



**United Nations
Environment
Programme**



Distr.
GENERAL

UNEP/OzL.Pro/WG.1/15/5
12 June 1997

ORIGINAL: ENGLISH

OPEN-ENDED WORKING GROUP OF THE PARTIES TO
THE MONTREAL PROTOCOL ON SUBSTANCES THAT
DEplete THE OZONE LAYER
Fifteenth meeting
Nairobi, 3-6 June 1997

REPORT OF THE FIFTEENTH MEETING OF THE OPEN-ENDED WORKING GROUP
OF THE PARTIES TO THE MONTREAL PROTOCOL

I. OPENING OF THE MEETING

1. The fifteenth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol was held at the headquarters of the United Nations Environment Programme (UNEP), Nairobi, from 3 to 6 June 1997.
2. The meeting was opened at 10 a.m. on Tuesday, 3 June 1997.
3. Speaking on behalf of Ms Elizabeth Dowdeswell, Executive Director of UNEP, Mr. Reuben Olembo, Deputy Executive Director, welcomed participants to the meeting. Observing that 1997 was the tenth anniversary of the conclusion of the Montreal Protocol, he recognized the achievements of all those working to achieve its objectives. The actual costs of ozone depletion in general were still not completely known. Research had indicated that, even with the 1992 Copenhagen Amendment, the depletion of the ozone layer was expected, in the year 2050, to result in 33,000 additional skin cancer cases in the United States (10 per cent above the current level) and 14,000 in north-west Europe. The number was expected to reach its peak in 2060 and then to decrease. However, relatively few Parties had ratified the London and Copenhagen Amendments to the Montreal Protocol and he appealed to all Parties to do so quickly.
4. All ozone-depleting substances (ODSs) had to be phased out as early as possible. Six principal actions would lead to that:
 - (a) As methyl bromide was the most powerful ODS that had not been effectively controlled, a phase-out schedule should be put in place for Article 5 Parties and for advancing its phase-out in non-Article 5 Parties;
 - (b) A strategy must be developed by the Executive Committee to assist

developing countries to implement fully the Montreal Protocol. Only 25 months remained until the freeze in CFC consumption and production by Article 5 countries, and it was reported that in some countries methyl bromide consumption had increased significantly;

(c) The Implementing Agencies of the Multilateral Fund should work closely in cooperation with Governments in developing countries and expedite implementation;

(d) Countries with economies in transition must also speedily implement the Protocol with assistance from the Global Environment Facility (GEF);

(e) A system should be put in place to prevent new ozone-depleting substances from being marketed in the future; and

(f) Any continuing illegal trade in ozone-depleting substances must be completely stopped. The Parties had proposed some amendments designed to control that trade.

5. The Working Group had before it a number of important issues on which it was called to make recommendations to the Ninth Meeting of the Parties. The most important related to the amendment and adjustment of the Protocol. Recommendations would also have to be made on tightening the control schedule for HCFCs and carbon tetrachloride. Other pressing issues included essential uses nominated by the Parties and the harmful environmental effects of increased usage of ODS substitutes with high global warming potentials.

6. In conclusion, he said that the key to monitoring the implementation of the Protocol was accurate and timely reporting of data and, to ensure that, the Working Group should look to streamlining and simplifying reporting formats. Timely contributions to the Multilateral Fund were also crucial and he urged all Parties to pay immediately their outstanding contributions to the Trust Fund for the Vienna Convention and the Montreal Protocol Trust Funds.

II. ORGANIZATIONAL MATTERS

A. Attendance

7. The following Parties to the Montreal Protocol were present: Algeria, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Belgium, Benin, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Central African Republic, Chile, China, Colombia, Comoros, Costa Rica, Côte d'Ivoire, Cuba, Denmark, Dominican Republic, Egypt, El Salvador, Ethiopia, European Community, Fiji, Finland, France, Georgia, Germany, Ghana, Greece, Honduras, Iceland, India, Indonesia, Iran (Islamic Republic of), Italy, Jamaica, Japan, Jordan, Kenya, Kuwait, Latvia, Lesotho, Lithuania, Luxembourg, Macedonia, Madagascar, Malawi, Malaysia, Mexico, Mongolia, Morocco, Namibia, Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Republic of Korea, Romania, Russian Federation, Saint Lucia, Samoa, Saudi Arabia, Senegal, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda,

/...

Ukraine, United Kingdom, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Viet Nam, Zambia, Zimbabwe.

8. Armenia, a State not Party to the Protocol, was also represented.

9. Observers for the following United Nations Secretariat units, bodies and specialized agencies were also present: secretariat of the Global Environment Facility (GEF), secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP), United Nations Population Fund (UNFPA), World Bank.

10. The following other organizations were also represented: 3M Company, Agricultural Research Consulting (ARC), Air Conditioning and Refrigeration Institute, Alliance for Responsible Atmospheric Policy (ARAP), American Lung Association (ALA), Carrier Corporation, Climate Network Africa, Copeff-FOE-Chile, COWI Consulting Engineers and Planners, Dainippon Pharmaceutical Company, Dupont Chemicals, Dupont Company, Earthcare Africa, Elf Atochem, Environment & Economic Network of Eastern and Southern Africa, Environmental Investigation Agency, Environmental Liaison Centre International (ECLI), Foundation for Sustainable Development in Africa, Friends of the Earth (FOE), Glaxo Wellcome PLC., Green Africa, ICI Chemicals and Polymers Limited, Industrial Technology Research Institute, International Council of Environmental Law, International Pharmaceutical Aerosol Consortium, Japan Association for Hygiene of Chlorinated Solvents, Japan Environmental Sanitation Centre, Japan Fluorocarbon Manufacturers Association, Japan Industrial Conference for Ozone Layer, Japan Plant Protection Association, Japan Refrigeration and Air Conditioning, Lennox Industries, Methyl Bromide Working Group, Pesticide Action Network, Rhone Poulenc Rorer, INC., Rishiroop Polymers PVT. Limited, Schering-Plough Corporation, Schering-Plough K.K., Showa Denko K.K., Teijin Chemicals Limited, The Rowland Company, Trane Company, York International Cooperation.

B. Officers

11. Ms C. Garcia-Mosler (Mexico) and Ms C. Fearnley (New Zealand) served as Co-Chairs of the meeting, in accordance with decision VIII/27 of the Eighth Meeting of the Parties to the Montreal Protocol.

12. Mr. Gregory L. Rose (Australia) served as Rapporteur for the meeting.

C. Adoption of the agenda

13. The following agenda was adopted on the basis of the provisional agenda contained in document UNEP/OzL.Pro/WG.1/15/1 and Corr.1.

1. Opening of the meeting.
2. Organizational matters:

/...

- (a) Adoption of the agenda;
 - (b) Organization of work.
3. Consideration and consolidation of the amendments and adjustments proposed by Parties (decisions VII/9, paragraph 8, VII/8, paragraph 1 and others, if any).
4. Report of the Technology and Economic Assessment Panel on essential uses:
 - (a) Status of use of controlled substances and availability of alternatives for laboratory and analytical uses of ozone-depleting substances (decision VII/11, paragraph 7);
 - (b) Quantity of controlled substances authorized under the essential-use process (decision VII/28, paragraph 2);
 - (c) Progress in the development and implementation of national transition strategies in non-Article 5 Parties for non-CFC treatments of asthma and chronic obstructive pulmonary disease (decision VIII/12, paragraph 4);
 - (d) Transition to non-CFC treatments of asthma and chronic obstructive pulmonary disease in non-Article 5 Parties that is fully protective of public health (decision VIII/12, paragraph 5);
 - (e) Implications of allowing greater flexibility in the transfer of essential-use authorizations between Parties (decision VIII/9, paragraph 6);
 - (f) Implications of allowing the production of CFCs for medical applications on a periodic "campaign basis" (decision VIII/9, paragraph 7).
5. Report of the Technology and Economic Assessment Panel on methyl bromide:
 - (a) Report on methyl bromide, including the availability of viable alternatives for specific applications (decision VII/8);
 - (b) The need for and the modalities (including the essential-use process) and criteria that could be used to facilitate review, approval and implementation of requests for critical-agricultural-use exemptions (decisions VII/29, paragraph 3, and VIII/16, paragraph 2);
 - (c) Possible uses of market-based measures to allow for greater flexibility in implementing the requirements for limitations on methyl bromide (decision VII/29, paragraph 4);

/...

- (d) Control of trade in methyl bromide with non-Parties (decision VIII/15).
6. Report of the Technology and Economic Assessment Panel on other issues:
- (a) Important new technical and economic developments (decision VII/34, paragraph 5);
 - (b) Modalities and criteria for a continued use of controlled substances as process agents (decision VII/10, paragraph 2);
 - (c) List of available alternatives to each HCFC application (decision VIII/13, paragraph 2);
 - (d) Future availability of halons to meet the demands for use in critical applications by non-Article 5 Parties (decision VIII/17, paragraph 2).
 - (e) New substances with ozone-depleting potential.
7. Control of exports of ozone-depleting substances:
- (a) Instituting a system to require validation and approval of exports of used and recycled ozone-depleting substances from all Parties (decision VIII/20, paragraph 5);
 - (b) Issues relating to exports of ozone-depleting substances and products containing ozone-depleting substances including, inter alia, the control of exports of ozone-depleting substances by Parties in non-compliance (decision VIII/26, paragraph 4);
 - (c) Proposed amendment by the African Group to decision VII/32;
 - (d) Use of customs codes for imports and exports of ozone-depleting substances (proposal by Poland).
8. Report of the Executive Committee on:
- (a) Reducing the agency support costs of the Implementing Agencies of the Multilateral Fund (decision VIII/4, paragraph 6);
 - (b) Action to improve the functioning of the Financial Mechanism (decisions VIII/5 and VIII/7).
9. Arrears in the contributions to the Multilateral Fund by non-Article 5 Parties which had not ratified the London Amendment prior to the Eighth Meeting of the Parties (decision VIII/6, and paragraph 88 of the report of the Eighth Meeting of the Parties to the Protocol (UNEP/OzL.Pro.8/12)).

/...

10. Application of the Republic of Moldova for classification as a developing country.
11. Report of the Implementation Committee on:
 - (a) Revised formats for reporting data under Article 7 of the Protocol (decision VIII/21);
 - (b) Compliance with the Montreal Protocol by Latvia (decision VIII/22), Lithuania (decision VIII/23), Russian Federation (decision VIII/25) and others, if any.
12. Report by the Ozone Secretariat on utilization of the funds for the participation of experts from developing countries and countries with economies in transition in the meetings of the Assessment Panels and the Technical Options Committees (decision VIII/28, paragraph 6).
13. Report by the United Nations Environment Programme on the ways in which the 13 per cent programme support costs charged by the United Nations Environment Programme to the Trust Fund budget have been used for the benefit of the Convention and its Secretariat (decision VIII/28, paragraph 7).
14. Other matters.
15. Adoption of the report.
16. Closure of the meeting.

III. CONSIDERATION AND CONSOLIDATION OF THE AMENDMENTS AND ADJUSTMENTS PROPOSED BY PARTIES (DECISIONS VII/9, PARAGRAPH 8, VII/8, PARAGRAPH 1 AND OTHERS, IF ANY)

14. The Co-Chair proposed, and the Working Group agreed, that the Technology and Economic Assessment Panel (TEAP) would first present its report on methyl bromide, following which the Working Group would discuss the proposals for amendments and adjustments submitted for its consideration. It was decided to establish a Legal Drafting Group, to be chaired by Mr. Patrick Szell (United Kingdom), to consolidate the texts of the proposals.

15. TEAP and its Technical Options Committees (TOCs) and Task Force presented their findings on methyl bromide and on HCFC applications. The presentations were introduced by Dr. Stephen Andersen, Co-Chair of TEAP. He said that TEAP currently was composed of 22 members from 17 countries, including seven members from Article 5 Parties and two members from countries with economies in transition.

/...

Presentation of the TEAP report on methyl bromide and general debate

16. Dr. Jonathan Banks, Co-Chair of the Methyl Bromide Technical Options Committee (MBTOC), said that MBTOC had reported to TEAP its finding that it was technically feasible to reduce by approximately 75 per cent non-quarantine and pre-shipment methyl bromide by 2001, provided that current emergency and routine essential-use provisions were modified and made applicable for methyl bromide. TEAP found no compelling technical or economic reasons why non-Article 5 and Article 5 Parties could not pursue a similar phase-out schedule for methyl bromide.

17. MBTOC noted that most methyl bromide was used in soil fumigation as a pre-plant treatment. In Article 5 Parties it was used principally for production of high-value export crops for developed-country markets, with some post-harvest application to disinfest grain and other durable commodity stocks. The proportion of methyl bromide used for soil and post-harvest treatment varied widely between different Article 5 Parties. In non-Article 5 Parties it was used principally for production of high-value crops, with some post-harvest use and also for disinfestation (fumigation) of structures such as flour mills.

18. Methyl bromide use had decreased in some Article 5 Parties as a result of local efforts and technology cooperation, through UNEP and bilateral projects, and because of health concerns over its toxicity towards workers. Alternative technologies for methyl bromide had been put in place in some countries without loss of productivity and quality of high-value crops previously dependent on methyl bromide. By contrast, other countries had seen some very large increases in methyl bromide use.

19. The essential-use nomination process had been shown to be an effective mechanism to provide ODS supplies for essential uses after the phase-out deadline. The recent decision by the Parties giving the Secretariat, after consultation with TEAP, the latitude to grant emergency essential-use exemptions for later confirmation by the Parties provided a further mechanism for ensuring that short-notice critical situations could be dealt with. Further, methyl bromide was a stable gas and could be stored during transition periods or as emergency supplies for use in the event of emergence of pests resistant to an alternative or if pests were to break out and its use was judged vital.

20. The report of the Methyl Bromide Task Force of the Economic Options Committee (EOC) was presented by Dr. Van Slooten, who said that the report specified indicators of economic feasibility used in: (a) microeconomic evaluations of alternatives for soil fumigation (e.g. production costs and crop yields; risk of crop failure; profitability); (b) sector evaluations (producers surplus; consumers surplus; effects on input and ancillary markets); and (c) changes in the external costs. In the case of crop production, yields became more favourable over time as new technologies were optimized and growers became more skilful in applying those technologies. Investment in skills could speed the transfer and adoption of alternatives. New technologies were being developed and transferred between both developed and developing countries. Sector analyses of switches to alternatives with different impacts on crop yields and production costs, given existing market

/...

forces and policies, could lead to changes in the location of crop production, producer and consumer prices, jobs and foreign-exchange earnings.

The results of applying a sector model to the North American market for winter fresh vegetables, based on knowledge of alternatives as of 1994 and 1997, respectively, estimated a rapid decline in the economic costs of a 2001 phase-out of methyl bromide.

21. Following the presentations, all representatives who took the floor expressed their appreciation for the work carried out by TEAP to prepare its report.

22. One representative said that the data in the TEAP report on methyl bromide consumption in Brazil did not show the true picture, as Brazil had consumed approximately 304 tonnes in 1995, but in 1996 that figure had reached 1,006 tonnes. He also pointed to new developments and technological options to substitute for methyl bromide use in the country. One major problem for Brazil was the need to increase domestic production of alternatives to methyl bromide and thus reduce imports.

23. A member of TEAP, welcoming the increased development and application of new substitute technologies in Brazil, regretted that the latest data on the country had not been available to TEAP. He believed there was certainly a need to carry out a further updated survey of methyl bromide consumption.

24. One representative believed the TEAP report painted an over-optimistic picture of the real situation with regard to use of alternatives for methyl bromide. The report contained nothing on the regulatory problems of countries. Since no single alternative could replace methyl bromide, a number of alternatives were used for different situations. The small markets for the individual alternatives meant that companies were reluctant to go through the product registration process, which also entailed lengthy trial periods and costs. Double-cropping was also not applicable in all countries. Soil-less substrates could only be used for certain crops. Solarization required that large areas of soil be out of production for long periods at a critical time.

25. A member of TEAP replied that the presentation of the TEAP report had, of necessity, been incomplete, and the issue of regulatory problems was contained in the report. He agreed that not all alternatives to methyl bromide could be applied to every situation.

26. A member of TEAP, noting the difficulty of immediately replacing methyl bromide, pointed to new technologies such as use of virtually impermeable film (VIF) processes, which permitted a reduction in methyl bromide use, while a trial on alternatives was under way.

27. One representative described the lack of success and disappointing cost-effectiveness of solarization to fumigate soil during the winter in her country. There was also the problem of how to dispose of the plastic sheeting in an economic and environmentally friendly way. She believed that there was a need to take a more profound look at applying solarization techniques in Article 5 Parties.

28. In reply, a member of TEAP observed that plastic sheeting was also used

/...

in applying methyl bromide and an alternative technology without sheeting was to be welcomed. It had been recognized that solarization was not a universal solution, but it was possible to apply the technique as an alternative to methyl bromide in some areas.

29. In reply to a request for clarification on the differing impacts which the adoption of alternative technologies had on the local conditions in each country, a Co-Chair of TEAP said that TEAP appreciated that different Parties were subject to different economics in that process. The scenario put forward in the TEAP report was a feasible one.

30. One representative said that the increased use of methyl bromide in Article 5 Parties, as noted in the TEAP report, was due to their increased crop-production for reasons of food self-sufficiency. He added that his country would be glad to be selected for a TEAP case-study on application of alternatives.

31. In answer to the question whether the Economic Options Committee's (EOC) modelling study of the North American markets reflected only costs, without taking into account payback periods, a Co-Chair of EOC replied that the study did not include payback figures.

32. One representative, speaking on behalf of a regional economic integration organization and its member States, asked whether, after phase-out, critical-use exemptions for methyl bromide would remain and sought clarification on how such exemptions could work in practice.

33. A member of TEAP replied that Parties faced the problem of addressing critical agricultural uses and QPS exemptions, while still fulfilling their obligations under the Montreal Protocol. TEAP suggested a change in the language of the criteria for essential uses, to include security of national food supply and economic factors.

34. In reply to a question on why, with regard to critical-agricultural-use exemption, TEAP now preferred option 1 (revision of existing essential-use criteria), out of the four options for critical-use-exemption modalities presented in the 1995 report, a member of TEAP said that experience of option 3 (positive list of uses) and 4 (negative list of uses) had not been successful. Methyl bromide had very diverse uses and inclusion on the list tended to enshrine those uses. Thus, option 1 was seen as the most desirable, while option 2 (temporary emergency use) seemed to be a process that could still be considered.

35. One representative did not agree with the assertion in the TEAP report that Article 5 Parties used methyl bromide principally for production of high-value export crops, as his country used only a small proportion of methyl bromide for agricultural purposes. He also took issue with the fact that methyl bromide and other ODS were placed on the same footing in the TEAP report, whereas other ODS had good substitutes. Methyl bromide use was very closely linked to a number of factors, climatic and local, and it was difficult to find a replacement in the same way as for other ODS, particularly for agriculture, which was a special case and needed to be considered separately. The idea that exemptions for quarantine and pre-shipment should be abolished needed reflection, as that represented a

/...

very important application of methyl bromide.

36. The same representative said that the assertion in the TEAP report that Article 5 Parties had increased use of methyl bromide was questionable, because most of the consumption of methyl bromide was in the developed countries. The developing countries used only a small amount. The Montreal Protocol mandated that production and consumption would be frozen for Article 5 Parties as from 2002. The non-Article 5 Parties, which had much greater production and consumption of methyl bromide, should apply more stringent measures.

37. One other representative said that the technical and economic differences that existed between countries justified a gradual phase-out by developing countries. It was well known that the capabilities of Article 5 Parties to absorb new technologies in a short time were different from those of non-Article 5 Parties. Technologies were being developed in the Article 2 Parties, and took time to reach Article 5 Parties.

38. A member of TEAP agreed that it would be a great advantage for the Montreal Protocol if global incentives were developed for suppliers of alternatives to methyl bromide, recognizing that technology development had been mostly in the developed countries. The Article 5 Parties had also rapidly developed new technologies and could transfer them. Small users might not be able to phase-out methyl bromide use rapidly, but the largest users were multinationals, operating in Article 5 Parties. So multinationals were able to introduce changes rapidly in both Article 5 and non-Article 5 Parties.

39. One representative asked whether the statement that the global market for methyl bromide quoted as 75,000 tonnes, included the 18 per cent used for QPS. He wanted to know the base level for non-Article 5 Parties and also whether TEAP could take on board the issue of how long it took developing countries to change their agricultural practices.

40. A member of TEAP said that the 1995 methyl bromide market figure of 75,000 tonnes was an all-inclusive figure, taken from another report. The TEAP report contained the 1992 figures which were the last substantiated figures. It was very important to seek updated figures on the total methyl bromide market. The Article 5 Parties' baseline for 1995-1998 was not yet established. MBTOC was very conscious of the time needed to change agricultural practices in the Article 5 and non-Article 5 Parties and many studies had been conducted on the subject outside the Montreal Protocol.

41. The Executive Secretary of the Ozone Secretariat clarified that the baselines for non-Article 5 Parties on the basis of data received so far were 26,189 ODP tonnes for production, with imports of 6,300 tonnes and exports of 4,500 tonnes, which left around 28,000 ODP tonnes as the 1994 figure for non-Article 5 Parties.

42. One representative said that, because the TEAP report had been received late in his country, he had had very little time to prepare for the present meeting. He also said that, in future, if time constraints meant that TEAP was unable to comply with a request in a timely manner, it should ask for an extension of the deadline. A Co-Chair of TEAP replied that TEAP had

/...

requested a later deadline, but that had not proved possible.

Consideration of proposals for adjustments and amendments of the Montreal Protocol relating to methyl bromide

43. Subsequently, the methyl-bromide-related proposals for amendments and adjustments to the Protocol, submitted by the United States of America (UNEP/OzL.Pro/WG.1/15/2/Add.2), the European Community (UNEP/OzL.Pro/WG.1/15/2/Add.3) and Canada (UNEP/OzL.Pro/WG.1/15/2/Add.5), were introduced by their respective sponsors.

44. In the ensuing discussion, many representatives noted the importance that strengthening controls on methyl bromide would have for protecting the ozone layer and the environment in general. Many of them supported moving the phase-out date for the production and consumption of methyl bromide to 2001 in Parties not operating under Article 5, as contained in the proposed adjustments submitted by Canada and the United States of America. Many others considered that a phase-out should be established as soon as was feasible but could not yet support specific dates. One representative expressed support for retaining the current control schedule for Parties operating under Article 2.

45. Many representatives also expressed support for strengthening controls, including the consideration of a phase-out, on the production and consumption of methyl bromide in Parties operating under Article 5. Several representatives expressed specific support for the Canadian proposal for a phase-out by 2011 for Parties operating under Article 5. Several representatives noted with interest the statement in the TEAP report that no significant technical or economic obstacles existed that prevented establishment of uniform controls on methyl bromide for Article 2 and Article 5 Parties and, on that basis, some representatives expressed support for a global phase-out of methyl bromide by 2001 as in the United States proposal. Many other representatives expressed strong support for retaining a 10-year grace-period for Parties operating under paragraph 1 of Article 5 noting that, in their view, the concept of common but differentiated responsibilities was a fundamental principle underlying the Montreal Protocol. Many other representatives noted the importance of methyl bromide to the agricultural sector of their economies and said that, in their view, discussion of further controls should await the results of ongoing demonstration projects, so that Parties would have sufficient information on the availability of proven, reliable and cost-effective alternatives. Many representatives stated that additional assistance from the Multilateral Fund would be required to advance the scope of methyl bromide demonstration projects and to implement any future controls on the production and use of methyl bromide by Parties operating under Article 5.

46. Some representatives expressed support for the European Community proposal to change to 1995-1997 the baseline for the freeze on the production and consumption of methyl bromide for Article 5 Parties. Some representatives expressed opposition to that proposal, with one recalling that the current, 1995-1998 baseline had been negotiated at great length at the Seventh Meeting of the Parties and that it was important to maintain stability in the control measures.

/...

47. One representative said that scientific work on methyl bromide should await the results of the scientific report on methyl bromide to be published in 1998.

48. Regarding control exemptions, most of the representatives who took the floor expressed support for retaining the current exemption for methyl bromide used for quarantine and pre-shipment applications. One representative said that it would be desirable to look for alternatives for quarantine and pre-shipment applications, as well. Many supported further consideration of the concept of critical agricultural uses, although views differed regarding the relevant conclusions contained within the report of the TEAP. Some supported clear establishment of exemptions for critical agricultural uses, while others expressed concern that such exemptions must not weaken either the proposed controls on methyl bromide or the Protocol's existing concept of essential uses.

49. Regarding control of trade in methyl bromide, many representatives expressed support for establishing some type of trade regime, in particular a ban on the trade of methyl bromide with non-Parties. One of those representatives also supported restricting the trade with non-Parties in products containing methyl bromide and in products made with, but not containing, methyl bromide. Several other representatives, while supporting a ban on the trade of methyl bromide itself, expressed opposition to the proposal to extend trade controls to products containing methyl bromide, or to products made with, but not containing, methyl bromide.

50. The representative of a non-governmental organization, speaking on behalf of 88 other non-governmental organizations, expressed support for a 1999 phase-out of the production and consumption of methyl bromide in Parties not operating under Article 5, with exemptions for quarantine and pre-shipment applications, and a total ban in 2001. For Parties operating under Article 5, he expressed support for a freeze in 2000, based on a baseline calculated from the average of 1992-1994, a phase-out of most uses by 2003 and a total ban by 2006, all to be accompanied by expanded support from the Multilateral Fund. In his view, such prompt action was warranted given the toxicity of the chemical, its high ozone-depleting potential and efforts by some methyl bromide producers to increase the use of the chemical in some Article 5 Parties prior to the end of the period currently to be used to calculate baseline consumption.

51. The representative of a non-governmental organization, speaking on behalf of some agricultural growers in his country, disputed the findings of the TEAP report, claiming they did not accurately reflect many conclusions by some MBTOC members and should not be used by the Parties as the only source of information when deciding on the issue.

52. The Co-Chair concluded that there was a broad convergence of views on the need for strengthened controls on methyl bromide, in both non-Article 5 and Article 5 Parties. It was clear that a critical-agricultural-use or similar exemption would be important in developing such controls. In addition, there was broad support for the retention of the quarantine and pre-shipment exemption at the current stage. On the need for methyl bromide trade measures, there was a wide range of views.

/...

53. At the suggestion of the Co-Chair, the Working Group decided to establish an open-ended contact group to be chaired by the representative of Chile, to examine the proposals further and report back to the Group at a later stage.

54. The representative of Chile subsequently reported to the Working Group on the discussions and findings of the contact group and drew attention to its report, which had been circulated as a conference room paper. He said that discussion in the contact group had covered five issues, as set out in the contact group's report: critical-use exemptions; control of trade with non-Parties; accelerated phase-out for Article 2 Parties; phase-out for Article 5 Parties; and adjustment of the baseline data for Article 5 controls. Concerning the first three issues discussed, the contact group had agreed on a text with brackets, but could not agree on the issues concerning Parties operating under Article 5.

55. The coordinator of the Group of 77 and China, speaking on behalf of Parties operating under Article 5, said that the position of those countries was that:

(a) The issue of a base-year for Article 5 Parties for methyl bromide had been satisfactorily addressed at the Seventh Meeting of the Parties in 1995 and the issue need not be reopened.

(b) There should be a minimum grace-period of ten years between methyl bromide control measures applicable to non-Article 5 Parties and those applicable to Article 5 Parties;

(c) Any additional control measures for Article 5 Parties should be considered only after the results of demonstration projects relating to alternatives to methyl bromide in such countries were available and the transfer of appropriate technology;

(d) They had an open mind on controlling trade in methyl bromide with non-Parties. However, timing of application of such controls would be an important element in such consideration. They agreed that it was not appropriate to consider control of trade in products made with or containing methyl bromide;

(e) They urged all Article 5 Parties to take voluntary steps to reduce, as far as practicable, use of methyl bromide. In that regard, there was a need for immediate additional Multilateral Fund resources, over and above those currently budgeted on the three year plan of the Multilateral Fund for, inter alia, demonstration and investment projects for Article 5 Parties as they decide to take steps to initiate voluntary reduction of use of methyl bromide;

(f) Any additional control measures for HCFCs for all Parties were not appropriate.

/...

56. The representative of Venezuela said that he regretted that he had been unable to attend the discussions of the Group of 77 and China and had not been consulted about the position expressed by the Group, with which he did not agree. Reiterating his country's previously stated position on methyl bromide, he said that Venezuela was in favour of a phase-out schedule for methyl bromide in Article 5 Parties, in line with the commitment he believed had been adopted at the Seventh and Eighth Meetings of the Parties. Article 5 Parties needed a grace-period for phase-out. All Article 5 Parties should seek to reduce their consumption of methyl bromide. Venezuela also wanted control measures on trade in methyl bromide.

57. The coordinator for ozone issues for the southern hemisphere temperate countries known as the Valdivia Group, comprising Argentina, Australia, Brazil, Chile, New Zealand, South Africa and Uruguay, said that the members of the Group had already experienced significantly lower levels of ozone over the countries as a result of stratospheric ozone depletion. Some of the members had been exposed to extremely low ozone levels associated with the Antarctic ozone hole passing over the tip of Southern America.

58. Concerning the phase-out of methyl bromide, the Group was interested in seeing an appropriate advancement of the phase-out schedule for developed countries. It believed that the Ninth Meeting of the Parties should agree to an appropriate phase-out date for methyl bromide consumption in Article 5 Parties. The members of the Group looked forward to working with other delegations to reach agreement on an appropriate date and grace-period. The Group noted that the phase-out of methyl bromide in Article 5 Parties would require appropriate assistance from the Multilateral Fund. The Group further believed that the current exemption, allowing for the use of methyl bromide for quarantine and pre-shipment applications, should be continued.

59. On the issue of illegal trade in ozone-depleting substances, the Group was concerned at the apparently high rates of illegal trade in CFCs after their phase-out in developed countries. Illegal trade was a significant threat to the achievement of the objectives of the Montreal Protocol and had environmental consequences for all countries. Accordingly, it welcomed any proposals to assist in controlling that trade including the proposals to introduce licensing of controlled substances, which, if adopted, should prove a powerful tool to control illegal trade in all countries.

60. One representative, speaking on behalf of a group of non-Article 5 Parties (Australia, Canada, European Community and its member States, Iceland, Japan, New Zealand, Norway, Switzerland and the United States) responded to the statement on methyl bromide made on behalf of the Group of 77 and China. He said that when they had negotiated an agreement in Vienna to review in 1997 the controls on methyl bromide in Article 5 Parties, his group of Parties had done so in good faith, with the clear stated expectation that in 1997 they would be agreeing to the timing of an Article 5 phase-out.

61. Accordingly, they welcomed the recognition by the Group of 77 and China that methyl bromide should be phased out in Article 5 Parties, and noted their view that the phase-out should follow ten years after the equivalent controls for non-Article 5 Parties. However, they drew attention to the conclusion of the TEAP report that the Panel had found "no technical or economic reasons that non-Article 5 Parties and Article 5 Parties could not pursue similar phase-out schedules".

62. The Parties he represented now had the necessary information from TEAP, the provision for initial funding had been made, and those Parties were in a position to agree, at the Ninth Meeting of the Parties, an appropriate phase-out schedule, grace-period and baseline for Article 5 Parties, having regard to their circumstances and the need to ensure that adequate alternatives were available.

63. He firmly believed that the ongoing discussion on the critical-use provision would address the concerns of non-Article 5 and Article 5 Parties.

Through the development of that provision, he wished to make clear the Parties' intent to phase out, within a feasible period, the use of methyl bromide and not the underlying agriculture and uses which depended on it. He believed that, as appropriate alternative technologies were developed in both Article 5 and non-Article 5 Parties, there would be greater opportunity for that technology to be transferred as appropriate, with any suitable modifications.

64. The Parties on whose behalf he spoke appreciated the concern of many Article 5 Parties at the potential impact on their economies and agriculture of a move away from methyl bromide. They accepted the need for demonstration projects to show that alternative technologies would work in their countries, and that such projects should be funded through the Multilateral Fund. However, such demonstration projects provide an opportunity to enable countries to move towards phase-out of methyl bromide, not a reason for delaying it.

65. He further stated that the Executive Committee had at its last meeting approved four methyl bromide demonstration projects. Provision had been made during the last replenishment of the Fund for a sum of at least \$10 million to be set aside for that purpose, and to start the implementation of any recommendations that might arise from the Ninth Meeting of the Parties. It was necessary to take account of any controls which were agreed at that meeting in considering the next replenishment of the Fund in 1999.

66. He concluded that the Parties on whose behalf he spoke would also be pleased to discuss further an appropriate date for bringing into force a ban on trade in methyl bromide with non-Parties, taking account of the need for Parties to deposit an instrument of ratification of the Copenhagen Amendment.

67. Two representatives of non-governmental organizations, speaking on behalf of other non-governmental organizations, strongly urged the developing countries to agree on a phase-out date during the current year, with a grace-period for developing countries. They further pointed out that, unless Article 5 Parties agreed on a phase-out date, non-governmental organizations would find it extremely difficult to urge Governments to commit any funding for phase-out work.

/...

Presentation of the TEAP report on possible applications of HCFCs and general debate

68. Dr. Lambert Kuijpers, Co-Chair of TEAP, reported on possible applications of HCFCs. He said that TEAP had been requested by Parties to update its report on possible HCFC applications, which was intended to facilitate data collection on HCFC consumption. He then proceeded to present the applications of HCFCs and the available alternatives for their use. He started by stating that, for most HCFCs, technically and economically feasible alternatives existed, that some alternatives had high global warming potentials and that a lack of access to HCFCs for certain manufacturing operations, or the conversion thereof, would delay the CFC phase-out in Article 5 Parties and would increase the costs for the Multilateral Fund. After having given the categories of possible HCFC use, he summarized the use in the several sectors. For laboratory uses, sterilants and aerosol propellants, a small volume of HCFCs would be needed. In the foam sector HCFCs were not needed for most applications, except in those cases where specific energy standards needed to be met and hydrocarbon alternatives, for example, could not yield adequate values under specific constraints. In fire-extinguishing, HCFC alternatives were available for all uses. However, applicability was limited under certain circumstances. In refrigeration, HCFC alternatives had become available for many uses. Except for certain types of equipment in certain subsectors, new equipment could be designed for use without HCFCs. However, that did not apply to all types, such as certain chiller plants. In refrigeration and air-conditioning, retrofits were not generally possible and HCFCs were further needed for servicing purposes. In the solvent sector, alternatives for HCFC-141b were available. For HCFC-225 applications, the use of that chemical remained important, in view of the lack of appropriate alternatives with good technical or environmental performance. Dr. Kuijpers mentioned that the Technical Options Committee reports for the 1999 assessment would present a comprehensive review of alternatives and also an overview of HCFC global use data.

69. Dr. Kuijpers said that HCFCs were controlled under Annex C. However, certain non-HCFC alternatives for solvents with ODPs in the range of 0.01-0.05 were not controlled under the Protocol and were now aggressively marketed (such as chlorobromomethane or n-propyl bromide). He stated that Parties might wish to consider a mechanism that any new chemical with a certain ODP value be listed as a controlled substance and be phased out at a certain date.

70. Further information was provided to the Working Group in response to a number of questions. It was explained that, with regard to comparative costs of equipment for HCFCs and hydrocarbons, it was difficult to give an investment cost ratio, as that was equipment-related and size-specific.

71. In response to a question on use of alternatives in refrigeration, the Working Group was informed that in a number of subsectors where HCFCs were used, adequate retrofits were not available and it would be necessary to rely on HCFCs for some time to come. However, for new equipment, non-HCFC alternatives were, for the larger part, available or would shortly be commercialized, the main exception being low-pressure chillers.

/...

72. One representative explained the difficulty in getting data on HCFC consumption by contacting users, as there was no appropriate licensing scheme. The procedure normally followed would be to contact customs authorities but, since they had no codes to extract the data, he suggested that the World Customs Organization be asked to assign different codes to Annex C substances, as it had done for Annex A and B substances. The Executive Secretary of the Ozone Secretariat replied that efforts had already been made in that respect and would continue, but they were hampered by the very lengthy process followed by the World Customs Organization.

73. In answer to a question on what information was available regarding costs to countries with very high ambient temperatures in meeting both Protocol and public health requirements in the areas of refrigeration and air conditioning, a Co-Chair of TEAP replied that, while the subject went beyond the scope of the TEAP report, a comprehensive review of refrigeration options would be issued by TEAP in 1998.

Consideration of proposals for adjustments and amendment of the Montreal Protocol related to hydrochlorofluorocarbons

74. The representatives of the European Community and Switzerland introduced their respective proposals for adjustments and amendments to the Montreal Protocol with respect to hydrochlorofluorocarbons (UNEP/OzL.Pro/WG.1/15/2/Add.3, annex, appendix, para. 2, and UNEP/OzL.Pro/WG.1/15/2/Add.6 and Corr.1, annex). The proposal of the European Community would involve, for Parties not operating under Article 5, a reduction in the level of the HCFC cap, an accelerated phase-out schedule, and consideration of the necessity for production controls, taking into account the ODP of individual substances, while the Swiss proposal related to the institution of controls on the production of HCFCs for all Parties.

75. None of the representatives who took the floor expressed support for the proposals. A number said that it was premature to consider any change to the control schedules for hydrochlorofluorocarbons, some recalling that, according to the 1994 Scientific Assessment Panel report, further controls on HCFCs would bring only marginal benefits to the ozone layer. One representative said that the key to the success of the Montreal Protocol had been the constructive partnership with industry, which could be undermined by the introduction of further controls that would not allow sufficient time to recoup the investment in the new HCFC technologies introduced to phase out CFCs quickly. Other representatives pointed to the need for stability in the Protocol regime and the need to ensure an adequate supply of HCFCs for servicing purposes. One representative said that the proposals ran counter to the basic principle that any change in the Protocol must bring with it significant environmental benefits, particularly if it involved major costs and social and economic disruption. Another representative said that a change in the control schedules could affect the ability of Article 5 Parties to adopt alternatives in the long term, while another drew attention to the effects that production controls would have on importing countries that received products containing HCFCs. Yet another representative drew attention to decision VII/3 of the Seventh Meeting of the Parties, whereby further adjustments to the HCFC control schedule for Article 5 Parties were not to be considered until the year 2000.

/...

76. Following the discussion, it was decided that the representatives of the European Community and Switzerland should consult with interested delegations and report back to the Working Group at a later stage.

77. The representatives of the European Community and Switzerland subsequently reported on their consultations with a number of delegations on the proposals on HCFCs.

78. The representative of the European Community recapitulated the background for its proposals on further HCFC controls. He said that the European Community was convinced that further controls on HCFCs would lead to considerable environmental benefits, as had been supported by the findings of the last scientific assessment. Consumption of some of the HCFCs, particularly HCFC-141b, which had an ODP of 0.11, similar to that of methyl chloroform, was rapidly increasing. The ODP values were calculated using a very long time-scale. In fact, according to the 1994 scientific assessment, HCFC-141b destroyed roughly two thirds as much ozone as CFC-11 (with an ODP of 1) during the 10 years immediately after emission. Advancing the HCFC phase-out schedule would reduce peak chlorine-loading, leading to less severe ozone depletion during the next few decades when the ozone loss was predicted to be at its worst. It would also benefit the recovery of the ozone layer. Production controls were necessary for HCFCs, as already imposed on other controlled substances. Lack of such controls and aggressive marketing might lead to rapid and unnecessary increase in HCFC use. Article 2F, paragraph 7, of the Protocol required each Party to limit the use of HCFCs only to those applications where other more environmentally suitable alternative substances or technologies were not available. Applying that in Europe had enabled it to phase out the use of HCFCs in many applications and to advance the phase-out significantly. Within Europe, Austria, Denmark, Germany and Sweden were phasing out HCFCs by 2002 or earlier. Earlier phase-out of particular HCFCs, such as HCFC-141b, would provide significant additional protection to the ozone layer. Some HCFCs could be allowed for maintenance of refrigeration equipment. The European Community believed that measures for using HCFCs only where necessary, reducing the consumption cap, advancing the HCFCs phase-out and production controls would give many environmental benefits.

79. The representative of the United States of America circulated a statement on the background to its position on further HCFC controls. He believed that the Fourth and Seventh Meetings of the Parties, in 1992 and 1995, respectively, had taken the correct decision on HCFCs, taking into account the Assessment Panel reports and benefits of additional actions to control HCFCs. The 1994 scientific assessment had proved that further actions on HCFCs would have only minuscule environmental benefits. He recalled that, less than 10 years previously, the Parties had asked industry to develop and commercialize substitutes for CFCs. They had agreed to a reduction schedule of HCFCs in 1992 that would enable industry to recoup its investments. If the phase-out schedule were restricted further, industry would be punished for its bold early decisions to phase out CFCs and to convert to substances with a lower ODP. That would discourage the industry from responding to Governments in future. The United States of America had agreed at the Seventh Meeting of the Parties to a 10 per cent reduction in the cap. It would not be able to consider any further steps. The facts had not changed since that time, and the estimated reductions in chlorine loadings associated with the proposed adjustment for HCFCs had only

/...

decreased. It was time for the Parties to declare the present HCFC phase-out schedule a success and move on to address issues that would have a more substantial impact on ozone depletion.

Baseline for the control of production of Annex A and Annex B substances

80. The representative of India presented his country's proposed adjustment to the Protocol (UNEP/OzL.Pro/WG.1/15/2/Add.1) regarding the baseline for control of production of controlled substances for Parties operating under Article 5. He said that the strict legal interpretation of Article 5, paragraph 3, would imply that the production baseline for Article 5 Parties for Annex A and B substances was the same as the consumption baseline. It was an anomaly as production and consumption baselines for Article 2 Parties were based on production and consumption, respectively, in the base year. The Seventh Meeting of the Parties had already decided, in its decision VII/9, what the correct baseline should be. As that would have required an adjustment of the Protocol, it had not been possible to do that in Vienna. The Indian proposal had been put forward to meet the procedural requirement of the six-month rule. India further believed that the proposal could be incorporated into the Protocol by way of an adjustment. He also made an oral correction to the document.

81. One representative, noting his inability to participate in the deliberations of the Legal Drafting Group, wished to express a reservation on whether the proposed change to the production baseline should be considered an adjustment or an amendment. He therefore requested that the proposal be taken forward in brackets. He also stated that, to allow for further contemplation of the most appropriate grace-period, the dates provided in that proposal be placed in brackets, and for Annex A, 1996 be inserted in brackets, and for Annex B, 1998 be inserted in brackets.

82. The representative of India reiterated that, according to his understanding, a strict legal interpretation of Article 5, paragraph 3, would imply that the baseline for Article 5 Parties for production was the same as the consumption baseline. However, even the worst-case interpretation would lead to the conclusion that a production baseline for Article 5 Parties did exist and, therefore, the proposal would qualify as an adjustment. He further noted that the baseline had already been decided by the Seventh Meeting of the Parties, and that the issue should not be reopened.

Carbon tetrachloride

83. The representative of Australia introduced his country's proposal (UNEP/OzL.Pro/WG.1/15/2/Add.4 and Corr.1, annex, paras. 6 and 7), whereby interim reduction steps would be introduced into the phase-out schedule for carbon tetrachloride in Article 5 Parties.

84. A number of representatives supported the view that it was premature to consider any change in the phase-out schedule for carbon tetrachloride until the 1999 review by the Technology and Economic Assessment Panel had been completed, one of them reiterating that frequent changes in controls undermined efforts to convince industry that the Montreal Protocol regime had a certain stability. Other representatives, however, said that the proposal had its merits and should be further explored.

/...

Proposals for a licensing system for trade in controlled substances

85. Three proposals relating to possible licensing systems were introduced by the European Community (UNEP/OzL.Pro/WG.1/15/2/Add.3, para.4), the United States (UNEP/OzL.Pro/WG.1/15/2/Add.2, para. 3) and Australia (UNEP/OzL.Pro/WG.1/15/2/Add.4), respectively.

86. The Working Group generally welcomed the three proposals in principle. Many representatives said that their countries had already introduced national licensing provisions and strongly favoured a global system. The need to control transboundary movement of used, recycled or reclaimed substances, and the related grave problem of illegal trade, which was capable of commanding very large profits, were stressed by several representatives.

87. Some representatives said that there was a need to include in the licensing system equipment that used ODS, with some emphasizing that such equipment was often an element of illegal trade.

88. The time schedule in the United States proposal was considered much too short by a number of representatives, who maintained that the time needed for the drafting and legislative process, training relevant officials and implementation was longer than that suggested.

89. Several representatives emphasized the need for appropriate capacity-building and training so that the proposed licensing system could function effectively. It was suggested that financial assistance might be required from the Multilateral Fund for training and implementation and an additional suggestion was that the UNEP Industry and Environment Office could arrange training workshops.

90. The lack of an adequate customs coding system to facilitate implementation of necessary controls was mentioned by several representatives. One representative pointed to the difficulty of extending the licensing system to Annex C and Annex E substances because there was no customs code, while another suggested that now was not the right time to extend controls to those substances.

91. Several representatives said that they had difficulties with the parts of the proposals dealing with banning unlicensed import or export of substances, one suggesting that such action should be taken on a case-by-case basis, and another stating that it was contrary to the spirit of the Montreal Protocol. Another, recalling that his country was engaging in a difficult and sometimes expensive process of introducing recycling, suggested that a ban applicable to recycled substances might slow those efforts. One other representative considered that the issue of imposing a ban required further consideration, possibly taking into account the views of the World Trade Organization, before the Ninth Meeting of the Parties.

92. One representative, supported by a non-governmental organization, suggested that a system of notification of exports to the Government of the importing country might also be considered. Another suggested that a clear definition of "used, recycled and reclaimed controlled substances" might be useful to avoid confusion.

/...

93. The representative of Ghana presented, on behalf of 12 African countries (Burkina Faso, Cameroon, Central African Republic, Chad, Gambia, Ghana, Kenya, Malawi, Senegal, Seychelles, United Republic of Tanzania and Zimbabwe) a proposal to amend decision VII/32, on regulation of the export and import, as appropriate, of products and equipment containing substances listed in Annexes A and B of the Montreal Protocol and of technology used in the manufacturing of such products and equipment (UNEP/OzL.Pro/WG.1/15/2, para. 7).
94. There was general support in principle for the proposal and for a suggestion that its scope be extended from African countries to all Article 5 Parties. One representative observed that used equipment was being exported to Article 5 Parties at ridiculously low prices, which harmed local producers. Two others, however, were concerned with the effect on legitimate trade of a complete ban.
95. Another representative proposed that the new proposal should refer not only to used products and equipment containing Annex A and Annex B substances, but also to products and equipment designed to contain them. One representative expressed difficulty with that proposal, suggesting that some equipment might be needed to service and maintain appliances such as refrigerators and air-conditioners already in use in the importing country.
96. The Working Group then agreed to refer the issues to an open-ended subgroup, under the chairmanship of Australia.
97. The representative of Australia subsequently reported on the work of the subgroup and drew attention to a draft decision and proposed amendment to the Protocol it had prepared and to the subgroup's amended text of the proposal by 12 African States. Those texts were submitted on the understanding that delegations needed more time to consider the package as a whole.
98. Some representatives proposed that certain changes be made to the proposals.
99. The sponsors of the original proposals on the subject agreed that those proposals should be considered withdrawn.

Trade restrictions on used, recycled or reclaimed substances

100. The representative of Australia introduced his country's proposal (UNEP/OzL.Pro/WG.1/15/2/Add.4, paras. 4-5), emphasizing that it was an effort to address the situation in which some Parties not operating under Article 5 continued to produce controlled substances for domestic consumption, in violation of the control measures in the Montreal Protocol, while also exporting those same used, recycled or reclaimed controlled substances. He also recalled the information in the April 1997 TEAP report detailing a request for essential-use exemption for 5,455 tonnes of controlled substances to service refrigeration equipment from a Party which had also been exporting the same recycled material during 1995-1996.

/...

101. Several representatives expressed support for the general objective of the proposal and the principle behind it, but questioned specific aspects, including: the placement of responsibility on importing rather than exporting Parties; the possibility that the proposed amendment would bypass the established non-compliance procedure under the Protocol; and the absence of case-by-case consideration of the factors behind the exports and the consequences of implementing the amendment.

102. At the invitation of the Co-Chair, the Working Group agreed that Australia should consult with interested delegations to consider the matter further.

103. After consultations, the representative of Australia introduced a one-paragraph draft amendment to the Protocol, by which, commencing one year after the coming into force of the paragraph, but not before 1999, each Party that was continuing to produce new quantities of a controlled substance for domestic consumption (other than for approved essential-use exemptions) after the phase-out date applicable to that Party for that substance, should ban the export of used, recycled or reclaimed quantities of that same controlled substance. The amendment also specified that such bans would not apply to exports for the purpose of destruction. The intention behind the proposal was to meet the various concerns expressed about the earlier Australian draft on the subject, by shifting the onus of implementing the ban from the importing to the exporting country and by making it clear that the amendment would not enter into force until 1999.

Non-compliance with the Montreal Protocol

104. The representative of Canada introduced his country's proposal relating to non-compliance with the Montreal Protocol. These were an amendment (UNEP/OzL.Pro/WG.1/15/2/Add.5) and a decision discussion paper (UNEP/OzL.Pro/WG.1/15/3). He said that the central purpose of the proposals was the development of a clearer and more predictable non-compliance procedure that would help all Parties to see clearly: the potential consequences of being found to be in non-compliance; the procedures that would be taken by the Implementation Committee and Meeting of the Parties in determining such a finding; and the role that the non-compliance procedure was intended to play in assisting Parties in recognizing and responding to situations in which they were in non-compliance. He stressed that, although the amendment proposal would remain on the table for the Ninth Meeting of the Parties, Canada wished primary consideration to focus on the proposal for decision.

105. Nearly all the representatives who took the floor under this item noted the importance of a well functioning non-compliance procedure to achieving the goals of the Protocol.

106. Many representatives expressed the view that the discussion paper represented an excellent summary of the principles that should underline the non-compliance procedure.

107. Some representatives expressed concern with what they saw as the thrust of paragraph 3 of the amendment proposal, noting that the application of sanctions not only would run counter to the spirit of the Protocol, but also

/...

could threaten its central goal of protecting stratospheric ozone. A better approach, in their view, would be to focus, on a case-by-case basis, on the factors responsible for the instances of non-compliance, on the negative potential economic and social repercussions that sanctions could have, and on methods of assistance the Parties could provide to help address and alleviate the non-compliance. The representative of Canada assured the Working Group that his delegation in no way sought to exclude any Party from the Montreal Protocol.

108. At the invitation of the Co-Chair, the Working Group agreed to establish an open-ended subgroup, to be chaired by the representative of Canada, to consider the item further.

109. The representative of Canada subsequently reported on the work of the subgroup on non-compliance, which had considered the issue of non-compliance in general and then discussed the specifics of the Canadian discussion paper. There had been general agreement that the interests of the Protocol should be advanced, while the Protocol's spirit of cooperation and the resulting enabling environment must be reinforced. At the same time, the very existence of the compliance aspects of the Protocol contributed to its effectiveness. Canada, taking into account the comments of the Parties, would come up with proposals in due course.

Legal Drafting Group

110. The Chair of the Legal Drafting Group, in his report to the plenary on the work of the group, said it had held one meeting and had not completed its work, since the material provided to it by the plenary had been inadequate. There had been a view that the proposal by India on production baselines for Article 5 Parties contained in document UNEP/OzL.Pro/WG.1/15/2/Add.1 was an adjustment, but further consultations were required. He proposed that, if feasible, the Legal Drafting Group be convened one day before the opening of the Preparatory Meeting of the Parties in Montreal. In addition, he suggested that the Secretariat could bring together all proposals for amendments and adjustments in a single document, together with relevant material from conference room papers from the present meeting, for consideration by the Legal Drafting Group at the Ninth Meeting of the Parties.

111. The Working Group agreed to the proposed meeting of the Legal Drafting Group and that the Secretariat would consult with the Chairman of the Group on the single document to be prepared on adjustments and amendments.

IV. REPORT OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL ON ESSENTIAL USES

- A. Status of use of controlled substances and availability of alternatives for laboratory and analytical uses of ozone-depleting substances (decision VII/11, paragraph 7)

/...

112. The Working Group agreed with the recommendation of TEAP that the global exemption for the use of controlled substances for laboratory and analytical uses should be extended to the end of 1999. It also reiterated the importance of the measures mentioned in decision VIII/11 and of reporting data annually under a global-essential-use-exemption framework that would allow Parties to monitor the success of reduction strategies.

B. Quantity of controlled substances authorized under the essential-use process (decision VII/28, paragraph 2)

113. There was general consensus on the excellent work done by TEAP in reviewing essential-use nominations and on the quality of the presentation given to the Working Group.

114. Concerning the Russian Federation's essential-use request for 255 tonnes of halon-2402 for 1998, one representative sought details of the specific essential uses involved. Did any imply a release of halon-2402 into the atmosphere and, if so, how much? The Co-chair of the Halons Technical Options Committee replied that the Russian Federation used halon-2402 in ways that met the eligibility criteria: to maintain fire protection in military and commercial aircraft and in nuclear power facilities, and for cultural heritage storage, as in other countries. Some halon-2402 was released into the atmosphere while extinguishing fires, but some of it would be transformed during the extinguishing process, so not all of its ODP would impact on the ozone layer.

115. The same representative said that he was reluctant to continue to agree to essential-use exemptions for halon-2402 in the Russian Federation, since he believed a programme for halon management could easily be developed, especially if funding were made available. Did TEAP envisage a tentative cut-off date, after which no essential-use request would be granted? He also asked whether there was any recycling potential.

116. The Co-Chair of the Halons Technical Options Committee said the Russian Federation had a halon-management programme and over the last three years it had requested less halon-2402 every year. He congratulated the country on its scrupulous management of its allocation, in accordance with the conditions imposed for essential use. The Russian Federation also had a project under way, aiming for complete phase-out in 2002. The Technical Options Committee believed that would be accelerated if assistance were provided. Once assistance had been received, TEAP would take that into account in assessing any future exemption requests.

117. The representative of the Russian Federation, thanking TEAP, said the country had tried to find alternatives to halon-2402, without success, but that research was under way. The Russian Federation had no halon banks and it hoped that for halon-2402, in the near future, recycling of halons for fire-fighting would be possible, depending on the financial support received, as the country had no resources to carry out such activities itself. A recovery system under the Ministry of Defence was not running smoothly and would be examined further. He concluded by proposing extended cooperation between TEAP and the St. Petersburg scientific institution that was developing special technologies for halons and other substances, tackling recycling problems, toxicity, risks and other issues.

/...

118. One representative sought clarification on the time-frame to obtain approval for emergency essential-use requests: was it days or weeks? In reply, the Co-Chair of the Halons Technical Options Committee said that emergency procedures would operate in accordance with the need for quick action. For example, one instance had occurred in 1997 which did not require response until the third quarter of the year. The request had been handled by TEAP and the Secretariat within two months. With modern communications, there was no need for face-to-face meetings and approval could potentially be given within days.

119. The Working Group recommended that the Ninth Meeting should approve the essential-use nominations as recommended by TEAP, including the emergency exemption for sterile aerosol talc requested by the United States of America under decision VIII/9, paragraph 10.

120. The representative of the United States said that his Government had withdrawn its nomination for an exemption for the use of CFCs in MDIs for inhalation of leuprolide for endometriosis, a nomination that the Panel had been unable to recommend. The United States was also withdrawing its request for a 1998 essential-use exemption for sterile aerosol talc on the understanding that the 3 tonnes granted as an emergency exemption could be used during 1997 and 1998.

- C. Progress in the development and implementation of national transition strategies in non-Article 5 Parties for non-CFC treatments of asthma and chronic obstructive pulmonary disease (decision VIII/12, paragraph 4) and transition to non-CFC treatments of asthma and chronic obstructive pulmonary disease in non-Article 5 Parties that is fully protective of public health (decision VIII/12, paragraph 5)

121. Dr. A. Woodcock, a Co-Chair of the Aerosols, Sterilants and Miscellaneous Uses and Carbon Tetrachloride Technical Options Committee, commenced his presentation by paying tribute to his Co-chairs, Helen Tope and Jose Pons, and to the cohesive and effective Aerosol Technical Options Committee. He outlined the current situation, where 500 million MDIs per annum were used by more than 100 million patients with asthma or chronic obstructive pulmonary disease (COPD) worldwide, consuming 10,000 tonnes of CFC. Transition to CFC-free inhaled therapy should occur as rapidly as was safely possible, without compromising patient safety. The Technical Options Committee believed that that would occur within an overall international environmental framework, but with national responsibility for developing a national transition policy and delivering the transition safely to individual patients. Dr. Woodcock listed just some of the organizations that the Technical Options Committee had consulted, representing health professionals, pharmaceutical manufacturers, patient groups and the World Health Organization (WHO) Global Initiative on Asthma.

/...

122. Dr. Woodcock described progress with CFC-free alternatives. Dry-powder inhalers provided an alternative for many patients and their use was increasing, but it was outstripped by the increase in MDIs. Airomir, the first CFC-free MDI, was available in 37 countries and Glaxo Wellcome had recently launched two new CFC-free MDIs in Germany. Since salbutamol (a bronchodilator drug) accounted for more than 50 per cent of MDIs used, and two separate CFC-free MDIs would be available in 1997-1998 in many countries, there was a real potential for significant reductions in CFC volumes in 1999. Dr. Woodcock reported the continuing efforts of the pharmaceutical industry in research and development, and in doctor and patient education. He also noted the upcoming World Asthma Meeting in Barcelona (December 1998), at which transition would be a major topic and where the Ozone Secretariat of UNEP would be a supporting organization.

123. TEAP and the Technical Options Committee reported that:

(a) It should be feasible eventually to commercialize alternatives to most of the commonly used MDIs;

(b) Significant reductions could be achieved by 2000, with a virtual phase-out of CFCs for MDIs by 2005 in non-Article 5 Parties;

(c) Due to the many uncertainties it was too early to draft a global framework for phase-out;

(d) National transition strategies were necessary to facilitate a major reduction in CFC use for MDIs by the end of 2000.

124. Dr. Woodcock described the efficient policy options for national transition and some of the advantages and disadvantages. He emphasized that the policy adopted by an individual Party needed to be drafted in light of individual national circumstances. Dr. Woodcock requested Parties to let the Technical Options Committee have details of national transition policies for reporting in 1998. Finally, the Technical Options Committee/TEAP would critically assess the volumes of CFC requested by Parties, in relation to the country procedure, the CFC-free alternatives available, and in light of the national transition strategy.

125. The representative of the United States introduced a draft decision on MDI transition strategies, by which the Ninth Meeting of the Parties would take into account the expectation of TEAP and its Technical Options Committee that the major part of the MDI transition might occur in non-Article 5 Parties by the year 2000 and there would be minimal need for CFCs for metered-dose inhalers by 2005; urge all Parties to develop a national transition strategy for moving away from CFC-based MDIs for the treatment of asthma and chronic obstructive pulmonary disease (COPD); and require Parties submitting essential-use nominations for CFCs for MDIs for the treatment of asthma and COPD to present to the Ozone Secretariat an initial national transition strategy by 31 January 1999.

126. Another representative said that the developed countries should recognize the role they had to play in helping to achieve the maximum possible penetration of non-CFC MDI technologies in developing countries.

/...

127. One representative expressed concern that the TEAP report had focused on an analysis of an accelerated transition to CFC-free MDIs in non-Article 5 Parties, but had not considered in detail the implications of such a transition for Article 5 Parties. In his view, the report was still incomplete and the Panel should be requested to examine in detail all the issues referred to it by the Eighth Meeting of the Parties. Some of the issues referred to in paragraph 5 of decision VIII/12, which had great relevance to Article 5 Parties and had not been adequately dealt with, related to affordability, availability, technology transfer, relative implications for ODS phase-out, transition to non-CFC treatments and impact on patients in Article 5 Parties. The pricing aspect in particular needed very careful consideration. He also pointed out that consultation with the World Health Organization (WHO) and national bodies and Governments was also to be carried out by TEAP before finalizing its report. He recommended that the Ninth Meeting of the Parties should decide to note with appreciation the interim report of TEAP pursuant to decision VIII/12 and request TEAP to continue its work and submit the final report to the Tenth Meeting of the Parties through the Open-ended Working Group, taking into account the approach indicated in paragraph 5 of decision VIII/12 and the comments made during the fifteenth meeting of the Open-ended Working Group and the Ninth Meeting of the Parties.

128. In response, Dr. Ashley Woodcock, Co-Chair of the Aerosols Technical Options Committee, said that the relevant issues would be addressed in detail in the full report of the Panel to be prepared in 1998.

129. With regard to the United States proposal, the representative of Poland observed that independent MDI manufacturers in countries with economies in transition did not have funds to cover research and development of CFC-free MDI alternatives but had to rely on licensing from multinational enterprises. He suggested that an additional paragraph be included which would note that the TEAP expectation of significant reductions in CFC use in non-Article 5 Parties by the year 2000 and virtual phase-out by 2005 would apply to countries with economies in transition (CEIT) only if non-CFC MDI technology was assured for independent MDI manufacturers in those countries. That proposal was supported by other CEIT countries.

130. Among the limited number of representatives who participated in the debate, several supported the United States proposal. However, several from Article 5 Parties considered that it would be difficult for them to develop transition strategies at this time. One mentioned the paramount need to protect the health of patients.

131. Two differing opinions were voiced concerning the date of 31 January 1999 in the United States proposal, one representative considering it important to advance the date to 31 January 1998, and another considering the date 2001 to be more realistic.

132. The United States then redrafted its proposal in the light of the comments made, for submission to the Ninth Meeting of the Parties. The representative of India also submitted a text for consideration.

D. Implications of allowing greater flexibility in the transfer of essential-use authorizations between Parties (decision VIII/9,

/...

paragraph 6)

133. The Secretariat drew attention to the recommendation of TEAP (UNEP/OzL.Pro/WG.1/15/2/Add.7, para. 26) that the one-time transfer of an essential-use nomination from one Party to another approved by the Eighth Meeting of the Parties could serve as a model for similar situations provided that: (a) both Parties agreed to the transfer; (b) total production volume did not increase; and (c) the intended use did not change. The Panel also suggested that the Parties might wish to consider the advantages of a decision allowing for flexibility in transfer without previous approval by the Parties, but with subsequent approval at a Meeting of the Parties provided those conditions were met.

134. One representative, noting that decision VIII/9 had been taken on the basis of the information before the Meeting, expressed concern that greater flexibility in the transfer of essential-use authorizations might make such authorizations marketable and, in turn, lead to inflated requests for exemptions. As yet, his delegation could see no way of avoiding that problem and believed that it was therefore premature to move towards greater flexibility in the transfer of essential-use authorizations.

135. Another representative said that the Panel's proposal had some merit if viewed in the context of industrial rationalization. Nevertheless, the question of transfers of authorization need not arise if companies planned their actions to coincide with the essential-use-nomination cycle.

136. Another representative, while agreeing with the proposal, said he shared the concern that authorizations might start to take on a monetary value, with some enterprises acquiring them for the purpose of later trade. He proposed that a fourth criterion be added to the Technical Options Committee proposal, to the effect that a transfer of an essential-use nomination should occur within the same company. The four criteria would then form the standard process, but there would be a need for flexibility to deal with issues on a case-by-case basis. Another representative believed that such a criterion, by limiting transfers of essential-use nominations to the same company, would create the undesirable situation of locking a country into a single supplier.

137. One representative, while recognizing the need to consider the matter further, wanted to ensure that a draft decision went to the meeting of the Parties to the effect that Parties would consider such transfers only on a case-by-case basis.

138. A draft decision on transfer of essential-use authorizations for CFCs for MDIs was submitted by Australia, New Zealand and the United States of America. The representative of India suggested addition of a subparagraph reading "the transfer is exclusively for the purposes of industrial rationalization".

Campaign production of CFCs for use in MDIs

139. The Secretariat drew attention to the observations of TEAP on the possible implications of campaign production of CFCs for use in MDIs (UNEP/OzL.Pro/WG.1/15/2/Add.7, para. 31).

/...

140. One representative said that there was no need to take any action on the matter at the present time; a decision could be deferred until such time as the issue might become a concern.

Transferable production exemptions for the production of CFCs for use in MDIs

141. The Secretariat drew attention to the suggestion of TEAP (UNEP/OzL.Pro/WG.1/15/2/Add.7, para. 32) that the Parties might wish to consider the advantage of granting transferable production exemptions that would allow Parties to acquire ODS for use in MDIs from whichever Party was their supplier at the time in question. The Secretariat suggested that, for the current year, the registered sources might be permitted to supply CFCs for MDI use without a formal essential-use production exemption but with a notification to the Secretariat. For future years, the supplier country should be specified in the essential-use nomination so that a production exemption could be given at the same time as the exemption to the MDI-manufacturing country.

142. Most representatives who took the floor believed that the current system worked well and there was no need to change it. One representative, however, noting that under the current system it was not possible to ascertain whether the CFCs used were freshly produced or came from stockpiles, said that, in the former case, the producing Party should submit a formal essential-use nomination. As there were separate controls for production and consumption, it was not feasible to allow automatic exemptions.

V. REPORT OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL
ON METHYL BROMIDE

143. Agenda item 5 was taken up in conjunction with agenda item 3, on consideration and consolidation of the amendments and adjustments proposed by Parties (see paras. 0 to 0 above).

VI. REPORT OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL
ON OTHER ISSUES

A. Important new technical and economic developments
(decision VII/34, paragraph 5)

Progress report on the work of the Technology and Economic Assessment Panel and its Technical Options Committees

144. Introducing this item, Dr. Suely Carvalho, Co-Chair of TEAP said that in 1998-1999, TEAP would undertake an integrated full assessment for the Montreal Protocol, which would include separate full reports for each of the Panel's Technical Options Committees. TEAP was continuing to restructure in preparation for the assessment in accordance with the terms of reference approved by Parties in 1996. The TEAP goals were to increase the participation of Article 5 Parties and countries with economies in transition, to improve the balance of expertise, and to replace experts who

/...

were retiring or resigning. TEAP would complete the implementation of the terms of reference by limiting the size of its Technical Options Committees to 20-35 members by eliminating the system of alternates and by avoidance of duplication of expertise. Since the request for funds to increase participation of Article 5 Parties had been approved by the Eighth Meeting of the Parties, TEAP encouraged such Parties to nominate experts to the Technical Options Committees. Finally, she announced that the position of Co-Chair of the Economic Options Committee had fallen vacant and said that TEAP would welcome nominations for the post.

145. In response to a statement by the representative of China, who said that his country had nominated an expert to replace the outgoing Co-Chair of the Economic Options Committee, who was also from China, Dr. Carvalho said that the position was still open and the Panel would review all the nominations it received in order to find the expert best qualified to discharge the function in the light of the tasks assigned to the Panel. She reiterated that there were a number of other opportunities for China and other Parties to nominate experts to serve as members of the Technical Options Committee.

146. Dr. Lambert Kuijpers, Co-Chair of TEAP, reported on new developments and progress in the operation of the Technical Options Committees. He said that the use of ODS had been phased out in aerosols except for manufacturing operations in some countries. As far as sterilants were concerned, CFC use would be phased out globally in the next two years. It was estimated that 1995 production of carbon tetrachloride would amount to 285,000 tonnes, mostly for feedstock uses. In addition to its use as a process agent, 15,000 tonnes of carbon tetrachloride were used for miscellaneous purposes, where, for the majority of uses, alternatives existed. He went on to elaborate on the use of ODS in foams, where a phase-out was technically feasible worldwide by the year 2000. HCFC replacements consisted of optimized hydrocarbon formulations and non-hydrocarbon options, in insulating foams. In the halon sector, halon-1301 was being managed through banking in a constantly improving manner. In refrigeration and air-conditioning, the use of recycled ODS was decreasing in the developed countries, non-HCFC options were being increasingly applied, HCFCs remained important for servicing purposes, and hydrocarbon refrigerants had become an important option. The Solvents Technical Options Committee had noted that the marketing of non-controlled substances such as chlorobromomethane or n-propyl bromide, both of which had a certain ozone-depleting potential needed to be addressed by the Parties. All Technical Options Committees had developed a number of activities and many, including the Aerosols, Economics, Methyl Bromide and the Refrigeration and Air-conditioning Committees, were reporting to the Parties on specific issues in 1997.

Flammable refrigerants

147. Dr. Lambert Kuijpers, as Co-Chair of the Refrigeration, Air-Conditioning and Heat Pumps Technical Options Committee, reported on an assessment of the use of flammable refrigerants, in particular hydrocarbon. The assessment was carried out by a Subcommittee and a Task Force under the Technical Options Committee with the involvement of 18 experts. The report had been submitted to TEAP and was contained in the Panel's 1997 report. The report contained: (a) an overview of refrigerants and their properties; (b)

/...

an elaboration on safety issues; (c) application in the domestic and commercial sector; and (d) a clarification of areas where more experience was needed. The 1998 Technical Options Committee report would present a comprehensive assessment. In his presentation, Dr. Kuijpers dealt with safety issues, the growing market share of hydrocarbon-based domestic appliances, the feasibility of retrofits of domestic appliances to hydrocarbon, and the use of hydrocarbons in all refrigeration and air-conditioning subsectors. He concluded that isobutane as a refrigerant was the most important option, that the question of retrofits was being increasingly addressed and that the market share for domestic and commercial equipment would increase globally, with certain geographical differences. In conclusion, he stated that safety standards were being further developed and refined and that it was currently impossible to forecast how the world market would develop, as far as the application of hydrocarbon refrigerants was concerned.

148. In response to one representative, who asked why hydrocarbon mixtures had not been recommended for retrofitting purposes and whether any safety standards existed for retrofitting with such mixtures, Dr. Kuijpers said that hydrocarbon mixtures were being promoted as candidates for retrofitting purposes in a number of Article 5 Parties. In view of issues relating to the quality of the product after retrofitting and the question of energy consumption, no general recommendation had been made: basically, the simpler the product, the easier it was to retrofit, while in more complex equipment, retrofitting with hydrocarbons could lead to control problems. There were no specific mechanical or electrical standards developed for retrofitting with hydrocarbons, as such retrofits had not been carried out commercially in developed countries. The question was the subject of an ongoing study, which was intended to produce firmer recommendations, and it would be advisable to wait for the findings of that study before discussing the matter further.

149. One representative pointed out that the first stage of the study referred to by the Co-Chair of TEAP would end on 8 September 1997, with a seminar in Montreal to discuss the preliminary conclusions.

150. On the question of a possible conflict between the use of hydrocarbon refrigerants and the efforts being undertaken under the auspices of the Economic Commission for Europe to reduce tropospheric emissions of volatile organic compounds (VOCs), Dr. Kuijpers said that, with smaller products such as domestic refrigerators, VOC emissions would result only from the manufacturing process, not from the operation of the equipment. Emissions from manufacturing facilities could be minimized through adequate emission-control measures.

- B. Modalities and criteria for a continued use of controlled substances as process agents (decision VII/10, paragraph 2)

151. Mr. Gary Taylor, Co-Chair of the TEAP Process Agents Task Force, presented the report of the Task Force. He said that the Task Force had found that emissions in non-Article 5 Parties from the use of controlled substances as process agents was comparable to the insignificant, inadvertent emissions of ODSs from feedstock uses. Further significant reductions in use and emissions were projected for the coming five years. Additional controls in non-Article 5 Parties might shift production to Article 5 Parties, where ODS emissions might be significantly higher. Such a shift of production could substantially increase the ultimate cost of phase-out in Parties operating under Article 5. Therefore, TEAP unanimously recommended that Parties consider the advantages of henceforth treating chemical process agents in the same manner as feedstocks. The Task Force also found that emissions in Article 5 Parties from the use of controlled substances as process agents was significant and, without assistance, would continue to grow. However, proven technologies were commercially available to convert some facilities to non-ODS processes and to minimize emissions from those processes where alternatives had not yet been proven. Therefore, TEAP unanimously recommended that Parties consider the advantages of technology cooperation and financing of emission reduction and process conversion projects in Article 5 Parties.

152. One representative expressed unease at the apparent equating of process agents and feedstocks in the report. He believed that the Multilateral Fund should be used to eliminate ODS emissions from process agents in Article 5 Parties on a priority basis. In response, Mr. Taylor said that there had been no change in the definition of the two categories of chemicals. The report pointed out that, because of the introduction of emission control features in non-Article 5 Parties, ODS emissions as a result of process agents had been virtually eliminated in those countries. The introduction of similar features in Article 5 Parties would lead to a similar gap between the quantity of ODS used in a reaction and the amount emitted to the atmosphere.

153. In response to another representative, who said that the definition of process agent was legally not acceptable, as it apparently also was applicable to applications mentioned in note 2 of the Task Force's definition. Mr. Taylor said that the annotations to the definition in the report were simply intended to give examples of uses that were not covered by the definition, which the Task Force considered to be quite specific if seen in the entire context.

154. One representative, speaking on behalf of a regional economic integration organization and its member States, expressed concern that TEAP's proposed definition was very wide in both legal and practical terms, and continued to confuse feedstock and process agents. He did not agree that process agents should continue indefinitely to be treated in a similar way to feedstocks. The TEAP report had stated that continuing to do so could lead to quite large emissions of ODS in Article 5 Parties. Several representatives said that further consultations were needed in order to deal with the question.

155. Another representative said that, while the emissions from using ODS as process agents could be captured in some countries, that did not change the nature of the process. It might be technically, but not economically feasible to switch over to non-CFC alternatives in some cases. TEAP's report

/...

showed a continuing need for CFCs as process agents in non-Article 5 Parties in some cases, which could be met by following essential-use procedures. The representative had an open mind on the issue. In 1995, the Parties had adopted a decision at their Seventh Meeting, which meant that the option to treat process agents in a similar way to feedstocks was, however, not available beyond 1997.

156. Another representative expressed concern at TEAP's expectation that Article 5 Party emissions would increase. He proposed that a document be sent to the next meeting of the Parties, including a draft decision, to the effect that the Parties desired to treat process agents in a similar way to feedstocks in 1998 and 1999.

C. List of available alternatives to each HCFC application

157. Agenda item 6 (c) was taken up in conjunction with agenda item 3, on consideration and consolidation of the amendments and adjustments proposed by Parties (see paras. 0 to 0 above).

D. Future availability of halons to meet the demands for use in critical applications by non-Article 5 Parties (decision VIII/17, paragraph 2)

158. One representative said that the 1994 Scientific Assessment Panel report had listed options for measures by Parties to assist the recovery of the ozone layer. One of those options was a recommendation to decommission halon equipment and destroy halons. The issue had not been addressed because TEAP had concluded that it was not economically feasible. In light of the continuing problems of ozone depletion, and the fact that decommissioning and destruction of halons in his own country had proven practical, the representative recommended the drafting of a decision to request TEAP to re-examine its 1994 conclusion with regard to the decommissioning and destruction of halons. He would propose a decision of that type to the Ninth Meeting of the Parties.

159. One representative speaking on behalf of a regional economic integration organization and its member States, expressed full support for that initiative and the desire to join in the discussions.

160. One other representative said that any decision requesting TEAP to reassess its conclusion would need to take into account the efficacy of the alternatives TEAP suggested, as well as measures to avoid a release into the atmosphere at the time of transition to alternatives.

161. The representative of Australia introduced a draft decision on decommissioning, by which the Meeting of the Parties would, inter alia, request TEAP to examine the feasibility of requiring early decommissioning of all non-essential halon systems, and the subsequent destruction of halon stocks not required for those critical uses that have no identified substitutes or alternatives, and, in undertaking such an examination, to also examine the efficacy of halon alternatives and potential measures to minimize any emissions of halons during decommissioning.

162. Following comments from a number of representatives, the representative of Australia revised the proposal to make the first four paragraphs into a

/...

preamble, include the words "in non-Article 5 countries" in the title and in paragraph 6, and to include in square brackets a reference to the decision VII/12, which recommended that the Parties consider a number of actions, including the decommissioning of halon systems, on a voluntary basis.

E. New substances with an ozone-depleting potential

163. The Secretariat called the attention of the Working Group to the TEAP recommendation (UNEP/OzL.Pro/WG.1/15/2/Add.7, para. 46) that the Parties may wish to decide that any new chemical with an ODP value of more than 0.01 be listed as a controlled substance and phased out at a date to be determined by the Parties and that newly developed substances with uncertain ODP values be listed in a separate annex and their status be reviewed periodically by TEAP. The Panel also suggested that the Multilateral Fund should not fund projects with such substitutes.

164. One representative suggested that the issue be forwarded to the next meeting of the Parties in the form of a draft decision. Another representative, speaking on behalf of a regional economic integration organization and its member States, said its members had already held discussions and had drafted a proposal. He desired further consultations with other Parties before arriving at a decision. Yet another representative, while sharing TEAP's concerns, said he felt uncomfortable at the suggestion of what amounted to an open-ended amendment to the Protocol. The solution lay in action by countries to prevent the development and promotion of those chemicals and technologies.

165. In reply to a question of whether an amendment to the Protocol was called for, which was beyond the remit of the Working Group, it was agreed to consult the Legal Drafting Group for an opinion and to return to the question of a draft decision later.

166. A draft decision proposing a procedure for the control of new substances was submitted to the Working Group by the European Community. The representative of India suggested that its final paragraph should request, rather than urge, Parties and should read: "To request Parties to discourage the development and promotion of new substances with an ozone-depleting potential, technologies to use such substances and use of such substances in various applications".

VII. CONTROL OF EXPORTS OF OZONE-DEPLETING SUBSTANCES

A. Instituting a system to require validation and approval of exports of used and recycled ozone-depleting substances from all Parties

167. Agenda item 7 (a) was taken up in conjunction with agenda item 3, on consideration and consolidation of the amendments and adjustments proposed by Parties (see paras. 0 to 0 above).

B. Issues relating to the exports of ozone-depleting substances and products containing ozone-depleting substances including, inter alia, the control of exports of ozone-depleting substances by Parties in non-compliance

/...

168. Agenda item 7 (b) was taken up in conjunction with agenda item 3, on consideration and consolidation of the amendments and adjustments proposed by Parties (see paras. 0 to 0 above).

C. Proposed amendment by the African Group to decision VII/32

169. Agenda item 7 (c) was taken up in conjunction with agenda item 3, on consideration and consolidation of the amendments and adjustments proposed by Parties (see paras. 0 to 0 above).

D. Use of customs codes for imports and exports of ozone-depleting substances (proposal by Poland)

170. Under agenda item 7 (d), the Working Group briefly discussed a proposal received from Poland that the Ninth Meeting of the Parties might request all Parties to make use of the publication Monitoring Imports of ODS: A Guide Book as a guide for applying customs codes to ozone-depleting substances in order to facilitate the reporting of the data and restrict illegal trade.

171. In making that suggestion, Poland had said that HCFCs and HCFC blends were being supplied under improper customs codes by some companies. A representative observed that present codes did indeed create confusion, providing insufficient differentiation between different products. He also presented the example of methyl bromide, which was often supplied under the customs code of a pesticide, which led to difficulties in tracking its import.

172. Another representative expressed appreciation to UNEP and Sweden for the preparation of the Guide Book, although it could not resolve completely such a very complex problem. The representative of Sweden, who had co-authored the Guide Book, explained that it had been developed on the basis of problems experienced in the South-East Asia network and ended with a recommendation for a licensing system. She was therefore pleased to recall the present meeting's decision regarding such a system. The lengthy time the World Customs Organization (WCO) required to produce codes had already been noted, but she suggested that WCO might at least be requested to provide separate codes for the most used HCFCs and to work with major suppliers on the matter. Parties could also ask their major suppliers to cooperate with WCO in that regard.

173. The representative of Poland submitted a draft text of a decision on the subject, in consultation with the representatives of Sweden and the United States and other interested parties, for presentation to the Ninth Meeting of the Parties.

VIII. REPORT OF THE EXECUTIVE COMMITTEE

174. At the invitation of the Co-Chair, the Chairman of the Executive Committee reported on the activities of the Executive Committee under this item.

/...

A. Reducing the agency support costs of the Implementing Agencies of the Multilateral Fund (decision VIII/4, paragraph 6)

175. The Chairman of the Executive Committee reported that a consultant had been selected by the Fund Secretariat, in accordance with the appropriate, current guidelines, to carry out the study in line with decision VIII/4. The study would be completed later in 1997 and submitted to the next meeting of the Executive Committee, to allow the Executive Committee to consider the matter in detail and report back to the Tenth Meeting of the Parties.

176. The Meeting took note of the report of the Chairman of the Executive Committee.

B. Action to improve the functioning of the Financial Mechanism

177. The Chairman of the Executive Committee drew attention to the Committee's report under this item (UNEP/OzL.Pro/WG/15/4). He noted that it included a factual listing of each item the Executive Committee was to address under decisions VIII/5 and VIII/7 and the resultant actions the Committee had taken to date, including those taken at its twenty-second meeting, held the previous week in Nairobi.

178. One representative expressed appreciation for the work done by the Executive Committee but noted that his delegation had hoped for greater achievements in the areas of technology transfer and guidelines for the production sector.

179. The Working Group took note of the report and agreed to forward it to the Ninth Meeting of the Parties for its consideration.

C. Terms of reference of the Executive Committee

180. The Chairman of the Executive Committee drew the attention of the Working Group to a proposal to alter the terms of reference of the Executive Committee (UNEP/OzL.Pro/WG.1/15/2/Add.8), so that the term of office of the Members of the Committee would be the calendar year after the date of their endorsement by the Meeting of the Parties. The proposal also provides that the Executive Committee would hold three meetings a year while retaining the flexibility to take advantage of the opportunity provided by other Montreal Protocol meetings to convene additional meetings where special circumstances would make this desirable.

181. The Working Group agreed to forward the proposal to the Ninth Meeting of the Parties for its consideration.

IX. ARREARS IN THE CONTRIBUTIONS TO THE MULTILATERAL FUND BY NON-ARTICLE 5 PARTIES WHICH HAD NOT RATIFIED THE LONDON AMENDMENT PRIOR TO THE EIGHTH MEETING OF THE PARTIES (DECISION VIII/6 AND PARAGRAPH 88 OF THE REPORT OF THE EIGHTH MEETING OF THE PARTIES TO THE PROTOCOL (UNEP/OzL.Pro.8/12)

182. Some representatives drew attention to paragraph 11 of the note by the

/...

Secretariat on issues before the Working Group (UNEP/OzL.Pro/WG/15/2). Recalling that the Parties at their Eighth Meeting had taken two decisions related to this matter, they stated that in their view no legal grounds remained to assess contributions to the Multilateral Fund, or calculate related arrears for a Party prior to the year in which that Party had ratified the London Amendment, and they therefore asked that the calculation and indication of such assessed contributions and arrears be eliminated. The Working Group agreed with that view.

X. APPLICATION OF THE REPUBLIC OF MOLDOVA FOR CLASSIFICATION AS A DEVELOPING COUNTRY

183. The Secretariat drew the attention of the Working Group to paragraphs 12-13 of note by the Secretariat on issues before the Working Group (UNEP/OzL.Pro/WG/15/2), concerning the application of the Republic of Moldova for classification as a developing country. There was no objection by the Working Group to the application.

XI. REPORT OF THE IMPLEMENTATION COMMITTEE

A. Revised formats for reporting data under Article 7 of the Protocol (decision VIII/21)

184. At the invitation of the Co-Chair, Mr. Denis Langlois (Canada), President of the Implementation Committee, said that the Implementation Committee had met on two occasions since the Eighth Meeting of the Parties, with a view to considering the issue of revised formats for reporting data under Article 7 of the Montreal Protocol and to review the information received, namely from Latvia, Lithuania and the Russian Federation. The reports of those meetings had been circulated as documents UNEP/OzL.Pro/ImpCom/17/3 and UNEP/OzL.Pro/ImpCom/18/3.

185. In response to decision VIII/21 of the Eighth Meeting of the Parties, the Secretariat had circulated in January 1997 a list of all the reporting requirements under the Protocol and the decision of the Meeting of the Parties and requested all the Parties to communicate their views on which of the reporting provisions they considered essential for assessing compliance with the Protocol, which of those provisions might no longer be necessary, and what possible improvements could be made to the reporting formats. Australia, the European Community, India, New Zealand, Norway, Poland, Seychelles and the United States, had submitted their comments.

186. A document had subsequently been prepared by the Secretariat summarizing the responses from the Parties, explaining the formats for data-reporting and containing sample formats that incorporated the suggestions made. The views of the Parties, the Secretariat's comments and the sample formats had been placed before the Implementation Committee at its Seventeenth meeting held in Geneva in April 1997. A further table summarizing the responses received from the Parties had been prepared by the Committee and was attached to the report of the Committee's seventeenth meeting.

/...

187. On the basis of those responses and the discussion within the Executive Committee, the Secretariat had prepared new formats for consideration by the Committee at its eighteenth meeting. All Parties that had submitted comments on the reporting mandates under the Protocol and the format prepared by the Secretariat were invited to attend that meeting and India, Australia and New Zealand were able to do so.

188. The Implementation Committee had decided to submit to the Open-ended Working Group the draft forms, as contained in annex I to the report on the work of its eighteenth meeting (UNEP/OzL.Pro/ImpCom/18/3), and to request all Parties to submit written comments to the Secretariat by 31 July 1997. On the basis of those comments, revised forms would be prepared during the Committee's next meeting and would be presented to the Ninth Meeting of the Parties for adoption with appropriate recommendations.

189. The Co-Chair of the Working Group drew its attention to the request by the Implementation Committee and the Secretariat to submit written comments on the draft forms by 31 July 1997.

190. The Working Group took note of the report of the President of the Implementation Committee.

B. Compliance with the Montreal Protocol by Latvia (decision VIII/22), Lithuania (decision VIII/23), and the Russian Federation (decision VIII/25)

Latvia

191. The President of the Implementation Committee reported that, pursuant to decision VIII/22 of the Eighth Meeting of the Parties, the Secretariat had written to the Government of Latvia seeking the information required by that decision. Latvia had submitted a timetable for the ratification of the London Amendment, together with its country programme for the phase-out of ODS up to the year 2000, which had been prepared in collaboration with UNDP and UNEP. According to the information provided, the necessary documents for ratification would be submitted to the Cabinet of Ministers in September and, subject to the positive decision of the Cabinet, Latvia would ratify both the London and Copenhagen Amendments in October 1997.

192. On that basis, the Implementation Committee, at its eighteenth meeting, had decided:

(a) To note the timetable for the ratification of the London Amendment of the Montreal Protocol provided by Latvia and urge Latvia to ratify the London Amendment by October 1997 as indicated in their timetable;

(b) To note that, according to the information contained in Latvia's country programme for the phase-out of ozone-depleting substances, Latvia is in a situation of non-compliance with the Montreal Protocol in 1997 and there is a possibility of non-compliance with the Montreal Protocol in 1998, so that the Implementation Committee might have to revert to that question that year;

(c) To recommend that, in light of the country's commitment reflected

/...

in the country programme, and related official communications of Latvia to the Parties in line with decision VIII/22, international assistance, particularly by the GEF, should be considered favourably in order to provide funding to Latvia for projects to implement the country programme for phasing out ozone-depleting substances in the country;

(d) To keep under review the situation with regard to ODS phase-out in Latvia.

Lithuania

193. At its seventeenth meeting, the Committee reviewed a report submitted by the Minister of Environmental Protection of Lithuania on the implementation of the Montreal Protocol in accordance with decision VIII/23.

Lithuania had, as requested by the Eighth Meeting of the Parties, submitted a timetable for the ratification of the London Amendment, together with its country programme for the phase-out of ODS up to the year 2000, which had been prepared in collaboration with UNDP and UNEP. According to the information provided, Lithuania would ratify the London and Copenhagen Amendments in September 1997.

194. On that basis, the Implementation Committee, at its eighteenth meeting, had decided:

(a) To note the timetable for the ratification of the London Amendment to the Montreal Protocol provided by Lithuania and urge Lithuania to ratify the London Amendment by September 1997 as indicated in their timetable;

(b) To note that according to the information contained in Lithuania's country programme for the phase-out of ozone-depleting substances, Lithuania is in a situation of non-compliance with the Montreal Protocol in 1997 and there is a possibility of non-compliance in 1998 so that the Implementation Committee might have to revert to that question that year;

(c) To recommend that, in light of the country's commitment reflected in the country programme, and related official communications of Lithuania to the Parties in line with decision VIII/23, international assistance, particularly by the GEF, should be considered favourably in order to provide funding to Lithuania for projects to implement the country programme for phasing out ozone-depleting substances in the country;

(d) To keep under review the situation with regard to ODS phase-out in Lithuania.

Russian Federation

195. At its seventeenth meeting, the Implementation Committee had reviewed a letter dated 4 March 1997 from the Russian Federation providing preliminary data on production, consumption, exports and imports of ODS for 1996, in response to decision VIII/25 of the Eighth Meeting of the Parties.

196. At its eighteenth meeting, the Committee had reviewed a letter by the Deputy Chairman of the State Committee for Environmental Protection of the

/...

Russian Federation providing information in response to the decision taken at its previous meeting. The Committee had also reviewed comments received by Parties that, according to the information provided by the Russian Federation at the Committee's seventeenth meeting, the Russian Federation had exported ODS to or imported ODS from in 1996.

197. Also at the eighteenth meeting, the representative of the Russian Federation had informed the Committee that with the introduction of a new system of export and import controls in mid-1996, imports of ODS had seen a ninety-fold decrease in the second half of the year, as compared to the first six months. He stated that the Russian Federation was committed to not exporting ODS to non-Article 5 Parties, apart from members of the Commonwealth of Independent States (CIS), and there had indeed been no exports to non-Article 5 Parties since the new controls had been put in place, except for some quantities of recycled substances to the United States, although most of those shipments had been refused entry. The representative further informed the Committee that it would continue to export to the countries of the Commonwealth of Independent States (CIS) but intended to reduce the amounts involved, which were purely for the internal needs of those countries and not for re-export. The CIS countries had also been requested to make use of the recycling facilities in the Russian Federation. Efforts were under way to set up a recovery and recycling system, as the current lack of a collection system and the great distances involved meant that recycled ODS were much more expensive than virgin substances. Production of ODS had fallen from 40,000 to 17,000 tonnes since 1995 and production would be phased out by the year 2000. The representative stressed, however, that conversion of facilities would be dependent on the release of the funds that had been approved for projects in the country, but very little of which had been forthcoming to date.

198. At its eighteenth meeting, the Implementation Committee had decided:

(a) To note the detailed information reported by the Russian Federation in response to decision VIII/25 of the Eighth Meeting of the Parties on quantities of imports and exports of ODS and products containing such substances; data on the type of ODS (new, recovered, recycled, reclaimed, reused, used as feedstock); details of suppliers, recipient countries and conditions of delivery of the substances for 1996;

(b) To note with appreciation the clarifications on details of imports and/or exports of ODS from the Russian Federation in 1996, provided by some Parties mentioned in the Russian Federation's submission to the Implementation Committee;

(c) To note the information reported by the Russian Federation in response to the Implementation Committee's request at its seventeenth meeting regarding information on ways in which the Russian Federation was maximizing the use of its recycling facilities to meet internal needs and to diminish production of new CFCs;

(d) To note that the Russian Federation was in a situation of non-compliance with the Protocol for 1996 and there is an expectation of non-compliance in 1997 so that the Implementation Committee might have to revert to this question at the appropriate time;

/...

(e) To note also that the Russian Federation had exported both new and reclaimed substances to some Parties operating under Article 5 and those Parties not operating under that Article and that those countries had imported small quantities of ODS from the Russian Federation in 1996;

(f) To note further that the Russian Federation had started implementation of its export control of ozone-depleting substances from July 1996 by not exporting any ODS including used, new, recycled or reclaimed ODS to any Party with the exception of Parties operating under Article 5 and of Parties that are members of the Commonwealth of Independent States, including Belarus and Ukraine, as per decision VII/18;

(g) To remind all Parties and regional economic integration organizations that pursuant to decision IV/14 of the Fourth Meeting of the Parties, all cases of import and re-export of ODS should be treated as two separate transactions: the country of origin should report shipment to the country of intermediate destination, which subsequently should report the import from the country of origin and the export to the country of final destination, while the country of final destination should report the import;

(h) To request the Russian Federation to report to the Implementation Committee at its meeting in September 1997, on the efforts under way to set up a recovery and recycling system to alleviate the difficulties in securing recycled ODS due to lack of a collection system and the great distances involved in such collection;

(i) To keep under review the situation regarding the phase-out of ozone-depleting substances in the Russian Federation.

199. The representative of the Russian Federation stated that, following the presentation of the President of the Implementation Committee, it was his understanding that international assistance to the Russian Federation for the ODS consumption phase-out project would continue.

200. The representative of the World Bank said that, with reference to the report of the Implementation Committee, it was her understanding that the decision taken by the Parties at the Eighth Meeting continued to be valid regarding funding assistance to the Russian Federation in support of its programme to come into compliance with the Protocol by the year 2000.

201. One representative thanked the Implementation Committee for its work. He noted with satisfaction the progress made in CIS Parties in moving towards compliance with the Protocol. In that regard, he requested clarification from the Secretariat regarding information received from Parties not operating under Article 5 reported by the Russian Federation to be destinations for its exports of controlled substances.

202. The Secretariat reported that five responses had been received. Two Parties had reported that they had no records of such imports. Two others had reported that the substances had been re-exported to Parties operating under Article 5. The Secretariat noted that those quantities of controlled substances would be reflected in the consumption figures by the European Community in the next data report. Finally, one Party had reported that it

/...

had imported only recycled substances, and the Secretariat had confirmed that information with the Russian Federation.

203. The Working Group took note of that report. On behalf of the Committee members, the President of the Implementation Committee thanked the Implementing Agencies and the Parties that had contributed to the work of the Committee, and especially the Secretariat for its professional help throughout the year.

XIII. REPORT BY THE OZONE SECRETARIAT ON UTILIZATION OF THE FUNDS FOR THE PARTICIPATION OF EXPERTS FROM DEVELOPING COUNTRIES AND COUNTRIES WITH ECONOMIES IN TRANSITION IN THE MEETINGS OF THE ASSESSMENT PANELS AND THE TECHNICAL OPTIONS COMMITTEES (DECISION VIII/28, PARAGRAPH 6)

204. The Secretariat reported that, so far in 1997, approximately \$200,000 of the funds had been used to assist 55 experts from developing countries and countries with economies in transition participate in relevant meetings of the Assessment Panels and the Technical Options Committee. As they expected nine more meetings to be held this year, the Secretariat believed the provision of \$500,000 to be adequate for 1997. Noting that no requests had been refused so far, the Secretariat confirmed the view of one representative that if an expert from his country was invited to participate in a meeting within his or her area of expertise, the Secretariat did have the funds to pay for such participation.

XIII. REPORT BY THE UNITED NATIONS ENVIRONMENT PROGRAMME ON THE WAYS IN WHICH THE 13 PER CENT PROGRAMME SUPPORT COSTS CHARGED BY THE UNITED NATIONS ENVIRONMENT PROGRAMME TO THE TRUST FUND BUDGET HAVE BEEN USED FOR THE BENEFIT OF THE CONVENTION AND ITS SECRETARIAT (DECISION VIII/28, PARAGRAPH 7)

205. Reporting on the implementation of decision VIII/28, the representative of UNEP first recalled that the 13 per cent programme support cost was in accordance with the decisions of the General Assembly and that the rationale behind it had been to ensure that activities financed from contributions, such as those to the Trust Fund of the Montreal Protocol, did not create additional burdens to the regular budget of the United Nations or, in the case of UNEP, to the Environment Fund.

206. He noted that, while support was also provided directly to the Secretariat of the Vienna Convention and the Montreal Protocol in the form of additional staff, the programme support cost was mainly charged to offset costs of services provided to the Secretariat by a number of other units within UNEP and elsewhere in the United Nations system. Those services included, *inter alia*, United Nations external and internal audit, treasury functions, contributions and trust fund management, human resource management, financial services including accounting, procurement, travel, security and a number of others.

207. While those services were difficult to quantify, UNEP was currently preparing an inventory of the ways support was provided to secretariats and

/...

other activities financed by trust funds, and the Executive Director was therefore likely to be in a position, by the time of the Ninth Meeting of the Parties, to provide a fairly comprehensive listing of those services as they referred to the Ozone Secretariat.

208. He further noted that, while the 13 per cent level was often subject to some debate, it was necessary for UNEP to adhere to that level, as determined by the United Nations General Assembly, whether adequate or not, pending possible future decisions of the UNEP Governing Council and of the General Assembly. However, based on the findings of an interim study done at the request of the Governing Council at its eighteenth session, the considered opinion of UNEP was that the Convention and its Secretariat were currently provided with services with a cost to the organization in excess of the 13 per cent charge, although it might not be easy to prove that conclusively to the satisfaction of the Parties.

209. As requested by the Governing Council at its nineteenth session, UNEP was to undertake further studies on the cost of providing support to trust fund activities. United Nations Headquarters had indicated possible support for a study which would provide an estimate of the probable upper and lower limits of the costs incurred with an acceptable degree of certainty. Also, following the decisions of the Eighth Meeting of the Parties, the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol had concluded a contract with a consulting company for a study on the administrative costs incurred by the Implementing Agencies, including UNEP. However, United Nations Headquarters did not consider detailed recurrent studies to be very feasible, nor their results very reliable.

210. While the results of those further studies would be conveyed to the Parties, the Executive Director could not at the current time expressly state, in response to decision VIII/28, that she had ensured that services corresponding to the 13 per cent were being provided, although the UNEP secretariat was in fact confident that that was the case. UNEP fully understood the concern of the Governments in respect of support costs, which was a concern expressed across the whole United Nations system, and therefore one that should be resolved by the General Assembly, whose decision it was that had determined the current 13 per cent level.

211. The representative of UNEP also said that the Parties might wish to give consideration to the overall cost efficiency of the Secretariat and UNEP in general in providing the required services to the Convention, without directing specific attention to one cost element in that overall context, as small changes up or down in the support cost percentage would have little effect in that regard.

212. The Working Group took note of the statement of the representative of UNEP and noted that the Executive Director would present a report to the Ninth Meeting of the Parties, in line with decision VIII/28.

XIV. OTHER MATTERS

Contribution of Lithuania to the Multilateral Fund

/...

213. The representative of Lithuania requested that the Parties postpone for five years her country's contribution to the Multilateral Fund. She said that the postponement would only be temporary and could help speed her country's ratification of the London and Copenhagen Amendments. The Secretariat said that there seemed to be no provision of the Protocol to permit such a postponement.

214. The Working Group took note of the discussion.

Request by Armenia for information

215. The representative of Armenia noted that her country had begun the ratification process necessary for joining the Vienna Convention and Montreal Protocol. She requested that the Secretariat forward the necessary documentation to support this process as well as Armenia's application for classification as a Party operating under paragraph 1 of Article 5 of the Montreal Protocol. Although a relatively new country, Armenia looked forward to joining and fulfilling its obligations under the Protocol.

216. A representative of the Secretariat said that the Secretariat had been happy, at the present meeting, to furnish Armenia with all the details required.

Continuing availability of CFCs

217. The European Community presented a draft decision which noted the continuing availability of CFCs in Parties not operating under paragraph 1 of Article 5, despite the 1 January 1996 phase-out and requested non-Article 5 Parties to ban the placing on the market and sale of new CFCs, except for substances covered by essential-use exemption.

218. One representative said that the draft decision was contradictory to existing provisions to meet the basic domestic needs of Article 5 Parties.

219. The Working Group decided to forward the draft to the Ninth Meeting of the Parties for consideration.

Arrangements for the Ninth Meeting of the Parties

220. The representative of Canada gave a brief description of arrangements for the Ninth Meeting of the Parties in Montreal in September 1997, for which more detailed information was available in brochures. The preparatory meeting was scheduled from 9 to 12 September and the Meeting of the Parties from 15 to 17 September. Other events included a tenth anniversary colloquium, a number of international panel discussions, a technology showcase and a ceremony, with invited dignitaries, marking International Day for the Preservation of the Ozone Layer and the tenth anniversary of the Protocol.

221. The Working Group agreed that the sixteenth meeting of the Open-Ended Working Group would also serve as the preparatory meeting for the Ninth Meeting of the Parties, with the current Co-Chairs continuing to serve in that capacity.

/...

222. The Working Group agreed that the Secretariat would compile and communicate to all Parties for consideration at the next meeting of the Working Group, draft decisions incorporating the conclusions of the Working Group on various issues and, where such conclusions had not been arrived at, the proposals made by the Parties during the meeting as options to be considered.

223. The Working Group also agreed that the Secretariat would prepare a consolidated paper, containing the proposals for adjustments and amendments to the Protocol submitted by Parties as they had emerged from the discussions of the Working Group, for submission to the Working Group at its sixteenth meeting.

XV. ADOPTION OF THE REPORT

224. The present report was adopted by the Open-ended Working Group at the final session of the meeting on Friday, 6 June 1997, on the basis of its draft report as contained in document UNEP/OzL.Pro/WG.1/15/L.1 and Add.1, on the understanding that the Secretariat would be entrusted with the finalization of the report.

XVI. CLOSURE OF THE MEETING

225. The Co-Chair declared the fifteenth meeting of the Open-ended Working Group closed at 5 p.m. on Friday, 6 June 1997.
