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OPEN-ENDED WORKING GROUP OF THE PARTIES TO  
THE MONTREAL PROTOCOL ON SUBSTANCES THAT  
DEplete THE OZONE LAYER

Seventeenth meeting  
Geneva, 7-9 July 1998

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

I. OPENING OF THE MEETING

1. The seventeenth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol was held at the Geneva International Conference Centre, from 7 to 9 July 1998.
2. The meeting was opened at 10 a.m. on Tuesday, 7 July 1998.
3. Mr. K.M. Sarma, Executive Secretary of the Ozone Secretariat, read out the statement of Mr. Klaus Töpfer, Executive Director of the United Nations Environment Programme (UNEP). The Executive Director welcomed participants to the meeting and stressed that the success of the Montreal Protocol was the result of a collaborative venture, involving Governments, scientists, industry and the general public, for which UNEP had provided a platform for common action, marshalled the evidence needed in order to act, and catalysed awareness. Industry had rapidly realized that phasing out CFCs quickly would confer a competitive advantage and had responded by pioneering many solutions. Non-governmental organizations, for their part, not only created awareness and raised the alarm, but were also forming strategic alliances with industry to promote protection of the ozone layer.
4. Many of the processes pioneered under the Montreal Protocol could be applied to other global problems, in the context of the Kyoto Protocol for example. One model that could be emulated was the organization of assessment panels. There had been indications that the support of some industrialized countries for their experts was flagging, and perhaps the success of the Protocol was encouraging those countries to divert their expertise to other issues. Nevertheless, the protection of the ozone layer was still far from assured and much remained to be done. Industrialized countries were therefore urged to continue supporting their experts until there was no further risk to the ozone layer.

5. It was a little disappointing to note that many countries had not yet ratified the Amendments to the Montreal Protocol, even though it was essential to ratify them formally in order to give the right signals to industry. Furthermore, for Article 5 countries, it might prove difficult for the Multilateral Fund to finance projects to phase out substances covered by the Amendments if they had not been formally ratified.

6. On 1 July 1999, developing countries would have to start implementing the control measures with a freeze on CFCs, following the prescribed phase-out schedules. The Multilateral Fund had greatly assisted their efforts and the successful implementation of the freeze would be a clear indication of the Fund's success and would encourage non-Article 5 countries to continue supporting the Fund until phase-out in developing countries was complete.

7. Developing countries could not only put forward projects but could also adopt many of the policy measures that had enabled industrialized countries to phase out rapidly. According to the 1996 data supplied by the Secretariat, total consumption in developing countries had fallen in 1996, and it was hoped that the trend would continue.

8. One of the main issues facing the Parties was how to prevent the spread of use of methyl bromide and phase out its existing use in soil fumigation. Developing countries would have to start implementing control measures for methyl bromide in three and half years' time, and they should utilize the resources available in the Multilateral Fund for demonstration projects. He appealed to all Parties that did not produce or consume methyl bromide not to allow its use in their countries.

9. With regard to data reporting, he expressed concern at the tardiness or even lack of data submission by some countries. He emphasized that reporting was a legal obligation, as was compliance. Although in the past there had been reason to sympathize with some non-compliant countries, the Global Environment Facility (GEF) was assisting them generously and the time had now come for them to fulfil their obligations. The non-compliance procedure under the Montreal Protocol had been widely praised as an innovative approach that encouraged Parties to implement controls while at the same time avoiding punitive steps. He therefore hoped that, when reviewing ways of making the non-compliance procedure more effective, the Parties would follow the same approach.

10. Other important issues to be discussed by the Open-ended Working Group included the introduction of licensing systems, the phase-out of CFCs in metered-dose inhalers, the emergence of new, uncontrolled ozone-depleting substances, and applications for essential-use exemptions. He urged the Group, in all its work, to view the environment from an integrated perspective. Ozone depletion affected many other facets of the environment and, likewise, climate change had adverse effects on other components of the environment. The interconnections should be studied more closely and their implications could perhaps be jointly examined under the Kyoto and Montreal protocols.

11. Lastly, with regard to financial resources, the Multilateral Fund and the Vienna Convention and Montreal Protocol Trust Funds were at a reasonable level, even though there were still large arrears, and he urged Parties to pay outstanding contributions without delay.

## II. ORGANIZATIONAL MATTERS

### A. Attendance

12. The following Parties to the Montreal Protocol were present: Algeria, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan Republic, Bahamas, Bangladesh, Belgium, Bolivia, Botswana, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, China, Colombia, Comoros, Costa Rica, Croatia, Cuba, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, Estonia, European Community, Finland, France, Georgia, Germany, Ghana, Guatemala, Honduras, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Jamaica, Japan, Jordan, Kenya, Latvia, Lebanon, Lithuania, Malawi, Malaysia, Mauritius, Mexico, Mongolia, Morocco, Myanmar, Namibia, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Republic of Korea, Romania, Russian Federation, Saint Lucia, Samoa, Senegal, Slovak Republic, South Africa, Spain, Sri Lanka, Swaziland, Sweden, Switzerland, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, Turkmenistan, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Viet Nam, Yemen, Yugoslavia, Zambia, Zimbabwe.

13. The following non-Parties were also represented: Albania, Armenia, Bhutan, Holy See, Kazakhstan, Lao People's Democratic Republic, Oman.

14. Observers from the following United Nations secretariat units, bodies and specialized agencies were also present: Secretariat of the Global Environment Facility (GEF), International Telecommunication Union (ITU), Secretariat of the Multilateral Fund, UNEP Division of Industry and Environment (UNEP/IE), United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), World Bank, World Health Organization (WHO), World Intellectual Property Organization (WIPO), World Meteorological Organization (WMO).

15. The following other organizations were also represented: 3M Company, Air Conditioning and Refrigeration Institute, Alliance for Responsible Atmospheric Policy, Dupont, Ecologic Centre for International and European Environment Research, Elf Atochem SA, Environmental Investigation Agency, European Chemical Industry Federation, Friends of the Earth, Great Lakes Chemical Corporation, Greenpeace, Hoechst Marion Russel, Indian Chemical Manufacturers Association, International Pharmaceutical Aerosol Consortium, International Institute of Refrigeration (IIR), Japan Fluorocarbon Manufacturers Association, Japan Refrigeration and Air Conditioning Industry Association, Japan Fluorocarbon Manufacturers Association, Japan Industrial Conference for Ozone Layer Protection, Japan Environmental Sanitation Centre, Lennox International Inc., Methyl Bromide Working Group, National Fire Protection Research Foundation, Navin Fluorine Industries, Nippon Boehringer Ingelheim Co. Ltd., Otsuka Pharmaceutical Co. Ltd., Protonique, Refrigerant Gas Manufacturers' Association, Skadden, Arps, Slate, Meacher and Flom LLP, Teijin Chemicals Ltd., Trane Company, York International Corporation.

### B. Officers

16. Mr. V. Anand (India) and Mr. J. Uosukainen (Finland) served as Co-Chairs of the Working Group, in accordance with decision IX/36 of the Ninth Meeting of the Parties to the Montreal Protocol.

C. Adoption of the agenda

17. The following agenda was adopted on the basis of the provisional agenda contained in document UNEP/OzL.Pro/WG.1/17/1 and Add.1:

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Metered-dose inhalers:
  - (a) Final report of the Technology and Economic Assessment Panel on a transition to non-CFC treatments of asthma and chronic obstructive pulmonary disease in Parties not operating under Article 5 (decision IX/19, paragraph 2);
  - (b) Report of the Secretariat on information received from non-Article 5 Parties on initial national or regional transition strategy to non-CFC metered-dose inhalers, taking into consideration the availability and price of treatments for asthma and chronic obstructive pulmonary disease in countries currently importing CFC-containing metered-dose inhalers (decision IX/19, paragraph 5).
4. Reports of the Technology and Economic Assessment Panel on:
  - (a) Nominations by the Parties for essential use exemptions for controlled substances;
  - (b) Any transfer of essential-use authorizations for CFCs for metered-dose inhalers (decision IX/20, paragraph 1);
  - (c) The feasibility of early decommissioning in non-Article 5 Parties of all non-essential halon systems and the subsequent destruction or redeployment of halon stocks not required for those critical uses that have no identified substitutes or alternatives, bearing in mind the needs of Article 5 Parties for halon (decision IX/21);
  - (d) New substances with ozone-depleting potential (decision IX/24);
  - (e) Other issues:
    - (i) Progress of alternatives to the ozone-depleting substances;
    - (ii) Laboratory and analytical uses;
    - (iii) Mixtures containing ozone-depleting substances.
5. Status of implementation of a licensing system (decision IX/8, paragraph 2).

6. Measures adopted by Parties to regulate import and export of products, equipment, components and technology, whose continuing functioning relies on supply of substances in Annex A or Annex B of the Protocol and by non-Article 5 Parties to control the export of used products and equipment whose continuing functioning relies on supply of substances listed in Annex A and Annex B of the Protocol (decision IX/9).
  7. Note by the Secretariat on action by the World Customs Organization regarding customs codes for ozone-depleting substances (decision IX/22).
  8. Status report on the work of the Ad Hoc Working Group of Legal and Technical Experts on Non-Compliance established to review the non-compliance procedure (decision IX/35).
  9. Matters arising out of the meeting of the Implementation Committee.
  10. Process and mechanism for replenishment of the Multilateral Fund.
  11. Continued production and consumption of controlled substances for use as process agents.
  12. Exports of controlled substances from non-Article 5 producers to Article 5 countries.
  13. Other matters.
  14. Adoption of the report.
  15. Closure of the meeting.
18. The Group agreed to discuss under agenda item 13 (Other matters) a possible revision of rule 18 of the rules of procedure and a potential study by the Secretariat on the implications of holding meetings of the Parties every 18 months rather than every year.

### III. METERED-DOSE INHALERS

19. Mr. Ashley Woodcock and Mr. Jose Pons, Co-Chairs of the Aerosols, Sterilants, Miscellaneous Uses and Carbon Tetrachloride Technical Options Committee presented data on aerosol metered-dose inhalers. Mr. Woodcock explained the current state of technical development of CFC-free metered-dose inhalers, noting that all companies had experienced varying degrees of difficulty. Many product applications were pending and several were now marketed in certain countries. The Technical Options Committee predicted that: first, a wide range of non-CFC inhalers would be available in developed countries and by the year 2000 transition would be making good progress; and, second, the need for CFCs for metered-dose inhalers by 2005 would be minimal in those countries.

20. CFC-containing metered-dose inhalers in Article 5 countries were made by multinational, national and local manufacturers. Early introduction of non-CFC metered-dose inhalers was feasible, but required education, technology transfer and consideration of intellectual property issues. The Panel did not recommend a rigid global metered-dose-inhaler transition strategy, but suggested a flexible global transition framework, taking into account varying national circumstances. It encouraged each Party to develop its own national transition strategy, which should give priority to patient safety during the phase-out of CFCs in metered-dose inhalers and take into account import and export issues.

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21. The Panel also felt that decision IV/25, on essential uses, had to be interpreted to allow countries that had phased out domestic consumption of CFC-containing metered-dose inhalers to continue to produce those products for export to countries that had not yet completed the transition. It requested that pre-1996 stocks of CFCs for metered-dose inhaler manufacture be reported in the accounting framework of each Party requesting an essential-use exemption.

22. The Panel suggested that Parties might wish to consider: limiting stockpiles of CFCs to no more than 12-months use; allowing inter-company transfer of CFCs granted under the essential-use process; and allowing Parties to nominate a total amount of CFCs without distinguishing between CFCs 11, 12, 113 and 114.

23. The Secretariat drew attention to section III of its note on the issues before the Open-ended Working Group at its seventeenth session, referring to the report of the Technology and Economic Assessment Panel on metered-dose inhalers. In addition, it noted the guidance provided by the Panel for the preparation of a global transition framework and national strategies and informed the Working Group that some countries were developing or had already developed their national strategies.

24. The representatives of several Article 5 countries expressed their concerns about the possible high cost of CFC-free metered-dose inhalers, with particularly adverse consequences for patient health in developing countries. It was noted that cheaper generic CFC inhalers were increasingly replacing brand-name CFC-containing inhalers on the markets of both developed and developing countries and that, with a very few exceptions, satisfactory alternatives to the CFCs used in metered-dose inhalers were not yet available. In addition, developing countries still depended heavily on imports of CFCs for their metered-dose inhalers, and cutbacks in the production of those substances in the developed world could have serious consequences for patients in developing countries. Accordingly, while accepting that conversion from CFC-containing to CFC-free metered-dose inhalers could be accepted as an ultimate objective, they urged that sufficient time be allowed to educate both the public and medical professionals on the issue and to exercise caution before setting target dates for conversion. In addition, there was a need for technology transfer to Article 5 countries to enable them to manufacture their own CFC-free metered-dose inhalers.

25. One of those representatives also expressed his concern that the report of the Technology and Economic Assessment Panel had not addressed all the issues with which it had been tasked, as set out in decisions VIII/12 and IX/19, and hoped that the full report would make good those omissions. In particular, he stressed that the affordability aspects of CFC-free metered-dose inhalers needed to be covered more adequately in the report and stated that there was a vast difference between the price of a generic CFC-based metered-dose inhaler that was being widely marketed and that of the brand-name CFC-free metered-dose inhaler.

26. The representative of New Zealand said that the transition strategy in his country, described on pages 69-73 of the report of the Technology and Economic Assessment Panel, appeared to be proceeding satisfactorily, with only a limited impact on the country's pharmaceutical budget.

27. Several representatives favoured the development of a global transition framework, provided it had the flexibility to take into account the specific circumstances of individual Parties. One representative said that her country could support 2005 as a goal for transition by non-Article 5 countries, subject to regular review of progress in achieving that goal and the necessary flexibility for individual needs of Parties, including, for example, a provision allowing exceptions to the 12-month limit on strategic resources for countries affected by long delivery delays.

28. One representative considered that the issue needed a careful, balanced approach, taking into

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account the particular circumstances of individual countries. His country favoured a non-prescriptive approach, which would encourage non-Article 5 countries to continue the expeditious development of thoughtful strategies; allow some production to meet Article 5 countries' essential needs after non-Article 5 countries had completed their own transition; and promote further collaboration and technology transfer between non-Article 5 and Article 5 countries. No country should be obliged to make the transition until it was certain that public health could be protected.

29. In response to a question regarding the time limit for conversion to CFC-free metered-dose inhalers, Mr. Woodcock explained that the conversion would be a gradual process, requiring, *inter alia*, major changes to manufacturing equipment, and that, while ultimately it would be possible for all users in all countries to be provided with CFC-free metered-dose inhalers, it was difficult to make sound predictions of when that target could be achieved.

30. In response to the concerns of one representative, Mr. Andersen, Co-Chair of the Technology and Economic Assessment Panel, explained that the decision not to include the text of the relevant decisions of the Meeting of the Parties in the Panel's report had been prompted both by the large number of decisions addressed and by budgetary considerations, but that the Panel would reconsider the format of future reports and perhaps include the decisions in an appendix. He also explained that the report was a summary and that the Panel's consultations with some intergovernmental organizations, including the World Health Organization (WHO), would be reflected in the full report to be submitted to the Tenth Meeting of the Parties.

31. Mr. Woodcock also confirmed that his Committee had consulted widely with relevant intergovernmental organizations and the WHO-sponsored Global Initiative on Asthma (GINA). In response to concerns expressed by one representative about the affordability of CFC-free metered-dose inhalers, he informed the Working Group that no substantial difference had been observed thus far between the prices of CFC-containing and CFC-free inhalers in the markets of non-Article 5 countries. The issue was one of great importance, however, and the Committee would continue to monitor the situation.

32. One representative asked whether HFCs would continue to be promoted by the Executive Committee as part of the transition strategy or whether other substitutes would be sought. In that connection, he suggested that the Technology and Economic Assessment Panel prepare a report on the implications of the Kyoto Protocol for the implementation of the Montreal Protocol, for submission to the Tenth or Eleventh Meeting of the Parties. Those concerns about HFCs were also raised by the representative of a non-governmental organization, who suggested that Parties to the Montreal Protocol should adopt a presumption against HFCs similar to that already adopted against HCFCs and that, in the light of the provisions of the Kyoto Protocol, the Parties should instruct the Executive Committee to give preference, when deciding on funding, to projects with no global warming implications.

33. Responding to the concerns raised relating to the use of HFCs in metered-dose inhalers, Mr. Andersen said that the Technology and Economic Assessment Panel would welcome instructions from Parties that it should cooperate extensively with technical experts from the Kyoto Protocol on the issue of HFCs in the refrigerant and propellant sectors, as well as in metered-dose inhalers.

34. Mr. Albritton, Co-Chair of the Scientific Assessment Panel, addressing the issue of connectivity between the Montreal and Kyoto protocols, reaffirmed the need to present one and the same scientific picture of the atmosphere in both processes. To that end, the Panel had recorded both ozone-depleting potential (ODP) and global warming values, ensuring that Parties had comprehensive climate-relevant information to guide them in their decisions. Coordination between the processes was also assured by having some of the same experts serving on both bodies.

35. Responding to the concerns of a non-governmental organization, he confirmed that the secondary atmospheric effects of HFCs had also been taken into account in the Panel's assessment and reiterated earlier assurances that the Panel was fully aware of the possible impact also on the ozone layer of an increase in global volumes of greenhouse gases.

36. Concluding the discussion under the item, the Co-Chair requested Parties, if they so chose, to provide any additional comments they might have to the Secretariat by 31 August 1998, as valuable inputs to the final report of the Technology and Economic Assessment Panel.

#### IV. REPORTS OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL

##### A. Nominations by the Parties for essential-use exemptions for controlled substances

37. Mr. Stephen Andersen, Co-Chair of the Technology and Economic Assessment Panel, reported the unanimous findings of the Panel and its Technical Options Committees on essential-use nominations, recommending the nominated quantities of: halon for the Russian Federation; CFCs for metered-dose inhalers for Australia, the European Community, Poland and the United States; and CFC for cardiovascular uses for the European Community. The Technology and Economic Assessment Panel and its Solvents Technical Options Committee also recommended that Parties reschedule ozone-depleting substances previously authorized for solid rocket motors for use until the time when the allowance was depleted or until safe alternatives were implemented, whichever came first. The Technology and Economic Assessment Panel and its Technical Options Committees were unable to recommend the Canadian nomination for CFCs for metered-dose inhalers and the Polish nomination for the CFC used to maintain torpedoes. The Panel presented three options for further restricting the global exemption on laboratory and analytical uses.

38. The Working Group decided to recommend to the Tenth Meeting of the Parties the nominations recommended by the Technology and Economic Assessment Panel.

39. Introducing a proposal to authorize Canada's essential-use nomination to the extent of 140 tonnes for each of the years 1999 and 2000, the representative of that country said that, at the time it had made its submission, Canada had not been in a position to provide sufficient information to enable the Technology and Economic Assessment Panel to make a positive recommendation on the nomination. Since then, Canada had received new information from the company requiring the CFCs and believed that that information, as outlined in the conference room paper containing the proposal, justified the request. He therefore requested the Working Group to recommend the approval of the nomination.

40. One representative expressed support for the proposal and another representative requested more time to consider the information. The Working Group decided to defer consideration of the draft decision.

41. The representative of the European Community subsequently reported that further consideration had been given to the proposal. He wished to point out that CFC-free alternatives for metered-dose inhalers existed, and that the European Community had been able to reduce its nomination for essential uses for that purpose by 50 per cent for 2000 compared to 1996, partly by preventing new companies from developing and marketing CFC-using metered-dose inhalers. However, he recognized that the health of patients had to be protected, and, accepting that Canada's nomination was necessary for that objective, he withdrew his delegation's reservation on the proposal.

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42. The Working Group then decided to recommend the Canadian essential-use exemptions to the Tenth Meeting of the Parties.

43. The representative of Poland, referring to his country's application for an essential-use exemption for torpedo maintenance, said that, according to information received from the Polish Navy, the Russian producer of the systems in question had set binding standards for torpedo maintenance, which did not allow for any substitutes for CFC-113. The producer would not therefore accept responsibility for any accidents that occurred if another substance was used for maintenance purposes. His country had obtained all the necessary information from the producer. He welcomed the offer of the Technology and Economic Assessment Panel to arrange a meeting with solvent experts, the Russian producer and representatives of the Polish Navy. Nevertheless, even if the outcome was positive, time was running short and the equipment still needed to be maintained. Therefore, for Poland, the need was an emergency case. He hoped that, after the meeting with the Russian producer, the Panel would reconsider its position.

44. The Co-Chair of the Technology and Economic Assessment Panel said that the Panel would endeavour to arrange a meeting with the Russian torpedo designer and would report to the Meeting of the Parties on the outcome.

45. One representative, welcoming the plans to arrange a meeting with the manufacturer of the torpedo systems, said that his delegation shared the concern that no viable alternative to CFC-113 was available and that, without proper maintenance, the torpedoes could explode, endangering the lives of the crew. His delegation would monitor the case and revert to it at the Meeting of the Parties if no viable solution was found.

46. The representative of the Technology and Economic Assessment Panel subsequently reported that, following discussions, experts from the Solvents Technical Options Committee would meet with experts from the Russian Federation and Poland to evaluate the need for the use of CFC-113 in maintaining torpedoes. As there was no longer sufficient time to implement an alternative in 1998, he recommended that Poland's nomination for an 1998 emergency exemption and 1999 essential-use exemption should be accepted, conditional on the agreement by Poland to implement suitable alternatives for that equipment when identified.

47. The Working Group decided to recommend the 1999 essential-use exemption to the Tenth Meeting of the Parties.

48. A table listing all the nominations recommended to the Tenth Meeting of the Parties by the Open-ended Working Group is contained in annex I to the present report.

49. The Working Group also decided that the recommendation of the Technology and Economic Assessment Panel that current and future nominations might be assessed and recommended for total CFC volumes with flexibility between CFCs within each group could serve as the basis of a draft decision for the Meeting of the Parties, on the understanding that the differing ozone-depleting potential of CFC-113 would be taken into account in the generic exemption.

B. Any transfer of essential-use authorizations for CFCs for metered-dose inhalers (decision IX/20, paragraph 1)

50. The Secretariat informed the Working Group that, since the adoption of decision IX/20, it had to date received no requests for the transfer of essential-use authorizations for CFCs for metered-dose inhalers.

C. The feasibility of early decommissioning in non-Article 5 Parties of all non-essential halon systems and the subsequent destruction or redeployment of halon stocks not required for those critical uses that have no identified substitutes or alternatives, bearing in mind the needs of Article 5 Parties (decision IX/21)

51. Mr. Walter Brunner, Co-Chair of the Halons Technical Options Committee, referring to the adequacy of halon supplies for essential uses, reported that it was likely that more halon-1211 existed than was required for essential uses. However, for halon-1301, existing stocks would be required to meet future essential needs. The Halons Technical Options Committee noted that, should individual Parties wish to build up halon stocks, carefully elaborated national programmes would be needed. It might be necessary to provide financial assistance to minimize emissions by those who might attempt to release halons to avoid cost liability.

52. The Halons Technical Options Committee noted that existing programmes based on either a regulatory framework or market-based mechanisms or a combination thereof had been effective in several countries. Such programmes might provide useful examples for Parties wishing to develop national programmes.

53. In response to a question from the floor concerning the possible cost of decommissioning, Mr. Brunner drew attention to the figures in the report of the Technology and Economic Assessment Panel relating to the experience of Australia, which, he hoped, would give an indication of possible collection costs. With regard to the distinction between least critical, more critical and most critical uses, he explained that, when developing the model, the Panel had found a correlation between the lifetime of the equipment and the level of critical use, equipment with the shortest lifetime having the least critical use.

54. The representative of Australia introduced a proposal on national halon-management strategies. She noted the statement in the report of the Technology and Economic Assessment Panel that, while leaving remaining halon-1211 in portable fire-extinguishers was the least expensive approach, such an approach implied that, over a period of 20-25 years, almost all halon-1211 would be emitted into the atmosphere. Australia was preparing case-studies on decommissioning, which, it hoped, would be useful to Parties in developing options for the management of halon stocks, since, given the continued increase of halons in the atmosphere and the potency of halons as an ozone-depleting substance, management of the phase-out of halons was crucial to the success of the Montreal Protocol.

55. One representative, supported by another, said that, while previous decisions on halons adopted by the Parties targeted only the non-Article 5 Parties, the proposal by Australia was for all Parties to develop halon-management strategies. That would have cost implications for the Multilateral Fund. It was only on the understanding that those costs would be met that his delegation could embark upon the preparation of such a strategy.

56. Another representative said that there was no need for the proposal, particularly in view of the

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difficulties that would be encountered in assessing the appropriateness of national strategies; the Working Group should simply take note of the findings of the Technology and Economic Assessment Panel.

57. Other representatives supported the proposal, stating that, in view of the high ozone-depleting potential of halons, all Parties should consider the most effective way in which they could manage such a severe risk to the ozone layer. One of those representatives said that no costs would be involved in the process of planning such strategies.

58. The Working Group decided that the proposal should be forwarded, with the reservations expressed, for further consideration at the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section A of annex II to the present report.

#### D. New substances with ozone-depleting potential

59. Mr. Albritton, Co-Chair of the Scientific Assessment Panel, reported on the Panel's assessment of two potential substitutes: n-propyl bromide and chlorobromomethane. Laboratory and modelling studies had yielded estimated residence times in the atmosphere and ozone-depleting potential values. For n-propyl bromide, the residence time was about 10 days, with a ozone-depleting potential of around 0.026. The short residence time implied that the concept of ozone-depleting potential might not be fully valid. For chlorobromomethane, the residence time was about 130 days and the ozone-depleting potential around 0.15. The substance, however, might be absorbed by the oceans, but no research had focused on that process. Therefore, the reported numbers should be viewed as estimated upper limits.

60. The Mr. Albritton explained that the Panel's full report, which would be available at the end of 1998 and summarized at the Tenth Meeting of the Parties, would be an update of all aspects of the science of the ozone layer, including the relation between the ozone layer and the climate system. He then described how the Scientific Assessment Panel already provided scientific input to the Kyoto Protocol's scientific basis.

61. One representative expressed the view that the production of new ozone-depleting substances should be curtailed at the initial stage. That could be accomplished through voluntary measures by Parties, rather than through the complicated process of amending the Protocol.

62. One representative said that halon-1202 was an ozone-depleting substance with an ozone-depleting potential of 1.25 which was not currently controlled by the Montreal Protocol. Her delegation had been informed that halon-1202 concentrations in the troposphere were currently accelerating at 17 per cent a year and it requested the Secretariat to forward that information to the Scientific Assessment Panel and the Technology and Economic Assessment Panel for a report at the Tenth Meeting of the Parties.

63. In response to a request from the Chair, the representative of the United States confirmed that the United States Environmental Protection Agency had proposed banning chlorobromomethane as a substitute for methyl chloroform. With regard to n-propyl bromide, which had a low ozone-depleting potential, the United States was looking at the chemical from the point of view of its toxicity but had no formal position on the subject.

64. The representative of a non-governmental organization said that, because of the fragile state of the ozone layer and the synergy between global warming and ozone-layer depletion, it was time that all emissions were stopped. His organization recommended that the Parties adopt a zero-tolerance policy, which would save time, energy and money which might otherwise be spent on the production or consumption of new products that depleted the ozone layer.

65. The representative of a regional economic integration organization said that, in his understanding, by virtue of being Parties to the Montreal Protocol, the Parties had already adopted a zero-tolerance policy for ozone-depleting substances. On that basis, he looked forward to the forthcoming discussions on how best to prevent the development and introduction of new ozone-depleting substances.

#### E. Other issues

##### 1. Progress of alternatives to the ozone-depleting substances

66. Mr. Thomas Batchelor, Co-Chair of the Methyl Bromide Technical Options Committee, summarized comments in the 1998 report of the Technology and Economic Assessment Panel on emergency uses of methyl bromide, provided clarifications on quarantine and pre-shipment uses, and highlighted methyl-bromide consumption characteristics in some Article 5 countries. He said that after methyl bromide had been phased out, Parties would be permitted to use without delay up to 20 tonnes for emergency use. That quantity was calculated to be sufficient for controlling pests in two large food processing facilities, two ships, or 50 hectares of soil. Noting that the use of methyl bromide for quarantine and pre-shipment was currently exempt from control, he said that any such use should be based on the need to control officially-listed regulated quarantine and non-quarantine pests and could not legitimately be used at the request of a commercial enterprise. The Panel noted that official UNEP consumption data for some Article 5 countries showed increased methyl-bromide consumption in the past 4-6 years, while others had phased out methyl-bromide usage.

67. One representative noted that methyl bromide was also used in agriculture and that adequate alternatives were not available. Accordingly, he hoped that Parties would seek ways of funding research into such alternatives, otherwise agricultural development would suffer.

68. The representative of the European Community introduced a proposal on the quarantine and pre-shipment exemption for methyl bromide. He explained that the aim of the proposal was to reduce the unnecessary use of methyl bromide. A number of representatives supported the proposal in its entirety, but several expressed the view that the proposal to assess the possibility of introducing specific provisions to limit the use and emissions of methyl bromide for quarantine and pre-shipment purposes was premature. Pointing out that the proposal did not envisage any final recommendations being taken until the Eleventh Meeting of the Parties, after the Technology and Economic Assessment Panel had reported on the matter, the representative of the European Community nevertheless accepted that that part of the proposal should be placed in square brackets. On that basis, the Working Group decided to forward it to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section B of annex II to the present report.

69. The representative of the United States introduced a second proposal on the quarantine and pre-shipment exemption for methyl bromide. He pointed out that the International Plant Protection Convention definitions of quarantine and non-quarantine pests had recently been changed, and that therefore further clarification of definitions might be needed. Several representatives supported the proposal, although one stressed that a consideration of the definitions did not necessarily imply that they should eventually be changed. The Working Group decided to forward the proposal to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section C of annex II to the present report.

70. Representatives of two Article 5 countries commented on the importance of giving a higher priority to allocating financial support to the phase-out of carbon tetrachloride consumption and production, particularly in its use as a process agent.

## 2. Laboratory and analytical uses

71. Introducing a draft decision on laboratory and analytical uses of ozone-depleting substances, the representative of the United States explained that its aim was to extend the global exemption to 2005, but for the Technology and Economic Assessment Panel to report annually on specific laboratory and analytical uses for which non-ozone-depleting alternatives had been identified. Two years after the listing of a specific use, the exemption for production and consumption of controlled substances for that use would end, unless the Parties specifically agreed otherwise. A number of representatives expressed the desire to consider the issue at greater length, and it was agreed to place the proposal in square brackets. On that basis, the Working Group decided to forward the draft to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section D of annex II to the present report.

## 3. Mixtures containing ozone-depleting substances

72. One representative stated that he believed that a mixture of 98 per cent methyl bromide and 2 per cent chloropicrin (listed by the Secretariat under the illustrative list of methyl bromide mixtures) should be considered as pure methyl bromide. The issue was an important one, as methyl bromide supplies often contained small amounts of chloropicrin; if it was categorized as a mixture, it would be identified under customs codes as a pesticide, which would make tracking imports more difficult. He suggested that the issue should be clarified by the Secretariat after further consultations with the World Customs Organization.

## 4. Carbon tetrachloride

73. In response to a question from the floor, Mr. Pons, Co-Chair of the Aerosols, Sterilants, Miscellaneous Uses and Carbon Tetrachloride Technical Options Committee, noted the concern expressed at the high figure for feedstock-related emissions of carbon tetrachloride in relation to previous estimates and which might be difficult to reconcile with the insignificant emissions usually expected from feedstock uses. He explained that, based on scientific studies and information concerning industry, total emissions were estimated at 40,000 tonnes. After 12,000 tonnes had been deducted from that figure, a total of 28,000 tonnes could be related to emissions from feedstock uses.

# V. STATUS OF IMPLEMENTATION OF A LICENSING SYSTEM (DECISION IX/8, PARAGRAPH 2)

74. The Secretariat informed the Working Group that 53 Parties had responded to its request for the name and contact details of the relevant national officer. Several Parties stated that, although they had submitted the information requested, it had not appeared on the list circulated by the Secretariat.

VI. MEASURES ADOPTED BY THE PARTIES TO REGULATE IMPORT AND EXPORT OF PRODUCTS, EQUIPMENT, COMPONENTS AND TECHNOLOGY WHOSE CONTINUED FUNCTIONING RELIES ON SUPPLY OF SUBSTANCES IN ANNEX A OR ANNEX B OF THE PROTOCOL AND BY NON-ARTICLE 5 PARTIES TO CONTROL THE EXPORT OF USED PRODUCTS AND EQUIPMENT WHOSE CONTINUED FUNCTIONING RELIES ON SUPPLY OF SUBSTANCES LISTED IN IN ANNEX A AND ANNEX B OF THE PROTOCOL  
(DECISION IX/9)

75. The Secretariat informed the Working Group that 10 Parties had reported on the measures they had adopted to regulate imports and exports. The representative of Canada introduced a proposal to request the Secretariat to draw up and circulate a list of those Article 5 countries which wished not to import specified products and equipment whose continued use relied on Annex A or Annex B substances.

76. Several Article 5 countries underlined the need to control imports of second-hand equipment from non-Article 5 countries, which were currently flooding the market, at prices often a half to a third cheaper than new equipment. Since it was often difficult effectively to regulate imports, they called on non-Article 5 countries to take action to control exports. The representative of a country with an economy in transition stated that his country also experienced the same difficulty, and suggested the list should be opened to all countries. Representatives also suggested that controls should not be restricted to used equipment, but should be extended to include personal effects.

77. A number of representatives expressed opposition to the requirement in the proposal that those countries refusing imports had also to prohibit domestic manufacturing of the same products. The representative of Canada explained that this provision was included in order to avert a challenge under the General Agreement on Tariffs and Trade (GATT); any trade restrictions had to be non-discriminatory between domestic and foreign production. He accepted, however, that the wording of the proposal could be improved, and a contact group was established to revise the text.

78. Following discussions in the contact group, the representative of Canada presented a revised version of the proposal, repeating, as far as possible, the precise wording of decision IX/9. One representative of an Article 5 Party expressed his concern about the ability of countries to specify precisely which products and equipment they wished to regulate, and about the effect of the list in practice. One other representative wished to extend the square brackets in paragraph 3 to include used . The representative of Canada accepted that the whole proposal should be placed in square brackets to allow further discussions before the Tenth Meeting of the Parties. On that basis, the Working Group decided to forward the proposal to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section E of annex II to the present report.

VII. NOTE BY THE SECRETARIAT ON ACTION BY THE WORLD CUSTOMS ORGANIZATION REGARDING CUSTOMS CODES FOR THE OZONE-DEPLETING SUBSTANCES  
(DECISION IX/22)

79. Introducing agenda item 7, the representative of the Secretariat drew attention to its note on action by the World Customs Organization (WCO) regarding customs codes for ozone-depleting substances. He said that, in response to decision IX/22 of the Ninth Meeting of the Parties, WCO had drafted a new recommendation that would provide six national codes for HCFCs under subheading 2903.49 of the Harmonized System. That recommendation was currently under consideration by the Harmonized System Council. Once the recommendation was accepted, the Parties might wish to make use of those codes. In response to a request from the floor, he clarified that, while all countries would have the same six-digit international code, they were free to add two further digits for classification at the national level; hence, the final two dashes at the end of the codes in annex II to the note by the Secretariat.

80. With regard to mixtures containing ozone-depleting substances, he said that, based on information provided by the Technology and Economic Assessment Panel, UNEP/IE and the major suppliers of ozone-depleting substances, the Secretariat had sent a list to WCO of six categories of such mixtures, and a new recommendation for complementary national codes could now be prepared.

81. The Working Group took note of the progress made on the issue.

#### VIII. STATUS REPORT ON THE WORK OF THE AD HOC WORKING GROUP OF LEGAL AND TECHNICAL EXPERTS ON NON-COMPLIANCE ESTABLISHED TO REVIEW THE NON-COMPLIANCE PROCEDURE

82. Mr. Patrick Széll, Co-Chair of the Ad Hoc Working Group of Legal and Technical Experts established by the Ninth Meeting of the Parties in its decision IX/35, gave a progress report on the work of the Group, which had held its first meeting in Geneva on 3 and 4 July 1998. He recalled that the Parties had decided to set up the Group to review the current non-compliance procedure and develop appropriate conclusions and recommendations on the need for any further elaboration or strengthening of the procedure.

83. The Group had reviewed the existing procedure, paragraph by paragraph, in the light of written comments from a number of Parties, non-governmental organizations and individuals, as well as points raised orally by its members. There had been a general feeling that the procedure was functioning satisfactorily and that, whilst adjustments could and should be made to the practices of the Implementation Committee, there were no serious deficiencies in the text. He recalled that, according to the terms of decision IX/35, the Group was expressly precluded from reviewing the indicative list of measures that might be taken in case of non-compliance.

84. The size and composition of the Implementation Committee had been reviewed. There had been a suggestion made that its membership should be increased to 15. It had also been proposed that the procedure should specify the expertise required for membership and that members should be elected ad personam. The Group finally agreed that there was no need to amend the procedure in any of those respects, though, in the interests of continuity, Governments should be requested to notify the Secretariat of the name of the individual person who would represent them and should be encouraged to ensure that the same person represented them on the Committee throughout the term of office.

85. The Group had considered a proposal to enable the procedure to be triggered by individuals and associations, in addition to Parties and the Secretariat. It recognized that the question was a sensitive one, and, in any event, felt that it was already adequately covered in paragraph 3 of the procedure.

86. The need for a procedure for appeals from decisions of the Meeting of the Parties was examined, and the Group agreed that there was no case for creating such a procedure at the current time.

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87. It was also agreed by the Group that it would be helpful to promote the use of standard formats for reports to the Implementation Committee.

88. Differing views were expressed regarding the proposal to give the Implementation Committee decision-making powers. Many experts were of the view that it was the role of the Committee to decide on the facts and causes of non-compliance in individual cases, but to continue to limit itself to making recommendations to the Meeting of the Parties with regard to possible remedial action; one expert disagreed, arguing that the Committee should be restricted to making decisions.

89. Many of the written proposals transmitted to the Secretariat called for greater precision in the present text of the non-compliance procedure; for example, time limits and the type of action to be taken could be clearly specified.

90. The delicate matter of action that might be taken in cases of persistent non-compliance had been brought up. Some experts believed that the matter was closely related to the indicative list and should not, therefore, be discussed; others had noted that suspension of rights was already a measure available to the Meeting of the Parties.

91. A preliminary draft report on the work of the Group's first meeting would be circulated to members of the Group and would form the basis for its second meeting, to be held in Cairo prior to the Tenth Meeting of the Parties. A draft decision would be prepared at that meeting for consideration of the Meeting of the Parties. There were three options for the presentation of the Group's conclusions: first, a list of amendments to the text of the non-compliance procedure could be drawn up; second, concerns could be reflected in a decision in the form of commentary, guidance or interpretative statements; and, third, a combination of the first two options. No decision had yet been reached by the Group on which option to follow.

92. One representative said that the issues being discussed by the Working Group were extremely important and he was therefore concerned to note that its conclusions would only be available just before the Tenth Meeting of the Parties.

#### IX. MATTERS ARISING OUT OF THE MEETINGS OF THE IMPLEMENTATION COMMITTEE

93. At the invitation of the Co-Chair, the Vice-President of the Implementation Committee, Mr. Tom Land (United States), reported that the Implementation Committee had held its twentieth meeting on 6 and 7 July 1998 and reviewed the data on production and consumption of ozone-depleting substances for 1996 submitted by Parties and compiled by the Secretariat. The full report of the Committee's work would be sent to all Parties by the Secretariat in due course.

94. The data presented by the Secretariat revealed nine cases in which Parties not operating under Article 5 had deviated from the reduction schedules for consumption in 1996. Some of those Parties had also deviated from the 1996 production-reduction schedules. Based on clarifications made in writing and orally by those Parties, and on additional information provided by the Multilateral Fund, UNEP/IE, the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), the World Bank and the Global Environment Facility, the Implementation Committee had made specific recommendations to each Party on how to address each situation. Those recommendations generally asked for additional data and other information, as well as the submission of a

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detailed phase-out plan, including benchmarks with which the Implementation Committee could monitor each Party's progress. The Committee would review and reconsider the recommendations and any information submitted at its next meeting and then present formal recommendations to the Tenth Meeting of the Parties.

95. The Committee also reviewed information regarding Parties temporarily classified as operating under Article 5 but in a position to lose that status for failure to report data, as provided for in decision VI/5. The Implementation Committee requested that the relevant data be submitted promptly so that it could be reviewed and recommendations made to the Tenth Meeting of the Parties.

96. The Committee noted several significant trends and individual instances of success in phasing out ozone-depleting substances by Article 5 Parties that were revealed by the data compiled by the Secretariat:

(a) Twenty-six Article 5 Parties had decreased their consumption of CFCs for the previous three years or more;

(b) Of the 90 Article 5 Parties that had reported data for 1996, 39 had reported zero consumption of halons, 50 had reported zero consumption of carbon tetrachloride and 43 had reported zero consumption of methyl chloroform.

97. There were also some individual cases deserving special mention, namely:

(a) China, after six years of rising consumption, had decreased its consumption of CFCs from 1995 to 1996 by over 20 per cent and had agreed with the Executive Committee on a halon phase-out schedule that was significantly faster than that required by the Protocol;

(b) Ghana had decreased its consumption from 1995 to 1996 by over 60 per cent, Kenya by 45 per cent, Sudan and Thailand by over 30 per cent and Uruguay by over 20 per cent.

98. The Committee had also discussed several matters of concern raised by the data:

(a) Thirteen Parties had never reported any data on ozone-depleting substances. The Committee noted that those Parties had received a total of over \$2 million from the Multilateral Fund;

(b) Seven Parties had not reported any data on ozone-depleting substances for the past three years. The Committee found that troubling, because the baseline for compliance for CFCs was dependent on data from 1995 through 1997. In addition, those seven Parties had received a total of over \$3.5 million from the Multilateral Fund in support of phase-out activities;

(c) While legal under the Protocol, the Committee nonetheless expressed concern that 14 Parties had increased CFC consumption over the past three years. The Committee noted that those Parties had received a total of approximately \$18 million from the Multilateral Fund in support of projects to reduce consumption and assist in phasing out ozone-depleting substances.

99. Regarding its concerns on non-reporting, the Implementation Committee recommended prompt submission of data by non-reporting Parties so that the Committee could review their implementation of the reporting obligations under Article 7 at its next meeting in Cairo and submit formal recommendations for the consideration of the Tenth Meeting of the Parties.

100. The Working Group took note of the report. Many representatives thanked the Implementation

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Committee for its work on behalf of the Parties.

101. Many representatives noted that a variety of factors outside the control of individual Parties had an impact on levels of consumption of ozone-depleting substances from year to year or constrained the ability of Parties to report data. Those factors included expanding economic development, annual fluctuations in economic growth, pre-existing growth rates in the consumption of ozone-depleting substances, delays in project implementation, slow disbursement of Multilateral Fund assistance, population size, climate fluctuations, and inadequate institutional strengthening. Several representatives requested the Implementation Committee to take those factors into account when conducting its deliberations. Some suggested that the Committee examine what obstacles might exist to prevent more effective data-reporting or more rapid reductions in ozone-depleting substances. Some requested that increased efforts be made to assist Parties to overcome those obstacles, for example, by enhancing efforts by the Implementing Agencies of the Multilateral Fund, strengthening ozone focal points to augment data-reporting, and reinforcing institutional strengthening to comply with the freeze.

102. Several representatives expressed concern regarding the conflict between the data-reporting period, which was the calendar year, and that to be used to examine compliance with the freeze on the production and consumption of ozone-depleting substances in Parties operating under Article 5, which would begin on 1 July 1999. The Implementation Committee was requested to consider the matter at its next meeting with a view to clarifying what data would be used to evaluate compliance with the freeze.

103. One representative noted that the data required under Article 7 comprised production and consumption as defined under the Protocol, while data reported to the Multilateral Fund reflected sectoral use of ozone-depleting substances. That resulted in potential confusion when use of ozone-depleting substances from different sectors in a country was totalled and the resulting figure did not, as sometimes happened, correspond to the consumption of ozone-depleting substances reported to the Secretariat. One source of the discrepancy was that substances imported but not used in the same year would be reported to the Multilateral Fund in the year in which they were used but would be included in the consumption data submitted to the Secretariat for the same year of import.

104. Some representatives expressed the view that it was important for the Implementation Committee to focus on issues central to the objectives of the Protocol and that the reporting of data by Parties with very small consumption levels of ozone-depleting substances was not as great an issue.

105. The representatives of Argentina, Colombia, India and the United Republic of Tanzania observed that their countries were and always had been in full compliance with the control measures on ozone-depleting substances in Article 2 of the Montreal Protocol and fully expected to meet the freeze. Assistance by the Multilateral Fund had in some instances been instrumental to slowing use of ozone-depleting substances and would allow significant reductions in the future.

106. One representative expressed grave concern that some non-Article 5 Parties were still consuming Annex A, Group I, substances in violation of the Protocol, with several Parties having been in that situation of non-compliance for some time. He expressed hope that, by the next Meeting of the Parties, the Implementation Committee could reveal significant evidence that those situations were being remedied.

107. In response, the Vice-President of the Implementation Committee said that the Committee would take comments made by the representatives into account during its future deliberations and noted that the Committee had discussed the issue of conflicting data and data requirements. In that regard, he observed that the data required by the Multilateral Fund comprised the "use" of particular ozone-depleting substances in a sector, not "consumption" as defined by the Protocol. That could explain many instances of

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conflicting data.

108. In the context of efforts to promote compliance with the Protocol, the representative of the UNEP/IE informed the meeting about the voluntary "mentor programme" launched by the Centre to assist Article 5 countries in meeting their 1999 freeze commitments. Under the programme, a developed country mentor would be partnered with a counterpart in an Article 5 country to provide advice and insight and to share experience with effective policy-setting. The programme would operate on a voluntary, unpaid basis. He invited Parties, both non-Article 5 and Article 5 with more advanced phase-out programmes, to nominate experts as mentors. The names of all nominated mentors would be submitted to meetings of UNEP networks of national ozone units in eight regions and subregions of the world.

#### X. PROCESS AND MECHANISM FOR REPLENISHMENT OF THE MULTILATERAL FUND

109. The representative of Austria, speaking on behalf of the European Union and also of Norway and Switzerland, introduced a proposal on terms of reference for a study on the 2000-2002 replenishment of the Multilateral Fund. He drew attention to the importance of the issue in view of the large amount of resources required to enable Article 5 countries to observe the 1999 freeze and the need for non-Article 5 countries to support their efforts to that end. Accordingly, in drafting the text, the sponsors of the decision had endeavoured to identify as many issues as possible that should be taken into consideration by the Technology and Economic Assessment Panel in preparing its report.

110. One representative, supported by several others, drew attention to the importance of the production sector and the considerable funds which phase-out in that sector would entail. He stated that his delegation would also prepare a paper on the importance of the production sector, for circulation to all participants.

111. Another representative recalled that, in previous replenishment exercises, initial estimates of the Technology and Economic Assessment Panel had not met the expectations of Article 5 countries and hoped that those lessons would be taken into account by the Panel before preparing its new estimates. In addition, he wondered how eligibility for funding was to be determined. The Technology and Economic Assessment Panel should consider eligibility in the light of the standards established for project eligibility and not just on the basis of cost-effectiveness. Accordingly, he hoped that the Executive Committee would review its cost-effectiveness criteria, as it had undertaken to do.

112. One representative suggested that, in assessing incremental costs for the purposes of the replenishment exercise, the financial implication of all decisions made since the Ninth Meeting of the Parties should be taken into account, although another representative, supported by the Co-Chair, felt that that consideration was already covered in the proposal.

113. Another representative suggested that, when assessing replenishment levels, the Technology and Economic Assessment Panel should also take into consideration the needs of developing countries for transfer of technology, public awareness-raising measures, institutional strengthening, and demonstration projects, particularly on the use of methyl bromide for soil fumigation purposes.

114. One representative suggested that the view of the Implementation Committee that attention should be given to the causes of non-compliance should be reflected in the draft decision. Another representative, however, felt it was undesirable to presuppose non-compliance by Article 5 countries.

115. One representative said that, while 2010 had been set as the target date for phase-out, Parties

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should be encouraged to achieve phase-out as early as possible and the rules and criteria, based on a 2010 phase-out date, should not impede the provision of assistance for earlier phase-outs. To that end, the Executive Committee should review its rules and guidelines to enable countries to receive assistance on a case-by-case basis.

116. The Co-Chair requested interested Parties to join a contact group on the issue to be convened by Austria, and to come up with a consensus text that took account of all the views and reservations expressed. He also pointed out that preparation of the proposed study would have cost implications, which should be borne in mind.

117. The contact group convened by Austria discussed the issue and presented a consensus text.

118. One representative expressed his dissatisfaction at the Technology and Economic Assessment Panel not being specifically directed to consult with the Executive Committee regarding replenishment, and wanted brackets to be placed around paragraph 2 of the draft that had resulted from the deliberations of the contact group. Another representative said that the Technology and Economic Assessment Panel should give an unbiased report and not be directed to consult, or not to consult, with any particular body or individual.

119. Following the deliberations, the Working Group requested the Technology and Economic Assessment Panel to start the work as soon as possible and make a presentation on the process and progress on the issue to the Tenth Meeting of the Parties. The Working Group also requested the Secretariat to provide up to US\$ 40,000 to the Technology and Economic Assessment Panel for 1998-1999 for this work.

120. The Working Group agreed to forward the proposal as amended to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section F of annex II to the present report.

#### XI. CONTINUED PRODUCTION AND CONSUMPTION OF CONTROLLED SUBSTANCES FOR USE AS PROCESS AGENTS

121. The representative of the European Community, introducing a proposal under the item, said that it had been prepared in response to the need for decisive action to address the high levels of carbon tetrachloride released into the atmosphere from non-feedstock uses.

122. The representative of India, whose delegation had also prepared a proposal on the issue, expressed the hope that its text would help focus efforts on the right area and prevent the further loss of valuable time. Under the Protocol, Article 5 countries were committed to reducing the use of carbon tetrachloride in non-feedstock applications by 85 per cent by the year 2005. There was considerable such use in developing countries and time should not be lost waiting for further studies and definitions before launching phase-out projects. The proposal prepared by his delegation sought to secure priority funding for such projects from the Multilateral Fund. He suggested that some elements of the European Community proposal could also be incorporated in the proposal.

123. The representative of the United States of America said that his delegation would be happy to work with the European Community in the preparation of the tables referred to in its proposal. He questioned whether, as stated in the proposal, emissions from the use of ozone-depleting substances as process agents in non-Article 5 countries were in fact comparable to the insignificant emissions of controlled substances from feedstock uses and suggested that the text be amended accordingly.

124. Several representatives, while concurring with India's view of the importance of such projects, agreed that assistance could not be provided until the necessary studies had been carried out and definitions agreed upon. Giving priority to those projects would favour countries using ozone-depleting substances as process agents, thus undermining the equity of the system.

125. One representative, expressing reservations about aspects of the European Community proposal, said that careful consideration should be given to the Indian text. He felt, however, that further clarification was needed, for example, of the exact quantities of ozone-depleting substances used as process agents, before any decisions on process agents could be negotiated. With regard to the issue of funding priorities, he pointed out that the purpose of the Multilateral Fund was to assist all Article 5 countries to comply with the Montreal Protocol. Accordingly, priority should be given to Article 5 countries with high levels of production and consumption.

126. One representative noted with concern that, despite the limited resources of the Fund, large-volume producing and consuming countries continued to receive an inordinately high proportion of the funds available. He hoped that the needs of low-volume-consuming countries would also be kept in mind. Another representative said that the overall objective was to reduce global emissions as effectively and rapidly as possible. Consequently, it followed that the greatest impact could be achieved in large producing and consuming countries. Another representative expressed the view that the question of equity in the Multilateral Fund was not relevant to the matter of process agents.

127. The Co-Chair requested the European Community and India to convene a group, composed of interested Parties, to prepare a revised proposal on the basis of the two proposals presented and the comments made.

128. The representative of the European Community subsequently presented the results of the contact group's work in the form of a revised proposal. The Working Group agreed to place the whole text in square brackets, with additional square brackets around paragraph 7, and to forward the text thus amended to the Tenth Meeting of the Parties, on the understanding that all Parties were invited to submit to the Secretariat details of any additional process-agent uses for inclusion in table A and any other information of relevance to the proposal. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section G of annex II to the present report.

## XII. EXPORTS OF CONTROLLED SUBSTANCES FROM NON-ARTICLE 5 PRODUCERS TO ARTICLE 5 COUNTRIES

129. The representative of the European Community introduced a proposal on behalf of the European Union. Together with another representative from a European Union member State, he explained their concern that the amount of exports from non-Article 5 Parties allowed under the terms of the Protocol to meet the basic domestic needs of Article 5 Parties (140,000 tonnes of CFCs) was currently considerably higher than actual exports (35,000 tonnes in 1996). It was desirable that, as Article 5 Parties met the freeze and then reduced their consumption and production of Annex A and Annex B substances, their progress not be negated by increased exports from non-Article 5 Parties. The intention of the proposal was to request the Technology and Economic Assessment Panel to assess the situation so that the Parties could make appropriate decisions in the light of accurate information. The Working Group decided to forward the proposal to the Tenth Meeting of the Parties. The text of the proposal as forwarded to the Tenth Meeting of the Parties, is contained in section H of annex II to the present report.

## XIII. OTHER MATTERS

### A. Rule 18 of the rules of procedure

130. The representative of the United States introduced a proposed amendment to rule 18 of the rules of procedure that would bypass the need for the signature of a Head of State or Minister for Foreign Affairs to accredit representatives to meetings. In his country, it was normal for another individual, acting under explicit authorization, to carry out that function, but the rules of procedure of the Protocol did not permit it. Other representatives stated that additional legal opinions needed to be sought, including from the United Nations Legal Counsel, before the change could be made. On that basis, the Working Group decided to forward the proposal to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section I of annex II to the present report.

### B. Implementation of the Montreal Protocol in the light of the Kyoto Protocol

131. The representative of Sri Lanka introduced a proposal dealing with the implications for the Montreal Protocol of the potential controls to be imposed on the use of HFCs under the terms of the Kyoto Protocol. He accepted that the Montreal Protocol had no mandate to place any controls on HFCs, but believed that it was important that the Parties should consider the implications of the situation for the global environment as a whole, and that it was undesirable for one United Nations agreement to encourage the use of HFCs (as possible alternatives for CFCs and HCFCs) while another discouraged it. Many representatives, welcomed the tabling of the proposal, underlined the importance of the relationship between the two protocols, and stressed the desirability of giving clear and timely guidance to industry, particularly in Article 5 countries, rather than subjecting it to repeated regulatory changes.

132. Several representatives, however, expressed reservations regarding the wording of the proposal, and pointed out that the Kyoto Protocol placed no specific controls on HFCs, as those were only one out of the basket of six gases whose aggregate emissions were to be limited. The Working Group did not enter into detailed discussion of the content of the proposal.

133. The Working Group agreed to request the Technology and Economic Assessment Panel to consult on the matter with the Intergovernmental Panel on Climate Change (IPCC) and with the Subsidiary Body on Scientific and Technical Advice (SBSTA) under the Framework Convention on Climate Change at their

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meeting in September-October 1998, and to report on those consultations to the Tenth Meeting of the Parties. The Co-Chair of the Technology and Economic Assessment Panel suggested that the consultations could be widened to include perfluorocarbons (PFCs), another category of gases controlled by the Kyoto Protocol, which were alternatives to some ozone-depleting substances used in the solvents and fire-extinguishants sectors.

134. The representative of Sri Lanka subsequently introduced a revised proposal, which incorporated several of the suggestions made in the discussion. Following further discussion and further amendment, the Working Group agreed to forward the proposal to the Tenth Meeting of the Parties, with several sets of square brackets, recognizing that further revision of the text would be needed. The Working Group recognized the importance of the potential interaction between the Montreal Protocol and the still-ratified Kyoto Protocol but there were divergent views regarding many of the points within the proposal. It was also suggested that the Scientific Assessment Panel could usefully be involved in the consultations among the Technology and Economic Assessment Panel, IPCC and SBSTA. On that basis, the Working Group decided to forward the proposal to the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section J of annex II to the present report.

C. Potential study by the Secretariat on the implications of holding Meetings of the Parties every 18 months rather than every year

135. The representative of the United States introduced a proposal instructing the Secretariat to consult with secretariats of other environmental conventions and protocols as fully as possible when scheduling meetings, to consult with the Co-Chairs of the Open-ended Working Group and the Meeting of the Parties in order to reduce the time scheduled for meetings, and to conduct a study of the implications of holding Meetings of the Parties every 18 months rather than every year. He stated that those efforts could be instrumental in reducing scheduling-conflicts, increasing the efficiency of delegates, attracting more senior officials to the Meetings, and aligning the operation of the meetings with a more focused workload.

136. During its deliberations, the Working Group reached consensus on the importance of seeking improved planning, efficiency and operational success, while at the same time avoiding any developments that undermined the ability of the Parties to accomplish their work effectively, sent the wrong message to outside observers, or produced inadvertent negative consequences on the operation of the Protocol or the Meeting of the Parties, such as creating unforeseen conflicts between the schedule of meetings and the need to select members of the Executive Committee or to discuss the replenishment of the Multilateral Fund. Consequently, more consideration of the matter was needed.

137. The Working Group requested the Secretariat to begin examining the potential implications of those issues and agreed to forward the proposal for consideration by the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties is contained in section K of annex II to the present report.

D. Production sector

138. The representative of India introduced a proposal to request the Executive Committee to accelerate the process of formulation of guidelines for funding the production sector and to facilitate the formulation and approval of projects for funding the CFC-production sector. Several representatives supported the proposal, noting the impact it would have on cutting demand for CFC consumption, limiting the consumption and release of carbon tetrachloride, enabling Article 5 Parties to implement the freeze in 1999, and enhancing access to alternatives to CFCs.

139. The Working Group agreed to forward the draft decision for consideration by the Tenth Meeting of the Parties. The text of the proposal, as forwarded to the Tenth Meeting of the Parties, is contained in section L of annex II to the present report.

E. Report on the work of the Executive Committee of the Multilateral Fund

140. The Chief Officer of the Secretariat of the Multilateral Fund presented an oral report on progress in the Executive Committee and responded to two questions raised by representatives.

141. First, he clarified that the Informal Group on Technology Transfer (IGTT) had met three times, at the twenty-second, twenty-third and twenty-fourth meetings of the Executive Committee, and, notwithstanding its extensive discussions, had not reached full agreement. The Secretariat of the Multilateral Fund had still not been informed whether or not the Group would meet during the twenty-fifth meeting of the Executive Committee.

142. Second, with regard to measures taken by the Executive Committee in pursuance of the 21 actions to improve the financial mechanism, as set out in annex V to the report of the Seventh Meeting of the Parties, he recalled that the Executive Committee had not been requested to report on the matter to the seventeenth meeting of the Open-ended Working Group but would submit its report to the Tenth Meeting of the Parties. He drew attention, however, to a number of measures taken by the Executive Committee, relating, *inter alia*, to the establishment of a monitoring and evaluation system; financial assistance for small and medium-sized enterprises; the halon-sector phase-out strategy of China; financial planning of the Multilateral Fund; guidelines for methyl-bromide demonstration and investment projects; the issue of concessional lending; the establishment of a database on major equipment items; and guidelines for the renewal of institutional-strengthening projects. In addition, \$600,000 had been approved for the conduct of technical audits in Article 5 countries which produce ozone-depleting substances and a consulting firm identified for the purpose.

143. In response to concerns expressed by the representatives of China and India regarding slow progress towards the conduct of the technical audits scheduled for the production sector in those countries, particularly in view of the July 1999 freeze deadline, he explained that the delays were procedural, due to the provisions in the United Nations financial rules for contracts exceeding \$80,000, but that one criterion followed in selecting the consulting firm had been its ability to complete the audits within a 20-week time-frame. The representative of India suggested that, in the interests of saving time, work on the preparation of guidelines should be allowed to commence before completion of the technical audits.

144. In response to the concerns of one representative relating to concessional loans, he explained that the issue remained under discussion in the Executive Committee and that a study had been commissioned from the World Bank/International Finance Corporation (IFC), with the help of consultants and the Swiss Government, on the possible operation of the lending mechanism. Another representative said that some developing countries had apprehensions regarding the viability of concessional lending and drew attention to the anomalous situation whereby large production units mainly received grant assistance, while small and medium-sized enterprises might have to apply for concessional loans.

F. Date and venue of the next meeting

145. The Secretariat informed that the Open-ended Working Group would meet from 18 to 20 November 1998 and the Meeting of the Parties subsequently on 23 and 24 November 1998, in Cairo, Egypt.

### XIII. ADOPTION OF THE REPORT

146. The present report was adopted at the final session of the meeting, on 9 July 1998 on the basis of the draft report as contained in document UNEP/OzL.Pro/WG.1/17/L.1 and Add. 1-3.

### XIV. CLOSURE OF THE SESSION

147. The Co-Chair declared the seventeenth meeting of the Open-ended Working Group closed at 1.45 p.m. on Thursday, 9 July 1998.

Annex I

ESSENTIAL-USE EXEMPTIONS RECOMMENDED BY THE OPEN-ENDED WORKING GROUP FOR 1999-2000  
(in metric tonnes)

Party	CFC-11		CFC-12		CFC-113		CFC-114		Halon-2402
	1999	2000	1999	2000	1999	2000	1999	2000	1999
1. Australia	45.0	63.0	90.0	153.7	--	--	--	3.3	--
2. Canada *		--		--	--	--		--	--
2. European Community	--	1,415.0	--	2,057.0	0.1	6.1	--	292.0	--
3. Poland **	120.0	125.0	235.0	245.0	1.7	--	25.0	30.0	--
4. Russian Federation	--	--	--	--	--	--	--	--	160.0
5. United States ***	--	1,013.0	--	2,391.0	--	--	--	331.0	--
TOTAL	165.0	2,616.0	325.0	4,846.7	1.8	6.1	25.0	656.3	160.0

\* 140 ODP tonnes of CFC for each of the years 1999 and 2000.

\*\*\* One thousand seven hundred kilogrammes (1.7 metric tonnes) of CFC-113 for torpedo maintenance was authorized as an emergency use for 1997 and for 1998, by the Ozone Secretariat, in consultation with the Technology and Economic Assessment Panel and its Solvents Technical Options Committee.

\*\*\* It is not requested that the quantity of methyl chloroform already allocated be changed. It is requested and unanimously recommended by the TEAP and its TOC that the remaining authorized quantity of methyl chloroform be made available for use in manufacturing solid rocket motors until such time that the 1999-2001 quantity of 176.4 tonnes (17.6 ODP-weighted tonnes) allowance is depleted, or until such time as safe alternatives are implemented for remaining essential uses.

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Annex II

DRAFT PROPOSALS FORWARDED BY THE OPEN-ENDED WORKING GROUP  
TO THE TENTH MEETING OF THE PARTIES

[The Tenth Meeting of the Parties decides:

A. National halon-management strategies

- That Parties should develop national halon management strategies that address their projected critical-use needs for halons, options for decommissioning, options for halon storage and management, and options for disposal of excess halons;

B. Quarantine and pre-shipment exemption

Noting the Technology and Economic Assessment Panel's findings that over 18 per cent of methyl-bromide use is estimated to have been excluded from control under the quarantine and pre-shipment exemption, and that this use is increasing in some regions according to official data,

Noting also that the operation of the exemption criteria might lead to unnecessary use of methyl bromide;

1. To request the Technology and Economic Assessment Panel, as part of its ongoing work:
  - (a) To assess the volumes and uses of methyl bromide under the quarantine and pre-shipment exemption, including the trend in use since the 1991 base year;
  - (b) To report on the existing and potential availability of alternative substances and technologies, identifying those applications where alternative treatments do not currently exist, and also on the availability and economic viability of recovery, containment and recycling technologies;
  - (c) To report on the operation of quarantine and pre-shipment exemptions as set out in decision VII/5, including the scope of the pre-shipment definition;
  - [(d) To assess the possibility of introducing specific provisions to limit the use and emissions of methyl bromide for quarantine and pre-shipment, elaborating further on their recommendations in previous reports, and taking into account the special circumstances of Parties operating under paragraph 1 of Article 5 of the Protocol;]
  - (e) To submit its findings to the Open-ended Working Group of the Parties to the Montreal Protocol at its first meeting in 1999;

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2. To request the Open-ended Working Group, in the light of the report of the Technology and Economic Assessment Panel, to make any appropriate recommendations for consideration by the Eleventh Meeting of the Parties;
3. To request the Parties to submit to the Secretariat by 31 December 1999 a list of regulations that mandate the use of methyl bromide for quarantine and pre-shipment treatments;
4. To remind the Parties of the need to report on the volumes of methyl bromide consumed under the quarantine and pre-shipment exemption as set out in decision IX/28;

C. Quarantine and pre-shipment exemptions for methyl bromide

- To request the Technology and Economic Assessment Panel to review and report on the International Plant Protection Convention (IPPC) amendment to its quarantine and non-quarantine pests definitions, and the FAO/IPPC structure relative to the use of pesticides for regulated non-quarantine pests, to help determine whether clarification of the definitions of quarantine and pre-shipment, taking into account these FAO/IPPC usages, would help encourage consistency in the quarantine and pre-shipment definitions;

D. Exemption for laboratory and analytical uses

- [1. To extend the global laboratory and analytical essential-use exemption to 2005 so long as the exemption meets the conditions in annex II to the report of the Sixth Meeting of the Parties, subject to paragraph 3 below;
2. To request the Technology and Economic Assessment Panel to report annually on the development of laboratory and analytical procedures that can be performed without controlled substances in Annex A and Annex B of the Protocol, for recommendation to the Parties to be included in the annex below;
3. That, for Parties not operating under Article 5 of the Protocol, production and consumption of controlled substances necessary to satisfy the global laboratory and analytical essential-use exemption will not be authorized for a specific laboratory and analytical use beginning two years following the listing of such laboratory and analytical use in the annex below unless the Parties agree to a specific essential-use exemption for that use;

Annex

LABORATORY AND ANALYTICAL USES FOR WHICH CONTROLLED SUBSTANCES  
CANNOT BE OBTAINED UNDER THE ESSENTIAL-USE EXEMPTION  
(NEGATIVE LIST) AND THE YEARS WHEN THE  
RESTRICTION APPLIES

1. The testing of oil, grease and total petroleum hydrocarbons in surface and sea waters and industrial and domestic aqueous waste, including the testing of water that is separated from oil and discharged from offshore drilling and production platforms in 2001 and subsequent years.
2. The testing of tar in road-paving material by dissolving tar and separating it from the aggregate in 2001 and subsequent years.
3. Forensic finger-printing in 2001 and subsequent years.

E. Establishment of a list of countries that do not wish to import  
products and equipment whose continuing functioning relies  
on Annex A and Annex B substances

- [1. To recall that decision IX/9 recommends:
  - (a) That each Party adopt legislative and administrative measures, including labelling of products and equipment, to regulate the export and import, as appropriate, of products, equipment, components and technology whose continuing functioning relies on supply of substances listed in Annex A and Annex B of the Montreal Protocol, in order to avert any adverse impact associated with the export of such products and equipment using technologies that are or will soon be obsolete because of their reliance on Annex A or Annex B substances and which would be inconsistent with the spirit of the Protocol, including decision I/12 C of the First Meeting of the Parties to the Protocol, held in Helsinki in 1989;
  - (b) That non-Article 5 Parties adopt appropriate measures to control, in cooperation with importing Article 5 Parties, the export of used products and equipment, other than personal effects, whose continuing functioning relies on supply of substances listed in Annex A and Annex B of the Montreal Protocol;
2. To note that, in order to facilitate the implementation of such export measures, affected importing Parties need also to take appropriate steps to give effect to such measures;
3. To invite importing Parties to inform the Secretariat of the types of [new and/or used] products and

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equipment whose continued use relies on the supply of substances listed in Annex A and Annex B of the Protocol that they do not want to receive [and to certify that the manufacturing of the same type of products and equipment does not exist, or is prohibited, on their territory;]

4. To note that Parties may wish to refer to Annex D of the Montreal Protocol in identifying relevant types of products and equipment whose continued use relies on the supply of substances listed in Annex A for possible inclusion on such a list;
5. To request the Secretariat to maintain a list of such Parties that do not want to receive certain products and equipment whose continued use relies on the supply of substances listed in Annex A and Annex B of the Protocol with details regarding the types of such equipment and products;
6. To further request the Secretariat to distribute the list of such Parties at the Eleventh Meeting of the Parties, and distribute regular updates of this list thereafter, as deemed necessary;]

F. Terms of reference for a study on the 2000-2002  
replenishment of the Multilateral Fund

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Eleventh Meeting of the Parties, and present it through the Open-ended Working Group at its [nineteenth] meeting, to enable the Eleventh Meeting of the Parties to take a decision on the appropriate level of the 2000-2002 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, inter alia:
  - (a) All control measures, and relevant decisions, agreed by the Parties to the Montreal Protocol, including decisions agreed by the Tenth Meeting of the Parties, insofar as these will necessitate expenditure by the Multilateral Fund during the period 2000-2002;
  - (b) The need to allocate resources to enable all Article 5 Parties to maintain compliance with the Montreal Protocol;
  - (c) Agreed rules and guidelines for determining eligibility for funding of investment projects (including the production sector) and non-investment projects;
  - (d) Approved country programmes;
  - (e) Financial commitments in 2000-2002 relating to sectoral phase-out projects agreed by the Executive Committee;
  - (f) Experience to date, including limitations and successes of the phase-out of ozone-depleting

substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its Implementing Agencies;

- (g) The impact that the controls and country activities are likely to have on the supply and demand for ozone-depleting substances, and the effect this will have on the cost of ozone-depleting substances and the resulting incremental cost of investment projects during the period under examination;
  - (h) Administrative costs of the Implementing Agencies, taking into account paragraph 6 of decision VIII/4, and the cost of financing the secretarial services of the Multilateral Fund, including holding meetings;
- [2. That, in undertaking this task, the Technology and Economic Assessment Panel should consult widely with relevant persons and institutions and other relevant sources of information deemed useful;]
3. That the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two months before the [nineteenth] meeting of the Open-ended Working Group;

#### G. Process agents

Noting with appreciation the report of the Technology and Economic Assessment Panel and the Process Agent Task Force in response to decision VII/10,

Noting the findings of the Technology and Economic Assessment Panel that emissions from the use of ozone-depleting substances as process agents in non-Article 5 Parties are comparable in quantity to the insignificant emissions of controlled substances from feedstock uses, and that yet further reductions in use and emissions are expected by 2000,

Noting also the Technology and Economic Assessment Panel's findings that emissions from the use of controlled substances as process agents in countries operating under Article 5, paragraph 1, are already significant and will continue to grow if no action is taken, but that reductions in these emissions can be achieved in a cost-effective manner,

Recognizing the usefulness of having the controlled substances produced and used as process agents clearly delineated within the Montreal Protocol,

1. That, for the purposes of this decision, the term "process agents" should be understood to mean the use of controlled substances for the applications listed in table A below;\*
2. For non-Article 5 Parties, to treat process agents in a manner similar to feedstock for 1998 and until 31 December 2001;
3. That quantities of controlled substances produced or imported for the purpose of being used as process agents in plants and installations in operation before 1 January 1999, should not be taken into account in the calculation of production and consumption from 1 January 2002 onwards provided that:
  - (a) In the case of non-Article 5 Parties, the emissions of controlled substances from these processes have been reduced to insignificant levels as defined in table B below;\*\*
  - (b) In the case of Article 5 Parties, the emissions of controlled substances from process-agent use have been reduced to levels agreed by the Executive Committee to be reasonably achievable in a cost effective manner without undue abandonment of infrastructure;
4. That all Parties should:
  - (a) Report to the Secretariat by 30 September 2000 and each year thereafter on their use of controlled substances as process agents, the levels of emissions from those uses and the containment technologies used by them to minimize emissions of controlled substances;
  - (b) In reporting annual data to the Secretariat for 2000 and each year thereafter, provide information on the quantities of controlled substances produced or imported by them for process-agent applications;

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\* The list will contain the applications identified by Technology and Economic Assessment Panel on page 77 of volume II of its April 1997 report, together with any other applications which are agreed by the Parties.

\*\* The table will be based on the predicted levels for the year 2000 as contained in table 2.2 on page 89 of volume II of the April 1997 report of the Technology and Economic Assessment Panel.

5. That the incremental costs of a range of cost-effective measures to reduce emissions of controlled substances from process-agent uses in Article 5 Parties to the levels referred to in paragraph 3 (b) above, should be eligible for funding in accordance with the rules and guidelines of the Executive Committee of the Multilateral Fund;
6. That the Executive Committee of the Multilateral Fund should, as a matter of priority, develop funding guidelines and begin to consider initial project proposals;
7. That Parties should not install or commission new plant using controlled substances as process agents after 31 December 1998, unless the Meeting of the Parties has decided that the use in question meets the criteria for essential uses under decision IV/25;
8. To request the Technology and Economic Assessment Panel and the Executive Committee to report to the Meeting of the Parties in 2001 on the progress made in reducing emissions of controlled substances from process-agent uses and on the implementation and development of emissions-reduction techniques and alternative processes not using ozone-depleting substances;

H. Exports of controlled substances in Annex A and Annex B  
to the Montreal Protocol from non-Article 5 Parties to  
meet the basic domestic needs of Article 5 Parties

Aware that Parties operating under Article 5 are taking measures under the Protocol to limit their production of ozone-depleting substances in Annex A,

Concerned that this reduction should not be offset by any unnecessary increase in exports of controlled substances from non-Article 5 Parties under the provisions of Article 2 of the Protocol,

- To request the Technology and Economic Assessment Panel:
  - (a) To make an assessment of the quantities of controlled substances in Annex A to the Protocol likely to be required and produced by Parties operating under Article 5 of the Protocol for the period 1999-2010;
  - (b) To make an assessment of the quantities of controlled substances in Annex A to the Protocol which need to be produced and exported by Parties not operating under Article 5 in order to meet the basic domestic needs of Parties operating under Article 5 during the period 1999-2010;
  - (c) To make appropriate recommendations to the Open-ended Working Group in time for the issue to be considered by the Eleventh Meeting of the Parties;

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I. Amendment of rule 18 of the rules of procedure to allow credentials to be issued by someone other than the Head of State or Minister of Foreign Affairs

- To amend rule 18 of the rules of procedure to read as follows:

"The credentials shall be issued either by the Head of State or Government or by the Minister of Foreign Affairs or by any other person of authority specifically authorized for that purpose by them, or, in the case of a regional economic integration organization, by the competent authority of that organization."

J. Implementation of the Montreal Protocol in the light of the Kyoto Protocol

- [1. To note that the Conference of the Parties to the United Nations Framework Convention on Climate Change adopted the Kyoto Protocol to the Convention at its third session, held in Kyoto in December 1997;
2. To note that the Kyoto Protocol requires Parties listed in Annex I of the Convention to ensure that their aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A of the Protocol do not exceed their assigned amounts as listed in Annex B, during the first commitment period of 2008-2012;
3. To note that the basket of greenhouse gases controlled under the Kyoto Protocol includes hydrofluorocarbons (HFCs), in view of their high global warming potentials;
4. To note that the Technology and Economic Assessment Panel has identified HFCs as alternative substances to CFCs, and some Parties have already changed over, and others are changing over, to such HFC technologies;
- [5. To request the Technology and Economic Assessment Panel, in consultation as appropriate with the relevant scientific and technical bodies of the Framework Convention on Climate Change:
  - [(a) To assess the implications for implementation of the Montreal Protocol of any measures to control the emission of HFCs under the Kyoto Protocol that Parties listed in Annex B to the Kyoto Protocol may adopt and to report its findings;]
  - [(b) To report on the existing and potential availability of alternatives to HFCs and technologies, identifying those applications where suitable alternatives are not currently available, and on the technical and economic viability of such alternative technologies;]]]

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K. Periodicity of the Meeting of the Parties

- [1. That the Secretariat of the Montreal Protocol and Vienna Convention should consult with the secretariats of other major environmental conventions before proposing the dates for future meetings;
2. That the Secretariat of the Montreal Protocol and Vienna Convention should strive to schedule meetings for, as nearly as possible, only the number of days that are necessary to allow the Parties to complete their work in an effective manner. The determination of the number of days necessary should involve consultations with the Co-Chairs of the Open-ended Working Group of the Parties on the basis of the likely agenda for the year;]
3. That, considering the desirability of holding the Meeting of the Parties only when substantial action is required by senior government officials, the Secretariat be requested to report to the Eleventh Meeting of the Parties, through the Open-ended Working Group at its first meeting in 1999, on changes to existing Protocol procedures that might have to take place if the Parties should decide, at some future time, to hold Meetings of the Parties once every 18 months rather than annually;

L. Production sector

Noting the recent estimation by the Technology and Economic Assessment Panel of high atmospheric emissions of carbon tetrachloride (almost 41,000 tonnes in 1996), out of which about 70 per cent was contributed by use of carbon tetrachloride as a feedstock to produce CFCs,

Noting the assessment of the Technology and Economic Assessment Panel that closure of CFC-manufacturing facilities in Article 5 Parties and Parties with economies in transition with accelerated introduction of alternatives could lead to a reduction in carbon tetrachloride emissions to the environment,

Noting that the Ninth Meeting of the Parties had requested the Executive Committee to accelerate the formulation of guidelines for funding the production sector and subsequent approval of relevant projects in this sector,

1. To request the Executive Committee to complete the task of formulation of guidelines for funding the production sector on priority basis and expeditiously;
2. To further request the Executive Committee to facilitate the formulation of projects for funding the CFC-production sector and their subsequent approval on a priority basis.

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