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**Open-ended Working Group of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**
Twenty-seventh meeting
Nairobi, 4–7 June 2007
Items 3–15 of the provisional agenda*

Issues for discussion by and information for the attention of the Open-ended Working Group of the Parties to the Montreal Protocol at its twenty-seventh meeting

Note by the Secretariat

Introduction

1. The present note provides, in chapter I below, a summary of issues for discussion by the Open-ended Working Group at its twenty-seventh meeting. Recommendations made by the Working Group will be forwarded to the Nineteenth Meeting of the Parties for consideration and adoption.
2. The present note also includes, in chapter II, information on matters that the Secretariat would like to bring to the attention of the Parties.

I. Summary of issues for discussion by the Open-ended Working Group at its twenty-seventh meeting

A. Agenda item 3: Presentation of the synthesis report of the 2006 assessments of the Scientific Assessment Panel, the Environmental Effects Assessment Panel and the Technology and Economic Assessment Panel

3. In accordance with Article 6 of the Protocol, the Scientific Assessment Panel, the Environmental Effects Assessment Panel and the Technology and Economic Assessment Panel have completed their quadrennial reports. The panels will present the synthesis of those reports to the Open-ended Working Group at its twenty-seventh meeting.

* UNEP/OzL.Pro.WG.1/27/1.

B. Agenda item 4: Consideration of issues arising out of the 2007 progress report of the Technology and Economic Assessment Panel

4. The Technology and Economic Assessment Panel will deliver a presentation of its 2007 progress report.

1. Item 4 (a): Review of nominations for essential-use exemptions for 2008 and 2009

5. In accordance with decision IV/25, three Parties, the European Community, the Russian Federation and the United States of America, submitted requests for essential-use exemptions for chlorofluorocarbons (CFCs) for metered-dose inhalers applicable to the years 2008 and 2009. The following tables outline the recommendations of the Technology and Economic Assessment Panel related to these requests.

Table 1: Essential-use nominations in metric tonnes for non-Article 5 Parties for 2007

Party	Nominated this year for 2008	Nominated this year for 2009	Recommendation of the Technology and Economic Assessment Panel
European Community	316 tonnes		Nominated amount recommended
United States of America		282 tonnes	Nominated amount recommended
Russian Federation	140 tonnes	130 tonnes	Nominated amount recommended

6. While recommending the nominations noted above, the Panel notes that several of the drugs included in the CFC quantities requested for 2008 might not be reformulated before 2010, and they suggest that this raises the question of whether related nominations and quantities can be considered to be essential. The Panel also suggests that combination products are used for patient convenience and commercial considerations and may therefore not be considered to be essential. Finally, the Panel emphasizes that management of stockpiles will continue to be extremely important to avoid unnecessary production of CFCs and the potential need for excessive destruction. In that regard, it suggests that the Parties may wish to consider the reporting of pre-1996 stocks and the advantages of requiring that plans for use or disposal of stockpiles be included in future nominations. Essential-use nominations for metered-dose inhalers are discussed in chapter 1 of the Technology and Economic Assessment Panel's 2007 progress report.

7. In addition to the essential-use exemption requests for metered-dose inhalers noted above, the Russian Federation requested an exemption for the use of 140 tonnes of CFC-113 for 2008 and 130 tonnes for 2009 for certain aerospace applications. The Parties may remember that in decision XVIII/8, in which they approved a 2007 essential-use exemption for this use, the Technology and Economic Assessment Panel was asked to work with its Chemicals Technical Options Committee, in cooperation with the Russian Federation, to undertake a comprehensive assessment to determine if existing alternatives to CFC-113 could be employed for this use. That decision also requested the Russian Federation to consider further if it could use foreign sources of CFC-113 stockpiles that had been identified as a contribution to meeting any future needs for this use.

8. The Panel addresses the issues discussed in paragraph 7 above in section 4.4 of its 2007 progress report, in which it notes the view of its Chemicals Technical Options Committee that while HCFC-225 may be used as an alternative for some of the Russian uses, this would serve as only a temporary solution. Accordingly, and after a review of the proposed transition of the Russian Federation, the Panel recommends approval of the requests of the Russian Federation for 2008 and 2009. In so doing, it encourages the Russian Federation to continue to explore the possibility of importing the CFC-113 it needs from available global stocks so that it will not be necessary to use newly manufactured CFC-113.

2. Item 4 (b): Technology and Economic Assessment Panel and Executive Committee review of progress made in reducing emissions from and the use of ozone depleting substances as process agents, and the implementation of emission reduction techniques and alternative processes and products (decision XVII/6)

9. In accordance with decision XVII/6, the Technology and Economic Assessment Panel and the Executive Committee are requested to report to the Open-ended Working Group at its twenty-seventh meeting on progress made in reducing emissions of controlled substances from process agent uses, the associated make-up and quantity of controlled substances and the implementation and

development of emission reduction techniques and alternative processes and products not using ozone-depleting substances. The Panel did not carry out a separate study on this issue, but the Executive Committee's report on it will be dispatched to the Parties as soon as it is available.

10. Decision XVII/6 also requested that beginning at the Twentieth Meeting of the Parties, in 2008, and every other year thereafter, the Technology and Economic Assessment Panel report and make recommendations on process agent use exemptions, on insignificant emissions associated with any such use and process agent uses that could be added to or deleted from table A of decision X/14. While not requested until 2008, the Panel's 2007 progress report includes a detailed interim discussion of possible additions to and deletions from table A and table A bis of decision XVIII/8.

11. The Working Group may wish to consider the status of the Panel's work and the report of the Executive Committee and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

3. Item 4 (c): Technology and Economic Assessment Panel final report on carbon tetrachloride emissions and opportunities for reductions (decision XVIII/10)

12. Decision XVI/14 requested the Technology and Economic Assessment Panel to assess global emissions of carbon tetrachloride from certain specific-use categories and to report to the Eighteenth Meeting of the Parties with an assessment of potential methods for achieving reductions of emissions. The Open-ended Working Group at its twenty-sixth meeting and the Eighteenth Meeting of the Parties considered the report of the Technology and Economic Assessment Panel and decided to request the panel to prepare a final report on this matter, with particular attention to obtaining better data on industrial emissions, investigating further issues related to the production of carbon tetrachloride and estimating emissions from other sources such as landfills. In its discussion of this matter, which can be found in section 4.6 of its 2007 progress report, the Panel notes that its consideration of the matter is not yet complete due to a shortage of time and difficulties in gaining access to relevant data. The Panel also notes that following an analysis, the Scientific Assessment Panel concluded that the only detectable emissions of carbon tetrachloride were from China, and that there was only limited data from regions such as the Republic of Korea and India, which might still be a source of carbon tetrachloride. Relative to the issue of landfills, while not able to draw concrete conclusions from an analysis of the recent literature, the Technology and Economic Assessment Panel indicated that the levels of carbon tetrachloride emissions resulting from landfills could be on the order of a few hundred tonnes per year in member countries of the Organisation of Economic Co-operation and Development and that it was highly unlikely that landfills in Article 5 countries would greatly exceed those levels.

13. The Working Group may wish to consider the status of the Panel's consideration of related issues and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

4. Item 4 (d): Technology and Economic Assessment Panel report on n-propyl bromide emissions, alternatives available, and opportunities for reductions (decision XVIII/11)

14. Decision XVIII/11 requested the Scientific Assessment Panel to update existing information on the ozone-depletion potential of n-propyl bromide and requested the Technology and Economic Assessment Panel to continue its assessment of global emissions with particular attention to obtaining more complete data and/or information on production, uses and emissions, the technological and economical availability of alternatives for different use categories and the toxicity of and regulations on the substitutes for this chemical. The Panel's discussion of this issue can be found in section 4.5 of its 2007 progress report. Specifically, while noting that it is not possible to get highly accurate production and emissions data due to the absence of required yearly reporting, the Panel estimates that annual global production capacity exceeds 20,000 metric tonnes, with global consumption estimated at 10,000–20,000 metric tonnes per year and global emissions estimated at 5,000–10,000 tonnes per year. In terms of uses, the Panel notes that about 5,000 metric tonnes of n-propyl bromide are probably used as an intermediate for the synthesis of pharmaceutical and other organic compounds, while the remainder would be used as a solvent for industrial and aerospace and aviation cleaning, as an aerosol and carrier solvent for adhesives, inks and coatings and in the manufacture of medical and optical devices. In that regard, it has been promoted by vendors as a substitute for trichloroethylene, perchloroethylene, HCFC-141b and ozone-depleting CFCs in many applications. In terms of toxicity and regulations, the Panel notes that long-term testing in animals has shown toxicity to the reproductive system of both males and females and that neurotoxicity to animals and humans has been found. As a consequence, several Governments or health-related authorities have strictly limited worker exposure and in the European Union the use of n-propyl bromide has been progressively phased out. In terms of latitude-specific ozone-depletion potentials, the Panel notes that the Scientific Assessment Panel has confirmed that its latest estimates, which are included in its 2006 report, are 0.1 for tropical emissions,

and 0.02–0.03 for emissions from the northern mid latitudes. The Technology and Economic Assessment Panel report also notes that the global warming potential of n-propyl bromide is 0.31.

15. The Working Group may wish to consider the report of the Panel on this matter and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

5. Item 4 (e): Technology and Economic Assessment Panel report on assessment of measures for addressing ozone depletion, with a focus on HCFCs (decision XVIII/12)

16. Pursuant to decision XVII/19, the Secretariat sponsored a workshop in July 2006 to prepare a list of practical measures related to ozone depletion that arose from the special report by the Technology and Economic Assessment Panel and the Intergovernmental Panel on Climate Change on safeguarding the ozone layer and the global climate system and the supplement thereto by the Technology and Economic Assessment Panel. Following consideration of the report of that workshop, the Eighteenth Meeting of the Parties adopted decision XVIII/12, in which it requested the Technology and Economic Assessment Panel to assess the measures listed in the workshop report further in the light of current and expected trends in the production and consumption of ozone-depleting substances and with a focus on HCFCs, including current and future supply of and demand for HCFCs and their alternatives, as well as the influence of the Kyoto Protocol's Clean Development Mechanism on HCFC-22 production. The decision also requested that the Technology and Economic Assessment Panel work be considered in cooperation with the Scientific Assessment Panel regarding the implications of their findings for the recovery of the ozone layer. As reported in chapter 10 of its 2007 progress report, the Panel has established a task force and has initiated work on this matter. The Panel is expected to be able to provide the Working Group with an initial review of its progress on related matters.

6. Item 4 (f): Technology and Economic Assessment Panel report on campaign production of chlorofluorocarbons for production of metered-dose inhalers (decision XVIII/16)

17. In 2001, the Technology and Economic Assessment Panel first considered the feasibility of having one last batch of CFCs produced in order to meet the remaining long-term needs of those non-Article 5 Parties still producing metered-dose inhalers using CFCs. Since that time, the Parties have considered such production, known as "campaign production," on various occasions. Decision XVIII/16 requested the Technology and Economic Assessment Panel to report at the twenty-seventh meeting of the Open-ended Working Group on its progress in assessing the need for, feasibility of, optimal timing of and recommended quantities for a limited campaign production of CFCs exclusively for metered-dose inhalers both in Parties operating under paragraph 1 of Article 5 and in Parties not operating under that provision. The Panel addresses these issues in chapter 2 of its 2007 progress report. Specifically, the Panel finds that feasibility of production after 2009 for bulk pharmaceutical-grade CFCs is very limited due to a variety of factors, including national restrictions and the fact that production of pharmaceutical-grade CFCs would generate 25–50 per cent non-pharmaceutical-grade CFCs which would have to be destroyed. In terms of campaign production in 2009 for that year and the years beyond that date, the Panel notes the benefits of this modality of providing supply over continued annual production or a post-2010 campaign, suggesting that campaign production in 2009 is technically feasible without harm to patient health. The quantities required for such a campaign in 2009, it suggests, would be modest, of the order of 4,000 tonnes in total. The Panel notes, however, that these estimates should be more precisely defined during 2008 to ensure a sufficient quantity for patient health and at the same time avoiding excess production of CFCs that would later need to be destroyed.

18. To enable a campaign in 2009, the Panel believes that a decision would be warranted in 2007, that quantities should be more accurately defined in 2008 based on information submitted by the Parties and that this would be necessary to ensure that firm orders are received by CFC manufacturers early enough to facilitate planning. In the light of this, and taking into account the timing of current Protocol processes, the Panel suggests that any party that might require CFCs for use for 2010 and beyond would need to provide specific information in early 2008 in order for the Parties to make a decision at their meeting in late 2008 authorizing production for 2009. The Panel further suggests that while the existing essential-use processes could be used to determine needs and authorize exemption levels for non-Article 5 Parties, such a process might be needed for Article 5 Parties. In that regard, the Panel suggests that it would need country-specific information in 2008 from Parties wishing to benefit from campaign production. That information would need to include information on each such country's transition strategy, including a CFC metered-dose inhaler phase-out date; the quantity required for each year and consumption data for the previous three years; a summary of the time-specific elements contained in already approved conversion projects; the timing of the availability of CFC-free alternatives from local manufacturers or importers; information on storage capacity, facilities and capabilities; the date CFC metered-dose inhaler production commenced (to avoid start-up in 2009); and

access to stockpiles. An annual accounting process might also be needed to track the quantities of CFCs authorized, produced, used in metered-dose inhalers and stockpiled or destroyed.

19. The Working Group may wish to consider the issues raised in the Panel's report on this issue and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

7. Item 4 (g): Any other issues arising out of the Technology and Economic Assessment Panel reports

20. Under this agenda item, the Parties typically consider any administrative, organizational or funding issues raised in the Technology and Economic Assessment Panel's progress report.

C. Agenda item 5: Consideration of methyl bromide-related issues

1. Item 5 (a): Review of nominations for critical-use exemptions for methyl bromide for 2008 and/or 2009

21. Pursuant to paragraph 2 of decision IX/6 and decision XIII/11, the Methyl Bromide Technical Options Committee met from 19 to 23 March 2007 in Allasio, Italy, to evaluate new 2008 and/or 2009 nominations for critical-use exemptions for methyl bromide. Specifically, six Parties submitted 20 new or additional critical-use nominations for 2008 and five Parties submitted 36 for 2009. These totalled 1,243 metric tonnes for 2008 and 6,105 tonnes for 2009. The Committee made an initial assessment of the 14 soil-related critical-use nominations for 2008 and the 29 nominations for 2009. These totalled 1,194.396 and 5,843.660 metric tonnes respectively. Of those nominations, the Committee has been able so far to recommend a total of 3,183.407 tonnes, 996.746 tonnes for 2008 and 2,186.660 tonnes for 2009. Currently, 15 of the nominations have been placed in the "unable to assess" category.

22. The Committee also made an initial assessment of seven new or additional structure- and commodity-related critical-use nominations for 2008 and nine such nominations for 2009, totalling 11.535 and 529.721 metric tonnes respectively. Of the seven nominations received for 2008, the Committee's Structures and Commodities Group recommended five, with two recommended at less than the full amount nominated, for a total of 3.952 tonnes. The Committee was unable to assess one nomination for 2008 and did not recommend one critical-use nomination. Currently, from those nominations the Committee has been able to recommend 3.952 tonnes for 2008. Of the nine nominations received for 2009, the Structures and Commodities Group was able to recommend eight, with four recommended at less than the full amount nominated. Currently, the total recommended for 2009 is 476.017 tonnes, with one of the nominations placed in the "unable to assess" category.

23. In accordance with the procedures for review by the Methyl Bromide Technical Options Committee adopted in decision XVI/14, the Committee is expected to meet again in July to consider any further information related to those nominations in the "unable to assess" category and to produce a final report for the current round of critical-use nominations.

24. The Open-ended Working Group is expected to review the nominations and the recommendations by the Methyl Bromide Technical Options Committee and make recommendations as appropriate to the Nineteenth Meeting of the Parties.

2. Item 5 (b): Report on quarantine and pre-shipment definitions and contacts with the International Plant Protection Convention relative to quarantine and pre-shipment matters (decision XVIII/14)

25. Decision XVIII/14 requested the Technology and Economic Assessment Panel to cooperate with the technical bodies of the International Plant Protection Convention with a view to coordinating work in several areas including sharing technical information, identifying opportunities and constraints in the development and adoption of alternatives to methyl bromide for quarantine and pre-shipment applications, and providing practical technical guidance on technologies, systems and arrangements aimed at minimizing emissions from methyl bromide fumigations. That decision also requested the Panel to report to the Open-ended Working Group at its twenty-seventh meeting on contacts it had made with those technical bodies and requested the Secretariat to provide factual information on the definitions of quarantine and pre-shipment under the Protocol and the International Plant Protection Convention.

26. In that regard, the Secretariat, together with members of the Technology and Economic Assessment Panel, participated in the second session of the International Plant Protection Convention's Commission on Phytosanitary Measures (Rome, 26–30 March 2007). Following a discussion of the

Parties participating in that session, the Commission on Phytosanitary Measures took a decision on this matter that was designed to facilitate enhanced cooperation through, among other things, inviting Montreal Protocol experts to participate in meetings of the International Plant Protection Convention and exploring ways to coordinate data- and information-gathering.

27. Regarding the request to the Secretariat that it prepare a report for the Open-ended Working Group on the definitions of quarantine and pre-shipment, the Secretariat has, in cooperation with some members of the Quarantine and Pre-shipment Task Force of the Technology and Economic Assessment Panel, produced document UNEP/OzL.Pro.WG.1/27/5, which provides in its part I information on quarantine and pre-shipment and in its part II details of the Secretariat's interactions with the International Plant Protection Convention.

28. The Parties may wish to consider the status of related matters and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

3. Item 5 (c): Report on the development of alternative procedures for laboratory and analytical applications currently using methyl bromide (decision XVII/10)

29. Paragraph 8 of decision XVII/10 requested the Technology and Economic Assessment Panel to report in 2007 and every other year thereafter on the development and availability of laboratory and analytical procedures that can be performed without using the controlled substance in Annex E of the Protocol. In its 2007 progress report, the Panel notes that it was unable to provide any new information this year to augment that provided to the Parties last year but that it will keep the issue under review with a view to providing relevant information in future progress reports. The Working Group may wish to note the status of related work on this matter and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

4. Item 5 (d): Multi-year exemptions for methyl bromide use (Report of the Eighteenth Meeting of the Parties to the Montreal Protocol (UNEP/OzL.Pro.18/10, paragraph 94) and decision XVI/3)

30. The Fifteenth and Sixteenth Meetings of the Parties considered the issue of agreeing on criteria for the approval of multi-year critical-use exemptions for methyl bromide, as proposed by the United States of America. The Sixteenth Meeting of the Parties decided that the Seventeenth Meeting should elaborate, as far as possible, a framework for spreading critical-use exemptions over more than one year. Owing to time limitations at the Seventeenth Meeting, however, the United States agreed to withdraw its proposal on the understanding that it would be reconsidered in 2006. After discussion, the Eighteenth Meeting of the Parties agreed that the issue would be put on the agenda of the twenty-seventh meeting of the Open-ended Working Group. The Open-ended Working Group may wish to consider the issue and make recommendations, as warranted, to the Nineteenth Meeting of the Parties.

5. Item 5(e): Options for preventing harmful trade in methyl bromide stocks to Article 5 Parties (Report of the Eighteenth Meeting of the Parties to the Montreal Protocol (UNEP/OzL.Pro.18/10, paragraph 97))

31. Pursuant to decision Ex.I/4, the Open-ended Working Group at its twenty-sixth meeting considered a report by the Technology and Economic Assessment Panel on options which the Parties may wish to consider for preventing harmful trade in methyl bromide stocks to Article 5 Parties as consumption is reduced in non-Article 5 Parties. That report defines harmful trade as any trade that adversely impacts the implementation of control measures by any Party, allows a backsliding from implementation already achieved or is counter to the domestic policy of an importing or exporting Party. The report also includes the Panel's suggested options for dealing with harmful trade in methyl bromide, which are as follows:

(a) "Article 5 Parties could put strong systems in place for licensing trade in methyl bromide as a part of the licensing regimes they already have or intend to have for CFCs";

(b) "All producing Parties could insist on prior informed consent by importing Parties before allowing shipment and delivery";

(c) "Parties could levy appropriate taxes on trade in methyl bromide and grant tax concessions for alternatives to promote adoption of alternatives. The revenue from methyl bromide taxes could be used to finance customs enforcement and to subsidize alternatives and alternatives research";

(d) “Article 5 Parties could report periodically on their actual methyl bromide needs and the information so provided could be used to set the level allowed by the Protocol for production for the purposes of basic domestic needs. The Ozone Secretariat could be the repository for this information.”

32. After consideration of the Panel’s report, the preparatory segment of the Eighteenth Meeting of the Parties agreed that the matter should be discussed again at the twenty-seventh meeting of the Open-ended Working Group. The Working Group may wish to consider related matters and make recommendations, as warranted, to the Nineteenth Meeting of the Parties.

D. Agenda item 6: Review of the deferral of consideration by the Implementation Committee and the Meeting of the Parties of the carbon tetrachloride compliance status of Parties operating under Article 5 which provide evidence that their deviation is due to the use of that chemical for analytical and laboratory processes (decision XVII/13)

33. In decision XVII/13, the Parties decided to defer consideration of the compliance status of Parties operating under Article 5 which were in apparent non-compliance with the control provision for carbon tetrachloride but could provide evidence that their non-compliance was due to the use of that chemical for laboratory and analytical purposes. Since that time, three Parties operating under Article 5 have used this provision to have carbon tetrachloride consumption not count against their consumption limits. The amounts exempted for the three Parties were 0.065 ODP tonnes, 0.031 ODP tonnes and 0.002 ODP tonnes, respectively. Uses cited included asphaltic cement extraction tests on pavement blends, cleaner agent for chemical analysis, laboratory analysis for liquid extraction, laboratory uses in secondary schools and laboratory reagent for fat and pesticide residue detection.

34. The operation of decision XVII/13 would have the deferral of the consideration of the compliance status cease after this year, and the Parties were requested to review the issue at their Nineteenth Meeting in order to address the period 2007–2009. The Working Group may wish to consider related issues and make recommendations, as warranted, to the Nineteenth Meeting of the Parties

E. Agenda item 7: Future of the laboratory and analytical use exemption (decision XV/8)

35. Over the years, the Parties have taken a number of decisions relative to the creation and continuation of a global exemption for laboratory and analytical uses of certain ozone-depleting substances (see, for example, decisions VII/11, IX/17, X/19, XI/15, XV/8, XVI/16 and XVII/13). In decision XV/8, the Parties agreed “to extend the laboratory and analytical essential use exemption until 31 December 2007” under the conditions set out in annex II of the report of the Sixth Meeting of the Parties.

36. Pursuant to the requirements of the decisions noted above, Parties are required to report annually on the production and consumption used for this exemption. Over the last ten years, an average of nine Parties not operating under Article 5 per year (including the European Community) reported having utilized the laboratory and analytical use exemption. The average level of usage for all of those countries combined amounted to some 96 ODP tonnes per year. The Parties may wish to consider the status of this exemption and make recommendations, as warranted, to the Nineteenth Meeting of the Parties.

F. Agenda item 8: Need for a study on the 2009–2011 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol

37. Under Article 10 of the Montreal Protocol, the Parties created the Multilateral Fund for the Implementation of the Montreal Protocol. Since its inception in 1990, the Fund has worked on the custom of three-year funding cycles and the Parties have accordingly taken replenishment decisions in 1993, 1996, 1999, 2002 and 2005, with the last replenishment decision in 2005 covering the period 2006–2008. It has been the custom of the Parties, in the year prior each replenishment decision, to develop terms of reference for a study on the upcoming replenishment. For the convenience of the Parties, the terms of reference agreed for the last replenishment study are set out in the annex to the present note. The Parties may wish to consider these matters and forward any related work to the Nineteenth Meeting of the Parties for its consideration.

G. Agenda item 9: Consideration of the request of the Executive Committee to change its terms of reference to modify if necessary the number of times that it meets

38. The Executive Committee of the Multilateral Fund requested that the Ozone Secretariat bring to the attention of the Parties its desire that the Nineteenth Meeting of the Parties should consider a change in the terms of reference of the Executive Committee to grant it the flexibility to modify the number of times it meets each year if necessary. The Working Group may wish to consider the Executive Committee's request and forward any recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

H. Agenda item 10: Compilation of Parties' comments on systems for monitoring transboundary movement of ozone-depleting substances (decision XVIII/18)

39. In accordance with decision XVII/16, the Secretariat hired a consultant to prepare a feasibility study on developing a system for monitoring transboundary movement of ozone-depleting substances. That study was completed last September. An executive summary was prepared in all languages.¹ The study examines the steps involved in the production and export of ozone-depleting substances; analyses examples of existing national and international systems for monitoring movement of ozone-depleting substances and exchanging information thereon; analyses other international agreements which monitor transboundary trade; and describes the information reporting and administrative features needed to enable an ozone-depleting substance tracking system to be useful in reducing illegal trade. The study notes several related factors that are critical in coping with illegal trade. These include robust implementation of effective licensing systems, including shipment-by-shipment licensing and the granting of specific quotas for imports; robust reporting on transit trade; robust interaction and cooperation between industries, customs and other government departments and relevant trading countries; cross-checking of import and export data between trading countries and within the Ozone Secretariat; complete compliance with the Montreal Protocol requirements for licensing both imports and exports; ensuring that basic domestic needs exports are actually needed by importing countries; having all Parties maximize the use of the Harmonized System Commodity Description and Coding System by adding national digits to the internationally agreed codes; providing customs agencies with a complete list of trade names and labels for ozone-depleting substances, and effectively monitoring the movement of ozone-depleting substances within free trade zones. Finally, the study outlines 10 activities that can be taken by the Parties immediately at "very low" costs, 14 activities that can be taken by the Parties in the medium term, with the most concentrated costs falling on the Secretariat, and four activities that can be taken by the Parties in the long term, which involve "the largest costs".

40. The consultants presented their study to the Eighteenth Meeting of the Parties, which adopted decision XVIII/18 in which it invited Parties to submit comments to the Secretariat on the report by 31 March 2007, "focusing in particular on their priorities with respect to medium- and longer-term options listed in the study and/or all other possible options with a view to identifying those cost-effective actions which could be given priority by the Parties both collectively through further action to be considered under the Protocol and at the regional and national levels." In late November 2006 and early February 2007, the Secretariat sent the Parties reminders of the invitation to submit comments. As of 13 April, the Secretariat had received comments from eight Parties. As requested by the Parties, those comments have been compiled for the consideration of the Parties. The relevant document, UNEP/OzL.Pro.WG.1/27/6, has been posted on the Secretariat website and also dispatched to the Parties.

41. The Working Group may wish to consider the comments submitted on related matters and forward any recommendations to the Nineteenth Meeting of the Parties.

¹ Reissued as document UNEP.OzL.Pro.WG.1.27/INF/2. The report itself was made available to the Parties as an information document and is also available on the website of the Secretariat.

I. Agenda item 11: Presentation of the summary of key issues arising from the dialogue on future challenges to be faced by the Montreal Protocol (decision XVIII/36)

42. Decision XVIII/36 requested that a summary of key issues arising from the 2-3 June dialogue on future challenges to be faced by the Montreal Protocol be prepared by the co-chairs of the dialogue and presented at the twenty-seventh meeting of the Open-ended Working Group. The co-chairs of the dialogue are expected to meet immediately following the dialogue session to prepare their summary presentation.

J. Agenda item 12: Proposed areas of focus for the assessment panels' 2010 quadrennial reports (Article 6 and decision XV/53)

43. Article 6 of the Montreal Protocol calls for a review, at least once every four years, of the control measures provided for in Article 2 and Articles 2A–2I of the Protocol on the basis of available scientific, environmental, technical and economic information. The Open-ended Working Group may wish to initiate a discussion on any guidance that the Parties may wish to provide for the panels' 2010 quadrennial reports and forward such work on to the Nineteenth Meeting of the Parties for further consideration.

K. Agenda item 13: Discussion of any proposed adjustments to the Montreal Protocol

L. Agenda item 14: Discussion of any proposed amendments to the Montreal Protocol

44. Article 2, paragraph 9, of the Montreal Protocol requires that any proposed adjustment or amendment to the Protocol be communicated to the Parties not less than six months before the Meeting of the Parties at which it is to be considered. In an effort to ensure that documentation in languages is sent to the Parties within this timeframe, the Secretariat has for the last several years written to all Parties requesting them to submit any requests for adjustments and amendments seven months in advance of the Meeting of the Parties.

45. Between 9 and 15 March 2007 the Secretariat received six separate proposals to adjust the HCFC control provisions of the Montreal Protocol. On 16 March the Secretariat posted on its website a consolidated document (UNEP/OzL.Pro.WG.1/27/8/Rev.2) containing all six proposals in English and on 29 March all the remaining official United Nations language texts of the proposals were posted on the website and subsequently dispatched to the Parties by post.

M. Agenda item 15: Other matters

46. The Parties may wish to discuss other matters that are identified and agreed for consideration during the adoption of the agenda.

II. Matters that the Secretariat would like to bring to the attention of the Parties

A. Secretariat missions

47. In accordance with the directives of the Parties for the participation in or monitoring of activities in other forums, the Executive Secretary of the Ozone Secretariat was given the opportunity to make a presentation on the Montreal Protocol before the Committee of the Whole of the UNEP Governing Council/Global Ministerial Environment Forum during the Council/Forum's twenty-fourth session. The Secretariat has also been very active in attending ozone-related meetings, including the fiftieth and fifty-first meetings of the Executive Committee of the Multilateral Fund, the January 2007 Inter-agency Coordination Meeting of the Multilateral Fund in Montreal and the ozone regional networks of French-speaking and English-speaking Africa, Europe/Central Asia, South Asia, South-East Asia and the Pacific and West Asia.

B. Montreal Protocol and Vienna Convention handbooks

48. The Secretariat distributed the seventh edition of the Vienna Convention handbook in January 2007. The Montreal Protocol handbook is now available on the Secretariat website in searchable form and the Vienna Convention handbook should be similarly available by the time of the Open-ended Working Group meeting. It is hoped that versions of the handbook in the remaining United Nations languages will be available by the time of the twenty-seventh Open-ended Working Group meeting.

C. New Ozone Secretariat website

49. The Secretariat would like to thank the Parties for the kind comments received to date on the new Ozone Secretariat website. As noted in its e-mail to the Parties in January 2007, the Secretariat will be implementing enhancements to the site throughout the year: it will continue to improve the French and Spanish editions, and, as noted above, the Montreal Protocol handbook is now available in searchable form. The Secretariat would greatly appreciate any feedback so that it can, to the extent possible, address the needs of the Parties.

D. Official documentation

50. The Secretariat has always striven to make pre-meeting documents available to the Parties well in advance of meetings and to produce final meeting reports as soon as possible after meetings. It is therefore with regret that the Secretariat must inform the Parties that a variety of factors are having an impact on the timing and accuracy of the documents being prepared for the Parties. A major factor is that the official services that have traditionally been used to provide the timely editing and translation of Montreal Protocol documents in an official manner have, over the last year, become more constrained, which is leading to an increased need to check the documents for accuracy and longer waits for final meeting documents. The Secretariat has engaged Conference Services in Nairobi to stem the current difficulty and believes that these problems in service delivery, which are beyond the control of the Secretariat, can be turned around. The Secretariat counts on the understanding of the Parties until it has found a lasting solution to this temporary crisis.

E. Offer to host the Twentieth Meeting of the Parties to the Montreal Protocol and the eighth meeting of the Conference of the Parties to the Vienna Convention

51. In accordance with decision XVII/47, and in the light of the large number of meetings related to the international environmental agenda, the Ozone Secretariat has been communicating with Parties in an effort to get an early start on the planning of future meetings of the Parties. In that connection, the Secretariat would like to notify the Parties that in January of this year it received a formal offer from Qatar to host the Twentieth Meeting of the Parties to the Montreal Protocol and the eighth meeting of the Conference of the Parties to the Vienna Convention. The Parties may wish to take that offer into consideration as a formal decision on the venue for these meetings must be taken by the Nineteenth Meeting of the Parties.

F. Nineteenth Meeting of the Parties to the Montreal Protocol

52. The Secretariat will update the Open-ended Working Group at its twenty-seventh meeting on the activities and events planned for the Nineteenth Meeting of the Parties.

Annex

Decision XVI/35. Terms of reference for the study on the 2006–2008 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol

“*Recalling* decisions VII/24, X/13 and XIII/1 on previous terms of reference for a study on the replenishment of the Multilateral Fund,

Recalling also decisions VIII/4, XI/7 and XIV/39 on previous replenishments of the Multilateral Fund,

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Seventeenth Meeting of the Parties, and to present it through the Open-ended Working Group at its twenty-fifth meeting, to enable the Seventeenth Meeting of the Parties to take a decision on the appropriate level of the 2006–2008 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, among other things:

(a) All control measures, and relevant decisions, agreed by the Parties to the Montreal Protocol and the Executive Committee including decisions agreed by the Sixteenth Meeting of the Parties and the Executive Committee at its forty-fifth meeting, in so far as the decisions will necessitate expenditure by the Multilateral Fund during the period 2006–2008; in addition, the Technology and Economic Assessment Panel report should include a scenario which indicates costs associated with implementation by Parties operating under paragraph 1 of Article 5 of the adjustment relating to methyl bromide proposed by the European Community;

(b) The need to allocate resources to enable all Parties operating under paragraph 1 of Article 5 to maintain compliance with Articles 2A–2I of the Montreal Protocol;

(c) Agreed rules and guidelines for determining eligibility for funding of investment projects (including those in the production sector), non-investment projects and sectoral or national phase-out plans;

(d) Approved country programmes;

(e) Financial commitments in 2006–2008 relating to national or sectoral phase-out plans agreed by the Executive Committee;

(f) The provision of funds for accelerating phase-out and maintaining momentum, taking into account the time lag in project implementation;

(g) Experience to date, including limitations and successes of the phase-out of ozone-depleting substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its implementing agencies;

(h) The current trends in the cost of ozone-depleting substances and the resulting incremental costs of investment projects during the period under review;

(i) Administrative costs of the implementing agencies and the cost of financing the secretariat services of the Multilateral Fund, including the holding of meetings;

2. That, in undertaking this task, the Technology and Economic Assessment Panel should give due consideration to the evaluation and review of the financial mechanism of the Montreal Protocol to be undertaken by the Parties in 2004, pursuant to decision XIII/3;

3. That, in undertaking this task, the Panel should consult widely with all relevant persons and institutions and other relevant sources of information deemed useful;

4. That the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two months before the twenty-fifth Meeting of the Open-ended Working Group;”