley Woodcock, co-chair of the Medical Technical Options Committee (MTOC), reported on the essential-use nominations for metered-dose inhalers (MDIs).

20. With regard to essential-use nominations, TEAP had recommended 539 tonnes for the European Community for 2006, which was consistent with its downward trend. Continuing reduction in the European Community stockpile would be expected. For the Russian Federation, TEAP had recommended an upward revised quantity of 400 tonnes for 2006 to guarantee an adequate supply of MDIs for patients. Given the changing environment during the final stages of transition, TEAP had been unable to recommend an exemption for the Russian Federation for 2007 at the present time, but would review a request in 2006 if one were submitted. For the United States, TEAP had recommended a downward revised quantity of 1,242 tonnes, minus any pre-1996 stockpile that satisfied the United States regulatory requirements sold on its market for use in MDIs, and plus up to 180 tonnes if salbutamol CFC MDIs were not imported from the European Community in 2006. He indicated that should the United States MDI manufacturers decide to shift production now to alternatives, the majority of CFC use for salbutamol MDIs could be phased out by the end of 2006.

21. Mr. José Pons Pons, also co-chair of MTOC, then turned to essential-use exemptions pointing out that decision IV/25 implied that an exemption should be given only if the substance could not be supplied from available stockpiles. Accordingly, he suggested that Parties might wish to deduct available pre-1996 stocks from nominations and from allocations to companies with pre-1996 stockpiles. He requested that for future nominations Parties should report the availability, quality and quantity of any pre-1996 stockpile. He proposed that Parties might also wish to remind CFC MDI producers that CFCs obtained under essential-use exemptions must: be employed for essential uses; transferred to a Party operating under paragraph 1 of Article 5 for basic domestic needs; or destroyed. Parties might also wish to consider the TEAP interpretation that if a company utilized a quantity of a substance under an essential-use exemption while possessing pre-1996 material, then any pre-1996 surplus remaining at the end of essential-use production by the company ought to be treated as if it were produced after 1996. He added that stockpile management was critical during the final stages of phase-out to use all CFC stockpiles that met quality requirements and to avoid unnecessary production of new CFCs, and advocated flexible use of existing stock which would help manufacturers ensure that they had fully depleted stockpiles at the time of phase-out. In that regard, he noted that decision XV/5 which required the designation of essential-use recommendations and allocations according to active ingredient, could have the unintended consequence of making it more difficult to deplete stocks, and suggested that Parties might wish to consider the advantages of retaining flexibility to transfer allocations and stockpiles between MDI manufacturers and different active ingredients to minimize new CFC production.

22. He also provided an update on progress in the transition of CFC MDIs, stating that: 2,841 tonnes of CFCs had been used in the manufacture of MDIs under essential-use exemptions in 2004; there was a continuing downward trend which was virtually parallel to the decrease in stocks; technically satisfactory HFC alternatives to CFC MDIs were available for short-acting beta-agonists and other therapeutic categories for asthma and chronic obstructive pulmonary disease; and the availability of alternatives and current CFC stocks assured patient safety during the transition.

23. In response to questions about the criteria being used for the review of essential-use nominations for MDIs, Mr. Pons said that while the Options Committee had generally refrained from making changes to proposals, both Poland and Hungary had accepted proposals by the Committee for reductions in the past. He also said that the Technical Options Committee had been aware of the losses of CFCs in the process of making MDIs but had not included the CFCs reported as destroyed into the total being approved for specific essential-use nominations. Furthermore, while the Technical Options Committee had been aware of the specific requirements of the legislative process in the United States, it had not been aware of how lengthy that process was.

24. Lastly, Mr. Pons reiterated that there were only three methods of disposal of CFCs: the destruction in an approved way, sale to a Party operating under paragraph 1 of Article 5 of the Protocol, and transfer to some other similar use.

2. Foams Technical Options Committee

25. Mr. Miguel Quintero, co-chair of the Foams Technical Options Committee (FTOC), reported on the progress made by the Committee to date. He said that the growth of the foam market had exceeded gross domestic product growth in several regions as a result of increased insulation needs. It was therefore necessary to focus on the management of blowing agent emissions throughout the life-cycle, including end-of-life. Transition from CFC-11 had almost been achieved in Parties operating under paragraph 1 of Article 5 and remaining use was less than 5 per cent of the original baseline, supported by the fact that CFC-11 prices were now at the same level as those of HCFC-141b. He noted, however, that, in some Parties operating under paragraph 1 of Article 5, where the original Multilateral Fund projects had been based on hydrocarbons, this was primarily for investment cost reasons.

26. He predicted that hydrocarbons were likely to be the predominant blowing agent in the medium term, while noting that reliance on limited numbers of production sites for key HFCs was posing a challenge to the transition from HCFCs in some regions.

3. Halons Technical Options Committee

27. Mr. David Catchpole, temporary co-chair of the Halons Technical Options Committee (HTOC), reviewed the main findings of the March 2005 HTOC meeting. On the issue of halon supplies and emissions, he explained that HTOC models for predicting availability of supplies needed to be updated, and additional data was being collected for inclusion in the upcoming assessment. Regarding issues with Parties operating under paragraph 1 of Article 5, HTOC had noted that some Parties were experiencing difficulties in supporting recycling and halon banking centres; if most of the available funding was spent on equipment, there was little or no ability to effectively operate the systems. In addition, there appeared to be a significant issue in Africa with contaminated halon, which was exacerbated by the limited ability to certify the purity of recycled halons.

28. Regarding decision XV/11 and the effort to use alternatives to halons in new airframes, the co-chair reported that the airline Lufthansa was now using the halon alternative HFC-236fa in eight to ten of its Airbus aircraft as a direct replacement in the lavatory waste bin fire protection system. Airbus had reported that this system was now standard equipment on many new aircraft. In addition, HTOC would be meeting with the International Civil Aviation Organization to discuss other items in their agreed workplan, including a draft article that would be published later in 2005. It would also be discussing these issues with the International Air Transport Association.

29. In response to questions about the funding of halon banks, Mr. Lambert Kuijpers said that the issue would be addressed when the Open-ended Working Group took up the issue of the funding requirements during the replenishment discussion. He also said that while the Technical Options Committee could examine the costs of the ongoing operations, the implementing agencies were better placed for that task but that the Technical Options Committee could undertake the task, in cooperation with them, if the Parties so wished.

4. Methyl Bromide Technical Options Committee

30. Mr. Ian Porter, convenor of the subcommittee on soils of the Methyl Bromide Technical Options Committee (MBTOC), introduced the Committee's report for the year. He pointed out that while MBTOC was seeking a balanced membership, its current membership consisted of 38 members, with 15 from Parties operating under paragraph 1 of Article 5. In that regard, MBTOC was continuing to seek qualified members in specific areas of expertise. He then explained that in addition to normal business, TEAP and MBTOC had been requested to report on 10 to 15 tasks in 2005, with most arising from decision Ex.I/4, paragraph 9.

31. Reporting on the progress in preplant soil use, he indicated that new and modified formulations of existing fumigants and new application methods were improving performance of alternatives to methyl bromide. The most effective of these were fumigants, either as mixtures or sequential applications, or non-chemical techniques, such as grafting and steaming. Further studies had shown that substantial reduction of fumigant emissions could be achieved by adopting new low-permeability barrier films or using methyl bromide and chloropicrin mixtures with lower concentrations of methyl bromide.

32. In order to determine the relative effectiveness of alternatives to and possible suitability for critical-use nominations, MBTOC was conducting a series of meta-analyses of research studies conducted since 1995. Studies on five crops were being considered. Analysis would provide comparisons of alternatives for yields correlated with pest pressure, method and rate of application of alternative, climate and other factors considered to be relevant to the performance of the alternatives.
33. Addressing quarantine and preshipment uses Ms. Michelle Marcotte, commodities and structures convenor of MBTOC, noted that a task force had been established with a core group of committee members, but that further membership was being sought. A first report covered approximately 17 per cent of total reported 2002 quarantine and preshipment uses for 10 Parties reporting and for Parties that had responded to a 2003 consultants survey. Some 54 out of 188 Parties had now reported the requested quarantine and preshipment data, and major quarantine and preshipment uses had been reported for treatment of timber and wooden materials, as well as for grain and cereals.
34. Ms. Marcotte indicated that recapture of methyl bromide from commodity fumigation in freight containers or fumigation chambers was being carried out in several countries with charcoal filters, and adoption of that technology continued to be driven by safety and local air-quality regulations, rather than ozone protection requirements.
35. She explained that MBTOC had undertaken an extensive revision to the methyl bromide handbook, which was available for review. In that revision, an effort had been made to provide a one-stop shop for critical-use nominations. The draft, which included language largely taken from decisions of the Parties, incorporated recent decisions and guidance, contained a suggested reapplication form and reporting format, provided detailed timetables for consideration of nominations, and set out instructions to MBTOC on how the nominations were to be evaluated.
36. Regarding re-registration, Ms. Marcotte pointed out that several alternatives and methyl bromide itself were undergoing re-registration in the United States and the European Community and might lead to restrictions on their use. Loss of or further restrictions on key alternatives could lead to pressure to revert to methyl bromide. An overview of the registration of alternatives had been included in the 2005 report and a fuller report would be given in September 2005.
37. In terms of trends, there had been a decline in methyl bromide consumption from 1991 to the present. Methyl bromide in developing countries had been reduced from a peak of 18,140 in 1998 to 11,858 in 2003, but several external factors, including the large critical-use requests, continued promotion of methyl bromide production and global oversupply leading to lower prices, had threatened continued reduction.
38. In response to a question on date production, the Open-ended Working Group was informed that work was planned to address this sector and this was considered in the context of the replenishment study.
39. In response to requests that the meta-analysis of research studies on the relative effectiveness of alternatives to and the possible suitability of critical-use nominations be circulated before the Seventeenth Meeting of the Parties, the Open-ended Working Group was informed that the analysis would be ready before the end of September 2005.

5. Refrigeration, Air-conditioning and Heat-pump Technical Options Committee

40. Mr. Radhey Agarwal, co-chair of the Committee, informed representatives that HFCs continued to be the main alternatives in most of the sectors covered by the Refrigeration, Air-conditioning and Heat-pump Technical Options Committee (RTOC). Nevertheless, the increased trend toward the use of hydrocarbons, ammonia, carbon dioxide and low global-warming-potential fluorocarbons had been noted in various applications, as had been the increasing trend to use secondary-loop systems to reduce refrigerant charge and emissions.
41. In domestic refrigeration he stated that HFC-134a and hydrocarbons continued to be dominant alternatives. In Parties operating under paragraph 1 of Article 5, conversion of refrigerant manufacturing was largely under way, but CFC servicing demand was still high. Finally, in mobile air conditioning, he predicted that by 2008, almost all vehicles would be using HFC-134a, but that owing to consideration of the global-warming potential of HFC-134a, replacements, including CO₂ and HFC-152a, were being looked at. In addition, enhanced HFC-134a systems were being developed to help with energy efficiency and reduce emissions.
42. In response to a question regarding trade in used appliances, a TEAP representative said that although used vehicles did not present a problem since in general no new blowing agents were added to

the vehicles, trade in refrigeration units presented a problem when defining the end-of-life use of the unit, as some refrigerator cabinets continued in use after the compressor was no longer serviceable.

43. In response to a question on the increase in the price of CFC-12, the Open-ended Working Group was informed that while prices varied by region, the price increases of CFC-12 had been considerably less than those of HFC-134a.

6. Chemical Technical Options Committee

44. Mr. Ian Rae, temporary co-chair of the Chemical Technical Options Committee (CTOC), reviewed topics from each of the seven broad categories of issues covered in the 2005 progress report. Regarding process agents and the mandate for TEAP and Parties to reconsider the 31 uses listed in decision XV/7 that were to be treated as process agents for 2004 and 2005 only, he noted that only 11 of the 31 uses listed had been used in developed countries. Furthermore, there had been discrepancies in process-agent data reported to the Fund and the Ozone secretariats. Consequently, CTOC would welcome further information on related issues before its report to the Parties in 2006. Regarding the exemption request by the United States for CFC-113 used for high modulus polyethylene fibre, he noted that it met the technical criteria for classification as a process agent. However, if the fact that the related plant had expanded at the same site meant that it did not qualify for that exemption, the Parties might wish to consider granting a temporary process agent exemption for that use until an essential-use exemption request could be reviewed in 2009. Finally on process agents, he noted that CTOC had reviewed three new requests for exemptions and found that Turkey's use of bromochloromethane for the production of an antibiotic constituted a feedstock use rather than a process agent use; that the use of carbon tetrachloride by Israel for NCl_3 removal constituted a process agent use already in table A and should be included in table B of decision X/14; and that the Parties might wish to consider a long-term exemption for radio-labelled cyanocobalmin.

45. Speaking on other issues considered by CTOC, he observed that the total emissions from feedstocks could be approximately 600 to 6,000 ODP tonnes per year, but more work would be done on this. Regarding laboratory and analytical uses, he noted that a review of international standard procedures had revealed 22 standard practices that still required the use of carbon tetrachloride for laboratory and analytical uses. However, no new methods using non-ozone-depleting substances had emerged since the last report on that issue, and CTOC welcomed information from the Parties on any new ozone-depleting substance free testing methods that became available. The co-chair also suggested that the Parties might wish to consider adding methyl bromide to the list of chemicals covered by that exemption. Finally, he suggested that a workshop on the issue of laboratory and analytical uses could assist the Parties in limiting emissions and finding alternatives.

46. Regarding non-medical aerosols, Mr. Masaaki Yamabe, co-chair of CTOC, suggested that the conversion by Parties operating under paragraph 1 of Article 5 to HFCs in this sector might not occur unless it was mandated. As for carbon tetrachloride emissions and reduction opportunities, he noted that while there had been data uncertainties, 2002 production of CTC was less than 200,000 metric tonnes, with almost half coming from developing countries. Related emissions in Parties not operating under paragraph 1 of Article 5 were estimated at 186.1 metric tonnes in 2002, and in relation to calculated emissions in Parties operating under paragraph 1 of Article 5, there was a discrepancy which CTOC would try to resolve. With regard to emissions reductions, it was difficult to identify potential solutions owing to the absence of information on specific operations.

47. TEAP had noted that since the last CTOC report in 2002, no new alternative solvents had been developed and it was unlikely that there would be new solvent alternative breakthroughs. On n-propyl bromide, CTOC stated that the use of n-propyl bromide was continuing owing to its good solvency and relatively low cost, but that testing had shown a level of toxicity to the reproductive systems together with significant neurological effects, and had resulted in a suggested exposure limit of 25 parts per million (ppm) by the United States Environmental Protection Agency or 10 ppm by the American Conference of Government Industrial Hygienists.

48. With regard to the destruction of ozone-depleting substances, TEAP had referred to the 2002 report of the task force on destruction technologies and the mandate of decision XVI/15 of the report to the twenty-fifth Open-ended Working Group meeting on whether any of the technologies that were designated as emerging in that report might now be ready for inclusion in the list of approved destruction technologies. No appreciable advance in these technologies had been noted.

7. TEAP administrative issues

49. The TEAP co-chair reviewed the membership of TEAP and stated that in at least five cases, new co-chairs would be proposed to the Parties at the Seventeenth Meeting of the Parties. He also explained that TEAP was experiencing funding and sponsorship problems which were having an impact on the continued participation of non-Article 5 experts. Their input had, in the past, been vital for TEAP. In view of the fact that the number of tasks assigned to TEAP had been increasing, he suggested that the Parties consider innovative ways of supporting members from Parties not operating under paragraph 1 of Article 5.

8. Foams end-of-life

50. The co-chair of the task force on foam end-of-life issues, Mr. Paul Ashford, introduced the task force's report and reviewed the makeup and mandate of the task force, noting that the thrust of the report was an update on information relating to the technical efficacy and efficiency of options for end-of-life management and destruction of foams and related costs. With regard to destruction efficiencies, the Panel had developed a new parameter to more fully capture the concept of destruction efficiency. That parameter – recovery and destruction efficiency – indicated the portion of remaining blowing agent in the related item that was recovered in the overall end-of-life management activities. In that regard, he outlined the technological options for end-of-life management and the RDE of the five recovery methods for specific foams which the task force had considered. Given the fact that each of the six technologies highlighted in the report presented had the potential to achieve an RDE of more than 90 per cent, TEAP suggested that Parties consider adoption of 90 per cent as a new minimum standard for determining approved destruction technologies in the foam sector.

51. With regard to economic and technological aspects of the destruction of building foam, the task force co-chair noted that most foam in this area was still in use, but that the current option of manual segregation of this foam from other demolition material made the economies and destruction difficult, the one exception being the salvaging of foam in steel-faced sandwich panels. For both appliances and steel-faced sandwich panels, the major barriers to wider adoption of destruction technologies were the quality of infrastructure. In this area, the major barriers to wider use were the quality of infrastructure of collection and transport. In terms of findings, the Panel had noted that the emission reduction potential from foam end-of-life measures would be in excess of 190,000 ODP tonnes by 2100. Lastly, the task force had noted that in many countries, 60 per cent of the refrigerators produced using CFC-11 blowing agents had already gone into landfills and that issues related to the attenuation of landfill emissions through anaerobic degradation of CFC-11 deserved further attention.

52. In response to questions about the anaerobic degradation of appliances in landfills, Mr. Ashford said that research was only in its early stages and that it was important to establish the nature of the degradation products before looking at what could be done to look at enhancing the process of anaerobic degradation.

53. Before leaving this agenda item the representative of TEAP asked for clarification about the state of its proposal on the use of the recovery and destruction parameter (RDE) developed pursuant to decision XV/10. In response, the Co-Chair explained that unless a proposal was brought forward by a Party on this issue, and agreement was reached by the Meeting of the Parties, TEAP should not assume that its proposals on that issue had been accepted.

B. Essential-use nominations for Parties not operating under paragraph 1 of Article 5

54. The Co-Chair noted that under this agenda item, the meeting needed to address at least two items: recommendations on the 2006 essential-use nominations of the United States, European Community and Russian Federation, which had been initially reviewed in 2004 and consideration of requests from the Russian Federation and the United States for a 2007 exemption. He drew attention to the relevant meeting documents on this agenda item (2005 Report of the Technology and Economic Assessment Panel, pages 33-47 and Secretariat note UNEP/OzL.Pro.WG.1/24/2, paragraphs 5-11) and opened the floor for comments.

1. Second review of the essential-use nominations for 2006 taking into account decision XV/5 (decision XVI/12, paragraph 1)

55. With regard to the 2006 nomination of the United States of America, the representative of the United States of America said that his country had made a great deal of progress in the reduction of use in CFC consumption for MDIs. He noted that the TEAP recommendation for 2006 had not taken into consideration the full amount of CFCs being used in the production process, which included losses in the production process.

2. Review of new nominations for essential-use exemptions for 2006 and 2007 taking into account decision XV/5

56. The Co-Chair then requested the Working Group to comment on the 2007 nominations of the Russian Federation and the United States. Representatives who took the floor on this matter raised the following issues.

57. With regard to the 2007 nomination, the representative of the United States of America expressed concern at the assumptions being used by the Medical Technical Options Committee. He said that in the past the Committee had used the assumptions provided by the parties and closed by stressing that the Parties were in any case better placed to develop the assumptions to be used due to their unique knowledge of their own system. He asked the Technology and Economic Assessment Panel to reconsider their nomination.

58. The representative of the European Community expressed concern that there was lack of certainty as to the actual evaluation of essential-use exemptions for 2007. He stressed that while stockpiles were a component to be considered under decision IV/25 there were other elements as well. He also noted that progress report of the Technology and Economic Assessment Panel did not clearly indicate whether CFC MDIs or CFC-free MDIs were to be preferred. He said that CFC-free MDIs ought to be promoted as soon as possible.

59. Following the presentation and the response by TEAP to all of the Parties' questions, the Co-Chairs thanked TEAP members for their hard and expert work. The Working Group took note of the reports and agreed that the European Community, the Russian Federation and the United States of America would consult with the Technology and Economic Assessment Panel to discuss the issues raised with regard to both the 2006 and 2007 essential-use nominations.

60. Following those consultations, the representatives of the United States and the European Community introduced separate proposals regarding the treatment of essential-use nominations for controlled substances, for 2006, made by Parties not operating under paragraph 1 of Article 5, and explained the reasoning behind their proposals. The representative of the Russian Federation then confirmed that his country would prefer a decision granting the 286 tonnes of CFC that it had originally requested, rather than the 400 tonnes that had been recommended by TEAP; the country was in any case experiencing difficulties in importing greater amounts.

61. A representative of an industry association urged Parties not to authorize essential-use exemptions for CFC-containing salbutamol MDIs for countries in which there are approved CFC-free alternatives, as in her view this contravened decision IV/25 and she called for a reduced level for the United States.

62. Given the lack of consensus on the issue, the Working Group agreed to forward both draft decisions, as set out in the annex to the present report, for consideration by the Seventeenth Meeting of the Parties.

C. Review of the status of destruction technologies identified by the Technology and Economic Assessment Panel in its 2002 report as emerging (decision XVI/15)

63. The Co-Chair noted that, in 2002, the TEAP Task Force on Destruction Technologies had determined that there were a number of technologies that were theoretically feasible, but had not demonstrated evidence of technical capability. Accordingly, at the Sixteenth Meeting of the Parties a request had been made for a review of those "emerging" technologies to determine whether, three years later, some of them warranted consideration for addition to the list of approved destruction technologies. TEAP had concluded that none of those technologies had yet demonstrated the capability to warrant their inclusion. Lastly, he noted that TEAP had proposed that a group of technologies related

to the destruction of fluorinated gases be reviewed again in the near future and then opened the floor for comments.

64. A representative of a Party operating under paragraph 1 of Article 5 observed that the destruction of CFCs contained in equipment and foams was becoming an increasingly urgent problem for many Parties operating under paragraph 1 of Article 5, as many refrigerators, for example, were nearing the end of their useful life. Companies switching from CFCs to other substances were accumulating growing volumes of CFCs for disposal, but could not keep them in storage indefinitely, and lacked the technical and financial capacity to destroy them. The representative sought to know whether TEAP could carry out a study of the likely costs of disposal and destruction.

65. Other representatives pointed out the linkages that existed in this area with the Basel Convention, the Kyoto Protocol, which covered some fluorinated gases, and in particular the Stockholm Convention on Persistent Organic Pollutants, which also dealt with issues relating to destruction. The Parties to the Stockholm Convention had established an Expert Group on Best Available Techniques and Best Environmental Practices, which was already considering this topic. Recalling decision XII/8, which had invited TEAP to assess and evaluate links with the Basel Convention, representatives suggested that there was a need to coordinate activities between all the chemicals agreements.

66. The representative of Colombia introduced his country's draft decision on technical and financial implications of the environmentally sound destruction of concentrated and diluted sources of ozone-depleting substances, and made some corrections to the text. Noting that dealing with obsolete equipment at the end of its useful life and the remaining ozone-depleting substances was important for the protection of the ozone layer, he pointed out that the replacement of such equipment and the recovery and destruction of the ozone-depleting substances it contained posed technical and financial challenges for Parties operating under Article 5. Economic incentives would be needed to encourage users to replace the equipment and to recover and transport the ozone-depleting substances. His proposal called for TEAP to undertake a case study in a Party operating under paragraph 1 of Article 5 in order to analyse the technologies and costs involved, using the recovery and destruction efficiency parameter that TEAP had developed in its latest report.

67. All representatives who spoke thanked Colombia for putting forward the proposal, which dealt with a very important issue. Several representatives suggested that the study should be widened to include a range of Parties operating under paragraph 1 of Article 5, in different regions. Others suggested that it should also consider economic and other incentives that could be introduced to encourage users to dispose of equipment and ozone-depleting substances in an environmentally sound manner, and reduce emissions of ozone-depleting substances, and also the feasibility and costs of establishing destruction facilities in Parties operating under paragraph 1 of Article 5. Some representatives also suggested that it consider synergies with the related work already being carried out under the Stockholm Convention.

68. Some representatives noted that the proposal would have financial consequences, and that it would be helpful if TEAP and the Secretariat could produce an estimate of the costs of the proposed study to assist further consideration at the Seventeenth Meeting of the Parties. Another representative suggested that funding to carry out the study could be included in the next replenishment of the Multilateral Fund.

69. Summarizing the discussion, the Co-Chair noted that many Parties had suggestions for widening the scope of the proposal, and suggested that some intersessional work would be welcome. With that summary, the Working Group agreed to forward the draft decision to the Seventeenth Meeting of the Parties.

D. Process agent issues

1. Review of requests related to process agent uses and tables A and B of decisions X/14 and XV/6 (decision XV/7 paragraphs 3, 6 and 7)

70. The Co-Chair noted that under this agenda item, the Parties would be required to consider requests pending from the previous year, as well as new ones from 2005, and the disposition of some uses that were given the designation of process agents for 2004 and 2005 only, pending submission of additional information. He suggested that these issues be taken up one at a time.

71. Regarding the requests pending from the previous year, he noted that in 2004, TEAP had made recommendations on requests from four countries, but owing to time constraints and concerns expressed by some Parties, the Parties had not taken a final decision on the matter. He reported that during the

current year TEAP and the Chemicals Technical Options Committee had restated their earlier view that those uses met the criteria of a process agent. He then opened the floor for comments, requesting Parties to state whether they wished to amend the list of process agent uses in decision XV/7 or to add any or all of these uses.

72. One representative expressed his concern that the table supplied by TEAP did not contain data on emissions for most of the proposed uses of carbon tetrachloride, or on consumption for the proposed use of CFC-113. He did not see how it was possible to approve uses on that basis.

73. The representative of TEAP clarified that despite requests, no detailed information had been received by TEAP from the Democratic People's Republic of Korea or Romania for carbon tetrachloride. With regard to the United States proposal for CFC-113, consumption data had been provided to TEAP, but had not been made widely available because of issues of commercial confidentiality. He suggested that a consumption range could be made available if necessary.

74. Another representative pointed out that limits on emissions from process agent uses currently applied only to Parties not operating under paragraph 1 of Article 5, so there was no reason for emissions data from Parties operating under paragraph 1 of Article 5 to be included in the table. She believed that the system established by the Montreal Protocol in 1998 to deal with emissions from process agent uses had worked well to date; emissions from uses in the United States in 2002, for example, were less than half of the permitted level, and phase-out plans were in place for 97 per cent of uses in Parties operating under paragraph 1 of Article 5. It did not seem reasonable for new criteria to be added to the listing process at the present stage, and if an attempt was made to do so, progress with phase-out of the existing uses would be delayed.

75. The Co-Chair then reviewed the new requests for consideration that had been received by TEAP, explaining that TEAP was recommending that Israel be added to table B of decision X/14 for its use of carbon tetrachloride for NCl_3 removal; that Turkey's use of chlorobromomethane for sultamilline be considered a feedstock use; and, that the Parties should decide if the European Community should be granted a long-term exemption for radiolabelled cyanocobalamin, or conversely, consider if there should be a limit to the granting of emergency exemptions for that use. He then opened the floor for consideration of these new uses.

76. The meeting agreed to the TEAP proposals with regard to the uses put forward by Israel and Turkey. It was also agreed that the European Community proposal, and the issue of emergency exemptions, would be considered further and in the context of a proposal that was being prepared by the European Community for discussion with other Parties.

77. The representative of the European Community introduced the proposal for a draft decision on process agents. He noted that the proposal required the Parties listed in table 1 of the draft decision to provide specific information on a number of parameters for each year from 1997 to 2005. Essential-use requests would be required for plants commissioned after 30 June 1999, and it was proposed that essential-use exemptions be reviewed every two years.

78. The representative of Israel pointed out that Israel needed to be included in table B of decision X/14.

79. The representative of Argentina noted that Argentina needed to be removed from table 1, and several other representatives suggested that further modifications to the proposal be considered.

80. The representative of Brazil wished it noted that it had submitted a process agent request which had not been received by the Ozone Secretariat, and so Brazil would resubmit its request.

81. The Open-ended Working Group agreed that the proposal needed further work and agreed to forward the draft decision, as set out in the annex to the present report, in square brackets for consideration by the Seventeenth Meeting of the Parties

2. Reconsideration of the process agent uses listed in decision XV/7 that were given an exemption for 2004 and 2005 pending further consideration

82. The Co-Chair noted that none of the relevant Parties had provided information on their uses and that most of the uses on the list were from Parties operating under paragraph 1 of Article 5. He drew the attention of the Parties to the TEAP report which revealed that an Executive Committee study had concluded that 97 per cent of the identified process agent uses were either now, or would soon be covered by Executive Committee phase-out agreements. With that introduction, the Chair opened the floor for comments on this sub-item. There were, however, no requests for the floor.

E. Consideration of the Technology and Economic Assessment Panel/Intergovernmental Panel on Climate Change assessment report as it relates to actions to address ozone depletion (decision XIV/10)

83. The Co-Chair noted that the above report had been prepared on the basis of decisions by both the Parties to the United Nations Framework Convention on Climate Change and the Montreal Protocol, and that, as directed by the Parties to the Montreal Protocol, the report was being forwarded for consideration by the Open-ended Working Group insofar as it related to action to address ozone depletion. Following that introduction he turned the floor over to Ms. Susan Solomon of the Scientific Assessment Panel, and the IPCC, and Mr. Lambert Kuijpers of TEAP to make a presentation.

84. After outlining the make-up of the steering committee which had produced the report, and its contents and structure, Ms. Solomon reviewed the latest data on ozone depletion, noting that the variable depletion in the Antarctic, and the smaller and more highly variable depletion in the warmer Arctic, were dependent on certain cold-temperature chemistry. She also noted that a modelling of current trends suggested that the ozone layer would recover around 2046, but that an elimination of emissions from current banks of ozone-depleting substances could bring about recovery up to three years earlier. In terms of trends regarding key gases, data from several sources had suggested that CFC levels were stable or decreasing and currently amounted to 1.5–1.9 GT of carbon dioxide equivalents, HCFC levels were increasing by 1–3 per cent per year and currently amounted to 0.53–0.56 GT of CO₂ equivalents, and HFC levels were increasing by 13–17 per cent per year and currently amounted to 0.36 GT of CO₂ equivalents. In all, combined halocarbon emissions had fallen as a percentage of total CO₂ equivalents from 33 per cent in 1990 to 10 per cent in 2000. She noted that the cooling resulting from ozone depletion was an entirely separate phenomenon from the warming due to the greenhouse effects of ODS, occurring in different places at different times.

85. Mr. Kuijpers noted that related gases (CFCs, HFCs, HCFCs and PFCs) were used in a variety of sectors, including refrigeration and air-conditioning, foams, medical aerosols, fire protection and non-medical aerosols. He also noted that emissions came from a variety of sources, including direct emissions, but a significant global warming contribution from these sources came from leakage or deterioration from banked material, i.e. substances contained in existing systems, stockpiles, and newly installed equipment. He noted that while the amounts of CFCs held in banks were decreasing, the amounts of HFC and HCFCs in banks were expanding, and that there were no regulatory obligations under either the Montreal Protocol or the Kyoto Protocol to restrict emissions from banked material.

86. In terms of ozone depletion effects, the biggest bank was in foams. He pointed out that between 2002 and 2015 a significant reduction in emissions from banked gases could be achieved by containment, recovery, recycling, destruction and the use of alternatives with less global warming potential. In that regard, he suggested that the Parties might wish to consider measures to address this matter under the Montreal Protocol, including increased use of best practices in areas such as the use of alternatives and charge reductions, and increased efficiency of end-of-life recovery efforts. He noted that the CO₂ equivalents in this sector were still dominated by the high global warming potential of CFC-12 emissions, and that end-of-life measures could be taken to help reduce those emissions.

87. Mr. Kuijpers then quantified the potential emissions benefits of a mitigation scenario in relation to a business-as-usual scenario, which included a reduction of CFC emissions by 30 per cent in 2015 and a reduction of HCFC emissions by 50 per cent in 2015. He suggested that the Parties might wish to consider how further HCFC production controls and conversions might impact emissions. With regard to HFCs and PFCs, he noted that while there was no published data to enable accurate projection of future production capacities, it was expected that the production capacity for HFCs would meet demand, and that it would grow over time, particularly in developing countries. Ms Solomon then reviewed an evaluation of the mobile air-conditioning sector, which showed the growth of use of HFC-134a and the need to consider end-of-life management issues for both CFCs and HFCs.

88. In closing, Mr. Kuijpers noted that the summary for policy-makers from the TEAP/IPCC special report had been distributed to all Parties, and that the full translated report was expected to be available in September 2005.

89. All representatives who spoke thanked TEAP and IPCC for their hard work in producing a highly useful and relevant report. Several representatives observed that it demonstrated the need for continuing close cooperation between the Montreal Protocol and the United Nations Framework Convention on Climate Change and Kyoto Protocol. Actions taken under one agreement could have a beneficial impact on the objectives of the other, and there was a need for further study of the report and consideration of

possible policy recommendations arising from it, perhaps through an expert workshop. The report should be seen as a first step towards action.

90. One representative suggested that the use of the term “bank” should perhaps be avoided, as it created possible confusion with the Montreal Protocol use of the term with regard to halon banking. Another representative recalled the discussion on destruction technologies and observed that the disposal of recovered ozone-depleting substances was an important matter for decision.

91. Representatives of a number of Parties operating under paragraph 1 of Article 5 drew attention to a current shortage of HFCs in some developing countries, which was retarding the introduction of non-ozone-depleting alternatives. Responding to a question on this matter, Mr. Kuijpers stated that information was too limited for TEAP to be able to project future production capacity. However, it was expected that HFC-134a production would continue to increase in developed countries, while at the same time non-HFC alternatives would increasingly be introduced.

92. Other representatives drew attention to the fact that funding was available under the clean development mechanism of the Kyoto Protocol for projects involving HFC-23, which is produced in HCFC-22 production as a by-product. This could have the side-effect of reducing the price of HCFC-22 and therefore potentially increasing its production and consumption and retarding its phase-out.

93. One representative stressed the fact that the Montreal Protocol and Kyoto Protocol were separate agreements, with different focuses. Another representative agreed, arguing that while occasional collaboration between technical bodies might be helpful, there was no need for any further consideration, such as through an expert workshop. Many countries already had a good record with reducing emissions of ozone-depleting substances, but many ideas for reducing emissions fell outside the scope of the Montreal Protocol, which controlled only production and consumption. The representative was concerned that the Executive Committee of the Multilateral Fund was due to discuss proposals which would not reduce ozone-depleting substances production or consumption, while failing to discuss proposals which would, including many projects whose implementation had been delayed. She believed that there was no case for shifting the focus of the Montreal Protocol away from its fundamental aims and that it could be necessary to amend the Protocol if the Parties wished to take it in new directions.

94. Other representatives, however, applauded the way in which the report raised issues directly relevant to the protection of the ozone layer, and believed it was essential that they should be discussed within the Montreal Protocol, irrespective of the fact that some activities that resulted would have consequential effects on climate change. They believed that the topic should be placed on the agenda for the Seventeenth Meeting of the Parties, for which TEAP could be invited to produce a supplementary report. It would also be useful to organise an expert workshop, as long as it focused on policy options, not just a review of data and technical matters. The 1998 Declaration on HCFCs, HFCs and PFCs could also usefully be revisited.

95. The representative of an environmental non-governmental organization called for urgent action on both ozone depletion and climate change. While actions taken under the Montreal Protocol had so far led to a reduction in greenhouse gases, this was little cause for rejoicing, as much more could have been achieved if the Multilateral Fund had not funded so many HCFC and HFC alternatives to CFCs. HFC emissions could reach as much as 20–25 per cent of CO₂ emissions over the period 2015–2100. However, many major corporations had already announced actions, such as the replacement of HFC-using vending machines or freezers, which demonstrated that more positive action was possible. In conclusion, he called for Parties to the Montreal Protocol to instruct the Executive Committee of the Multilateral Fund to cease funding new HCFC and HFC projects, and to review those for which funding had been agreed but had not yet been implemented, to introduce a second round of funding for phase-out of HCFCs and HFCs, to accelerate phase-out of HCFCs and, in collaboration with the United Nations Framework Convention on Climate Change, to place a global cap on production of HFCs.

96. The representative of an industry association whose members produced and used HFCs complimented the report on confirming the role of HFCs as safe long-term alternatives to ozone-depleting substances, with beneficial effects not only for ozone depletion but also for the global climate, as they allowed improvements in energy efficiency in many applications. The report showed that up to 60 per cent of current emissions from HFC uses could be avoided through strategies such as containment, proper servicing and training of personnel, illustrating the value of responsible use of HFCs. Observing that technologies would continue to evolve, he stressed that Parties decisions should take as much account as possible of new developments, which his organization would be pleased to provide to IPCC for its fourth assessment report.

97. The representative of the European Community introduced a proposal that it had formulated jointly with New Zealand and Norway on further consideration of the IPCC/TEAP special report. Following a discussion on the issue, the Working Group agreed: to recommend that further consideration of the IPCC/TEAP special report be placed on the agenda for the Seventeenth Meeting of the Parties; and to request TEAP to provide, by 31 October, a supplementary report to the Seventeenth Meeting of the Parties that elaborates clearly the ozone-depletion implications of information already in the special report by presenting it in terms of ozone-depleting potential and costs per ODP tonne.

F. Technology and Economic Assessment Panel administrative issues

98. The Co-Chair recalled that at the last meeting of the Parties, there had been insufficient time to deal with important TEAP matters that required approval by the Parties. He then noted that several co-chairs were currently designated as temporary co-chairs by TEAP, and that according to the TEAP terms of reference, they could only serve in that capacity until the Meeting of the Parties. Accordingly, he proposed that the Working Group consider making some recommendations to the Meeting of the Parties on related positions. He went on to say that in its report, TEAP had expressed concern regarding funding for key non-Article 5 members, including co-chairs. Following that introduction, he opened the floor for comments.

99. Several representatives raised issues related to the currently designated co-chairs. While support was expressed for both Ms. Michelle Marcotte and Mr. Ian Porter as co-chairs of MBTOC, it was also felt that the balanced representation required by decision XVI/4, as well as gender balance, had to be reflected when naming the co-chairs of both the Technical and Economic Assessment Panel and the Technical Options Committees.

100. One representative proposed that, in order to ensure the balanced representation required by decision XVI/4, the number of co-chairs of MBTOC be increased to four. Several other representatives supported the suggestion noting that the heavy agenda of MBTOC made onerous demands on the temporary co-chairs. Another representative pointed out, however, that an increase in the number of co-chairs to four would require a modification to the terms of reference of TEAP.

101. Several representatives called for a review of the funding required to ensure adequate participation of experts with one representative recalling that the Sixteenth Meeting of the Parties had only approved interim financial assistance to MBTOC for one year in its decision XVI/5. A draft decision requesting the Secretariat to review and provide a report on the implementation of financial assistance to MBTOC members from Parties not operating under paragraph 1 of Article 5 was introduced by the representative of Japan. It was further requested that the secretariat provide Parties with an estimate of the cost of funding the participation of Parties not operating under paragraph 1 of Article 5 as identified by TEAP in its report on administrative issues.

102. In his summary of the deliberations, the Co-Chair observed that there had been support for recommending the current convenors of MBTOC, Ms. Michelle Marcotte and Mr. Ian Porter, as co-chairs of MBTOC and that additional co-chairs from Parties operating under paragraph 1 of Article 5 would be considered. He noted that there had been no objection to the proposed co-chairs of HTOC and CTOC. There had also been considerable discussion on the availability of resources for enhancing participation by experts from Parties operating under paragraph 1 of Article 5 of the Protocol in the various technical options committees and TEAP, and that the draft decision, as proposed by Japan, would be submitted for consideration by the Parties at their Seventeenth Meeting. He urged the Parties to consider innovative ways to deal with the issues under this agenda item. Subsequent to the Co-Chair's summary, the representative of Chile, speaking on behalf of Latin America and the Caribbean group of countries formally proposed the nomination of Ms. Martha Pizano as co-chair of MBTOC and requested that the nomination be considered at the Seventeenth Meeting of the Parties.

G. Other issues arising out of the 2004 progress report of the Technology and Economic Assessment Panel (agenda item 3 (f))

103. The Co-Chair invited Parties to comment on other issues arising out of the TEAP report.

104. The representative of the United Kingdom, speaking on behalf of the European Community and its member States, introduced the proposal for a draft decision on laboratory and analytical critical uses of methyl bromide. He observed that in an ideal world, the Parties would simply extend the current system of laboratory and analytical uses to methyl bromide, but this could not be done because the existing system referred to "essential uses", whereas "critical uses" was the corresponding concept for

methyl bromide. The draft decision therefore introduced a new regime for laboratory and analytical critical uses of methyl bromide, which mirrored the existing system for other substances.

105. Representatives thanked the European Community for introducing the draft decision. Several representatives expressed appreciation for the proposal. One representative wondered whether it might be possible to introduce a threshold quantity for ozone-depleting substances below which use for any purpose would be permitted.

106. Another representative stated that her delegation lacked enough information on the potential laboratory and analytical uses of methyl bromide, and the potential criteria for limiting their use, to be able to reach a final conclusion at this point. Her delegation intended to study these questions before the Seventeenth Meeting of the Parties, and she encouraged others to do the same.

107. The meeting agreed to forward the draft decision, as set out in the annex to the present report, to the Seventeenth Meeting of the Parties.

108. The representative of Chile, speaking on behalf of the group of Latin American and Caribbean countries, introduced her proposal for a draft decision on laboratory and analytical uses of carbon tetrachloride for Parties operating under paragraph 1 of Article 5. She explained that the last phase-out target for carbon tetrachloride for Parties operating under paragraph 1 of Article 5, which had been an 85 per cent reduction from baseline by 2005, posed a huge challenge for these Parties. Furthermore, the TEAP report had confirmed that there were still no alternative non-ozone-depleting substances available for many laboratory and analytical uses. The draft decision would allow Parties operating under paragraph 1 of Article 5, from 2006, to apply the same procedures for laboratory and analytical use exemptions for carbon tetrachloride as currently enjoyed by Parties not operating under paragraph 1 of Article 5.

109. One representative queried whether the procedure proposed by Chile would require an adjustment of the Protocol, and another delegation expressed a willingness to consider other ways to address this important matter. The meeting agreed to forward the draft decision as set out in the annex to the present report to the Seventeenth Meeting of the Parties.

110. The representative of New Zealand introduced the proposal for a draft decision on recapturing, recycling and destruction of methyl bromide from space fumigation. He said that the 2005 TEAP progress report had been inconclusive on that issue, although the recapture of methyl bromide from small-scale fumigations in containers was already being carried out in several countries. He encouraged Parties who currently deployed or planned to deploy technologies to recapture, recycle, destroy or reduce methyl bromide emissions from space fumigation applications to submit information thereon to TEAP.

111. One representative suggested that there was also a need for further information on the harmful by-products of new technologies.

112. The Open-ended Working Group agreed to forward the draft decision, as set out in the annex to the present report, for consideration by the Seventeenth Meeting of the Parties.

IV. Consideration of methyl bromide related issues

A. Review of new nominations for critical-use exemptions for methyl bromide for 2006 and 2007

113. Mr. Jonathan Banks, co-chair of the Methyl Bromide Technical Options Committee (MBTOC), was invited to introduce the report of TEAP and MBTOC on critical-use nominations for methyl bromide (Volume I of the TEAP 2005 progress report – chapter IX). The Panel had received a total of 62 nominations for 2006 and 27 nominations for 2007, including 12 new or supplementary nominations for 2006 and 4 for 2007. Each nomination had been considered on its merits, regardless of size and the Panel had followed the procedures laid out in the relevant decisions of the Parties. For 2006, a total of 15,541 tonnes had been nominated for critical-use exemptions in comparison with the 16,050 approved for critical uses for 2005.

114. In his presentation, Mr. Banks noted that only a few nominations were for quantities greater than those granted an exemption in 2005, which was an encouraging sign. Regarding the nominations in the “unable to assess” category, MBTOC and TEAP were pursuing bilateral discussions with the nominating Parties in order to try and clarify some of the issues. Mr. Banks said that MBTOC and TEAP had no information on Parties’ stocks of methyl bromide, and, were also not in a position to

pronounce on whether Parties were making appropriate efforts to obtain regulatory approval for alternatives, pursuant to decision IX/6. He sought the Parties' guidance on the latter point; specifically how MBTOC should interpret "appropriate efforts".

115. Mr. Banks explained that MBTOC and TEAP had decided to recommend a smaller quantity where the nomination did not mention the use of feasible emission controls or where the nomination proposed using quantities that were higher than MBTOC guideline rates without providing any justification. Many nominations had actually proposed quantities below the guideline rates, suggesting scope for further reductions in the future. Several nominations had been for the same quantities in 2005 and 2006 and had not proposed any progress towards phase-out despite the fact that alternatives were apparently available.

116. In opening the floor on this issue, the Co-Chair noted that the process agreed by the Parties on critical uses called for further consultation between MBTOC and the nominating parties prior to the Seventeenth Meeting of the Parties, and that some consultations would be going on in the margins of the current meeting. He reminded the meeting that the Open-ended Working Group had traditionally used this agenda item to allow MBTOC to address general questions that the Parties might have regarding the ongoing review of the critical-use nominations.

117. While all representatives who took the floor thanked MBTOC for its work, which they recognized as extremely complex, several expressed concern that there had been no substantial reduction in the quantity of methyl bromide nominated for critical-use exemptions for 2006 compared to the amount granted exemptions in 2005. Year-by-year reductions were essential to maintaining the integrity of the Protocol. Mr. Banks explained that the quantity of methyl bromide actually granted critical-use exemptions could turn out to be much lower, depending on the decisions taken by the Parties at the upcoming Second Extraordinary Meeting of the Parties. One representative stressed that nominations for brand new uses could not be considered as they would represent a phase-in of methyl bromide and that there was a need to ascertain whether the new uses really were new or whether they related to enterprises or areas that had used methyl bromide in the past and were merely returning to its use.

118. In response to those concerns, certain Parties indicated the downward trend in the quantities that their countries had nominated for exemptions over the past years. One representative explained that his country even had a total ban on methyl bromide use and was conducting a study to ascertain whether there was any illegal use of the substance.

119. Responding to a question about the field visit that MBTOC had conducted to a key region using methyl bromide, Mr. Banks explained that it had indeed been partially financed by the funding provided for under decision XVI/5 but that this funding had been limited and the visit had been arranged back to back with an MBTOC meeting in Argentina to cut down travel costs. MBTOC could, if requested, report on the field trip in its next report.

120. Representatives of a number of environmental non-governmental organizations expressed serious concern over the issue of critical-use exemptions. Since methyl bromide had a short atmospheric lifetime, reductions in its use would have an immediate effect on ozone depletion. The representatives were particularly disturbed by the fact that one nominating Party had significant stockpiles of methyl bromide, which it refused to disclose to the Parties. Experience showed that undocumented stockpiles were frequently a precursor to illegal trade. Further, the Party in question was apparently treating certain provisions of decisions IX/6 and Ex.I/3 as merely hortatory rather than binding. Furthermore, the Party had been awarded critical-use exemptions for 2005 which were 15 per cent higher than its consumption in 2003. Concern was also expressed that MBTOC had failed to adequately evaluate two provisions of decision IX/6, those that stated that critical-use exemptions should be granted only if methyl bromide was not available from existing stocks, and if Parties had made appropriate efforts to evaluate, commercialize and register alternatives. The representatives queried whether, in approving such critical-use exemptions, the Parties were complying with their own decisions, and urged the Parties not to approve any additional exemptions.

B. Multi-year exemptions for methyl bromide use (decision XVI/3)

121. The Co-Chair noted that this issue had been considered at the Fifteenth and Sixteenth Meetings of the Parties, and that at the latter meeting, the Parties had taken a decision to elaborate in 2005, as far as possible, a framework for spreading critical-use exemptions over more than one year taking into account a large number of specific elements. He invited the United States to introduce its proposal on this matter, which included the related decision from 2004.

122. The representative of the United States introduced his country's draft text. He believed that multi-year exemptions would give greater certainty to other Parties about the progress of phase-out, reduce the effort needed to prepare critical-use nominations, help to streamline consideration by MBTOC and reduce the workload of the Meeting of the Parties. Furthermore, they would give greater certainty to users, allowing those in the process of transition to plan ahead in introducing alternatives to methyl bromide. Consideration of multi-year exemptions could be handled through the existing process and the same criteria. The United States believed that a multi-year exemption approach was conducive to building confidence among Parties, enabling them to demonstrate a downward trend in consumption and production.

123. Representatives thanked the United States for its work in putting forward its proposal. Some representatives could see possible advantages in that proposal, including the greater degree of certainty that would be introduced to the process of phase-out. However, many representatives expressed concerns, including the probable slowing down in the rate of phase-out and introduction of alternative substances that would follow the introduction of multi-year exemptions. Some representatives deemed the draft text too weak in its reference to the need to demonstrate a downward trend over the period of the exemption and called for further discussion on the acceptable rate of reduction. There was some concern also over the negative signal that would be given to Parties operating under paragraph 1 of Article 5 which were already phasing out their own use of methyl bromide.

124. While some representatives were prepared to continue to study the proposal of the United States, and to consider it further at the Seventeenth Meeting of the Parties, one representative argued that the existing exemption process needed to settle down before multi-year exemptions could be introduced; it was premature to introduce this new aspect while 90 per cent of nominations for 2007 had been impossible to assess, and stockpiles of methyl bromide still appeared to be increasing. Another representative agreed, pointing out that critical-use exemptions approved for 2005 exceeded total consumption in Parties operating under paragraph 1 of Article 5; much greater progress with phase-out needed to be achieved before multi-year exemptions could be introduced.

125. Following the discussion, the Co-Chair proposed, and the meeting agreed, to forward the draft decision to the Seventeenth Meeting of the Parties in square brackets.

C. Options which Parties may consider for preventing potential harmful trade of methyl bromide stocks to Article 5 Parties as consumption is reduced in non-Article 5 Parties (decision Ex.I/4 paragraph 9)³

126. In introducing this sub-item, the Co-Chair noted that while the First Extraordinary Meeting of the Parties had requested a report on this issue, the Methyl Bromide Technical Options Committee had determined that it did not have expertise to fully address the issue in the current year. MBTOC had therefore proposed that TEAP work as a committee or establish a task force to respond to that decision in 2006, and had further notified the Co-Chair that they would consider the issue further at their meeting in August 2005. The meeting took note of this issue.

D. Modification of the handbook on critical-use nominations (paragraph 113 of the report of the Sixteenth Meeting of the Parties)

127. The Co-Chair introduced this item, noting that although at the First Extraordinary Meeting, the Parties had agreed that the handbook should be adopted, at the Sixteenth Meeting, the Parties had concluded that they needed more time to review the handbook and its appendices before they could adopt it, and had therefore agreed to take up approval of the revised handbook at their Seventeenth Meeting.

128. One representative thanked MBTOC for its work on the handbook. Overall, she was of the view that it had done a good job, but she still had a few concerns, including the question of how issues that arose shortly before the Meeting of the Parties was due to discuss critical-use nominations could be dealt with. Her delegation would pursue the issue in bilateral meetings with MBTOC.

129. The Co-Chair invited any Party with similar concerns to raise them directly with MBTOC.

³ UNEP/OzL.Pro.ExMP/1/3

E. Standard presumptions that underlie the Methyl Bromide Technical Options Committee's recommendations on critical-use nominations (annex I, paragraph 2 of the report of the Sixteenth Meeting of the Parties)

130. The Co-Chair noted that at their Sixteenth Meeting, the Parties had agreed that the standard presumptions that underlay the recommendations of MBTOC needed to be transparent, technically and economically justified, clearly stated in the Committee's reports, and submitted for approval by each Meeting of the Parties, and that in the May 2005 TEAP progress report (pages 197 to 201), the Committee had delineated the standard presumptions used in its 2004 and 2005 review. MBTOC had also noted that proposed changes to those standard presumptions, along with supporting documentation, would be provided in a later report for the consideration of the Parties at their Seventeenth Meeting, and that given this, the Parties might wish to postpone the discussion until they had a chance to review the proposed changes to the historically used presumptions.

131. Representatives noted that they had a number of technical issues which they would take up bilaterally with MBTOC. These included questions over standard dosage rates, the acceptability of virtually impermeable film, and the timing of changes in the standard presumptions used by MBTOC, which might affect domestic regulatory processes. The Co-Chair invited Parties to discuss such issues bilaterally with MBTOC, and the Working Group agreed to take up discussion on this matter at the Seventeenth Meeting of the Parties.

V. Consideration of issues related to the Multilateral Fund for the Implementation of the Montreal Protocol

A. Technology and Economic assessment Panel study on the 2006-2008 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol (decision XVI/35)

132. The Co-Chair drew the attention of the Working Group to the report of the TEAP task force on the replenishment of the Multilateral Fund for 2006-2008 (2005 TEAP Progress Report, Volume II) which had been prepared pursuant to the terms of reference agreed by the Parties in decision XVI/35. He thanked the task force members for their significant analysis, and turned the floor over to Mr. Pons and Mr. Kuijpers, co-chairs of TEAP, for a presentation.

133. In his presentation, Mr. Pons noted that in accordance with that decision, TEAP had established a replenishment task force comprising six members, from Belgium, the Bolivarian Republic of Venezuela, China, Hungary, India and the Netherlands, and appointed an advisor from Egypt to prepare the study. In preparing the study, the task force had held many interviews and consulted extensively with the secretariat of the Multilateral Fund, regional network coordinators, the Ozone Secretariat and the implementing agencies.

134. Mr. Kuijpers said that the report had been prepared on the basis of data provided by the Multilateral Fund secretariat on the remaining eligible consumption of CFCs, and data reported to the Ozone Secretariat on the consumption and production of all ozone-depleting substances in all Parties operating under paragraph 1 of Article 5 that would apply for funding, including the most recent reports for the year 2003 and some for 2004. All relevant decisions had been taken into account in the preparation of the study, including the Fund's business plans and the outstanding commitments of the Fund. Certain assumptions had been used in the calculation, including the fact that all refrigerant management plans (RMPs) would be converted into terminal phase-out management plans and all low-level consumption of ozone-depleting substances would be funded during the 2006 to 2008 triennium. The calculation had been based on a simple approach, which had taken into account all approved multiyear agreements, assumed that larger Parties with no agreements would have such agreements shortly, included funding for the total phase-out of low-volume consuming countries with RMPs, and taken into consideration historic expenditures on non-investment projects and on the administrative costs of running the Fund and its implementing agencies.

135. The final report had provided estimates for all the cost elements of the funding requirement for the 2006-2008 replenishment of the Multilateral Fund. Seven cost elements had been addressed, including the cost related to investment projects to phase out consumption and production completely (including bilateral programmes), non-investment activities, administrative costs, project preparation costs, core unit funding for implementing agencies, operating costs of the Multilateral Fund secretariat and for holding meetings of the Executive Committee, as well as Treasurer's fees. Based on its analysis,

the replenishment task force had estimated that a total \$419.44 million would be needed to enable Parties operating under paragraph 1 of Article 5 to comply with the control schedules under the Montreal Protocol.

136. Following the presentation by the task force, the Co-Chair opened the floor for questions.

137. Several representatives raised issues relating to the report including the significant increase in non-investment and agency support costs, the possibility of allocating unused funding to the next triennium, the funding of destruction technologies and the destruction of unused ozone-depleting substances, the need for HCFC workshops, survey projects and pilot conversion projects, the need to consider long rather than medium-term technology, and the need for further funding of chiller projects, to be presented to the Executive Committee. The assumptions used in calculating the funding for low-volume-consuming countries was also raised, as was the need to consider the fixed-exchange-rate mechanism.

138. Other representatives stressed the need to consider additional reduction steps for methyl bromide, as well as the variable reporting of carbon tetrachloride data. It was also suggested that it was important to coordinate the work of the Montreal Protocol with the work of the Kyoto Protocol, especially with regard to the question of HCFCs.

139. The representative of Chile, speaking on behalf of the Latin American and Caribbean group, expressed his concern at the increase in the price of HFC-134a and asked that the impact that it had on incremental costs be taken into account. He said that there was a need to further consider the elimination of ozone-depleting substances and he asked that the issue of the method of dealing with inventories of HCFCs as well as then need to examine funding for methyl bromide proposals be considered. He asked that funds be pledged for those purposes.

140. In response to questions on the report, Mr. Kuijpers noted that the report had not considered unused funds that might be carried over into the next triennium and that as the Executive Committee had not yet taken a decision on future funding of chillers, HCFC surveys and destruction projects, no funding had been allotted in the report for those items. Regarding funding for the end user sector, no additional funds had been allocated as national phase-out agreements had been assumed to cover all costs. The reporting of CTC had been variable and would be addressed to the extent possible and he agreed that the issue of HCFCs could be re-examined at such time as the Executive Committee took a decision on that matter. Regarding the issue of HFC-134a, the price increases had not been taken into consideration in the multi-year agreements and they contained a number of elements beyond simply the cost of replacement products. He also noted that the UNEP Compliance Assistance Programme only applied to Montreal Protocol activities. Non-investment costs had been higher in the past, although they had not included agency support costs, and he noted that most of those non-investment costs had already been approved.

141. The Chair thanked the task force members for their presentation and suggested the creation of a contact group consisting of nine members from Parties operating under paragraph 1 of Article 5 and nine members from Parties not operating under paragraph 1 of Article 5. He also proposed, and the meeting accepted Mr. Oladapo Afolabi (Nigeria) and Mr. Jozef Buys (Belgium) as co-chairs of the contact group.

142. A contact group was established with membership that included representatives of Argentina, Belgium, Botswana, Cameroon, Canada, China, Colombia, Cuba, Denmark, France, Germany, India, Italy, Iran (Islamic Republic of), Japan, Nigeria, Sweden, Switzerland, Syrian Arab Republic, Tunisia, United Kingdom and United States of America.

143. The co-chairs of the replenishment contact group reported on their deliberations and the reason for their recommendation following which the Open-ended Working Group agreed to request TEAP to provide a supplementary report before the Seventeenth Meeting of the Parties on the following four issues:

1. Non-investment costs

144. TEAP was requested to present a table containing the breakdown of non-investment components including their estimated and actual expenditures from the current replenishment period, as well as estimates for 2006–2008 replenishment. The table was to be accompanied with a narrative explanation.

2. Carbon tetrachloride

145. TEAP was requested to review relevant information pertaining to CTC, particularly with respect to consumption data and process agent phase-out technologies, based on any information provided by the Ozone Secretariat, the Multilateral Fund Secretariat and the implementing agencies. On the basis of that review, TEAP could, if appropriate, revise the funding requirements estimated for CTC.

3. Hydrochlorofluorocarbon, chillers and destruction technologies

146. TEAP was requested to take into account the decisions to be taken at the 46th Meeting of the Executive Committee of the Multilateral Fund with regard to, but not limited to, projects concerning HCFCs, chillers and destruction technologies in order to determine whether they had any implications for the estimates of the funding requirements for the 2006-2008 replenishment period of the Multilateral Fund.

4. Executive summary of the TEAP Progress Report Volume 2

147. TEAP was requested to present the executive summary of the report with all necessary corrections, and include a table with figures showing the budget allocated and projected as well as the ozone-depleted substances phased out and projected to be phased out for the 2003-2008 replenishment periods.

148. The Open-ended Working Group also agreed to suggest that the Seventeenth Meeting of the Parties look further into the matter of the possibility that new Parties joining the Montreal Protocol in the period 2006-2008, might require funding for meeting their obligations under the Protocol.

149. On another issue relating to replenishment, the representative of the United Kingdom, speaking on behalf of the European Community and its member States, introduced a draft proposal concerning the fixed-exchange-rate mechanism for the replenishment of the Multilateral Fund. She recalled that decision XIV/40 had extended the trial period of the fixed-exchange-rate mechanism, and that the latest report of the Fund Treasurer had shown a gain of \$4.6 million by virtue of its use. The use of the mechanism had also led to more timely payments by the Parties and greater certainty in domestic budget exercises

150. The Open-ended Working Group decided to forward the draft decision, as set out in the annex to the present report, to the Seventeenth Meeting of the Parties

151. Following this discussion, the representative of the United States of America reserved the right to introduce a conference room paper before the adoption of the report of the proceedings by the Open-ended Working Group

B. Need to ensure equitable geographical representation in the Executive Committee of the Multilateral Fund (decision XVI/38)

152. The Co-Chair noted that in 2004, the Parties had adopted decision XVI/38, by which it had agreed to include Eastern European and Central Asian developing countries within the rotation of the seventh seat, for Parties operating under paragraph 1 of Article 5, on the Executive Committee. In that same decision, they had also agreed that the issue of seats for Parties operating under paragraph 1 of Article 5 and those not so operating should be added to the agenda of the twenty-fifth meeting of the Open-ended Working Group for further consideration. However the co-chair noted that in light of the consensus achieved at the sixteenth meeting, there was no request for the floor. He therefore proposed and the meeting agreed that there would be no further discussion on this issue.

C. Executive Committee report on the evaluation of customs officers training and licensing system projects (decision XIV/7)

153. The Co-Chair stated that at their Fourteenth Meeting, the Parties had requested the Executive Committee to consider making an evaluation of customs officer training and licensing-systems projects. He then invited the Chief Officer to take the floor.

154. The Chief Officer explained that the evaluation and report thereon had been requested under decision XIV/7, and that the report being presented to the meeting in response to this decision consisted of a new evaluation mandated by the Executive Committee and took into account the various revisions that had been requested at the April 2005 meeting of the Executive Committee. She then asked the

Senior Monitoring and Evaluation Officer of the Fund Secretariat to present the report to the Open-ended Working Group.

155. In his presentation, the Senior Monitoring and Evaluation Officer noted that the report was based on the findings from a group of case studies, encompassing each region, which had been selected as representative of the diverse range of circumstances. He then revealed several findings: that in most cases, control of ozone-depleting substances was not a priority compared with issues such as revenue generation and security; that high-ranking customs focal points of some countries were increasing awareness of ozone issues and mobilizing support of top-level management; that memorandums of understanding between ozone units and customs could be useful to aid in cooperation; and, that import licensing systems which had been helpful in reducing consumption, were vital in controlling imports.

156. He noted that all countries visited had covered all controlled substances by legislative acts, but specific regulations covering licensed importers, import quota allocations, and reduction schedules, had generally only been introduced for CFCs; other ozone-depleting substances were less comprehensively monitored and controlled. Likewise, export licensing systems or bans for re-exporting ozone-depleting substances were rare, as were import prohibitions for equipment containing ozone-depleting substances.

157. He pointed out that customs departments were the main source of data on imports and were generally committed to reporting, but that the detail in customs codes might not always permit differentiated statistics for different substances, and that problems existed with the classification of HCFCs and blends of CFCs as well as recycled halons. In addition, data inconsistencies had been observed. Nonetheless, an electronic import monitoring system was in place in many countries, and a number of customs registry systems allowed users to link an ozone-depleting substance code with a requirement to input the licence number as a prerequisite to moving on to the declaration of import.

158. Regarding customs training, in all countries visited, the train-the-trainer programme had been completed, but implementation of the second phase of officer training had frequently experienced delays. The training focused mainly on CFC refrigerants, while other ozone-depleting substances were dealt with only in general terms. Some training manuals were too long for daily use and concise country guidebooks and rapid screening tools had been developed in some countries and regions. Regional cooperation was important to improve effectiveness of customs controls, and the development of informal regional networks of customs officials could be beneficial in combating illegal trade. In one region, there had been information exchange about shipments and authorized importers between exporting and importing countries, including automatic notification to the receiving countries of authorized exports of ozone-depleting substances.

159. In closing, he cited the four main areas of the recommendations stemming from the report: improving the involvement of customs and higher levels of hierarchy in the ozone-depleting substances phase-out; amending and upgrading the legislation framework in countries where it was incomplete, and improving enforcement and regional cooperation; accelerating and assisting implementation of customs training, including regional activities, where appropriate; and, amending training materials and contents and putting information materials and identifiers to effective use.

160. In response, Parties stressed the importance of the various ongoing initiatives for combating illegal trade in ozone-depleting substances. These included: regional cooperation initiatives, often by means of regional organizations; regional harmonization of legislation; and information exchange between neighbouring countries. Customs and law-enforcement officer training was also essential but it had to be backed up by the procurement of equipment and appropriate technology to help the officers with checking and analysis, and for the destruction of seized ozone-depleting substances. In addition, one representative stressed the need for cooperation with, and training of, licence issuers too, given that they could be instrumental in combating illegal trade. Following the interventions, the Working Group took note of the report and suggested that it would be addressed as appropriate in the future deliberations of the Executive Committee of the Multilateral Fund. The Co-Chair then noted that many of the suggestions by Parties under this agenda item would also be useful for the discussions on combating illegal trade under agenda item 6.

VI. Monitoring and preventing illegal trade in ozone-depleting substances (decision XVI/33)

161. Introducing this item, the Co-Chair noted that the Parties were required to deal with two issues: consideration of specific areas and a conceptual framework of cooperation for addressing illegal trade that had been developed by a workshop of experts; and, consideration of draft terms of reference for a

study on the feasibility of developing systems for tracking trade in ozone-depleting substances and its cost. He suggested that they be taken up separately.

162. Regarding the first item, he noted that in April 2005 the Secretariat had hosted a workshop of experts as requested by decision XVI/33, and the workshop had prepared a list of 27 items relating to specific areas and a conceptual framework for cooperation in illegal trade. He suggested that as discussing them one by one would be impractical, the discussion in the meeting ought to concentrate on general comments on the issues and the conceptual framework, and that Parties might also wish to consider whether to set up a contact group to deal with the issue in more detail, and also whether to encourage Parties to send in comments on the topic before the Seventeenth Meeting of the Parties.

163. Representatives welcomed the report of the workshop, dealing as it did with an issue of significant importance, particularly for many developing countries. They believed that many of the items it contained would benefit from consideration in depth. For example, as one representative commented, the suggestion that incidents of illegal trade should be reported to the Secretariat might raise legal issues related to the identification of individuals involved, and also posed potential problems for countries of transit; such proposals needed to be looked at very carefully.

164. The representative of the United States informed the meeting of her country's successes in tackling illegal trade, which were based on relatively simple and straightforward actions, including establishing continuous communication between customs and environmental officials, and rigorous enforcement of domestic laws. She added, however, that success in tackling illegal trade depended on the political will to enforce domestic regulations, and therefore Parties not operating under paragraph 1 of Article 5 could not be expected to solve the problem on their own.

165. Another representative agreed that simple measures, such as training and awareness-raising, were often the most effective, but should be extended beyond customs officials to other enforcement agencies. Monitoring of retailers could also be of value. The representative of Canada informed the meeting that his country had supplied the Secretariat with a copy of the training materials they had developed for customs officials, and would be happy to see it placed on the Secretariat's website for use by other countries. He also suggested that as the Montreal Protocol had carried out considerable work in this area, the Secretariat in cooperation with the Multilateral Fund might like to consider organizing a lunch hour a side meeting, or providing an information note, at the preparatory meeting on the Strategic Approach to International Chemicals Management due in September.

166. Some representatives raised concerns about the impact of any new tracking system for ozone-depleting substances, particularly in terms of the additional burdens it might impose on countries exporting ozone-depleting substances. Any system requiring extensive exchange of information between importing and exporting countries would depend on full participation by all to work. If the introduction of a prior informed consent system necessitated an amendment to the Protocol, that needed to be considered very carefully, as ratification of amendments was always a long process. One representative of a Party operating under paragraph 1 of Article 5 observed that the licensing system operating in her country had not been designed to provide information back to exporting countries, and it would be difficult and costly to adapt it. It would be better to make sure that licensing systems were established in all Parties in accordance with Article 4 (b) of the Montreal Protocol and were working effectively before introducing new elements.

167. Many representatives considered that it would be useful to establish a contact group to consider the issue further. The representative of the European Community informed the meeting that his delegation had prepared a draft decision incorporating the key elements of the workshop report. Summarizing the discussion, the Co-Chair suggested that such a contact group should be established under the chairmanship of Mr Paul Krajnik of Austria, as he had chaired the workshop in April. The group should decide how to deal with the suggestions made during the present discussion, any further comments that might be submitted by Parties, and the draft decision from the European Community.

168. The Co-Chair then turned to the draft terms of reference for a study on the feasibility of developing a system to track the trade in ozone-depleting substances, observing that the comments of some representatives had already touched on this issue. The representative of the European Community stated that his delegation's draft decision also dealt with this issue, so the Co-Chair concluded that the contact group which the meeting had just agreed to establish could also consider the terms of reference for the feasibility study.

169. The representative of Austria reported back on the discussions held in a small contact group, which had used as its basis the draft decision submitted by the European Community. It had been a fruitful discussion, with many views expressed. There had been general consensus around the concept

of a feasibility study on an international system for tracking the movement of ozone-depleting substances. However, there were differing views on some of the elements of the draft decision, including the scope of the controls needed for imports, exports, re-exports and, in particular, transit trade; possible revision of the reporting format for exports, including the question of whether data should be reported on their country of destination; and how import and export data could be cross-checked. It was noted that the draft decision would be forwarded to the Seventeenth Meeting of the Parties in square brackets, and that all Parties be invited to submit any comments they may have to the Secretariat, which had suggested 15 September 2005 as a suitable deadline.

VII. Proposed adjustment by the European Community on further interim reduction steps for methyl bromide in Parties operating under paragraph 1 of Article 5 (agenda item 14)

170. The representative of the United Kingdom, speaking on behalf of the 25 member States of the European Union, presented a proposal for an adjustment, which would introduce further interim reduction steps for methyl bromide for Parties operating under paragraph 1 of Article 5, as set out in document UNEP/OzL.Pro.WG.1/25/5. Recalling decision IX/5, the European Community had submitted a proposal for an adjustment to the Open-ended Working Group that would lead to a 20 per cent reduction in each of the years 2008 and 2010 and a 10 per cent reduction in 2012. That would leave 30 per cent of the baseline level of methyl bromide available for the last three years until total phase-out in 2015. Methyl bromide for quarantine and pre-shipment uses was excluded from the proposed reduction schedule.

171. He noted that in accordance with the terms of reference for the study on replenishment of the Multilateral Fund TEAP had estimated that an additional \$10 million would be needed to fund these reductions, but in order to draw on these funds agreement would be needed on the interim steps which would be important in achieving the 2015 phase-out.

172. Many representatives expressed thanks to the European Community for its proposal, although most considered that it would be premature to discuss the proposal before the issue of the critical-use exemptions for methyl bromide by Parties not operating under paragraph 1 of Article 5 had been resolved.

173. The meeting agreed to take note of the proposal of the European Community, as contained in document UNEP/OzL.Pro.WG.1/25/5 and to forward it in square brackets to the Seventeenth Meeting of the Parties.

VIII. Proposed amendment by the European Community for expedited amendment of the Montreal Protocol

174. Introducing document UNEP/OzL.Pro.WG.1/25/4, containing a proposed amendment for expedited amendment of the Montreal Protocol, the representative of the United Kingdom, speaking on behalf of the European Community, pointed out that the current procedure for introducing new substances into the Montreal Protocol regime was too long. It would typically take between 11 and 15 years from the time of adoption of control measures on a substance to its entry into force, so Parties might beneficially investigate ways to expedite the procedure.

175. In the view of the European Community, the principal cause of the problem was the time taken by the formalities in national law associated with ratification. If they could be dispensed with, a shorter period would be required before a new substance could be effectively controlled by a large majority of Parties. The proposal involved modifications to permit automatic entry into force two years after a decision had been taken by the Parties. Parties not wishing to be bound by the amendment could chose to opt out of it.

176. A number of Parties expressed concern that the new procedure would not in fact address all the factors currently causing delays in the procedure, especially those early on in the process, prior to adoption of control measures. The perceived implications for trade, between Parties that had ratified that amendment and those that had not, led several Parties to express reservations over the proposal. Other Parties stressed that their legal systems did not allow for the by passing of parliament in ratification of treaty amendments, and this could prevent certain Parties from doing so. The representative of the United Kingdom stressed that the proposal did not envisage a two-track system and that the European Union was not aiming to create two separate groups of Parties after ratification of

the amendment. He suggested working on preambular language to stress that there would be no disadvantage for Parties that did not sign. One representative urged Parties to concentrate on ratifying prior amendments, rather than on new amendments.

177. In response to the suggestion that Article 10 of the Vienna Convention already contained an expedited procedure for amendment of the Protocol, complete with the possibility for Parties to opt out, the representative of the United Kingdom explained that the Article covered annexes only whereas the proposal being tabled would allow for amendment of the body of the Protocol by Parties.

178. There was general consensus that Parties would like to look in a more comprehensive and holistic way at the issue of an expedited process and review all possibilities including those contained in the Vienna Convention. It was deemed necessary to look closely at the implications for the national legal systems and for application of the Protocol. The representative of the United Kingdom reiterated his willingness to continue working bilaterally with Parties to address their concerns, and on that basis, the text of the proposal by the European Union was forwarded to the Seventeenth Meeting in square brackets.

IX. Obligations of Parties to the Beijing Amendment under Article 4 of the Montreal Protocol with respect to hydrochlorofluorocarbons (agenda item 7)

179. The Co-Chair drew the attention of the Working Group to paragraphs 63 to 66 of the Secretariat's note, which provided a detailed summary of the activities that had taken place on this matter since the adoption of decision XV/3 in November 2003. In that regard, he noted that because of time constraints, the previous meeting of the Parties had not been able to take a decision on the findings of the Implementation Committee, and that the Implementation Committee would be meeting later that week to update those findings in order to make a timely presentation to the Seventeenth Meeting of the Parties. Because this issue would again be looked at by the Implementation Committee, he suggested that the Working Group might want to merely take note of the Secretariat's update, and wait until the Meeting of the Parties to address this issue in a more substantive manner. Following that introduction, he opened the floor for comments.

180. Some representatives raised the issue of those member States of the European Community which had not yet ratified the Beijing Amendment, and drew the meeting's attention to the advice from the Legal Office of the United Nations, contained in the note from the Secretariat, which stated that the European Community could not ratify the Beijing Amendment on behalf of its member States. Some representatives noted that the member States that had not yet ratified were in the process of ratifying the Amendment, and they looked forward to any action that could be taken by the European Community and its member States to fulfil their obligations under the Montreal Protocol.

181. Representatives recalled that the provision of decision XV/3 which allowed Parties to be excluded from the definition of "state not party to this Protocol", as long as appropriate information had been submitted by 31 March 2005, was due to expire at the Seventeenth Meeting of the Parties. One representative suggested that the provision in decision XV/3 should be extended by two years, to the Nineteenth Meeting of the Parties. Another representative, however, feared that any such extension would simply reduce the incentive to ratify the Beijing Amendment, and called on all Parties to ratify the Amendment expeditiously.

182. Representatives of many Parties operating under paragraph 1 of Article 5 informed the meeting of their countries' progress with ratifying the Beijing and other amendments. Reminding the meeting that decision XV/3 applied only to Parties not operating under paragraph 1 of Article 5, the Co-Chair looked forward to the recommendation which the Implementation Committee would produce for discussion at the Seventeenth Meeting of the Parties.

X. Other matters (agenda item 16)

A. Report on preparations for the Seventeenth Meeting of the Parties, to be held in Dakar

183. The distinguished Minister from Senegal expressed pleasure that the Sixteenth Meeting of the Parties had accepted his country's offer to host the Seventh Conference of the Parties to the Vienna Convention and the Seventeenth Meeting of the Parties to the Montreal Protocol in Dakar. Since that time, the Government of Senegal, with the President of the Republic taking the lead, had begun

preparations for the Meeting. Representatives of the Ozone Secretariat had visited Senegal to take stock of the progress being made. The conference venue had been chosen, the meeting rooms booked and a transport system organized.

184. The Minister extended his gratitude to Switzerland for the financial support that the country was providing towards the cost of the meetings in Dakar and noted that other contributions were expected.

185. He pledged that Senegal would do everything within its power to make the Meeting a success. Representatives were then shown a short film on Senegal.

B. Dates of future Protocol meetings

186. The representative to the European Community introduced the draft proposal prepared by the European Community on the issue. He said that the proposal had two components. The first part called for the Ozone Secretariat to post on its website the indicative dates for meetings of the Open Ended Working Group and the Meeting of the Parties, by 31 January of each year. The second part requested the Technology and Economic Assessment Panel to post on its website, by 15 December of each year, the dates of its meetings, and the meetings of the Technical Options Committees for the following year. The Technology and Assessment panel was also requested to do its utmost to provide its reports approximately seven months prior to Meetings of the Parties.

187. Regarding the first part of the proposal, he noted that the agenda for international meetings was very crowded, and that in the interest of efficient planning the proposal called for the Ozone Secretariat to inform the Parties of any changes made to the indicative dates by posting the changes on its web site. The Ozone Secretariat had already noted the value of providing indicative dates for the meeting of the Open-ended Working Group, at paragraph 101 in UNEP/OzL.Pro.WG.1/25/2. In that document the Ozone Secretariat had also urged that Parties announce at the meeting of the Open-ended Working Group in the prior years their intention to host a Meeting of the Parties.

188. Regarding the second part of the proposal, the European Community noted that TEAP reports were often used by Parties in developing proposals for adjustments and amendments. Because proposals for adjustments and amendments were due to the Parties six months in advance of a Meeting of the Parties there was a need to have the TEAP reports at least seven months prior to Meetings of the Parties.

189. The representative of TEAP noted that it would not be able to meet the seven-month deadline contained in the proposal.

190. One representative suggested that the proposal be expanded to include a list of those other meetings being held around the meetings of the Open-ended Working Group and the Meetings of the Parties. Another representative said that the European Community's proposal raised logistical issues, and a number of representatives said that they would be willing to work with the European Community intersessionally to revise its proposal.

191. The Open-ended Working Group decided to forward the draft decision, as set out in the annex to the present report, to the Seventeenth Meeting of the Parties entirely in square brackets.

C. Guidelines for the Technology and Economic Assessment Panel and its Technical Options Committees and Temporary Subsidiary Bodies for disclosure of interests

192. The representative of Canada introduced a non-paper on guidelines for the disclosure of interests for the Technology and Economic Assessment Panel and its Technical Options Committees and Temporary Subsidiary Bodies. Among other things it was proposed that each member of the bodies be asked to declare any interests that could constitute a real, potential, or apparent conflict of interest, with respect to his or her involvement in the work of those bodies. It was also proposed that the Secretariat verify the categorization of the interest disclosed and, if necessary, place restrictions on the member's participation in the evaluation process.

193. Several representatives agreed to submit comments during the intersessional period, while one representative sought to know whether the current members of TEAP and the Technical Options Committees would be able to comply with all of the proposed categories for conflicts of interest.

194. The representative of Canada said that his country looked forward to further discussions and invited written comments by 15 September 2005. Furthermore, Canada undertook to integrate the comments received in the document and would forward them to the Ozone Secretariat for circulation to the Parties before the Seventeenth Meeting of the Parties.

XI. Adoption of the report

195. The present report was adopted on Thursday, 30 June 2005, on the basis of the draft report contained in documents UNEP/OzL.Pro/WG1/25/L.1 and Add.1, Add.2, Add.3 and Add.4. The Ozone Secretariat was entrusted with finalization of the report following the closure of the meeting.

XII. Closure of the meeting

196. After the customary exchange of courtesies, the twenty-fifth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol was declared closed at 7 p.m.

Annex I

Draft decisions forwarded by the Open-ended Working Group for consideration by the Seventeenth Meeting of the Parties

The Seventeenth Meeting of the Parties decides,

[...]

A. Decision XVII/___: Essential-use nominations for Parties not operating under paragraph 1 of Article 5 for controlled substances for 2006

1. To note with appreciation the assessment carried out by the Technology and Economic Assessment Panel and its Medical Technical Options Committee;
2. To authorize the following levels of production and consumption necessary to satisfy essential uses of chlorofluorocarbons for metered-dose inhalers for asthma and chronic obstructive pulmonary disease:

Party	Total amount approved for 2006 (tonnes) (supersedes 2006 amounts in decision XVI/12)
European Community	[539 tonnes, including 181 tonnes for salbutamol CFC MDIs for export to Parties not operating under Article 5]
Russian Federation	[400]
United States of America	[1242 <i>minus</i> any available pre-1996 stockpile that satisfies the United States regulatory requirements sold into the United States market for use in MDIs, <i>plus</i> up to 180 tonnes if salbutamol CFC MDIs are not imported from the European Community in 2006] ¹

3. That a nominating Party shall not permit production or consumption of the quantity authorized by a Meeting of the Parties to any domestic metered-dose inhalers company to the extent that the company's operational supply of chlorofluorocarbons exceeds or would exceed one year of consumption, and from 1 January 2007, to any metered-dose inhalers company that has a chlorofluorocarbon-free alternative on the market;
4. To request nominating Parties to submit essential-use nominations only one year in advance;
5. That the information requested in paragraph 6 of decision XV/5 should be submitted by 31 March 2006.

B. Decision XVII/___: Essential-use nominations for Parties not operating under paragraph 1 of Article 5 of the Montreal Protocol for controlled substances for 2006 and 2007

Noting with appreciation the work done by the Technology and Economic Assessment Panel and its Technical Options Committee,

1. To authorize the levels of production and consumption necessary to satisfy essential uses of chlorofluorocarbons for metered-dose inhalers for asthma and chronic obstructive pulmonary diseases as specified in the annex to the present decision, subject to the conditions established by the Meeting of the Parties in paragraph 2 of its decision VII/28;

¹ A single number not to exceed 1242 metric tonnes will be inserted by the Meeting of the Parties.

Appendix

Essential-use nominations for 2006 and 2007 of chlorofluorocarbons for metered-dose inhalers approved by the Parties at the Seventeenth Meeting (metric tonnes)

Party	2006		2007	
	Amount nominated	Amount approved	Amount nominated	Amount approved
European Community	539	539		
Russian Federation	286	400	243	[243]
United States of America	1702	[1702]	1493	[1493]

C. Decision XVII/__: Technical and financial implications of the environmentally sound destruction of concentrated and diluted sources of ozone-depleting substances

Recognizing that, in the preamble to the Montreal Protocol on Substances that Deplete the Ozone Layer, the Parties affirmed that, for the protection of the ozone layer, precautionary measures should be taken to control equitably total global emissions of substances that deplete it, with the ultimate objective of their elimination on the basis of developments in scientific knowledge,

Bearing in mind that, for most Parties operating under paragraph 1 of Article 5, chlorofluorocarbons which remain to be phased out are concentrated in the refrigeration servicing sector and that, as a result, their final elimination will only be achieved when all the existing installed equipment has been replaced,

Considering that the replacement of the said equipment necessitates a range of complex activities, including, among other things, economic incentives for the end users, the development of recovery, transport and environmentally sound destruction processes for the obsolete equipment, with particular attention to the capture and destruction of the chlorofluorocarbons released in this process,

1. To request the Technology and Economic Assessment Panel to prepare a case study in a Party operating under Article 5 of the Protocol on the technology and costs associated with a process for the replacement of chlorofluorocarbon-containing refrigerators, including the environmentally sound recovery, transport and final disposal of the said equipment and of the associated chlorofluorocarbons;

2. That the Parties should adopt, with regard to diluted sources, in particular, foams, the Recovery and Destruction Efficiency (RDE) parameter proposed by the Technology and Economic Assessment Panel in the report submitted to the Open-ended Working Group at its twenty-fifth meeting, a parameter which should be applied in developing the proposed study referred to above.

D. Decision XVII/__: Process agents

1. To note with appreciation the report of the Technology and Economic Assessment Panel;

2. To note with appreciation the report by the Executive Committee on process agent uses in Article 5 Parties (UNEP/OzL.Pro.WG.1/25/INF/4) which states that process change with zero residual emission has become established as the predominant modality for achieving phase-out in the process agent sector in the Parties operating under Article 5 of the Protocol;

3. To consider the following applications in table 1 as process agents, in accordance with the provisions of decision X/14 for 2006, to be reconsidered at the Eighteenth Meeting of the Parties, based on the information reported in accordance with paragraph 4 of the present decision;

Table 1

No	Party	Process agent application	Substance
32		Manufacture of losartum potassium	BCM
33	DPR Korea	Synthesis of ascorbic acid	CTC
34	DPR Korea	Synthesis of ciprofloxacin	CTC
35	DPR Korea	Synthesis of norfloxacin	CTC
36	DPR Korea	Production of sodium dichloroisocyanurate	CTC
37	Romania	Synthesis of 2,4-dichlorophenoxyacetic acid	CTC
38	Romania	Synthesis of diperoxydicarbonate	CTC
39	United Kingdom of Great Britain and Northern Ireland	Production of radio-labelled cyanocobalamin	CTC
40	United States of America	Production of high modulus polyethylene fibre	CFC-113

4. To request the nominating Parties listed in table 1 to submit before 1 January 2006 data to the Technology and Economic Assessment Panel on plant start-up date, annual make-up or consumption of controlled ozone-depleting substances, in-plant inventory and stockpiled amounts, total emissions of ozone-depleting substances per year and actual annual production data for each year for the past eight years (1997-2004);

5. In the case of the installation or commissioning of new plant after 30 June 1999, using controlled substances as process agents, to request Parties to submit their applications by 1 January 2006 for consideration subject to the criteria for essential uses under decision IV/25, in accordance with paragraph 7 of decision X/14;

6. To agree that the essential-use exemptions referred to in decision X/14 are for a limited period and subject to regular review by the Technology and Economic Assessment Panel and the Meeting of the Parties every two years;

7. To request the Technology and Economic Assessment Panel to review the information submitted in accordance with paragraphs 4 and 5 of the present decision and to report and make recommendations to the Parties at their Eighteenth Meeting in 2006 on essential-use exemptions and on uses that could be added to or deleted from table A of decision X/14.

E. Decision XVII/___: Laboratory and analytical uses of carbon tetrachloride

Bearing in mind that the Parties operating under paragraph 1 of Article 5 must reduce by 2005 consumption of carbon tetrachloride by 85 per cent with respect to their base line,

Taking into account that carbon tetrachloride has an important use in laboratory and analytical processes, which are also fundamental for many applications in the Parties operating under Article 5, and that alternatives are not yet available to allow application of international standards,

Recalling that decision IX/17 introduced an essential-use exemption for laboratory and analytical uses of ozone-depleting substances and decision XV/8 extended that exemption to 31 December 2007,

Considering that the drastic control measure for carbon tetrachloride that has been referred to puts at risk the analytical and laboratory uses required in Parties operating under Article 5,

To allow from 2006 Parties operating under Article 5 to apply the criteria and procedures of global exemption for carbon tetrachloride in laboratory and analytical uses that are currently established for Parties not operating under paragraph 1 of Article 5.

F. Decision XVII/___ : Laboratory and analytical critical uses of methyl bromide

1. To permit Parties not operating under paragraph 1 of Article 5 of the Protocol the levels of production and consumption, of the controlled substance in Annex E of the Protocol, necessary to satisfy the laboratory and analytical critical uses agreed in paragraph 2.
2. To agree, subject to paragraph 3, that the uses listed in annex IV to the report of the Seventh Meeting of the Parties are laboratory and analytical critical uses until [31 December 2007], subject to the conditions applied to exemption for laboratory and analytical uses contained in annex II to the report of the Sixth Meeting of the Parties;
3. That the uses listed in paragraph 6 of decision VII/11 and decision XI/15 are excluded from the uses agreed in paragraph 2;
4. To request the Technology and Economic Assessment Panel to report annually on the development and availability of laboratory and analytical procedures that can be performed without using the controlled substance in Annex E of the Protocol;
5. That the Meeting of the Parties shall each year, on the basis of information reported by the Technology and Economic Assessment Panel in accordance with paragraph 4, decide on any uses which should no longer be agreed as laboratory and analytical critical uses and the date from which any such restriction should apply;
6. That the Secretariat should make available to the Parties each year a consolidated list of laboratory and analytical critical uses that the Parties have agreed are no longer laboratory and analytical critical uses;
7. That any decision taken pursuant to paragraph 5 should not prevent a Party from nominating a specific use under the procedure set out in decision IX/6.

G. Decision XVII/___ : Recapturing/recycling/destruction of methyl bromide from space fumigation

Welcoming the 2005 progress report of the Technology and Economic Assessment Panel,

Noting in particular that the report was inconclusive on recommendations on recapturing/recycling and destruction (Section 7.6 pg 147 of the 2005 progress report) but highlighted the incentives by local environmental and occupational health and safety concerns,

Recalling decision XI/13 paragraph 7, urging the Parties to adopt methyl bromide recapturing technology where such technology is technically and economically feasible,

Noting that recapture of methyl bromide from small-scale fumigations in containers is already carried out in several countries,

Recognizing the need to further reduce methyl bromide emissions in an effort to protect the ozone layer,

1. To encourage Parties who currently deploy or plan to deploy technologies to recapture/recycle/destroy or reduce methyl bromide emissions from space fumigation applications to submit to the Technology and Economic Assessment Panel details of efficacy including Destruction and Removal Efficiency (DRE) and economic feasibility in space fumigation application by [1 January 2006], in the form posted on the website of the Technology and Economic Assessment Panel;
2. To request the Methyl Bromide Technical Options Committee to prepare a form for the purposes of paragraph 1;
3. To include the findings of data submitted in the [2006] progress report of the Methyl Bromide Technical Options Committee.

H. Decision XVII/___: Fixed-exchange-rate mechanism for the replenishment of the Multilateral Fund

Mindful of the conclusions contained in the revised final report by the Treasurer and the secretariat of the Multilateral Fund on the implementation of the fixed-exchange-rate mechanism and its impact on the operations of the Fund, prepared in response to decision XIII/4 and subsequently revised at the request of the Open-ended Working Group at its twenty-second meeting,

Reaffirming the purpose and objective of the fixed-exchange-rate mechanism as set out in paragraph 2, decision XI/6 to promote the timely payment of contributions, and to ensure that there is no adverse impact on the level of available resources of the Multilateral Fund,

Recalling that decision XI/6 established the fixed-exchange-rate mechanism on a trial basis for the 2000-2002 replenishment period, and that decision XIV/40 extended the trial period for a further three years,

Noting that the latest report by the Treasurer on the status of the Fund as at 31 May 2005 shows that there has been an overall gain due to the fixed-exchange-rate mechanism of \$US 4,644,136,

Mindful that decision XIV/40 included an agreement that, if the fixed-exchange-rate mechanism was to be used for the next replenishment period, Parties choosing to pay in national currencies would calculate their contributions based on average United Nations exchange rate for the six-month period commencing 1 July 2004;

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism for a further trial period of three years;
2. That Parties choosing to pay in national currencies will calculate their contributions based on average United Nations exchange rate for the six-month period commencing 1 July 2004. Subject to paragraph 3 below, Parties not choosing to pay in national currencies, pursuant to the fixed-exchange-rate mechanism, will continue to pay in United States dollars;
3. That no Party should change currency selected for its contribution in the course of the triennium period;
4. That only Parties with inflation rate fluctuations of less than 10 per cent, as per published figures of the International Monetary Fund, for the preceding triennium will be eligible to utilize the mechanism;
5. To urge Parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
6. To agree, if the fixed-exchange-rate mechanism is to be used for the next replenishment period, that Parties choosing to pay in national currencies will calculate their contributions based on average United Nations exchange rate for the six-month period commencing 1 January 2008.

I. Decision XVII/___: Preventing illegal trade in ozone-depleting substances

Mindful of the importance of preventing illegal trade for ensuring the smooth and effective phase-out of ozone-depleting substances,

Understanding the need of controlling both import and export of all ozone-depleting substances by all Parties, as required by the Montreal Amendment to the Montreal Protocol,

Recalling the provisions related to monitoring and control of trade in ozone-depleting substances contained in decisions VII/9, VIII/20, IX/8 and XIV/7,

Recognizing that there are already trade tracking systems established in other environmental conventions,

Mindful of the ongoing work on measures to address the illegal trade issue within the framework of the Strategic Approach to International Chemicals Management and of decision XXIII/9 of the Governing Council of the United Nations Environment Programme, on chemicals management, requesting the Executive Director of the United Nations Environment Programme to promote cooperation between the Montreal Protocol and certain other conventions in addressing international illegal trafficking of hazardous chemicals and hazardous wastes,

Acknowledging with appreciation the draft terms of reference for a study on the feasibility of developing an international system of tracking the movement of ozone-depleting substances between Parties produced by the Ozone Secretariat, as required by decision XVI/33,

Noting with appreciation the outcome of the workshop of experts from the Parties to the Montreal Protocol, organized by the Ozone Secretariat on 3 April 2005 in Montreal, on the development of specific areas and a conceptual framework of cooperation in preventing and combating illegal trade in ozone-depleting substances,

1. To approve the terms of reference for a study on the feasibility of developing an international system of tracking the movement of ozone-depleting substances between Parties, as presented in the appendix to the present decision, and to request the Ozone Secretariat to undertake such a study and present the results to the Eighteenth Meeting of the Parties to the Montreal Protocol in 2006;
2. To call on all Parties, including regional economic integration organizations, to implement comprehensive controls of imports, exports, re-exports (re-exports mean exports of previously imported substances) and transit of all ozone-depleting substances, including mixtures containing them, regardless of whether the Party concerned is or is not recognized as the producer and/or importer, exporter or re-exporter of the particular substance or group of substances;
3. To revise the reporting format resulting from decision VII/9 to cover exports (including re-exports) of all ozone-depleting substances, including mixtures containing them, and to urge the Parties to implement the revised reporting format expeditiously. The Ozone Secretariat is requested to prepare a standard format for reporting according to decision VII/9 that shall take into account the said revision. The Ozone Secretariat is also requested to report back the information received from the exporting/re-exporting Party to the importing Party concerned;
4. To urge Parties that export or re-export ozone-depleting substances to seek information from the importing country on the import license prior to issuing export or re-export license for the shipment concerned;
5. To encourage the Parties to introduce use controls and/or use bans for selected ozone-depleting substances that are used in particular sectors or in particular applications, and for products (including equipment) containing those substances, as this approach may effectively diminish illegal trade activities;

6. To encourage further networking and twinning activities in the framework of regional networks aimed at the exchange of information and experience on both licit and illicit trade in ozone-depleting substances between the Parties, including enforcement agencies.

Appendix

Draft terms of reference for a feasibility study on developing a system for tracking the movement of ozone-depleting substances between the Parties

1. Describe the logistical and regulatory steps necessary for the movement of bulk quantities of ozone-depleting substances from the point of production, via export, to final import for use and suggest an appropriate threshold for bulk quantities.
2. Describe important components that could usefully be included in an effective tracking system for the monitoring and control of trade in ozone-depleting substances between the country of export or re-export and the country of import.
3. Describe potential actions that could be used by Parties to assist in the tracking of bulk quantities of ozone-depleting substances as they move through the various steps from production to final import.
4. Examine whether any Parties already use tracking systems for ozone-depleting substances, in particular for transit trade, and whether this provides any useful lessons.
5. Examine how tracking mechanisms operate in other international agreements (such as the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal, the Convention on the International Trade in Endangered Species of Wild Flora and Fauna, the Convention on the Conservation of Antarctic Marine Living Resources and the Cartagena Protocol) and how they may or may not be useful models for the development of a system for tracking the movement of ozone-depleting substances in a manner that would assist in the efforts to reduce illegal trade. Examine costs and practical difficulties associated with tracking systems under the above mentioned international agreements in order to provide an estimate of the practical difficulties and costs with regard to implementation of a tracking system for ozone-depleting substances.
6. Describe sources of information, information requirements (such as: carrier, port of import/export/re-export/transit or transshipment, customs information on ozone-depleting substances being shipped including, *inter alia*, country of origin and declared producer name, country of final destination and declared purchaser/receiver name) and information flows that would be needed to enable an ozone-depleting substances tracking system to be successful in reducing illegal trade. Describe also the functional governmental or non-governmental units that would need to be involved in providing and monitoring such information, considering both centralized and decentralized systems. Investigate if there are any legal impediments, through, for example, confidentiality law or international trade law that would inhibit the assembly of needed information. Investigate implications of the World Trade Organization and Trade Related Aspects of Intellectual Property Rights agreements.
7. Communicate with five to seven producing country Governments and producers and international distributors in those countries as well as with five to seven re-exporting country Governments and international distributors in those countries (representing Parties operating under Article 5 and Parties not operating under Article 5) to get their views on the feasibility and cost of implementing a tracking system, and their views on whether such a system would impact on legitimate trade. Also communicate with the Governments and primary distributors in the two or three countries (representing Parties operating under Article 5 and Parties not operating under Article 5) responsible for the majority of the transit and transshipment of ozone-depleting substances to discuss the same matters.
8. Taking into account the above, describe, in an overview fashion, two or three likely workable options for tracking systems that would be useful in reducing illegal trade in ozone-depleting substances. Those options should describe the steps and actions that would have to be taken at the producer, distributor, governmental and Secretariat level to facilitate effective implementation of the system. Finally, estimates of the annual user Government, exporter/importer, Secretariat) costs and system-wide costs for implementation should be provided for each option.

J. Decision XVII/___:Dates of future Montreal Protocol meetings

Noting with appreciation the work undertaken by the Ozone Secretariat and the Technology and Economic Assessment Panel in organizing and servicing the Meetings of the Parties, meetings of the Open-ended Working Group, and meetings of the Panel and its Technical Options Committees,

Recognizing that certain legal requirements of the Protocol, and actions of the Parties, depend on sufficient time being available for Parties to consider information supplied by the Technology and Economic Assessment Panel related to possible amendments and adjustments of the Protocol, and the requirement under Article 9 of the Vienna Convention for a Party to submit such information six months prior to the Meeting of the Parties,

1. To request the Ozone Secretariat to:
 - (a) Post on its website by 31 January each year the indicative dates for the next two meetings of the Open-ended Working Group and Meetings of the Parties;
 - (b) If, subsequent to such posting, circumstances arise that necessitate a change to such indicative meeting dates, to revise the posting on its website and to notify the Parties within one week of such change;
 2. To request the Technology and Economic Assessment Panel to:
 - (a) Post on its website by 15 December of the year prior to the meetings taking place, the dates in the coming year for its meetings and meetings of its Technical Options Committees;
 - (b) Make best endeavours to provide reports approximately seven months before the Meeting of the Parties in order to allow sufficient time for the Parties to take into account information it has supplied related to possible amendments and adjustments;
 - (c) If, subsequent to such posting, circumstances arise that necessitate a change in a meeting date, to revise the posting on its website and notify the Secretariat within one week of such change.
-