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

Nineteenth meeting

Geneva, 15-18 June 1999

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

I. OPENING OF THE MEETING

1. The nineteenth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol was held at the Palais des Nations from 15 to 18 June 1999.
2. The meeting was opened at 10.30 a.m. on Tuesday, 15 June 1999.
3. Mr. K. M. Sarma, Executive Secretary of the Ozone Secretariat, read out the statement on behalf of Mr. Klaus Töpfer, Executive Director of UNEP. He noted that the meeting came at a critical juncture in the life of the Montreal Protocol. The first control measure applicable to Article 5 Parties, the freeze in the production and consumption of CFCs, would take effect from 1 July 1999. The fourth replenishment of the Multilateral Fund, covering the period 2000-2002, would be decided upon that year. The Assessment Panels had prepared their most extensive reviews to date of scientific, environmental, technical and economic issues surrounding the Protocol. Several proposals for strengthening the Protocol had been proposed and critical interactions between ozone depletion and global warming had been identified.
4. There were hopeful signs regarding the Protocol's current and future impact. Production and consumption of CFCs had been reduced by 84 per cent since 1986. The abundance of the ozone-depleting

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substances (ODS) had declined in the atmosphere. Developing countries were expected to meet the mandated freeze. The Multilateral Fund had approved projects to phase out production of CFCs and halons in China, the biggest producer among developing countries, and negotiations were under way with India to phase out CFC production on that country. The Global Environment Facility had approved projects to phase out the production of CFCs and halons in the Russian Federation.

5. Danger signals remained, however. Illegal trade in ozone-depleting substances continued. The pace of ratification of the Copenhagen Amendment was very disappointing with only 90 Parties having ratified so far. Given attempts by the promoters of methyl bromide to sell their products throughout the world, the dangers of non-ratification of the Copenhagen Amendment were obvious. In addition, only 14 Parties had ratified the Montreal Amendment. Halon and CFC-12 levels had increased in the atmosphere. Consumption of methyl bromide was increasing in certain fast-growing economies.

6. The reports of the Assessment Panels had given worthy advice on the many significant issues to be considered at the meeting. A great debt of gratitude was owed to the Panel Co-Chairs, to the hundreds of experts from throughout the world who selflessly participated in the panels, and to the Governments, corporations and other organizations that supported their work. Regarding HCFC control measures, the proposals of the European Community suggested consideration of production controls, a reduction of the cap, trade controls, and a slight acceleration of the phase-out schedule. For methyl bromide, they suggested tightening the controls for exempted categories. The proposals of the European Community also supported the gradual reduction of the allowance given to industrialized countries to produce ozone-depleting substances for meeting the basic domestic needs of the developing countries. The Executive Director heartily welcomed the spirit of those proposals to accelerate the phase-out and reduce ozone-depleting substances emissions. The Working Group would also consider reducing the consumption of virgin CFCs, including proposals for action by non-Article 5 Parties to ban the sale of virgin CFCs and limiting trade in products relying on CFCs. Global production capacity for ODS already far exceeded consumption demand, and the Executive Director hoped Governments would take steps to reduce that over-production.

7. The issue of the fourth replenishment of the Multilateral Fund was also before the meeting. The spirit of harmony that had characterized previous negotiations on the issue was the result not only of the great dedication of all the Governments but also of the clarity of the reports on the needs of the Multilateral Fund. Congratulations were again due to the Technology and Economic Assessment Panel and its Task Force on Replenishment for laying out clear options to guide the discussions. He hoped that the recommendation to the Eleventh Meeting of the Parties would enable the Fund to rid the world of CFCs faster than prescribed by the Protocol.

8. Regarding data submitted to the Secretariat, it was disappointing that only 127 of the 168 Parties had reported their data for 1997, even though eight months had passed since the deadline of 30 September 1998. It needed no repetition to say that data-reporting was one of the essential obligations of the Parties to the Protocol. Non-reporting was non-compliance. The Executive Director was happy to see that the trust funds of the Secretariat as well as the Multilateral Fund were in a healthy financial state, and he thanked the contributors for supporting them. However, a few countries had not contributed to the trust funds, and there were continued delays by some in their contributions to the Multilateral Fund. He appealed to all Parties to pay their due contributions in a timely manner.

II. ORGANIZATIONAL MATTERS

A. Attendance

9. The following Parties to the Montreal Protocol were present: Algeria, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan, Bahamas, Belarus, Belgium, Belize, Bolivia, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Czech Republic, Denmark, Dominica, Dominican Republic, Egypt, European Community, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Grenada, Guyana, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Latvia, Lebanon, Lesotho, Libyan Arab Jamahiriya, Luxembourg, Malawi, Malaysia, Mali, Malta, Mauritius, Mexico, Mongolia, Morocco, Namibia, Netherlands, Nigeria, Norway, New Zealand, Pakistan, Papua New Guinea, Paraguay, Peru, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Samoa, Saudi Arabia, Senegal, Seychelles, Singapore, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sweden, Switzerland, Syrian Arab Republic, Thailand, The former Yugoslav Republic of Macedonia, Tonga, Tunisia, Tuvalu, Uganda, United Kingdom, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Yemen, Zimbabwe.

10. The following non-Parties were also represented: Cape Verde, Cook Islands, Haiti.

11. Observers from the following United Nations Secretariat units, bodies and specialized agencies were also present: Global Environment Facility (GEF), Intergovernmental Panel on Climate Change (IPCC), Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, Secretariat of the United Nations Framework Convention on Climate Change, United Nations Development Programme (UNDP), UNEP Division of Technology, Industry and Economics, United Nations Industrial Development Organization (UNIDO), World Bank, World Meteorological Organization.

12. The following other organizations were also represented: 3M Company, Air Conditioning and Refrigeration Institute, Alliance for Responsible Atmospheric Policy, Association of Home Appliance Manufacturers, Association of Methyl Bromide Industry, Japan, Boehringer Ingelheim, BP Exploration (Alaska), Carrier Corporation, Dupont, ELF Atochem, Environmental Investigation Agency, European

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Association of Soil Fumigators, European Chemical Industry Federation (CEFIC), European Fluorocarbon Technical Committee, European Methyl Bromide Association, Federation of Pharmaceutical Manufacturers' Association of Japan, Friends of the Earth, GHG Associates, Glaxo Wellcome. Great Lakes Chemical Company, Greenpeace, Indian Chemical Manufacturers Association, International Council of Environmental Law, International Institute of Refrigeration, International Pharmaceutical Aerosol Consortium, Japan Fluorocarbon Manufacturers Association, Japan Industrial Conference for Ozone Layer Protection, Japan Refrigeration and Air Conditioning Industry Association, Kyoto University, Methyl Bromide Working Group, Navin Fluorine Industries, North American Millers' Association, Pesticide Action Network - Africa, Refrigerant Gas Manufacturers' Association, Schering-Plough K.K., South Pacific Regional Environment Programme, Trane Company, York International Corporation.

B. Officers

13. Mr. A. Gelil (Egypt) and Mr. J. Uosukainen (Finland) served as Co-Chairs of the Working Group, in accordance with decision X/5 of the Tenth Meeting of the Parties.

C. Adoption of the agenda

14. The following agenda was adopted on the basis of the provisional agenda contained in document UNEP/OzL.Pro/WG.1/19/1:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Assessment issues:
 - (a) Presentation of the 1998 assessment reports of the Scientific, Environmental Effects, and Technology and Economic Assessment Panels (Article 6 of the Montreal Protocol) (decision VII/34);
 - (b) Presentation of the IPCC/Montreal Protocol Special Report on Aviation and the Global Atmosphere (decision VII/34).

4. Presentation of the reports of the Technology and Economic Assessment Panel:
 - (a) The level of replenishment of the Multilateral Fund for the period 2000-2002 (decision X/13);
 - (b) The work of the Technology and Economic Assessment Panel on the implications on the implementation of the Montreal Protocol of the inclusion of hydrofluorocarbons and perfluorocarbons in the Kyoto Protocol to the United Nations Framework Convention on Climate Change (decision X/16);
 - (c) The quarantine and pre-shipment exemption of methyl bromide (decision X/11);
 - (d) Applications for essential-use exemptions for ozone-depleting substances for 2000 and beyond;
 - (e) The quantity of CFCs likely to be required by Article 5 Parties for the period 1999-2010 as well as quantities which need to be produced and exported by non-Article 5 Parties in the same period (decision X/15);
 - (f) The development and availability of laboratory and analytical procedures that can be performed without using controlled substances in Annexes A and B of the Protocol and which should no longer be eligible under the exemption for laboratory and analytical uses and the date from which any such restriction should apply (decision X/19).
5. Consideration of proposed adjustments and amendments to the Montreal Protocol and establishment of the Legal Drafting Group to consolidate the adjustments and amendments proposed and to consider the options available under the Montreal Protocol to introduce controls on new ozone-depleting substances (Article 9 of the Vienna Convention and Article 2, paragraph 9, of the Montreal Protocol and decision X/8).
6. Consideration of the 1999 report of the Technology and Economic Assessment Panel on the replenishment of the Multilateral Fund.
7. Consideration of the 1999 report of the Technology and Economic Assessment Panel on other issues.
8. Imports and exports of products and equipment relying on Annex A and Annex B substances (decision X/9, paragraph 6).
9. Action taken by non-Article 5 Parties to consider banning the placing on the market and

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sale of virgin CFCs, except to meet the basic domestic needs of Article 5 Parties and other exempted uses, in accordance with decision IX/23 of the Ninth Meeting of the Parties (decision IX/23).

10. Consideration of the report of the Secretariat on the customs codes of the Harmonized System (decision X/18).
11. Consideration of the report of the Treasurer on the use of a fixed currency exchange rate mechanism for the replenishment of the Multilateral Fund (decision X/32).
12. Issues arising out of the twenty-second meeting of the Implementation Committee.
13. Other matters.
14. Adoption of the report.
15. Closure of the meeting.

D. Organization of work

15. The Working Group decided to take up the agenda items in order, with the exception that items 6 and 11 would be considered together. Subsequently, however, the Working Group decided to take up item 6 immediately after item 4 (a).

III. ASSESSMENT ISSUES

A. Presentation of the 1998 assessment reports of the Scientific, Environmental Effects, and Technology and Economic Assessment Panels (Article 6 of the Montreal Protocol) (decision VII/34)

16. Mr. Albritton, Co-Chair of the Scientific Assessment Panel, summarized the process for preparing the report "Scientific Assessment of Ozone Depletion: 1998" and outlined its main findings. The assessment had been prepared and reviewed by 350 scientists from a total of 35 countries worldwide. The scientists had concluded that the total abundance of ozone-depleting gases had peaked in 1994 in the lower atmosphere and was slowly lessening. The halons, however, were still growing in abundance. The role of methyl bromide as an ozone-depleting compound was now considered to be somewhat less (its ozone-depleting potential having been revised downward to 0.4, compared to the figure of 0.6 estimated in 1994), because it had been learned that the oceans removed more methyl bromide from the atmosphere than had been previously thought. The overall rate of decline in global overhead ozone at mid-latitudes had slowed in recent years, but it was not yet clear whether that pattern heralded the recovery of the ozone layer. There had been larger than usual ozone losses in the Arctic for six of the past nine years because of cold, protracted winters. The Antarctic ozone hole was continuing unabated and would do so for coming decades. There were only limited options for hastening the recovery of the ozone layer. If there was full compliance with the Montreal Protocol, it was estimated that such recovery would be observable in the current or coming two decades, although the timing would depend on several factors (such as carbon-dioxide growth rates and volcanic activity) that did not relate to chlorine and bromine. The Co-Chair pointed out that the Panel's report also contained a set of "Frequently Asked Questions About Ozone", which were often posed by the public and for which the report provided answers aimed at the general reader.

17. The 1998 report of the Environmental Effects Panel was summarized briefly. It was pointed out that the effects of ozone depletion on skin cancer and cataracts could now be accurately quantified. The Panel had concluded that, if there had been no Montreal Protocol, there would have been a "runaway" excess of cases in the early part of the next century. Assuming full compliance, those excess cases will peak around the year 2050 and decline slowly thereafter. Information was also presented on the effects of increased ultra-violet radiation on terrestrial and aquatic ecosystems, urban air quality and exposed materials.

18. The Co-Chairs of the Technology and Economic Assessment Panel and its Technical Options Committees summarized the process of preparing the 1998 report of the Technology and Economic Assessment Panel and outlined their main findings. They said that the updating of the technical and economic options involved 230 experts from 46 countries and was organized into seven Technical Options Committees and a Technology and Economic Assessment Panel and was prepared over a two-year period including peer review.

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19. For aerosol products, other than metered-dose inhalers (MDIs), the Panel had found no technical barriers to a global transition to alternatives. In relation to reducing the use of CFCs in metered-dose inhalers in Article 5 Parties, the Panel suggested that Parties might wish to consider: the importance of maintaining adequate supplies of the necessary range of inhaled medications during the transition; encouraging the introduction of CFC-free technologies into those countries; and encouraging those Parties to begin work on the preparation of appropriate national transition strategies.

20. The Panel also reported on achievements and challenges of Article 5 Parties. Studies addressing the issue concluded that virtually all Article 5 Parties would comply with the 1995-1997 freeze. Challenges faced by Article 5 Parties included the low price of ozone-depleting substances, financing, and access to information, especially for small and medium-sized enterprises, on the investment implications of decisions by the Multilateral Fund. There was also a need to avoid rapid turnover of ozone officers and to build links to other ministries important to phase-out success. Other challenges included the need to speed regulatory approval and requirements to waive taxes for equipment procured under Multilateral Fund projects.

21. Extensive research and development had led to a wide range of options for replacements of halons and to significant reductions in the use of both halon-1211 and halon-1301 in non-Article 5 and many Article 5 Parties for new installations across most applications, as well as to significant retrofitting. However, significant halon-1211 use continued in some Article 5 Parties, which could require more effective technology transfer to address. The unexpected increase in atmospheric concentrations of halon-1202 was most likely the result of inadvertent production and release during halon-1211 production in Article 5 Parties.

22. With regard to methyl bromide, the Methyl Bromide Technical Options Committee reported that alternatives to methyl bromide existed for more than 95 per cent of current uses. In addition, the Committee had not been able to identify any crop that needed to be grown with methyl bromide soil treatments. However, increased investment in research and technology transfer would be necessary.

23. As for refrigerants, the Panel reported that, in both non-Article 5 and Article 5 countries, HCFCs and HFCs had been the primary substitutes for CFCs in the refrigeration and air-conditioning sector. In many applications, several alternatives to HCFCs had become commercially available. A rational approach to phase out HCFC consumption should allow a minimum time-period to permit the industry to develop and commercialize alternatives. For the short term, transitional HCFCs still formed a valid global option. For the long term, there remained only five important different non-ODS refrigerant options for the vapour-compression cycle: HFCs, ammonia, hydrocarbons and blends, carbon dioxide and water. No refrigerant was perfect, and all had advantages and disadvantages that should be considered by Governments, equipment manufacturers and equipment users.

24. The Co-Chairs of the Assessment Panels also drew attention to their 1999 synthesis report (UNEP/OzL.Pro/WG.1/19/3), which integrated the major findings of the full 1998 reports of the three Panels. Furthermore, the 1999 synthesis report commemorated a decade (1989-1999) of providing information to the Parties. The report summarized how science, technology, economics and policy had

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interacted under the Protocol and its amendments and adjustments. The synthesis report also listed all of the Panel reports over the decade, as well as the several hundred experts who had worked to provide the assessment reports of the three Panels.

25. Following the presentations, several representatives expressed the view that two major challenges facing Article 5 Parties should have been raised in the report of the Technology and Economic Assessment Panel. The first was that when phasing out ozone-depleting substances, Article 5 Parties were faced with significant financial constraints which, unless adequately addressed, limited their ability to meet their obligations under the Protocol. The second was the inadequate levels of technological transfer. One of those representatives also noted the concerns of Article 5 countries that some Parties were forcing certain technologies on others. Further, they called for a mechanism that would help these countries with the phase out. Some representatives commented on the fact that the Panel needed to find a way of taking on board the concerns of Article 5 countries since most of its members were from non-Article 5 countries.

26. One representative asked whether the Panel had taken into consideration the fact that a Japanese company was now manufacturing hydrocarbon chillers for air conditioning. Another representative sought to know whether HCFCs were still a valid global option and whether ammonia could now be used in new applications.

27. Clarification was also sought on the following issues. The first was the fact that while the 1994 report had mentioned the year 2000 as the period of recovery for the ozone layer, the current report spoke of the year 2000 as the peak of ozone layer depletion. The second was whether the present system took into consideration the new science in global warming. The third was whether the control regime of the Montreal Protocol reflected the fact that the beginning of the recovery of the ozone layer would be delayed.

28. Responding to a question on the issue of the research methodology on the challenges facing Article 5 Parties, Ms. Suely Carvalho, Co-chair of the Technology and Economic Assessment Panel, explained the functioning of the Panel and pointed out that the experts involved in its work were named by their Governments, and it was they who submitted reports from their various countries.

29. In response to a question on the gain to the ozone layer if all emissions of methyl bromide were to be eliminated, Mr. Albritton explained that there would be 1 per cent less cumulative ozone loss between now and 2050. Responding to a question on the issue of ozone layer recovery, he explained that the ozone-depleting substances were expected to peak in the stratosphere in the year 2000, and the ozone layer would recover slowly thereafter, with a rate that would depend on several factors.

30. In response to a question on HCFCs, Mr. Kuijpers explained that HCFCs were still a valid option for unitary air-conditioners, for example. He went on to say that, among others, there was one important replacement candidate emerging for the subsector. He also explained that high-pressure HFC-134a chillers could sometimes replace low-pressure chillers, avoiding the use of HCFC-123. However, space constraints or other factors might make such replacements impracticable. Ammonia could be used in-vapour

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compression chillers; however in certain regions regulatory constraints prohibited its use.

31. In reply to a question on the exact ozone-depleting potential for methyl bromide, Mr. Albritton explained that although the best value given in 1994 had been 0.6, the new value was 0.4, with an uncertainty range from 0.2 to 0.5.

32. In reply to the question on alternatives, Mr. Batchelor said that the Methyl Bromide Technical Options Committee had not been able to identify a crop where methyl-bromide soil treatment was required. Alternatives available needed to be transferred more widely. He pointed out that about 60 per cent of the citations on alternatives were new since the 1994 report, which underscored the research efforts made in the past four years.

33. One representative noted that it would be appropriate to have an immediate and total phase-out of methyl bromide in view of the statement that no crop had been identified that could not be produced without it. In response, the Co-Chair of the Methyl Bromide Technical Options Committee said that scientific evidence did indeed allow such a statement to be made and an immediate phase-out was economically feasible in certain circumstances, but it would require an increase in funding and technical cooperation.

34. Responding to a question raised regarding the introduction of hydrocarbons as foam-blowing agents, Mr. Ashford explained that there were capital costs that were generally higher than other alternatives and, although operating costs could be lower, it depended on regional availability and purity of supply required. Both were project-specific.

35. One representative noted that some of the policy options elaborated by the Scientific Assessment Panel did not seem to be technically or economically feasible within the short time available. The Co-Chair of the Scientific Assessment Panel agreed that it would be possible to conduct further work to explore the effects of alternative, more achievable, policy options on future ozone loss.

36. Following the discussion the Working Group decided to recommend to the Eleventh Meeting of the Parties that it should:

(a) Note with appreciation the work done by the Scientific, Environmental Effects, and the Technology and Economic Assessment Panels and the Technical Options Committees in preparing the 1998 and 1999 assessment reports;

(b) Request the Scientific, Environmental Effects and the Technology and Economic Assessment Panel to update their reports in 2002.

37. The Working Group also decided that the Secretariat should consult with the Scientific, Environmental Effects and the Technology and Economic Assessment Panels prior to the Eleventh Meeting of the Parties on the detailed terms of reference of the next assessment and develop a draft decision on the

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subject for the consideration of the Eleventh Meeting of the Parties. The Working Group further decided that the Parties could submit written comments and proposals on the terms of reference to the Secretariat, which would forward them in square brackets to the Eleventh Meeting of the Parties.

B. Presentation of the IPCC/Montreal Protocol Special Report on Aviation and the Global Atmosphere (decision VII/34).

38. Mr. Albritton, Co-Chair of the Scientific Assessment Panel, summarized the new report Aviation and the Global Atmosphere, which had been prepared by the Intergovernmental Panel on Climate Change (IPCC), the Scientific Assessment Panel under the Montreal Protocol, and experts from the International Civil Aviation Organization (ICAO). He said that global aviation could influence the ozone layer and the climate system, and the report estimated those impacts. Over 350 experts worldwide had prepared and reviewed the report. The report noted that airline passenger traffic has grown since 1960 at about 9 per cent per year, and would likely continue to grow faster than gross domestic product (GDP). The radiative forcing of climate change by aviation was estimated to be about 3 per cent of that from all human-influenced activities and might be 5 per cent by the year 2050. Any impact on the ozone layer would likely come largely from a possible fleet of high-speed stratosphere aircraft that could be planned for the future century. The Parties to the Montreal Protocol would be kept informed on the issue by the Scientific Assessment Panel, which continued to collaborate with IPCC.

39. Responding to a question on nitrogen compounds mentioned in the report on aviation and global atmosphere, Mr. Albritton explained that they were two distinctly separate compounds: nitrous oxide and nitric oxide, with the latter relating to aircraft emissions and ozone depletion.

40. The Secretariat conveyed to the Working Group a message from Mr. Assad Kotaite, President of the Council of the International Civil Aviation Organization (ICAO), who was unable to attend the meeting and wished to bring a number of points to the attention of Parties. In the message, Mr. Koitaite said that ICAO wished to express its appreciation to the Scientific Assessment Panel to the Montreal Protocol for its valuable collaboration with the Intergovernmental Panel on Climate Change in preparing the Special Report on Aviation and the Global Atmosphere. The report had been requested by ICAO because, in its work to address the environmental problems associated with aircraft-engine emissions, it needed a clear understanding of the potential impacts of those emissions on climate and on stratospheric ozone depletion. ICAO was pleased to see that the report provided a thorough assessment of current understanding of critical atmospheric, technological and policy issues, along with an explanation of both what was known and what remained uncertain. The report would help to shape ICAO's efforts in the emissions field, where work was in progress on technology and standards, on operational measures and on market-based options. Particular attention would need to be given to the climate-change issues, in view of the role that ICAO was expected to play under the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

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41. Concerning ozone depletion, ICAO understood from the report's findings that the present subsonic fleet did not appear to pose a problem, but that a second generation of supersonic civil aircraft might do so. ICAO looked forward to learning of the conclusions of the Parties in that regard, so that they could be taken into account in its ongoing work on emissions. At present, there was considerable uncertainty whether a second generation of supersonic civil aircraft would be developed. Nevertheless, ICAO wished to reconfirm that, if that were to happen, there would be a need for ICAO and the Montreal Protocol process to work together on the environmental acceptability of those aircraft.

42. Following the discussion the Working Group decided to recommend to the Eleventh Meeting of the Parties that it should:

[(a) Note with appreciation the work done by the Scientific Assessment Panel and the Intergovernmental Panel on Climate Change (IPCC) in preparing the Special Report on Aviation and the Global Atmosphere;

(b) Express its appreciation to the Scientific Assessment Panel for its collaboration with IPCC in preparing the above-mentioned report;

(c) Note with appreciation the message of the President of the Council of the International Civil Aviation Organization (ICAO) on the willingness of ICAO to continue the process of working together on the issues with the Montreal Protocol.

(d) Recommend that the Scientific Assessment Panel should continue its collaboration with IPCC and keep the Parties to the Montreal Protocol informed on the potential impacts of the aircraft emissions on stratospheric ozone depletion and climate change.]

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

A. The level of replenishment of the Multilateral Fund for the period 2000-2002

43. The Task Force on Replenishment of the Technology and Economic assessment Panel presented its report on the study performed concerning the funding requirement for the replenishment of the Multilateral Fund for the period 2000-2002. Mr. Lambert Kuijpers, Co-Chair of the Technology and Economic Assessment Panel, introduced the mandate for the study as contained in decision X/13, presented the composition of the Task Force and described its activities undertaken in completing the report by April 1999. He then referred to the replenishment study performed in 1996, described how growth patterns had been extrapolated and how the proposed funding for the period 1997-1999 had been based upon those data. Furthermore, he mentioned that, during the period 1997-1999, projects for CFC conversion had been,

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or would be, approved at a value comparable to that determined in the 1996 replenishment report. Growth patterns during 1995-1997, however, had been significantly lower than anticipated, which implied that the project approvals had led to a much lower level of consumption than anticipated. That in turn implied that, for strict compliance, funding required for the period 2000-2002 would be much lower than the allocation for the 1997-1999 period.

44. Mr. Robert van Slooten continued with the description of the "base case" in the report, which considered the minimum funding required to comply with the control schedules on an assumed linear phase-out path for different controlled chemicals. He presented a subdivision of the elements with a total funding requirement of \$306.3 million. However, when looking ahead, a first estimate was that, during the period 2003-2005, which had to address the 85 per cent reduction in the year 2007, a much higher replenishment would be required.

45. Mr. José Pons Pons continued the presentation and gave a number of arguments why the Task Force proposed to advance funding to the 2000-2002 period, arguments that related to effective implementation, earlier reductions in Article 5 countries and, last but not least, environmental benefits. Therefore, the Task Force was proposing that Parties consider a replenishment level of \$500 million for the triennium. He presented the key assumptions used in modelling the consumption patterns for different countries and country groups. He also elaborated on the different steps made in the model for the calculation of the total funding requirement.

46. Ms. Shiqui Zhang described the funding estimated for the production sector, presented an analysis of the major cost components for the supporting activities or non-investment projects, leading to a total of \$41.1 million, and outlined other elements such as administrative costs.

47. Mr. Tom Batchelor concluded the presentation with a description of how the funding requirement for methyl-bromide projects had been determined. He presented an analysis of consumption patterns and mentioned that the study had focused on the 18 Article 5 Parties that showed steep increases in consumption. He continued by presenting the ODP tonnes of methyl bromide to be eliminated to comply with the freeze in 2002 and the 20 per cent reduction step in 2005 by Parties that had ratified the Copenhagen Amendment. He stated that \$69.1 million was required as the total funding requirement for methyl-bromide projects.

48. Subsequently, Mr. Batchelor drew attention to the figure R-26 in a collection of overheads that had been prepared by the Task Force to complement the presentation of its report. He emphasized that the figure was intended to illustrate a generalized trend of methyl-bromide consumption and not to reflect exact levels. The numbers appearing on the vertical axis should therefore be ignored.

B. The work of the Technology and Economic Assessment Panel on the implications on the implementation of the Montreal Protocol of the inclusion of hydrofluorocarbons and perfluorocarbons in the Kyoto Protocol to the United Nations Framework Convention on Climate Change (decision X/16)

49. The Chair of the HFC/PFC Task Force of the Technology and Economic Assessment Panel, presented an interim report on the work of the Task Force. He recalled that, in its decision X/16, the Tenth Meeting of the Parties had asked the Technology and Economic Assessment Panel to convene a workshop on the issue with the Intergovernmental Panel on Climate Change (IPCC), to provide information relevant to the United Nations Framework Convention Climate Change and to assess the implications to the Montreal Protocol on the inclusion of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) in the Kyoto Protocol. The report would be submitted to the Eleventh Meeting of the Parties. He reported that because HFCs and PFCs, which were alternatives to ozone-depleting substances, were in the basket of substances controlled under the Kyoto Protocol, the Kyoto regime could cause uncertainty that could slow the phase-out of ozone-depleting substances. The challenge was to avoid unnecessary HFC and PFC use while at the same time not barring necessary use. The report of the Technology and Economic Assessment Panel would provide information relevant to the Montreal Protocol, its Multilateral Fund, the Kyoto Protocol and Framework Convention on Climate Change and investors on those issues. The assessments of HFCs and PFCs by the Technology and Economic Assessment Panel and IPCC were fully integrated, with key individuals serving as lead authors and co-chairs on both panels. The Task Force members had and would continue to consult relevant experts, stakeholders, and members of the Technical Options Committees from around the world. The Task Force welcomed technical contributions from members of the Working Group as it continued its work.

C. The quarantine and pre-shipment exemption of methyl bromide (decision X/11)

50. The Co-Chair of the Methyl Bromide Technical Options Committee, reported that quarantine and pre-shipment uses accounted for approximately 19 to 23 per cent of global methyl-bromide use. The Committee had received only 10 responses to its research survey on the subject and would update the results once more information was available. Data gaps were the result of the voluntary reporting requirements and Parties could consider making reporting mandatory. As monitoring quarantine and pre-shipment could be difficult for Parties, the Committee had devised a draft "Quarantine and Pre-shipment Categorization Chart" to assist them. Regarding options for reducing unnecessary uses of methyl bromide, the Committee suggested that the Parties could consider removing the blanket exemption for quarantine and pre-shipment applications, placing a cap on quarantine and pre-shipment consumption, clarifying the definition of "quarantine", and clarifying the definition of "pre-shipment".

D. Applications for essential-use exemptions for ozone-depleting substances for 2000 and beyond

51. The Panel recommended approval of nominations for essential-use exemptions for CFCs for metered-dose inhalers by the European Community, Hungary, Japan and the United States of America. The Panel recommended approval of the nomination from the Russian Federation for an essential-use exemption for halon for the petroleum industry, military applications and nuclear power plants plus a halon banking system. The Panel was forwarding the nomination by Poland for an essential-use exemption for CFC-113 for torpedo maintenance to the Parties without a recommendation due to the complexity of the issues surrounding the nomination.

E. The quantity of CFCs likely to be required by Article 5 Parties for the period 1999-2010 as well as quantities which need to be produced and exported by non-Article 5 Parties in the same period (decision X/15)

52. The Co-Chair of the Technology and Economic Assessment Panel reported that in 1997, 25 per cent of Article 5 CFC consumption was covered by non-Article 5 production. CFC consumption and production in Article 5 Parties was expected to continue decreasing. The balance between global CFC production and consumption in, and for, Article 5 Parties could soon be possible. However, shortages could result after 2004 if there was no CFC production in non-Article 5 Parties. Continued production in non-Article 5 Parties combined with an accelerated production phase-out in Article 5 Parties was an adequate option to avoid regional shortfalls. Halon consumption in Article 5 Parties did not show shortages. Regarding carbon tetrachloride and methyl chloroform, future trends in consumption compared to production in Article 5 countries were difficult to access. Further analysis of all those patterns was necessary.

F. The development and availability of laboratory and analytical procedures that can be performed without using controlled substances in Annexes A and B of the Protocol and which should no longer be eligible under the exemption for laboratory and analytical uses and the date from which any such restriction should apply (decision X/19)

53. The Panel recommended that due to the availability of alternatives, testing of oil, grease and total petroleum hydrocarbons in water, testing of tar in road-paving materials, and forensic finger-printing should no longer be eligible categories under the global exemption for laboratory and analytical uses. The Panel noted that individual Parties could still apply for essential-use exemptions if special circumstances so dictated.

G. New substances with ozone-depleting potential

54. The Co-Chair of the Solvents Technical Options Committee, reported that large quantities of n-propyl bromide were being produced and blended as solvents. Without restrictions, the Committee estimated that solvent use of the substance would develop to 60,000 tonnes within five years, equal to five per cent of current world bromine production. N-propyl bromide and equipment for its use were presently offered for sale in most non-Article 5 and many Article 5 countries. Most n-propyl bromide was used for

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metal cleaning. Other uses involved aerosol spraying, precision and electronics cleaning, coatings and adhesives. Many of those uses were necessarily emissive. The substance was also sometimes promoted as a replacement for solvents without an ozone-depleting potential. The Committee was concerned that aggressive marketing of n-propyl bromide continued even though its ozone-depleting potential had not yet been determined and could vary regionally. The chronic toxicology, health, and safety impacts had also not been determined. The Committee concluded that until all data were available, appropriate interim action might be considered for ozone layer protection and for guaranteeing worker safety.

V. CONSIDERATION OF PROPOSED ADJUSTMENTS AND AMENDMENTS
TO THE MONTREAL PROTOCOL AND ESTABLISHMENT OF THE
LEGAL DRAFTING GROUP TO CONSOLIDATE THE ADJUSTMENTS
AND AMENDMENTS PROPOSED AND TO CONSIDER THE OPTIONS
AVAILABLE UNDER THE MONTREAL PROTOCOL TO INTRODUCE
CONTROLS ON NEW OZONE-DEPLETING SUBSTANCES.
(ARTICLE 9 OF THE VIENNA CONVENTION AND
ARTICLE 2, PARAGRAPH 9, OF THE MONTREAL
PROTOCOL AND DECISION X/8)

A. Hydrofluorocarbons (HCFCs)

55. The representative of the European Community introduced the proposed adjustments and amendments relating to HCFCs (UNEP/OzL.Pro/WG.1/19/4, annex, section A), highlighting the fact that despite the existence of Article 2F, paragraph 7, of the Protocol, the production and placing on the market of HCFCs were increasing. Many Article 5 Parties were being sold HCFCs as the technology of the future, while some users of non-ODS alternatives were considering reverting to ozone-depleting substances because large supplies of HCFCs had reduced their price. The European Community believed that the current controls on HCFCs needed to be strengthened to ensure that their use was limited to those applications where other more environmentally suitable alternative substances or technologies were not available. To that end, the European Community and its member States proposed an amendment to introduce controls on HCFC production in non-Article 5 and Article 5 Parties, an adjustment to tighten controls on HCFC consumption in non-Article 5 Parties, and an amendment to ban trade in HCFCs with non-parties.

56. Many representatives fully supported the proposed adjustment and amendments on HCFCs highlighting, *inter alia*, their environmental importance, technical feasibility, consistency with Article 2 F, paragraph 7, of the Protocol, harmony with existing measures for other controlled substances, and ability to help balance levels of HCFC production and consumption and thus improve the relevant market incentives. Other representatives found merit in the intent of the proposals and expressed their willingness to work with other Parties to refine specific elements.

57. Many representatives noted that their Governments had or would soon take far stronger measures with respect to controlling HCFCs. In their view, that offered support for the viability of the proposals. Several noted the importance of controlling production in order to limit any future over-supply of HCFCs and to combat potential incentives to introduce into developing countries additional products that used HCFCs. Others highlighted the importance, feasibility and economic advantages of by-passing HCFCs in the transition from CFCs to non-ODS alternatives. One representative said that his Government would request the Multilateral Fund to conduct an analysis of the comparative costs from an enterprise perspective of choosing alternatives in order to build confidence among plant managers and others concerning what his Government believed were the potential economic advantages of by-passing HCFCs. One representative invited Article 5 Parties to consider the merits of the proposed amendment and adjustment on HCFCs for limiting the dissemination in their countries of HCFC uses which would soon be considered obsolete and therefore banned in many non-Article 5 countries. One representative of a non-governmental organization emphasized the importance of reducing and eliminating the use of HCFCs, not only because of their ozone-depleting function, but also because of their high global-warming potential which, in some cases, was higher than that of HFCs. HFCs were included in the Kyoto basket of greenhouse gases but HCFCs were beyond the purview of the Kyoto Protocol, and therefore Montreal Protocol Parties had the responsibility to be concerned with their global-warming impact.

58. Many other representatives expressed very serious concerns regarding the proposed amendments and adjustment. Many noted that a large number of Governments and private enterprises had begun the transition from CFCs using HCFCs under the impression that those economic and political investments would be applicable for 30 to 40 years. The European Community proposals would threaten the viability of those initiatives, produce mistrust within some industries, limit supplies of HCFCs for servicing existing equipment, and raise prices. Many representatives stated that far too little information was available concerning the availability, efficiency, appropriateness, technical viability, health and environmental impact, and cost-effectiveness of HCFC alternatives in different countries, regions, climates, and socio-economic conditions. Many suggested that consideration of the proposals must wait until technology transfer, provision of information, broad availability, and competitive pricing for the alternatives had been improved. Many representatives opposed specific aspects of the proposed amendments, doubting that they could achieve the desired results.

59. Several representatives expressed support for the underlying goal of the proposals that all Parties should do everything they could to limit the use of HCFCs only to those applications where they were absolutely necessary. In their view, however, the proposals prematurely attempted to prescribe choices made in this regard to Parties whose specific circumstances differed. More flexibility was needed at present with regard to national decisions on implementing the transition away from CFCs in various sectors. Some representatives stated they could support additional study into aspects of the proposal but could not support the amendments or adjustments until studies had been done.

60. Some representatives stated that they could not support any element of the proposals that added new controls for Parties operating under Article 5. Some supported the merits of using trade provisions as

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an incentive for full participation in the Protocol but expressed concerns that this proposal could have unintended consequences in continuing the use of CFCs in some countries and suggested that the matter should receive fuller study, perhaps by the Legal Drafting Group. Some believed that more work needed to be done examining possible baselines and phase-out schedules for the production controls and different caps for the consumption controls before discussions could proceed more fruitfully. Some emphasized what they saw as inherent links between aspects of the proposals, noting that they would require more analysis.

61. Several representatives stated that adoption of the proposals could affect the replenishment needs of the Multilateral Fund. Further consideration of the proposals would require additional calculations by the Task Force on Replenishment of the Technology and Economic Assessment Panel to estimate their impact on the funding requirement for the replenishment. One representative expressed the view that implementation of the proposals should be accompanied by provisions for greater support by GEF to countries with economies in transition.

62. Some representatives emphasized that consideration and even acceptance of the proposals required clear assurances that they would not threaten the viability of currently installed equipment that used HCFCs for its entire lifetime.

63. Several representatives noted the importance of limiting the circumstances that led to the introduction and dependence on old technology in developing countries. Many noted the importance of improving technology transfer and augmenting financial assistance so that developing countries could have access to the best available technology to protect the environment. Some representatives suggested the need to limit the production of equipment that used HCFCs to prevent the unnecessary and counter-productive marketing to developing countries.

64. One representative noted that future reductions in HCFC production and consumption planned in many large industrialized countries would necessarily impact upon Parties operating under Article 5, perhaps in unforeseen and negative ways, including surprise shortages in the availability of HCFCs. In his view, reaching agreement through the Protocol process on the set of issues underlying the proposed amendments and adjustments would allow developing countries more certainty in their industrial planning.

65. The representative of an economic integration organization, speaking also on behalf of its member States, recalled that the proposal to have a 2 per cent cap had already been made in 1995, and again in 1997. Thus, the proposal was not the result of haste, but had been in an evolving situation. He said that the proposed adjustment concerning HCFCs had neither the intention nor the scope to deny or limit access to adequate supplies of HCFCs to those Article 5 countries that needed them. Pointing to the need for technology transfer to ensure access to alternative technologies, he said that it was necessary to examine the costs of alternatives and the way in which the guidelines and practices of the Multilateral Fund led to the choice of a particular technology. He welcomed the fact that the Technology and Economic Assessment Panel would look into the implications of non-HCFC technologies as opposed to HCFC technologies within its re-examination of the replenishment report.

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66. Following the initial discussion of the proposed adjustments and amendments relating to HCFCs, the Working Group decided to establish an open-ended Legal Drafting Group, to be chaired by Mr. Patrick Széll (United Kingdom), to consider the proposals further from a legal perspective and to report back to the Working Group at a later stage in the meeting.

B. Methyl bromide

67. The representative of the European Community introduced the proposed amendment and adjustments relating to methyl bromide (UNEP/OzL.Pro/WG.1/19/4, annex, section B), stressing the importance of mandatory reporting of amounts of the substance used for quarantine and pre-shipment applications. The Community was concerned that over 20 per cent of the current global use of methyl bromide was for applications entirely beyond the scope of the control measures of the Montreal Protocol. Such a level of uncontrolled use and emissions could in fact delay the recovery of the ozone layer. Although the Community recognized that there was still a need for methyl bromide, it believed that a limitless exemption was not the most appropriate way of bringing it under control and therefore proposed a mandatory reporting requirement for quarantine and pre-shipment use, as well as a freeze from 2001 for non-Article 5 Parties on the quantity of methyl bromide produced and consumed for such uses.

68. Many representatives, recognizing the importance to policy-making of accurate information on the consumption and application of methyl bromide, supported the proposed introduction of a mandatory annual reporting requirement for quarantine and pre-shipment uses for future years although not for the current base year of 1991. One representative also suggested that, in addition to mandatory reporting on total quantities, Parties should report on what those quantities were used for (for example, specific commodities). While not opposed in principle to a reporting requirement, a number of representatives sought assurance that the additional effort entailed by such a requirement would be justified through an appropriate application of the data. A few representatives believed their countries might experience difficulties in providing the information; specifically, one representative believed there might be some difficulty in providing disaggregated data for quarantine and pre-shipment uses. A number of representatives said they could not support the proposal.

69. Several representatives made the point that there was a need for precise definition of quarantine and pre-shipment in the formulation of the reporting requirement, and one representative called for a harmonization of the definition of pre-shipment with that of the Food and Agriculture Organization of the United Nations. In response, some representatives stated that the definition of pre-shipment applications could specify that they were official non-quarantine applications that had been applied within the 14 days prior to export.

70. Many representatives supported the proposal to introduce control measures on quarantine and pre-shipment applications of methyl bromide. The blanket exemption of such applications represented a significant loophole in the control regime of the Montreal Protocol, and the resultant emissions could

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seriously delay the recovery of the ozone layer and potentially threaten achievements in phasing out methyl bromide in other areas. One representative suggested that a lack of controls on quarantine and pre-shipment applications of methyl bromide might serve as a disincentive to adopting alternatives in those areas where viable substitutes had been identified, as well as in the search for further alternatives. The present proposal should be seen as an impetus for change in that direction.

71. Many other representatives did not support a cap on quarantine and pre-shipment uses. One representative expressed the view that a cap represented an inflexible approach and would prevent countries from having the flexibility to adapt to changes in levels of trade or to control pests in unforeseen situations. Many representatives stated that more practical steps to discourage misuse of methyl bromide would include clarification of the definition of quarantine and pre-shipment, consistent application of quarantine and pre-shipment, and mandatory reporting. One representative also supported the use of better containment practices as it reduced emissions and had an immediate impact on the environment.

72. One representative, speaking on behalf of a number of countries, expressed the view that, pending the identification of viable alternatives that were economically feasible, reconsideration of the unconditional exemption for quarantine and pre-shipment uses of methyl bromide was inappropriate. While the report of the Technology and Economic Assessment Panel indicated that technically feasible alternatives to methyl bromide had been identified for quarantine and pre-shipment purposes, many representatives believed that in the absence of relevant economic analysis, it was not possible to judge fully the feasibility of alternatives. The common commitment of those countries to the advancement of the schedule for phasing out methyl-bromide consumption generally had been predicated on the unconditional exemption for quarantine and pre-shipment applications until viable alternatives were available. Several representatives called for continued analysis by the Technology and Economic Assessment Panel into the economic viability of existing alternatives and a continued search for new substitutes.

73. One representative, speaking on behalf of a number of countries and supported by other representatives, emphasized that consideration of further control measures was premature when only some 90 of 168 Parties to the Montreal Protocol had to date ratified the Copenhagen Amendment.

74. One representative, while concerned that, the introduction of control measures for quarantine and pre-shipment applications could have a negative impact on international trade generally, recognized the need to address the fact that a significant amount of methyl-bromide consumption was exempt from controls.

75. Many representatives expressed serious concern that, because alternatives to quarantine and pre-shipment uses of methyl bromide were still at the research stage and further study needed to be undertaken, the application of controls on such uses could have a serious detrimental impact on domestic food production and, in turn, the national economies of Article 5 countries in particular.

76. One representative believed the institution of controls would result in negligible gains to the atmosphere but at a potential great loss to the economies of Article 5 countries in particular. Another representative believed the question of imposing controls on applications considered essential was a matter of principle, and was concerned that the proposal might set a precedent for the indirect imposition of control measures on industry. In view of the fact that a number of countries that had initially decided to accelerate phase-out of methyl bromide had later reconsidered that decision because of a lack of viable alternatives, some representatives believed that it was unrealistic to consider a general application of such control measures. Another representative suggested the introduction of new controls on quarantine and pre-shipment applications could have a negative effect on the implementation of existing control measures under the Montreal Protocol.

77. The representative of a non-governmental organization said alternatives to quarantine and pre-shipment uses of methyl bromide must be adapted for use in Article 5 countries, and country-level import and export controls revised to remove impediments to the adoption of alternatives.

78. Following the discussion, the Working Group agreed to transmit the proposals to the Legal Drafting Group for its consideration.

C. New ozone-depleting substances

79. The representative of the European Community introduced the European Community's proposed amendment relating to the means of extending the Protocol to cover new ozone-depleting substances (UNEP/OzL.Pro/WG.1/19/4, annex, section C). He said that the Community was concerned at the tendency of some industries to produce and market ozone-depleting substances not covered by the Montreal Protocol. Because the process of extending the Protocol's controls to new substances was currently very slow, and involved a full amendment and ratification process, the Community was advocating a "lighter" procedure, involving a decision of the Parties and/or adjustment to the Protocol.

80. The Working Group, noting that in paragraph 6 of its decision X/8, the Tenth Meeting of the Parties had requested the Legal Drafting Group to consider and report back on the options available under the Protocol to introduce controls on new ozone-depleting substances, decided to defer further discussion under the item until the Legal Drafting Group had considered the matter, including in the light of the proposal made by the European Community, and had identified relevant issues for the Parties to consider before any specific action could be taken.

81. The Chair of the Legal Drafting Group subsequently reported back to the Working Group on the

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outcome of the Legal Drafting Group's consideration of the issue. Recalling that the existing option for introducing controls on new ozone-depleting substances was the procedure referred to in Article 2, paragraph 10, of the Protocol, namely, the amendment procedure set forth in the Vienna Convention, he said that, in order for a new procedure to be used to control new ozone-depleting substances, an amendment of the Protocol would be required. Just as the Protocol provided an expedited adjustment procedure for changing the control measures on a substance already controlled, it could, as a matter of law, be amended to provide an analogous quicker procedure for the addition and control of new substances.

82. He drew the attention of the Working Group to the following issues which the Legal Drafting Group had identified in connection with designing such an expedited procedure:

(a) Notice. How long in advance of its proposed adoption should a proposal to add a new substance need to be notified to Parties (for example, six months in advance, as was currently the case for proposed amendments and adjustments)?

(b) Basis. On what basis should a decision to control new substances need to be made (for example, on the basis of a report of the Technology and Economic Assessment Panel, a Scientific Assessment Panel report, environmental information and/or other relevant information)? Currently, decisions to adopt adjustments under the Protocol had to be based on assessments under Article 6 of the Protocol.

(c) Voting. What should the voting requirement be for adoption of the decision?

(d) One step or two. Should the addition of a new substance and its control measures be carried out in two steps or one step? Further, should there be any limitation on the type of control measure for which the procedure would be available?

(e) Entry into force. When should the addition of the new substance and its control measures enter into force?

(f) Who is bound. Should the addition of a newly controlled substance be binding on all Parties or would a Party have the ability to opt out of the application of a particular decision? The Protocol's adjustment procedure in paragraph 9 of Article 2 which was unusual in international law was binding for all Parties, while there were precedents under other international agreements permitting Parties to opt out of certain decisions within a specified time-frame;

(g) Possible non-application. Should a Party be permitted to declare, upon ratification of the amendment package, that the procedure would not apply to it and that it would continue to operate under the existing amendment procedure for adding new substances? For example, the United Nations Convention to Combat Desertification in Countries Affected by Serious Drought and/or Desertification, particularly in Africa, contained such an approach with respect to the addition of new annexes; it was

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designed to expedite entry into force of new annexes while recognizing the situation that some Parties faced with respect to their legislature's prerogatives.

83. The Chair of the Legal Drafting Group also explained that an expedited procedure for the addition of controls on new substances could lead to the somewhat awkward situation of having two different procedures for the same decision. Specifically, if the amendment entered into force after being ratified by 20 Parties (as had been the practice in the past), some Parties would be bound by the new expedited procedure, whereas other Parties would not. Proposals to add new substances would then be subject to two different procedures, depending upon the Parties involved. While not presenting a legal obstacle per se to incorporating an expedited procedure for the inclusion of new ozone-depleting substances, such a situation could present practical issues. Furthermore, the addition of new substances under an expedited procedure would only bind Parties that had ratified the amendment incorporating such procedure.

84. The Legal Drafting Group had noted that an expedited procedure for adding new substances would not obviate the need for an amendment should the Parties want to add other related obligations, such as reporting requirements or control of trade with non-Parties. Such obligations had in the past generally tracked the addition of new substances.

85. Finally, he pointed out that the Legal Drafting Group had refrained from drafting a legal text per se because it first wished to hear the reactions and responses from the Working Group to the issues raised. It sought clear guidance from the Working Group regarding those issues.

86. All representatives who took the floor thanked the European Community for initiating the proposal on an expedited procedure for the inclusion of new ozone-depleting substances and the Legal Drafting Group for identifying the issues arising therefrom, which were considered to be significant.

87. Several representatives pointed to the importance of the period of notice given with respect to the proposed expedited procedure for adding new substances and stressed the need for a closer examination of the question.

88. Several other representatives raised the issue of the voting requirement, proposing consensus voting as the best way forward. In that connection, attention was drawn to the fact that some Parties might wish to opt out of decisions on a particular new substance. That also led to the question of the applicability or non-applicability of the amendment, particularly in cases where some Parties might seek to maintain consistency with the current provisions of the Protocol. Some representatives believed that a major loophole would be created if Parties were unsure as to who would be bound by amendments brought about through the new fast-track procedure. One representative proposed that any amendments made to the Protocol should only be binding on those Parties that signed or ratified them.

89. Several representatives stressed the need for adequate scientific and technical information as a basis before any new procedure could be adopted.

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90. One representative suggested that such an amendment should be considered in conjunction with the possible adoption of a decision requesting the Technology and Economic Assessment Panel and the Scientific Assessment Panel to consider key criteria that would also be taken into consideration by the Parties when adopting any further control measures on any new substances. The representative suggested that the following key criteria should be carefully considered: (a) the focus should first be on those substances with the highest ozone-depleting potential; (b) comprehensive information should be provided on the alternatives available to the new substances; (c) current and possible future uses of the substances, and their potential to replace substances with a higher ozone-depleting potential for which no other alternatives were available; and (d) whether a substance with a significant ozone-depleting potential served medical, scientific and other environmental objectives.

91. The representative of an environmental non-governmental organization, however, cautioned that even substances with a low ozone-depleting potential could pose a danger to the ozone layer, especially if produced in large volumes. There was also a need to take other considerations connected with local and geographic conditions.

92. The Working Group agreed that the Legal Drafting Group would take on board the observations and reservations made during the discussion on the proposed new procedure and, using the European Community proposal as a basis, would prepare a draft legal text.

D. Continued production for basic domestic needs

93. The representative of the European Community introduced the European Community's proposed adjustment relating to continued production for basic domestic needs (UNEP/OzL.Pro/WG.1/19/4, annex, section D). He said that, as the continued and unrestricted availability of CFCs and other controlled substances could undermine the phase-out efforts of Article 5 Parties, the Community was proposing a freeze and gradual phase-out of production of ozone-depleting substances in non-Article 5 Parties for basic domestic needs in line with the phase-down schedules for producers in Article 5 countries.

94. Several representatives expressed support for the proposed adjustment, pointing out that the findings of the Technology and Economic Assessment Panel with respect to halons and CFCs supported such a course of action. One representative said that discussions were under way to see if an even more significant reduction in CFC production could be accommodated, in order to provide sufficient supplies to Article 5 countries, without impeding their phase-out.

95. However, one representative considered that a model of CFC production and consumption in Article 5 countries needed to be prepared. He said that a model already produced by the Technology and Economic Assessment Panel for one high-consuming country showed a significant shortfall in meeting its CFC needs after 2004. Post-2005 consumption patterns also needed to be examined. He pointed out that the conclusions in the report by the Technology and Economic Assessment Panel were not the same as

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those presented by the Co-Chair of the Panel in his presentation of the report at the meeting. The Panel's report was categorical that the basic domestic needs of Article 5 countries could be met by increasing the production in Article 5 countries by 10 per cent of the base level for satisfying basic domestic needs. He believed that decisions needed to be taken to the effect that non-Article 5 countries should not be producing CFCs and that production in Article 5 countries should be made self-reliant to meet their own basic domestic needs. He also considered that it was possible that the refined CFCs required for metered-dose inhalers could also be supplied by Article 5 producers.

96. The Co-Chair of the Technology and Economic Assessment Panel stated that the apparent contradiction between the report and his presentation was the result of different assumptions.

97. One representative drew particular attention to the need to tackle the problem of illegal trade in CFCs.

98. Several representatives considered that there was a need for more time to undertake a further analysis of the situation with regard to carbon tetrachloride, methyl chloroform and other substances. Currently, no adjustment to the Montreal Protocol was required along the lines proposed for those substances by the European Community. One representative said there was a need to analyse methyl chloroform consumption patterns on an annual basis and consider an adjustment only when it was possible to view trends in its production and consumption. One representative did believe that carbon tetrachloride should be the subject of accelerated phase-out. Another representative, however, noting that a decision on process agents had only recently been taken and that projects were still to be implemented, considered that it was premature to consider a freeze on carbon tetrachloride in 2002, especially as countries were already working to achieve a reduction of 85 per cent in 2005.

99. Following the discussion, the Working Group agreed to transmit the proposed adjustments to the Legal Drafting Group for its consideration.

E. Report of the Legal Drafting Group

100. The Chair of the Legal Drafting Group introduced the Drafting Group's report on the proposal of the European Community on adjustments and amendments to the Montreal Protocol in regard to HCFC production, consumption and trade with non-Parties; quarantine and pre-shipment uses of methyl bromide; new ozone-depleting substances; and continued CFC production for basic domestic needs.

101. He said that with regard to the proposals to control production and consumption of methyl bromide for quarantine and pre-shipment applications for both Article 5 and non-Article 5 Parties (in Annex III of section B), the Legal Drafting Group was still considering whether such proposals would need to take the form of an amendment, rather than an adjustment. For the time being, the proposals had been reflected as adjustments, as proposed by the European Community.

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102. Following the presentation and a discussion concerning the composition and mandate of the Legal Drafting Group, the Co-Chair, supported by a number of representatives, commended the Group for its work and reminded representatives the task of the Legal Drafting Group, which was open to all members, was simply to translate the proposal into legal form but not to introduce any substantive changes. The views of the Parties expressed during debate on the substantive issues had not been taken into account in the legal draft. The proposed adjustments and amendments would clearly require serious reflection and further debate, and it was agreed that the proposals be forwarded for consideration by the Eleventh Meeting of the Parties.

103. The report of the Legal Drafting Group would be circulated to all Parties by the Secretariat as part of the documentation for the Eleventh Meeting of the Parties (UNEP/OzL.Pro.11/3).

VI. CONSIDERATION OF THE 1999 REPORT OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL ON THE REPLENISHMENT OF THE MULTILATERAL FUND

104. The Working Group took up agenda item 6 immediately after the presentation of the report of the Technology and Economic Assessment Panel on the replenishment of the Multilateral Fund under agenda item 4 (a).

105. The Co-Chair of the Working Group first presented the report of the Ad Hoc Group on Replenishment, established under decision X/13 of the Tenth Meeting of the Parties, on the work of its first meeting, which had been held the previous day. He said that the main purpose of the meeting had been, first, to provide the members of the Group with an opportunity to voice their initial reactions to the report of the Technology and Economic Assessment Panel on replenishment of the Multilateral Fund and, second, to offer guidance to the members of the Panel's Task Force on Replenishment on the further input required from them into the replenishment-negotiation process. It had been emphasized at the outset of the meeting that, while the Ad Hoc Group was the main forum for the negotiations on replenishment, the first meeting had not been intended to be a negotiating session.

106. The report on replenishment had been first introduced to the Ad Hoc Group by Mr. Lambert Kuijpers, Co-Chair of the Technology and Economic Assessment Panel, and the members of the Task Force attending the meeting. In their presentations, the members of the Task Force had outlined the methodology and assumptions used in preparing the report, as well as their key findings.

107. Following the presentations, members of the Ad Hoc Group had raised a number of points and had sought and received clarification from the Task Force on various issues.

108. All members of the Group had expressed their satisfaction at the clarity and transparency of the report and the presentations. They had agreed that the report formed a very good basis for the negotiations.

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109. The main issues raised by members of the Group had concerned: the basis for projection of consumption; the costs of projects per tonne phased out; the impact of domestic policies on consumption levels; additional costs for projects if HCFCs were not used; costs for small and medium-sized enterprises (SMEs) and low-volume-consuming countries (LVCs); benefits of the sectoral approach; costs of implementing refrigerant management plans; costs for new Parties classified as developing countries; the effect of updates to country programmes; the costs of methyl-bromide alternatives; the costs of new subsectors approved by the Executive Committee; the justification for recommending the level of \$200 million as advance funding; and concessional lending. The members of the Technology and Economic Assessment Panel Task Force had explained the assumptions adopted in the report on those aspects.

110. After further discussion, the Ad Hoc Group on Replenishment had decided to recommend that the Technology and Economic Assessment Panel might submit a further report on the following aspects to facilitate the Parties' consideration of the issue of replenishment:

- (a) Cost-effectiveness levels for methyl-bromide projects;
- (b) Sensitivity analysis on growth rates for consumption of ODS, for example using an assumption of 0-2 per cent growth instead of 8-10 per cent;
- (c) Better justification for the benefits of non-investment activities, including possible quantification;
- (d) Monetizing the benefits of advance funding;
- (e) Sensitivity analysis for cost-effectiveness thresholds, particularly for low-volume-consuming countries and small and medium-sized enterprises;
- (f) More detailed analysis of the cost of refrigerant management plans;
- (g) Outcome of the discussions of the Executive Committee at its July 1999 meeting on innovative financing, including concessional loans, and on other issues;
- (h) New subsectors such as transport refrigeration approved by the Executive Committee;
- (i) Cost of avoiding the use of HCFCs in the projects to be approved by the Fund;
- (j) Opportunity costs associated with expenditures to favour hydrocarbons in Fund projects.

111. The Co-Chair of the Technology and Economic Assessment Panel had agreed that the report on the above aspects would be finalized by the Task Force before the end of August 1999, and the Group had

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decided to meet once again and negotiate on replenishment on 30 September and 1 October in Washington, D.C. The United States had offered to arrange the venue of the meeting.

112. In the ensuing discussion on the report of the Task Force and that of the first meeting of the Ad Hoc Group on Replenishment, all representatives who took the floor expressed their gratitude to the Task Force for its work.

113. One representative, speaking on behalf of a regional economic organization and its member States and supported by other representatives, reaffirmed the commitment to the replenishment of the Fund as the appropriate instrument to achieve the aims of the Montreal Protocol. He pointed out that, although Article 10 of the Montreal Protocol mentioned among other funding modalities the possibility of concessional loans, the Fund had to date acted almost exclusively on the basis of grants. He suggested that innovative types of financing, including concessional loans, be given serious consideration.

114. He emphasized that the question of replenishment could not be addressed in isolation from consideration of broader concerns, such as the effective implementation of agreed schedules for reductions and phase-out of controlled substances in all countries; the remaining challenges for the protection of the ozone layer; and possible new commitments which might become necessary in the future, for example, as a result of new scientific evidence. He also believed that any consideration of advance funding presupposed that Article 5 countries should renew their commitment to the objectives of the Montreal Protocol through, for example, accelerated phase-out of ozone-depleting substances, ratification of the Copenhagen Amendment and acceptance of innovative forms of financing.

115. Many representatives, stressing that it was necessary to ensure that the funds were used efficiently, pointed out that preconditions to the successful implementation of control measures were strong domestic policies and legal and institutional frameworks to encourage phase-out of ozone-depleting substances. One of those representatives described the relationship between Article 5 and non-Article 5 countries as a pact, whereby Article 5 countries demonstrated their commitment to the objectives of the Montreal Protocol through the institution of domestic policies, matched by a commitment from Article 5 countries to support institutional-strengthening mechanisms. Another representative stressed the absolute urgency of introducing domestic policies to control imports and to curb new uses so as not to erode the gains that had been achieved in reducing consumption of ozone-depleting substances. The introduction of such policies, as well as the question of innovative forms of financing, would be an important element in his Government's decision on its contribution to accelerating the phase-out.

116. Many representatives emphasized the significant efforts of Article 5 countries to meet and, in many cases, exceed their obligations under the Montreal Protocol. Many countries had shown their commitment to phase-out by introducing domestic legislative changes to reinforce the objectives of the Protocol. Often, such policies had been introduced in the face of serious economic problems and had represented a sacrifice for Article 5 countries.

117. Many representatives believed that the current discussion was based on a matter of principle; the Protocol stipulated that non-Article 5 countries should provide Article 5 countries with the necessary resources to reduce consumption of ozone-depleting substances, and linking the issue of concessional loans with the replenishment discussion created the inappropriate impression. There was concern that, if that linkage were pursued, it would result in much uncertainty for the upcoming triennium in many Article 5 countries with sensitive domestic economies, and might entail a loss of momentum in the reduction/phase-out process. They therefore felt strongly that the issue of concessional loans should not be considered in the context of the current replenishment discussion. In response to the point raised that Article 10 of the Protocol made reference to concessional lending, one representative pointed out that the topic had been actively under discussion for only the past two years. That discussion had brought progress and heightened understanding of many complex and contentious issues, but the process could not be accelerated unduly.

118. Many representatives expressed concern that the level of replenishment of the Multilateral Fund proposed by the Technology and Economic Assessment Panel might not be adequate to enable Article 5 countries to meet their phase-out obligations. One representative sought clarification on the margin of error allocated to the mathematical model used by the Technology and Economic Assessment Panel in its calculations.

119. Several representatives expressed concern that the Task Force had assumed that no funding would be provided in the triennium for CFC-consumption phase-out projects in the high-consuming countries. One said that his country had recently agreed with the Multilateral Fund on a production-sector phase-out plan, and if no funding was provided for consumption phase-out, there would be a large imbalance in supply and demand. He stressed the view that it was central to the implementation of the Montreal Protocol that there be simultaneous phase-out of the production and consumption of ozone-depleting substances. Another representative deplored that fact that, in conducting its analysis of replenishment, the Technology and Economic Assessment Panel had applied strict parameters and criteria, with no provision for funding to enable earlier attainment of phase-out targets and plans for those countries that had chosen to do so. It was pointed out that, by the time funding could be made available in the following replenishment, it would be too late for that representative's country to meet the 2005 target. One representative asked the Ad Hoc Group on Replenishment and the Task Force on Replenishment of the Technology and Economic Assessment Panel to consider the funding requirements for reducing the CFC consumption in the service sector in order to make possible the due compliance with the 2005 Montreal Protocol requirements.

120. Several representatives considered that the cost-effectiveness levels used in the Panel's calculations were out of line with the special needs of countries with many small and medium-sized enterprises since those levels were based on historical values derived from experience with large projects. It was not easy to apply a purely sectoral approach in a very large country with many dispersed units, and that also placed an additional burden on the Implementing Agencies.

121. One representative stressed the importance of providing adequate funding for the implementation of

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refrigerant management plans.

122. Another representative expressed concern at the cost-effectiveness levels used for methyl-bromide projects in the calculations for the replenishment. Pointing out that little experience was available in the application and costing of alternatives to methyl bromide, he considered that the Panel needed to be mindful of the problems Article 5 countries could face in complying with the provisions applicable to methyl bromide if an inappropriate cost-effectiveness level were applied. Many representatives were concerned at the increasing consumption levels of methyl bromide in some countries and pointed to the need for additional funding to be provided to reverse that disturbing trend.

123. One representative, pointing to the fact that the Montreal Amendment required Parties to introduce licensing systems, expressed doubt as to whether the funding earmarked would be sufficient to help Article 5 countries set up a regulatory framework to ensure the licensing systems worked as intended.

124. The representative of a non-governmental organization noted that the current phase-out regime of the Montreal Protocol did not take into account the new science regarding the expected delay in the beginning of the recovery of the ozone layer because of global warming. An adequate response would accelerate the phase-out schedule for all ozone-depleting substances in both Article 5 and non-Article 5 countries.

125. One representative asked whether the Technology and Economic Assessment Panel could be requested to prepare a sensitivity analysis for Article 5 countries with advanced phase-out plans, looking at the level of funding useful for supporting the implementation of their existing domestic legislation and maintaining the momentum of phase-out in those countries. Such an analysis might also constitute a justification for advance funding. The representative added that, while supporting the idea of advance funding, he was, however, concerned about the potential effects of the correlated idea to defer some funding from the 2003-2005 replenishment to the 2006-2008 replenishment period.

126. Another representative suggested that the Technology and Economic Assessment Panel or another relevant body could prepare a report on how the targets and aims of the Article 5 countries, as envisioned at the Ninth Meeting of the Parties, had been met as a result of the investments of the past three years.

127. The Working Group agreed that a sensitivity analysis on replenishment would be prepared by the Technology and Economic Assessment Panel, focusing on the elements identified by the Ad Hoc Group on Replenishment as contained in the report given by the Co-Chair of the Group (see para. 0 above). That analysis would provide inputs for the negotiations at the upcoming second meeting of the Ad Hoc Group on Replenishment, scheduled for October 1999.

128. At the closing session of the meeting, the representative of Guyana, speaking on behalf of the Group of 77 and China, stated that the Group of 77 and China appreciated the efforts of the Technology and Economic Assessment Panel and its Task Force on Replenishment of the Multilateral Fund for the triennium 2000-2002 to present a detailed report on the replenishment to the Open-ended Working Group at its nineteenth meeting. Having noted the discussions at the first meeting of the Ad Hoc Group on the Replenishment and the nineteenth meeting of the Open-ended Working Group on the replenishment and other relevant issues, the Group of 77 and China were seriously concerned that the final results of the replenishment negotiations, if the existing trend continued, might have serious negative impacts on the phase-out process for ozone-depleting substances in the Article 5 countries and the implementation of the Protocol as a whole.

129. The Group of 77 and China felt strongly that the funding requirements as calculated by the Task Force in its report for the next three years might turn out to be inadequate to help the Article 5 countries comply with their obligations under the Protocol. The Group of 77 and China would urge the Technology and Economic Assessment Panel and its Task Force to work on the replenishment study in a more comprehensive way, with full consideration given to the needs of the Article 5 countries of all categories to phase out CFCs to meet the 50 per cent reduction in 2005 and maintain the momentum for further periods, the additional costs of small and medium-sized enterprises, non-investment projects, parallel phase-out of production and consumption sectors and the projects for phasing out methyl bromide, by using proper cost-effectiveness threshold values for different sectors. Meanwhile, the Group of 77 and China stressed the importance of a transparent and effective process for the replenishment study in order to lay a good basis for future negotiations.

130. The Group of 77 and China were concerned that such concepts as concessional lending would not only bring many uncertainties to the replenishment study but also undermine the principle of common but differentiated responsibilities for achieving the objectives of the Montreal Protocol. Finally, while reconfirming their commitment to the protection of the ozone layer, the Group of 77 and China would urge the Parties not operating under paragraph 1 of Article 5 to fulfil their commitment to providing financial assistance to the Article 5 countries and transferring environmentally sound technologies on fair and favourable terms, and expeditiously, to the Article 5 countries for achieving the objectives of the Montreal Protocol.

VII. CONSIDERATION OF THE 1999 REPORT OF THE TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL ON OTHER ISSUES

Applications for essential-use exemptions for ozone-depleting substances for 2000 and beyond

131. In introducing the nominations for essential-use exemptions for ozone-depleting substances for 2000 and beyond, the Secretariat drew the attention of the Working Group to paragraph 7 of and annex II

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to its note on issues before the Working Group (UNEP/OzL.Pro/WG.1/19/2), paragraphs 20-23 of document UNEP/OzL.Pro/WG.1/19/5, and part 2 of volume II of the April 1999 report of the Technology and Economic Assessment Panel, regarding essential-use nominations and recommendations by the Technology and Economic Assessment Panel. The Panel had recommended the quantities indicated in paragraph 20 of document UNEP/OzL.Pro/WG.1/19/5 for the European Community, Hungary, Japan and the United States of America for the years 2000 and 2001 for metered-dose inhalers for asthma and chronic obstructive pulmonary disease. It also recommended the essential-use nomination by the Russian Federation for 90 tonnes of halon-2402 for the year 2000, noting that the Russian Federation was planning to close all halon-2402 production facilities during the year 2000. In addition, Poland had applied for the use of 1.7 tonnes of CFC-113 for the years 2000-2003, for the cleaning of torpedoes. The background to that nomination was contained in the report of the Panel, which recommended that the matter be considered further by the Parties, to provide an opportunity for Poland to present supplementary information.

132. Following the introduction of the item by the Secretariat, the representative of Poland explained that his country had submitted the nomination for an essential-use exemption for 1.7 tonnes of CFC-113 for the year 2000, for torpedo maintenance. He noted that the manufacturer, located outside Poland, would cancel the warranty on the torpedoes if any substance other than CFC-113 was used for maintenance purposes. He noted that, with the kind assistance of the environmental authorities of the manufacturer's country, Poland had been successful in initiating a meeting between experts from the Technology and Economic Assessment Panel, Polish authorities, and the manufacturer, which would be held soon after the meeting of the Open-ended Working Group. Poland expected that, together with the experts from the Technology and Economic Assessment Panel, it would be able to convince the manufacturers to allow the use of CFC alternatives for future cleaning. Meanwhile, however, Poland had to use CFC-113 to avoid having its warranty cancelled. It therefore requested essential-use exemption for CFC-113 and would undertake to use alternatives as soon as possible.

133. The Working Group agreed to recommend to the Eleventh Meeting of the Parties that it approve the essential-use nominations recommended for approval by the Technology and Economic Assessment Panel, together with the nomination of Poland for the year 2000. A table showing the full list of exemptions recommended for approval is contained in annex I to the present report.

134. Introducing a draft decision on measures to facilitate the transition for metered-dose inhalers (MDIs), the representative of Costa Rica noted that the Technology and Economic Assessment Panel had predicted that by the year 2000, the transition would be making good progress in non-Article 5 Parties and that, by the year 2005, there would be minimal need for CFCs for metered-dose inhalers in those Parties. He also urged all nominating Parties to continue to nominate and license the quantities for use in CFC-free MDIs for export to other Parties, except for products which the importing Party had determined to be non-essential. The representative of Costa Rica encouraged all non-Article 5 and Article 5 Parties to allow transfers of CFCs for essential uses between MDI companies as a means of avoiding production of new CFCs.

135. Some representatives recalled the need for a transition framework under the Montreal Protocol that facilitated a rapid CFC phase-out while protecting patients' health. They called for a fresh decision that would, inter alia, encourage manufacturers to actively carry out research into CFC-free alternatives, or engage in good-faith legal negotiations with other manufacturers to obtain such alternatives.

136. Other representatives considered that the concerns of all the Parties had already been reflected in previous decisions and therefore saw no need for a new draft. Some representatives pointed out that the issue of CFC-free MDIs was of such importance that the Technology and Economic Assessment Panel had been asked to carry out a comparability study on it. Moreover, since non-Article 5 Parties were having to subsidize many CFC-free MDIs because of price differentials, one could hardly expect Article 5 Parties to switch from CFC-containing inhalers without difficulty.

137. Many representatives expressed support for the continued approval of new CFC-free MDIs, as well as the continued provision of essential CFC-containing MDIs. Some representatives stressed that the transition to CFC-free MDIs should be gradual and without a time-frame in view, in particular, of the poor financial ability of patients in Article 5 countries. Other representatives called for multinationals selling CFC-containing MDIs to Article 5 countries to be encouraged to participate financially in the transition to CFC-free MDIs. One representative called for a halt to the sale of CFC-containing MDIs when sufficient CFC-free MDIs were available.

138. Following consultations among interested Parties, which would continue inter-sessionally, the Working Group agreed that the text of the draft decision should be forwarded in brackets to the Eleventh Meeting of the Parties for consideration.

The development and availability of laboratory and analytical procedures that can be performed without using controlled substances in Annexes A and B of the Protocol and which should no longer be eligible under the exemption for laboratory and analytical uses and the date from which any such restriction should apply (decision X/19)

139. The Secretariat drew the attention of the Working Group to paragraphs 28 and 29 of document UNEP/OzL.Pro/WG.1/19/5 and the recommendation by the Technology and Economic Assessment Panel that Parties consider eliminating the following three uses from the global exemption of laboratory and analytical uses:

- (a) Testing of oil, grease, and total petroleum hydrocarbons in water;
- (b) Testing of tar in road-paving materials; and
- (c) Forensic finger-printing.

140. Several Parties stated that they were unaware of any internationally accepted alternatives for the first use and therefore could not support withdrawing the global exemption at the current time. One of those representatives, however, saw no difficulty with removing the exemption for testing of tar in road-paving materials and forensic finger-printing. Another representative emphasized the importance of establishing dates after which those uses would not enjoy the global exemption while also providing adequate time for the transition.

141. The Co-Chair of the Technology and Economic Assessment Panel informed the meeting that the Panel's 1995 assessment report included a complete description of the use of n-hexane for the testing of oil, grease and total petroleum hydrocarbons in water, a process that had been approved by the United States Environmental Protection Agency and published.

142. The Working Group agreed to consider the issue at the Eleventh Meeting of the Parties and requested the Technology and Economic Assessment Panel to recirculate information regarding the alternatives.

Simplifying the annual reports of the Technology and Economic Assessment Panel

143. The Secretariat drew the attention of the Working Group to paragraph 36 of document UNEP/OzL.Pro/WG.1/19/5 and the request by the Technology and Economic Assessment Panel that Parties allow it to simplify its annual reports so that it presented only new information and responses to requests from the Parties.

144. The Working Group endorsed the Panel's request.

VIII. IMPORTS AND EXPORTS OF PRODUCTS AND EQUIPMENT RELYING ON
ANNEX A AND ANNEX B SUBSTANCES (DECISION X/9, PARAGRAPH 6).

145. The Secretariat said that it had communicated decision X/9 to the Parties and that responses had been received from a number of Parties stating that they did not manufacture for domestic use products and equipment containing Annex A or Annex B substances and did not wish to import them. Others had written that they did not wish to import such products and equipment, but had not specified whether they manufactured the listed products for domestic use or not. The Secretariat had contacted those Parties seeking further details. The matter was before the Working Group because the Parties had acknowledged that the issue of imports and exports of products and equipment whose continued functioning relied on Annex A and Annex B substances was to be further considered by the Eleventh Meeting of the Parties with a view to addressing more specifically the concerns of countries in the process of phasing out production of such products and equipment.

146. One representative said that there were two main concerns for Article 5 countries with regard to decision X/9 to which no adequate solutions had been found despite hard work and consultations in the contact group formed to examine the issue: first, who should phase out the CFCs from equipment imported into Article 5 countries; and, second, if an Article 5 country wished to prevent import of such equipment, it was prevented from doing so by the requirement of the World Trade Organization that the country first cease producing the equipment itself.

147. Another representative pointed to the problems faced by countries in the implementation of refrigerant management plans with respect to the dumping of equipment containing CFCs.

148. Following informal consultations among interested Parties on decision X/9, paragraph 6, the Working Group agreed that a number of interested Parties would explore the implications of the issue on their respective national trade policies, with a view to its further consideration by the Eleventh Meeting of the Parties.

**IX. ACTION TAKEN BY NON-PARTIES TO CONSIDER BANNING THE PLACING ON
THE MARKET AND SALE OF VIRGIN CFCs, EXCEPT TO MEET THE BASIC
DOMESTIC NEEDS OF ARTICLE 5 PARTIES AND OTHER EXEMPTED USES,
IN ACCORDANCE WITH DECISION IX/23 OF THE NINTH MEETING
OF THE PARTIES (DECISION IX/23)**

149. Introducing agenda item 9, the Secretariat recalled that, in decision IX/23, the Ninth Meeting of the Parties had requested non-Article 5 Parties to consider banning the placing on the market and sale of virgin CFCs, except to meet the basic domestic needs of Article 5 Parties and other exempted uses. Parties were further urged to consider extending a ban to include other substances listed in Annexes A and B of the Montreal Protocol as well as recovered, recycled and reclaimed substances, provided that adequate steps were taken to ensure their disposal, and to report to the Secretariat in time for the Eleventh Meeting of the Parties. The information submitted pursuant to that request had been circulated as an annex to document UNEP/OzL.Pro/WG.1/19/INF/1, which was before the Working Group for its information.

150. The Working Group took note of document UNEP/OzL.Pro/WG.1/19/INF/1 and the information provided therein.

151. Also under this item, one representative introduced a proposal to limit emissions of CFCs from equipment in non-Article 5 countries.

152. Many representatives supported the aim of the proposal to encourage non-Article 5 countries to undertake measures to reduce CFC emissions from existing equipment, pointing out the strong control measures already existing in their respective countries, but also expressed a number of reservations regarding the proposal. One representative, speaking on behalf of a regional economic organization and its

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member States, said the proposal needed to be reformulated to call for stronger action if it were to have an effect. Another representative was in favour of fostering a process whereby expertise and experiences could be shared among countries, but believed the proposal went too far in requiring non-Article 5 countries to introduce measures far beyond that envisaged under the control regime of the Montreal Protocol.

153. One representative believed that implementation of the requirement to collect quantitative information on its stocks of CFCs in refrigeration and air-conditioning equipment and to assess potential measures to eliminate the use and to recover and dispose of those CFCs might prove difficult to implement, and the proposal would therefore require further consideration.

154. Another representative expressed concern at the reluctance of many non-Article 5 countries to accept additional measures in view of the extensive controls Article 5 countries were subject to in meeting their obligations under the Montreal Protocol. Ultimately, he said, such measures would promote transparency and benefit Article 5 and non-Article 5 countries alike.

155. After informal consultations, the coordinator of an informal contact group set up to study the proposed draft decision, comprising Canada, European Community, Japan and the United States of America, reported that the group had tentatively decided on a new draft text, all in square brackets, which he presented to the Working Group. During the subsequent discussion several suggestions were made for amendments to the text. The Co-Chair of the Technology and Economic Assessment Panel suggested that the non-Article 5 Parties were in a better position to develop estimates of the quantities of emissions of CFCs from existing equipment in their countries than was the Technology and Economic Assessment Panel and that the Scientific Assessment and Environmental Effects Panels were in a better position to assess the impacts of those emissions on ozone depletion. He also suggested that, as the reports prepared by non-Article 5 countries were to be submitted by July 2001, the Technology and Economic Assessment Panel would be in a better position to report on its assessment of the means, cost and feasibility of eliminating these emissions at the Fourteenth rather than at the Twelfth Meeting of the Parties. One representative expressed the view that the Technology and Economic Assessment Panel could provide assistance to the non-Article 5 Parties in developing estimates of the quantities of emissions. He also suggested that the text be modified to encourage Article 5 Parties to use the results of the study and the experience gained by non-Article 5 Parties to limit the emissions in their countries of CFCs from equipment.

156. Following the discussion, the Working Group agreed to the suggestion by the Secretariat that it develop an amended text of the proposed draft decision incorporating suggestions made by the Group and forward the text in brackets to the Eleventh Meeting of the Parties for its consideration.

X. CONSIDERATION OF THE REPORT OF THE SECRETARIAT ON CUSTOMS CODES
OF THE HARMONIZED SYSTEM (DECISION X/18)

157. The Secretariat drew the attention of the Working Group to paragraphs 17-20 of its note on issues before the Working Group (UNEP/OzL.Pro/WG.1/19/2) and to the update there of (UNEP/OzL.Pro/WG.1/19/2/Add.2). Recalling decision X/18, the Secretariat reported that it had established an Internet discussion group on ozone-depleting substances customs codes. Experts from Chile, Germany, Malaysia, New Zealand, Poland, Sweden and the United Kingdom had so far agreed to participate in the group. In response to the input from the Secretariat, the Harmonized Systems Committee of World Customs Organization (WCO) at its session in November 1998, had adopted a provisional draft recommendation regarding customs codes for ozone-depleting substances and mixtures containing such substances. Following subsequent suggestions by the Ozone Secretariat and interested parties at the meeting of the Harmonized System Committee held in Brussels in May 1999, the secretariat of the Harmonized System Convention had prepared a revised text of the draft recommendation on the insertion in national statistical nomenclatures of subheadings to facilitate the collection and comparison of data on the international movement of substances controlled by virtue of amendments to the Montreal Protocol. The revised text included new separate subheadings for methyl bromide, substances containing methyl bromide, mixtures containing methyl bromide and mixtures containing carbon tetrachloride. It also included alternative descriptions for subheadings 3813.00 and 3824.90 related to mixtures containing ozone-depleting substances. A summary of the revised text was annexed to document UNEP/OzL.Pro/19/2/Add.2.

158. One representative emphasized the importance of the allocation of new, separate customs codes under the Harmonized System to methyl bromide to avoid its classification as a pesticide, under which code it would not be controlled by the Montreal Protocol.

159. The Working Group took note of the report of the Secretariat and agreed that the summary of the revised text of the draft recommendation should be annexed to the report of the meeting (see annex II below).

XI. CONSIDERATION OF THE REPORT OF THE TREASURER ON THE USE OF A
FIXED CURRENCY EXCHANGE RATE MECHANISM FOR THE REPLENISHMENT
OF THE MULTILATERAL FUND (DECISION X/32)

160. The Treasurer introduced the report on the use of a fixed currency exchange rate mechanism for the replenishment of the Multilateral Fund (UNEP/OzL.Pro/WG.1/19/6), which had been prepared in response to the request contained in paragraph 1 of decision X/32 of the Tenth Meeting of the Parties. He said that section I of the report gave an overview of the issue and described the difficulties that some contributing Parties could experience with the use of non-United-States-dollar-denominated contributions. Section II reviewed the mechanism used for the replenishment of the Global Environment Facility (GEF), where contributions were denominated in Special Drawing Rights (SDR) or in national currencies and,

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accordingly, the exchange-rate risk was borne by the GEF Trust Fund and not by the contributing Parties. Section III described the methodology and findings of the mock desk-study undertaken by the Treasurer to determine the possible implications of the use of a fixed exchange rate mechanism for the Multilateral Fund. The study indicated that, for a fictitious replenishment period of 1996-1998, the total loss to the Fund would have been \$43 million, or 9 per cent of the total replenishment. Some 95 per cent of that loss would have been attributable to the depreciation of the Japanese yen and the currencies of the 11 countries now using the euro. It could, however, be assumed that the trend of steady depreciation of most currencies against the United States dollar would not continue indefinitely and that the reverse might also occur, resulting in considerable gains for the Fund. At the same time, the often held view that currency fluctuations tended to cancel each other out in the long term might not be valid for the Multilateral Fund, which had a finite lifetime with no more than perhaps three new replenishment.

161. Section IV of the report attempted to outline a possible procedure that could be used should the Parties decide to introduce a fixed exchange rate mechanism, along the lines of GEF, whereby countries would be given the option of denominating and paying their contributions either in United States dollars or in their national currency. Criteria for determining which Parties should continue to pay their contribution in dollars were also suggested, as well as some measures to contain the exchange-rate risk to the Multilateral Fund within reasonable limits. Section V of the report outlined some administrative considerations and noted that the Treasurer did not expect any significant administrative burden if the procedures described in section IV of the report were adopted. The Treasurer was willing to accept the additional responsibility of operating the mechanism without seeking any compensation from the Fund.

162. In conclusion, the Treasurer said that the report did not make any positive or negative recommendation concerning the introduction of a fixed exchange rate mechanism, as the impact on the financial health of the Multilateral Fund could not be predicted. The procedures outlined in the report were just a first attempt to provide a basis for further discussion and could be further refined by the Treasurer as necessary.

163. In the ensuing discussion, several representatives said that the report and the related issues required consideration by experts in international finance before any final conclusion could be arrived at. Some of those representatives, however, cautioned against the introduction of any mechanism that could reduce the amount of funding available to the Multilateral Fund and thus seriously affect ODS phase-out in Article 5 countries. One representative expressed support for the principle of giving Parties a choice of the form in which their contributions were to be paid. There was, however, a need for a measure of flexibility with regard to the timing of payments in order to take into account the differing budget cycles and fiscal years of the Parties. Another representative suggested that the Technology and Economic Assessment Panel should consider the report and develop proposals relating to the implications for the Multilateral Fund.

164. Following the initial discussion, the Working Group agreed that the issue should be referred to an open-ended contact group, to be chaired by Canada, which would report back to the Working Group at a later stage in the meeting.

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165. The chair of the contact group subsequently reported that the group had met to discuss the proposal for a fixed exchange rate mechanism concerning payments made to the Fund in currencies other than United States dollars. Representatives of Australia, Belgium, Canada, Germany, Finland, India, Italy, Japan and the United States of America, as well as the Chief Executive Officer of the Multilateral Fund and the Treasurer had participated in the meeting.

166. There had been a general discussion about the current practice for making payments to the fund, which had highlighted two difficulties. The first was related to the timing of when payments are being received. It was noted that at the end of the calendar year, on average only about 65 per cent of the amount pledged to the fund had been received, and that that low rate had a direct effect on the business planning by the Implementing Agencies. The second was related to the difficulty of some donors in planning and making payments in United States dollars when their financial systems operated in their national currencies, and how that was contributing to payments in arrears.

167. On the positive side, the proposed exchange rate mechanism for the Multilateral Fund would create greater certainty for donors in budgeting and making their contributions, and streamline the process for making payments to the Fund, increasing the probability of non-United-States-dollar payments being made in a timely manner.

168. On the negative side, it was noted that there would be some risk to the Fund if donor currencies declined in relation to the dollar, as they did in the mock study conducted by the Treasurer, detailed in document UNEP/OzL.Pro/WG.1/19/6. It was acknowledged that such a mechanism would create some risk to the Fund, but that over a period of years and different replenishment, the mechanism was intended to be revenue-neutral. The contact group had agreed that such a mechanism, if it were adopted, should be designed to minimize risk to the Fund.

169. The contact group had also addressed four technical aspects:

- (a) The period for monitoring and determining the fixed exchange rates;
- (b) The criteria for determining which currencies would be eligible for the mechanism;
- (c) The Treasurer's method of calculating funds available for commitment by the Fund;
- (d) The date on which payments of contributions would be due.

170. It was noted that what was being proposed for the Multilateral Fund was similar to what was utilized by GEF. However, there were also some differences, particularly in the fact that GEF utilized Special Drawing Rights (SDRs) in its calculations. It was noted that SDRs were an exchange mechanism which used a basket of currencies, whereas the study the contact group had before it used the relationship

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directly between national currencies and the United States dollar. The Treasurer had clarified that, for its financial transactions, the Multilateral Fund had to utilize national currencies, and that it kept its accounts in United States dollars.

171. On the recommendation of the contact group, the Working Group decided:

(a) To request the Treasurer to prepare a report for the technical segment of the Eleventh Meeting of the Parties that applied the mock-study analysis to the replenishment period 1994-1996. The purpose of this study would be to provide Parties with a greater period of reference in order to assess the effects on the Fund;

(b) That the exchange-rate-depreciation criterion described in paragraph 38 of the report of the Treasurer (UNEP/OzL.Pro/WG.1/19/6) be replaced by a 10 per cent inflation rate in order to bring the proposal more in line with the criteria used in other international financial mechanisms;

(c) That the Treasurer consult with donor countries on the question of whether due dates for payments of contributions could be fixed, collaborate with the Chief Executive Officer of the Multilateral Fund in order to determine how fixed payments dates during the year might affect business planning by the Fund, and report thereon to the technical segment of the Eleventh Meeting of the Parties;

(d) That the information requested above be further considered at the technical segment of the Eleventh Meeting of the Parties which would decide whether or not to forward a draft decision on the subject to the ministerial segment of the Meeting.

XII. CONSIDERATION OF THE REPORT OF THE IMPLEMENTATION COMMITTEE

172. The President of the Implementation Committee reported to the Working Group on the work of the Committee at its twenty-second meeting, held on 14 June 1999, during which the Committee had reviewed data submitted by Parties on production and consumption of ozone-depleting substances for 1996 and 1997. The report of the meeting would be circulated as document UNEP/OzL.Pro/ImpCom/22/4. At its twenty-third meeting, the Implementation Committee would draft recommendations for consideration by the Eleventh Meeting of the Parties.

173. The data submitted by the Parties revealed 11 cases of non-Article 5 Parties that appeared to have deviated from the 1997 consumption-control measures. Three of those Parties also appeared to have deviated from control measures for production for 1997. Eight had already made specific commitments to phase out their consumption, and in some cases production, according to their national phase-out plans. Those commitments were reflected in decisions X/20-X/28 of the Tenth Meeting of the Parties. In accordance with those decisions, the Implementation Committee had asked the Ozone Secretariat to write each of those Parties to request submission of benchmarks for consumption and, where necessary,

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production for 1999 and each year until the final phase-out.

174. Two additional Parties not operating under Article 5 appeared to have deviated from consumption control measures for 1996 and 1997: Bulgaria and Turkmenistan reported consumption in 1996 and 1997. The Implementation Committee had asked the Ozone Secretariat to write to those countries and request submission of detailed national phase-out plans with commitments and interim benchmarks. In addition, Bulgaria and Turkmenistan would be invited to the next Implementation Committee to present those phase-out plans and make statements about their situations. Bulgaria had reported zero consumption for 1998, and the Implementation Committee hoped that Bulgaria would be able to declare a commitment to a complete phase-out in 1998. The Committee would review and consider any submitted information in response to the Secretariat's letters at its twenty-third meeting, to be held in Beijing in November 1999, and submit recommendations to the Eleventh Meeting of the Parties.

175. The Implementation Committee believed that reporting requirements under Article 7 were the foundation of a Party's obligations under the Montreal Protocol. At its twenty-second meeting, the Implementation Committee had asked the Ozone Secretariat to send letters to five non-Article 5 Parties that had not yet reported data for 1997.

176. The President of the Committee highlighted some of the Committee's findings regarding successes in phasing out ozone-depleting substances, as well as areas of concern that had been discussed by its members at the twenty-second meeting. Areas of success, as revealed by the data report compiled by the Secretariat (UNEP/OzL.Pro/ImpCom/22/3) included:

- (a) Total global consumption of CFCs had decreased from 1994 through 1997;
- (b) One hundred and four Parties had fully complied with all reporting obligations under Article 7 of the Montreal Protocol, as amended;
- (c) Eleven Article 5 Parties had decreased their consumption of CFCs for either four or five successive years up to 1997: Benin, Central African Republic, Barbados, Mexico, Nicaragua, Seychelles, Slovenia, Syrian Arab Republic, Swaziland, Zambia, and Zimbabwe;
- (d) Sixty-five of the 100 Article 5 Parties reporting data for 1997 reported zero consumption of halons;
- (e) Fifty-three of the 100 Article 5 Parties reporting data for 1997 reported zero consumption of carbon tetrachloride;
- (f) Exemplary cases regarding Article 5 Parties and Annex A, Group I, substances included Costa Rica, which had decreased its consumption from 1996 to 1997 by 80 per cent, Cote d'Ivoire, Lebanon, and Sri Lanka, which each had decreased their consumption from 1996 to 1997 by over 60 per

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cent, and Bolivia, Fiji, and Syrian Arab Republic, which had all decreased their consumption from 1996 to 1997 by over 40 per cent.

177. Areas of concern identified by the members of the Implementation Committee included:

(a) Eight Parties had never reported any data through 1997. While the Implementation Committee recognized the special circumstances of those countries, it wanted to highlight the flexibility in the Protocol that allowed a Party to estimate data;

(b) Twenty-nine Article 5 Parties had not reported some of the data on Annex A substances for 1995 through 1997;

(c) Five Article 5 Parties had not reported any data on ozone-depleting substances for 1995, 1996, and 1997.

178. The Implementation Committee urged all Parties to submit their data promptly so the Committee could review the obligations under Article 7 at its twenty-third meeting and discuss formal recommendations for consideration by the Eleventh Meeting of the Parties. The Committee was particularly troubled by the absences of data, because the determination of the baseline for compliance with the CFC and halon control schedules for Article 5 Parties was dependent on data from 1995 through 1997, and examining compliance with the Protocol by non-Article 5 Parties for 1997 and 1998 was dependent on data for those years. In addition, the members of the Implementation Committee wanted to thank the UNEP Division of Technology, Industry and Economics and New Zealand for their work with Pacific Island nations.

179. Illegal imports were of serious concern to the Committee because they undermined efforts to protect the ozone layer. The most effective measures Parties had against illegal imports were their licensing systems and the sharing of information about suspicious or illegal shipments. In order to facilitate the sharing of information about shipments of ozone-depleting substances, the Tenth Meeting of the Parties, in its decision IX/8, paragraph 2, had asked for the name and contact details for the specific person in each country to whom questions could be directed. The Ozone Secretariat had distributed a list of the contact people and had put the information on its website. The Implementation Committee noted that there were now 119 contact persons listed on the website and reminded Parties to submit to the Secretariat the name and contact details for the person who could best answer questions about licences and shipments of ozone-depleting substances to help combat illegal imports.

180. Finally, the Implementation Committee noted that only 55 Parties had reported 1997 data by the deadline of 30 September 1998 that was set under Article 7 of the Protocol. That fact was noteworthy because it was a significant decrease in timely reporting. Committee members suspected that the phenomenon might be due to the new reporting forms. The Committee had discussed at length reporting difficulties, the reporting burden, reporting discrepancies, and the availability of data for reporting. The Committee hoped that the timeliness of reporting would improve as Parties gained familiarity with the new forms and as Parties used the Handbook on Data-reporting under the Montreal Protocol prepared by UNEP/TIE.

181. Following the introduction and in response to questions from several representatives in the Working Group, the President of the Implementation Committee noted the additional improvements in the collection, analysis and presentation of the data being prepared by UNEP, the Secretariat, and the Secretariat of the Multilateral Fund, which included real-time, electronic exchanges of information by the Ozone and Multilateral Fund Secretariats regarding potential discrepancies and gaps in the data; efforts to create more graphical representations of the data; and plans to place more data on the Internet.

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

XIII. OTHER MATTERS

Handbook on data-reporting under the Montreal Protocol

183. The representative of the UNEP Division of Technology, Industry and Economics (UNEP/TIE) announced to participants the launch of the Handbook on Data-reporting under the Montreal Protocol, a copy of which had been distributed to each delegation. The Handbook had been prepared by UNEP/TIE in response to decision IX/28 and in cooperation with the Multilateral Fund Secretariat and the Ozone Secretariat, with quality review comments and input provided by experts from Article 5 countries, countries with economies in transition, developed countries and industry. It provided national ozone units and ozone focal points with guidance in a clear, user-friendly format on how to collect data, how and when to report to each of the Secretariats, and tips for checking compliance. The Handbook also reflected the decisions taken by the Tenth Meeting of the Parties.

184. An English version of the Handbook was available electronically on the OzonAction website and it was expected that other language versions would be available soon.

Informal group on technology transfer

185. The chair of the informal group on technology transfer recalled that the Group had been established by the Eighth Meeting of the Parties, held in Costa Rica in 1996, to consult on issues related to technology transfer and to make recommendations to the Executive Committee. The Group was pleased to report that its recommendations to the Executive Committee had been finalized.

XIV. ADOPTION OF THE REPORT

186. The present report was adopted at the closing session of the meeting, on 18 June 1999, on the basis of the draft report that had been circulated as document UNEP/OzL.Pro/WG.1/19/L.1 and Add.1

XV. CLOSURE OF THE SESSION

187. Following the customary exchange of courtesies, the Co-Chair declared the nineteenth meeting of the Open-ended Working Group closed at 1.30 p.m. on Friday, 18 June 1999.

Annex I

ESSENTIAL-USE NOMINATIONS FOR 2000-2001 RECOMMENDED BY THE OPEN-ENDED WORKING GROUP FOR APPROVAL BY THE
ELEVENTH MEETING OF THE PARTIES

(in metric tonnes)

No.	Party	CFC-11		CFC-12		CFC-113		CFC-114		Halon-2402
		2000	2001	2000	2001	2000	2001	2000	2001	2000
1	European Community	-	1,243.0	-	1,813.0	-	7.0	-	207.0	-
2	Hungary	0.5	0.5	0.5	0.5	0.25	0.25	0.5	0.5	-
3	Japan	32.0	27.0	55.0	54.0	0.2	0.2	11.0	7.0	-
4	Poland	-	-	-	-	1.7		-	-	-
5	Russian Federation	-	-	-	-	-	-	-	-	90.0
6	United States of America	-	918.0	-	1,947.0	-	-	-	236.0	-
7	Total	32.5	2,188.5	55.5	3,814.5	2.15	7.45	11.5	450.5	90.0

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Annex IISUMMARY OF THE DRAFT RECOMMENDATION OF THE
WORLD CUSTOMS ORGANIZATION, BRUSSELS, JUNE 1999

(a) Subheading 2903.19 of the Harmonized System

1,1,1 - Trichloroethane (methyl chloroform)

[(a) **Subheading 2903.30 of the Harmonized System****Methyl bromide]****(Note: New subdivision proposed by UNEP)***

(b) Subheading 2903.45 of the Harmonized System

Chlorotrifluoromethane (CFC-13)

Pentachlorofluoroethane (CFC-111)

Tetrachlorodifluoroethane (CFC-112)

Heptachlorofluoropropanes (CFC-211)

Hexachlorodifluoropropanes (CFC-212)

Pentachlorotrifluoropropanes (CFC-213)

Tetrachlorotetrafluoropropanes (CFC-214)

Trichloropentafluoropropanes (CFC-215)

Dichlorohexafluoropropanes (CFC-216)

Chloroheptafluoropropanes (CFC-217)

(c) Subheading 2903.49 of the Harmonized System

Chlorodifluoromethane (HCFC-22)

Dichlorotrifluoroethanes (HCFC-123)

Chlorotetrafluoroethanes (HCFC-124)

Dichlorofluoroethanes (HCFC-141 and 141b)

Chlorodifluoroethanes (HCFC-142 and 142b)

Dichloropentafluoropropanes (HCFC-225, 225ca and 225cb)

* The secretariat of the Harmonized System Convention has confirmed that methyl bromide that contains up to 2 per cent chloropicrin is considered by it to be a pure substance.

Other derivatives of methane, ethane or propane halogenated only with fluorine and chlorine (HCFC-21, 31 and 133)

Derivatives of methane, ethane or propane halogenated only with fluorine and bromine (HBFCs, Annex C, Group II substances)

[(c) Subheading 3808.10 of the Harmonized System

Containing methyl bromide]

(Note: New subdivision proposed by Canada)

(d) Subheading 3813.00 of the Harmonized System

[Preparations and charges for fire-extinguishers containing chlorotetrafluoroethane (HCFC-124), dichlorotrifluoroethane (HCFC-123) or chlorodifluoromethane (HCFC-22)]

[**Preparations and charges for fire-extinguishers containing carbon tetrachloride or derivatives of methane, ethane, or propane, halogenated only with fluorine, chlorine or bromine]**

(Note: Alternative text proposed by UNEP)

(e) Subheading 3824.90 of the Harmonized System

[Mixtures containing chlorotetrafluoroethane (HCFC-124), chlorodifluoroethane (HCFC-142 and 142b) or chlorodifluoromethane (HCFC-22)]

[**Other mixtures containing derivatives of methane, ethane or propane, halogenated only with fluorine, chlorine or bromine]**

(Note: Alternative text proposed by UNEP)

Mixtures containing methyl bromide

[**Mixtures containing 1,1,1-Trichloroethane**

Mixtures containing carbon tetrachloride]

(Note: New subdivisions proposed by UNEP)
