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**Twenty-First Meeting of the Parties to the  
Montreal Protocol on Substances that  
Deplete the Ozone Layer**  
Port Ghalib, Egypt, 4–8 November 2009

**Issues for discussion by and information for the attention of the  
Twenty-First Meeting of the Parties**

**Note by the Secretariat**

**Introduction**

1. Chapter I of the present note provides an overview of the items on the agenda for the Twenty-First Meeting of the Parties. For most items there is a brief summary of their background and of the discussion of them that took place during the twenty-ninth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol. A number of items on the agenda will be reviewed further in a set of supplemental reports to be issued by the Technology and Economic Assessment Panel. When that work has been completed the Secretariat will prepare an addendum to the present note in which it will summarize the Panel's findings on those items.
2. Chapter II of the present note provides information on matters that the Secretariat would like to bring to the attention of the Parties.

**I. Overview of items on the agenda for the Twenty-First Meeting of  
the Parties to the Montreal Protocol**

**A. Opening of the preparatory segment (item 1 of the provisional agenda for the  
preparatory segment)**

3. The custom under the Montreal Protocol has been to divide the work during meetings of the Parties into two segments – a three-day preparatory segment and a two-day high-level segment. In practice, during the preparatory segment the Parties prepare draft decisions that are then formally adopted by the Meeting of the Parties during the high-level segment.
4. The preparatory segment of the Twenty-First Meeting of the Parties to the Montreal Protocol is scheduled to be opened on Wednesday, 4 November 2009 at 10 a.m. at the International Convention Centre (<http://www.portghalib.com/InternationalConventionCentre.aspx>) in Port Ghalib, Marsa Alam, Egypt. Registration of participants will begin at 8 a.m. on 3 November and will open at 8 a.m. each morning during the course of the meeting. Participants are encouraged to register well in advance of the

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meeting through the Secretariat's internet website (<http://ozone.unep.org>). In addition, as this will be the third virtually paperless major meeting under the Montreal Protocol, delegates are urged to bring their own laptop computers, as only a limited number of extra laptops will be available for use. Under this agenda item, welcoming statements will be made by representatives of the Government of Egypt and the United Nations Environment Programme.

**B. Organizational matters (item 2 of the provisional agenda for the preparatory segment)**

**1. Adoption of the agenda of the preparatory segment (UNEP/OzL.Pro.21/1)**

5. The provisional agenda for the preparatory segment is set forth in chapter I of document UNEP/OzL.Pro.21/1 and will be before the Parties for adoption. The Parties may wish to adopt this agenda, including any items that they may agree to include under item 12, "Other matters".

**2. Organization of work**

6. As is the custom under the Montreal Protocol, the preparatory segment of the meeting will be co-chaired by the co-chairs of the Open-ended Working Group. The current co-chairs of the Working Group are Mr. Muhammad Maqsood Akhtar (Pakistan) and Mr. Martin Sirois (Canada). Under this agenda item, the co-chairs are expected to present a proposal to the Parties on how they wish to proceed with the items on the agenda.

**C. Consideration of membership of Montreal Protocol bodies for 2010 (item 3 of the provisional agenda for the preparatory segment)**

**1. Members of the Implementation Committee**

7. Each year the Meeting of the Parties considers the membership of the Implementation Committee. In accordance with the non-compliance procedure adopted by the Parties, the Implementation Committee is to consist of 10 Parties, each of whom selects an individual to represent it. These Parties are elected for two years on the basis of equitable geographical distribution – that is, two are elected to represent each of the traditional United Nations regions of Africa, Asia and the Pacific, Eastern Europe, Latin America and the Caribbean and Western Europe and others. In accordance with the agreed procedure, a member of the Committee that has already served an initial two-year term may be re-elected for a second consecutive term.

8. The membership of the Committee for 2010 is as follows. Jordan, Mauritius, Mexico and the Russian Federation are completing their first terms in 2009 and may be either replaced or elected to serve a second term. New Zealand will be concluding its second term in 2009 and will have to be replaced. Armenia, Germany, Nicaragua, the Niger and Sri Lanka are completing the first year of their two-year terms in 2009 and will continue to serve on the Committee in 2010.

9. In accordance with decision XII/13 the Committee selects the President and Vice-President of the Committee from among its members. The selection process usually takes place through consultations among the Committee members during the Meeting of the Parties to ensure continuity of these two offices. The Secretariat has prepared a draft decision on this item for the consideration of the Parties. It is set out as draft decision XXI/[BB] in chapter III of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment of the meeting.

**2. Members of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol**

10. The Twenty-First Meeting of the Parties will also consider the membership of the Executive Committee of the Multilateral Fund. In accordance with its terms of reference, the Committee consists of seven members from Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and seven members from Parties not so operating. Each group elects its Executive Committee members and reports their names to the Secretariat for endorsement by the Parties. In addition, the terms of reference of the Executive Committee call for the election from among the members of the Committee of a chair and vice-chair, who alternate each year between Parties operating under paragraph 1 of Article 5 and Parties not so operating. As a representative from Sweden and the Dominican Republic served as chair and vice-chair, respectively, during 2009, the Parties operating under paragraph 1 of Article 5 will be expected to nominate the chair of the Committee for 2010 and the Parties not so operating will be

expected to nominate a vice-chair. The Twenty-First Meeting of the Parties will be asked to take a decision that endorses the selections of the new members of the Executive Committee and notes the selection of the chair and vice-chair of the Committee for 2010. The Secretariat has prepared a draft decision on this item for the consideration of the Parties. It is set out as draft decision XXI/[CC] in chapter III of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment of the meeting.

### 3. Co-Chairs of the Open-ended Working Group

11. Each year the Meeting of the Parties selects one representative from among the Parties operating under paragraph 1 of Article 5 and a second representative from among the Parties not so operating to serve as co-chairs of the Open-ended Working Group in the subsequent year. In accordance with decision XX/23, Mr. Maqsood Akhtar and Mr. Sirois have served as co-chairs of the Open-ended Working Group for 2009. The Twenty-First Meeting of the Parties is expected to take a decision naming the co-chairs of the Open-ended Working Group for 2010. The Secretariat has prepared a draft decision on this item for the consideration of the Parties. It is set out as draft decision XXI/[DD] in chapter III of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment of the meeting.

### D. Financial reports of the trust funds for the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer and budgets of the Montreal Protocol (UNEP/OzL.Pro.21/4 and 21/4/Add.1) (item 4 of the provisional agenda for the preparatory segment)

12. The budget of the Montreal Protocol is considered annually by the Parties. The initial review of the budget and related documents typically takes place in a budget contact group, which then recommends a budget and related draft decision to the Meeting of the Parties. The budget documents for the current meeting are numbered UNEP/OzL.Pro.21/4 and UNEP/OzL.Pro.21/4/Add.1. Under this agenda item, the Twenty-First Meeting of the Parties may wish to establish a budget committee during the preparatory segment to deliberate and recommend a draft decision for formal adoption, as appropriate, during the high-level segment.

### E. Environmentally sound management of banks of ozone-depleting substances (decision XX/7) (item 5 of the provisional agenda for the preparatory segment)

#### 1. Presentation of the final analysis of the task force of the Technology and Economic Assessment Panel

13. By decision XX/7 the Twentieth Meeting of the Parties requested the Technology and Economic Assessment Panel to consider a number of issues related to ozone-depleting substance banks, to present a preliminary report on its findings to the Parties at the twenty-ninth meeting of the Open-ended Working Group and to present a final report for consideration by the Twenty-First Meeting of the Parties. The Panel is currently working on its final report, which the Secretariat will summarize in an addendum to the present note once it is completed. What follows here is a brief review of the Panel's initial report to the Open-ended Working Group and the Working Group's discussion of the issue.

14. In its initial report the Panel estimated that a global total of 1,546 kilotonnes of chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halons was "reachable" through what it termed a low effort and that a total of 1,463 kilotonnes was reachable through medium effort. The Panel presented the following estimated costs for the destruction of all low and medium effort banks were they to be destroyed at the current time.

Region	Low effort	Medium effort	Total
Developed countries	\$15.96–26.21 billion	\$45.23–59.37 billion	\$61.19–85.58 billion
Developing countries	\$26.56–35.38 billion	\$43.87–58.02 billion	\$70.43–93.40 billion
Global total	\$42.52–61.59 billion	\$89.10–117.39 billion	\$131.62–178.98 billion

15. In presenting the estimated size of the banks and the cost figures above, the Panel stressed that its analyses, and particularly its cost analyses, were at varying stages of development and that it might therefore be useful to consider several of their estimates as an initial effort to develop and validate methodologies that could be refined on the basis of information that would be forthcoming in the future.

16. In terms of funding and incentive mechanisms, the Panel noted that carbon financing was recognized as one of the few funding sources that would be able to generate the level of funds required for ozone-depleting-substance bank management. Under carbon financing, funding would be driven by the global-warming-potential value of the ozone-depleting substances destroyed. The Panel suggested, however, that certain components needed to be in place to ensure that carbon market financing was not misused, such as a robust and transparent registry and good methodologies to ensure, among other things, additionality and the achievement of related reductions. The Panel suggested that the Montreal Protocol was uniquely placed to create an essential framework for that purpose.

17. Where policy issues and perverse incentives were concerned, the Panel noted the following potential risks – all of which they suggested could be overcome with careful management: the risk that the value of destruction credits could become so high that it would lead to production for the purpose of destruction; the diversion of needed ozone-depleting substances away from justified recycling; the destruction of banks that might be required for later uses (such as halons); and missed potential for ozone-depleting substance transformation.

18. Following a robust discussion on related issues, the Open-ended Working Group established a contact group to consider, among other things, further guidance to the Panel in the preparation of its final report. The contact group agreed on further guidance to the Panel, of which the Open-ended Working Group took note. That guidance included requests for closer consideration of the relative costs and environmental benefits to the ozone layer and the climate of destruction versus recycling, reclaiming and reusing such substances; a further detailed breakdown of costs associated with the destruction of ozone-depleting-substance banks, including by category of process (such as collection, transportation, storage and destruction), as well as by some subregions and by time period (taking into account when ozone-depleting-substance banks can be best addressed); consideration of the costs of transportation of banked material to destruction facilities for those countries without destruction facilities and the feasibility of establishing regional or subregional destruction strategies; further delineation of the costs in the domestic refrigeration sector relating to the capture and destruction of blowing agent and refrigerant components; the practicalities of separation of various substances and the benefits and negative impacts of dealing with a mix of substances and sectors based on their availability; and, further information on the possible effect of the generation of carbon credits from the destruction of ozone-depleting substances.

19. As noted above, the Panel's final report on related issues is expected to be forthcoming in early October. A summary of that report will be included in the addendum to the present note.

**2. Further consideration of work initiated by the Open-ended Working Group at its twenty-ninth meeting**

20. In accordance with decision XX/7, the Secretariat convened a one-day workshop on the management and destruction of banks of ozone-depleting substances preceding the twenty-ninth meeting of the Open-ended Working Group. The workshop, along with the preliminary report of the Technology and Economic Assessment Panel and a report by the Secretariat on funding options, contributed to a robust discussion on the issue of banks during the Working Group meeting. In a related contact group, several ideas were put forward on potential further actions that might be taken on the management and destruction of banks of ozone-depleting substances. Those initial ideas were placed on record in a report of the contact group and are set out in annex I to the present note. A summary of suggested work for the Panel to cover in the finalization of its report and a summary of suggested further work for the Ozone Secretariat are also included in the report of the contact group, in sections 2 and 3 on page 39 of the Open-ended Working Group meeting report (UNEP/OzL.Pro.WG.1/29/9). The Twenty-First Meeting of the Parties may wish to continue its deliberations on this issue during the preparatory segment and to approve a decision, as appropriate, for formal adoption during the high-level segment.

## **F. High-global-warming-potential alternatives to ozone-depleting substances (decision XX/8) (item 6 of the provisional agenda for the preparatory segment)**

### **1. Proposed amendment to the Montreal Protocol**

21. In accordance with paragraph 2 of Article 9 of the Vienna Convention, the Governments of the Federated States of Micronesia and Mauritius have submitted a proposed amendment to the Montreal Protocol to bring within its control the production and consumption of hydrofluorocarbons (HFCs). The proposal, which may be found in chapter II of document UNEP/OzL.Pro.21/3, would establish a new Article 2J of the Protocol. It calls for Parties not operating under paragraph 1 of Article 5 to freeze production and consumption of HFCs in 2012 at average 2004–2006 levels and to reduce production and consumption by 15 per cent in 2015, 30 per cent in 2018, 45 per cent in 2021, 60 per cent in 2024, 75 per cent in 2027 and 90 per cent in 2030. In the proposed text, all these reduction rates and years are enclosed in square brackets to indicate that they are negotiable. The proposal would also allow the production of an additional 10 per cent beyond the levels noted above in order to meet the basic domestic needs of Parties operating under paragraph 1 of Article 5. Calculation of production and consumption would be based on the 100-year global warming potential of the relevant gases, with an option for considering the use of measures based on a life-cycle analysis. The proposal would also extend to HFCs the Protocol's provisions on trade with non-Parties and import and export licensing requirements.

22. The proposal includes two options for the application of control measures to Parties operating under paragraph 1 of Article 5. The first option would delay the determination of related controls until 2011, pending the outcome of study. The second option would delay the application of control measures to those countries by a number of years (which would indicate the grace period between the imposition of developed and developing country control measures) that would be independently determined for each reduction step included in the proposed Article 2J. The baseline for each Party operating under paragraph 1 of Article 5 could be the lower of the Party's average consumption over a stated period or a negotiated level of consumption per capita. The proposal includes a provision that would extend the mandate of the Multilateral Fund to cover agreed incremental costs of activities to enable such Parties to comply with the agreed HFC controls, with the proviso that any funds that a Party obtained from another funding mechanism to meet part of its agreed incremental costs would not be met by the Multilateral Fund. The proposal also calls for preference to be given to alternatives other than HFCs in the funding of HCFC phase-out projects under the Multilateral Fund.

23. The proposal also contains provisions relating to the destruction of HFCs and ozone-depleting substances. The proposal would require all Parties to destroy HFCs emitted as the result of HCFC production. As it relates to destruction of ozone-depleting substances, the proposal would authorize the Multilateral Fund to fund destruction and recovery activities in Parties operating under paragraph 1 of Article 5 without creating an obligation for such recovery and destruction and contemplates a supplemental replenishment of the Fund to provide the funds needed for that purpose. The amendment also calls for the use of financing from other institutions, including carbon financing, for these activities. Lastly, it calls for Parties not operating under paragraph 1 of Article 5 to recover and destroy a certain percentage of their banks of ozone-depleting substances in certain sectors and to offset their exemptions and their production of HCFCs for developing countries by destroying a proportionate amount of ozone-depleting substances.

24. At its twenty-ninth meeting the Open-ended Working Group, in plenary session and in a contact group, considered the proposed amendment, together with other issues related to high-global-warming-potential alternatives to ozone-depleting substances, and agreed that the proposed amendment and a list of related concepts should be considered by the Twenty-First Meeting of the Parties.

25. The proposed amendment may be found in chapter II of document UNEP/OzL.Pro.21/3 and the list of concepts relevant to the proposed amendment is set out in annex II to the present note. Both the proposed amendment and the list are presented as submitted and have not been edited by the Secretariat. The Twenty-First Meeting of the Parties may wish to consider the proposed amendment during the preparatory segment for possible formal adoption, with any amendments that it deems appropriate, during the high-level segment.

**2. Further consideration of work initiated by the Open-ended Working Group at its twenty-ninth meeting**

26. In accordance with decision XX/8, the Secretariat held a one-day workshop for a dialogue on substitutes for ozone-depleting substances with a high-global-warming potential preceding the twenty-ninth meeting of the Open-ended Working Group. The report by the Technology and Economic Assessment Panel on alternatives to HCFCs and HFCs, the update of the 2005 supplement prepared by the Technology and Economic Assessment Panel to the special report on ozone and climate prepared by the Panel and the Intergovernmental Panel on Climate Change, along with the Ozone Secretariat's report on control measures, limits and information reporting requirements, were also considered by the workshop participants. The Open-ended Working Group discussed the results of this dialogue together with the proposed amendment to the Montreal Protocol noted above. The Working Group also considered specific proposals put forward by several Parties. The Working Group agreed to forward two proposals and a list of concepts related to the proposed amendment to the Meeting of the Parties for further consideration. The two proposals are set out as draft decisions XXI/[I] and XXI/[J] in chapter I of document UNEP/OzL.Pro.21/3. The list of concepts and questions was available in the report of the Open-ended Working Group and is reproduced in annex II to the present note for ease of reference. The Twenty-First Meeting of the Parties may wish to continue its work on the proposals during the preparatory segment with a view to their possible formal adoption, with any amendments that it deems appropriate, during the high-level segment.

**G. Issues related to essential-use exemptions (item 7 of the provisional agenda for the preparatory segment)**

**1. Proposal on nominations for essential-use exemptions for 2010 and 2011**

27. In accordance with decision IV/25 of the Fourth Meeting of the Parties, 11 Parties – Argentina, Bangladesh, China, Egypt, India, Iran (Islamic Republic of), Iraq, Pakistan, Russian Federation, Syrian Arab Republic and United States of America – submitted requests for essential-use exemptions for CFCs for metered-dose inhalers for 2010 and in some cases 2011 and 2012. In addition, the Russian Federation requested an exemption for the use of 120 tonnes of CFC-113 for 2010 for certain aerospace applications and Iraq submitted a nomination covering a number of different applications. The amount nominated by each Party and the Assessment Panel recommendations thereon are presented for the information of the Parties in table 1 below.

Table 1  
Essential-use nominations submitted in 2009 for 2010, 2011 and 2012 (in metric tonnes)

Party	Nominated for 2010	Nominated for 2011	Nominated for 2012	Recommendation of the Technology and Economic Assessment Panel
Parties not operating under paragraph 1 of Article 5				
Russian Federation (metered-dose inhalers)	212	-	-	Recommended
Russian Federation (aerospace)	120	-	-	Recommended
United States of America (metered-dose inhalers)	67	-	-	Unable to recommend
Subtotal non-Article 5 Parties	399	-	-	-
Parties operating under paragraph 1 of Article 5				
Argentina (metered-dose inhalers)	178	-	-	Recommended
Bangladesh (metered-dose inhalers)	156.7	-	-	Recommended
China (metered-dose inhalers)	977.2	-	-	Recommended 972.2, all but ciclesonide
Egypt (metered-dose inhalers)	227.4	-	-	Recommended 227.4, agreed by Party
India (metered-dose inhalers)	350.6	-	-	Recommended 343.6, all but for export to the United Kingdom
Iran (Islamic Republic of) (metered-dose inhalers)	105	-	-	Recommended
Iraq (foams, domestic refrigerators/freezers and servicing needs)	690	690		Unable to recommend
Pakistan (metered-dose inhalers)	134.9	158.2	169.7	Recommended 34.9 for 2010; unable to recommend 2011 and 2012
Syrian Arab Republic (metered-dose inhalers)	44.68	49.22	-	Recommended all for 2010, unable to recommend 2011
Subtotal Article 5 Parties	2 864.48	897.42	169.7	-
Grand total – all nominations	3 263.48	897.42	169.7	-

28. The Panel noted that 2009 was the first year that it had reviewed essential-use requests from Parties operating under paragraph 1 of Article 5. It also noted that it had found it difficult to assess these nominations adequately owing, in particular, to a shortage of data on the availability and affordability of alternatives to CFC-based metered-dose inhalers for the metered-dose-inhaler manufacturing or nominating Parties and even more so for the Parties operating under paragraph 1 of Article 5 listed as the destinations for their products. While the Panel had attempted to assess availability and affordability and to minimize the requested quantities based on available information, it was unable confidently to make reductions in quantities without concern about whether there would be adequate supplies of CFCs to meet patient demand. While this resulted in approval of most of the nominations as proposed, the Panel cautioned that its recommendations this year should not be taken as an indication that future nominations of the same nature would be recommended. The Panel noted in particular that none of the nominations that included significant CFC volumes designated for the manufacture of metered-dose inhalers for export had demonstrated that CFC-based metered-dose inhalers were essential in the designated export markets. In that regard, the Panel noted the importance of all Parties responding to the mandates of decisions XIV/5 and XII/2 (paragraph 3) and submitting information on alternatives

available in their countries and information on what CFC moieties were no longer thought to be essential.

29. Among the metered-dose inhaler requests that the Panel was unable to recommend, China's requested exemption for ciclesonide was not recommended because the moiety for that substance was undergoing regulatory review in 2009 and was not yet on the market and because there was no evidence that the product had any additional clinical advantages compared to other locally produced and locally available steroids. With regard to the nomination by Egypt, the Panel noted that the Government of Egypt had voluntarily reduced its initial nomination of 264 tonnes and had deferred an amount to a possible 2011 nomination. Regarding India's nomination, the Panel reduced the request by the amount that was nominated for export to the United Kingdom of Great Britain and Northern Ireland based on its understanding that a new regulation would ban the import of CFC-based metered-dose inhalers into the European Union from 1 January 2010. The Panel was unable to recommend 100 tonnes of Pakistan's 2010 nomination based on its understanding that the multinational firm expected to manufacture the metered-dose inhalers would cease production of such inhalers in 2009. The nomination by the United States of America was not recommended on the basis of the Medical Technical Options Committee's conclusion that the amount of CFCs required could be satisfied from stockpiles, rendering new CFC production unnecessary. Furthermore, the Panel did not consider that production of CFC-based metered-dose inhalers for epinephrine qualified as an essential use under decision IV/25, paragraph (a), and it considered that the alternatives available on the market were adequate even though, unlike epinephrine, they were available only by prescription. Lastly, it should be noted that the Panel recommended only the 2010 nominations and did not recommend any nominations for 2011 or beyond. With regard to non-metered-dose-inhaler nominations, the Panel recommended approval of the Russian Federation aerospace application, but was not able to recommend the request from Iraq, saying that proven alternatives existed for all of the Party's requests and that it could make use of stockpiled or used ozone-depleting substances until related conversion projects could be implemented.

30. Upon hearing the Assessment Panel's report on this matter, some representatives at the twenty-ninth meeting of the Open-ended Working Group expressed the hope that further information might be developed over the next few months on outstanding issues noted by the Panel to enable the Twenty-First Meeting of the Parties to take a more informed decision. The Panel itself, however, indicated during the deliberations of the contact group established to consider issues related to the essential-use nominations that it would not be able to undertake a second review of the nominations in 2009. The contact group then discussed a draft proposal on essential-use exemptions, which the Working Group subsequently agreed to forward to the Meeting of the Parties for further deliberations. That draft decision may be found as draft decision XXI/[H] in chapter I of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment of the meeting.

## **2. Campaign production of chlorofluorocarbons for metered-dose inhalers**

31. In 2001, the Panel first considered the feasibility of having a last batch of CFCs produced to meet the remaining long-term needs of those Parties that continued to produce metered-dose inhalers using CFCs. Since then, the Parties have considered such production, known as "campaign production", on a number of occasions. In accordance with decision XX/4, the Technology and Economic Assessment Panel presented a preliminary report on campaign production to the Working Group at its twenty-ninth meeting. In its report, the Panel noted that in the year since its last report the difference in cost between metered-dose inhalers that use CFCs and those that use alternatives had decreased steadily and that during that time there had also been progress in the approval and implementation of projects to convert metered-dose-inhaler producers in Parties operating under paragraph 1 of Article 5. Lastly, it noted its understanding that the sole remaining European producer of metered-dose-inhaler-grade CFCs would stop production of CFCs on 1 January 2010, which would make it necessary for metered-dose-inhaler manufacturing companies to find new sources of pharmaceutical-grade CFCs, a fact that could disrupt the normal flow of metered-dose inhalers that were locally produced in Parties operating under paragraph 1 of Article 5.

32. As a consequence of the impending closure of the source for meeting much of the world's remaining demand for CFCs for metered-dose inhalers, the Panel put forward two scenarios for the consideration of the Parties. What was termed a "sole source" scenario suggested satisfying global demand by obtaining CFCs from the last remaining CFC producer in China. A second "multiple source" scenario assumed that additional producers, such as Honeywell in the United States or swing plant producers in Parties operating under paragraph 1 of Article 5 such as India, could also supply CFCs. The



Panel noted, however, that there were significant legal, Multilateral Fund-related and administrative issues associated with each of these scenarios. Lastly, the Panel noted that one final source of CFCs for meeting essential uses could be the remaining stockpiles of high-grade CFCs in Parties not operating under paragraph 1 of Article 5. As both the size of what will remain after phase-out and the future Party demand from Parties operating under paragraph 1 of Article 5 are uncertain, however, it is unclear if this source of supply would meet the needs of Parties.

33. At its twenty-ninth meeting the Open-ended Working Group heard a report from the contact group on matters related to essential-use nominations on its deliberations on campaign production; given those deliberations, the Twenty-First Meeting of the Parties may wish to continue considering the issue of campaign production during the preparatory segment and, if appropriate, to adopt a formal decision on it during the high-level segment.

### **3. Consideration of amendments to the handbook on essential-use nominations**

34. In accordance with decision XX/3, the Technology and Economic Assessment Panel has recommended a range of amendments to the handbook on essential-use nominations to facilitate a more informed review of future nominations for essential-use exemptions. This issue was discussed during the twenty-ninth meeting of the Open-ended Working Group, in plenary session and in a related contact group, and it was agreed that a draft decision from the essential-use contact group co-chairs on this issue should be forwarded for further consideration by the Twenty-First Meeting of the Parties. The draft decision contains over 20 suggested changes to the handbook, including a number that relate to obtaining more information on the situation in markets where CFC-based metered-dose inhalers are to be distributed and the quantity of CFCs that might be available from stockpiles. A draft decision on proposed changes to the handbook may be found as decision XXI/[G] in chapter I of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment of the meeting.

35. The Technology and Economic Assessment Panel and its Medical Technical Options Committee are revising the 2005 handbook on essential use nominations to reflect the consequential changes from relevant decisions adopted by the Parties during the period 2005–2008, including decision XX/3. The revised handbook is currently being finalized for distribution to the Parties at the beginning of October 2009.

36. The revisions now being made by the Panel and Committee do not include further new changes that the Panel has suggested in chapter 6 of its 2009 progress report. Changes to the handbook, as set out in draft decision [G] in chapter I of document UNEP/OzL.Pro/21/3, are expected to be further discussed by the Twenty-First Meeting of the Parties. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible formal adoption, with any amendments that it deems appropriate, during the high-level segment.

## **H. Issues related to methyl bromide (item 8 of the provisional agenda for the preparatory segment)**

### **1. Presentation by the Technology and Economic Assessment Panel**

37. Under this agenda item the Meeting of the Parties is expected to hear a presentation from the Technology and Economic Assessment Panel on methyl bromide issues. This presentation will include the Panel's final review of nominations for methyl bromide critical-use exemptions, its final report on quarantine and pre-shipment issues, the proposed 2010 workplan of the Methyl Bromide Technical Options Committee and any proposed changes to the assumptions that the Panel uses to evaluate and make recommendations on critical-use exemptions.

### **2. Consideration of nominations for critical-use exemptions for 2010 and 2011**

38. Pursuant to paragraph 2 of decision IX/6 and decision XIII/11, the Methyl Bromide Technical Options Committee's subcommittees met in April 2009 to undertake an initial evaluation of the 2010 and 2011 nominations for critical-use exemptions for methyl bromide. Table 2 below provides a broad outline of the nominations reviewed by the Committee and the Committee's initial recommendations thereon. Consistent with related decisions, however, the Committee will meet again prior to the Meeting of the Parties to consider any new information that it receives on the nominations and to agree on final recommendations. The Secretariat will prepare an addendum to the present note summarizing the Panel's final recommendations. The Twenty-First Meeting of the Parties may wish to consider those

recommendations during the preparatory segment and approve a decision, as appropriate, for possible formal adoption during the high-level segment.

Table 2  
**Summary of the Methyl Bromide Technical Options Committee's interim recommendations for 2010 and 2011 by country for critical-use nominations submitted in 2009 for methyl bromide (in metric tonnes)**

Country	Critical-use nomination for 2010 and 2011		Interim recommendation	
	2010	2011	2010	2011
<b>Australia</b>		35.450		27.220
<b>Canada</b>	4.740	19.368	3.529	19.368
<b>Israel</b>	383.700		290.914	
<b>Japan</b>		249.420		239.746
<b>United States of America</b>		2 388.128		2 050.819
<b>Total</b>	<b>388.440</b>	<b>2 692.366</b>	<b>294.443</b>	<b>2 337.153</b>

### 3. Quarantine and pre-shipment applications of methyl bromide

39. In accordance with decision XX/6, the Technology and Economic Assessment Panel was requested to prepare an interim report for the twenty-ninth meeting of the Open-ended Working Group and a final report for the Twenty-First Meeting of the Parties on quarantine and pre-shipment applications of methyl bromide. The Panel is currently working on its final report, which the Secretariat will summarize in the addendum to the present note once it is complete. In the meantime a brief summary of some of the key points from the Panel's presentation on its interim report follows. The full interim report may be found on pages 145–179 of the Panel's 2009 progress report.

40. In presenting its interim report to the Working Group the Panel reported that global production and consumption for quarantine and pre-shipment had been roughly constant over the period 2004-2007. There had been, however, substantial fluctuations from year to year, the reasons for which have not been identified. Global consumption for quarantine and pre-shipment uses has averaged nearly 11,000 metric tonnes a year since 1995, with some variation from year to year, with minimum consumption of less than 8,000 tonnes in 1998 and with peaks in 1999, 2003 and 2006 at 12,425, 12,286 and 12,207 tonnes, respectively. Quarantine and pre-shipment treatments were frequently carried out at the point of export to meet the requirements of importing countries.

41. Parties not operating under paragraph 1 of Article 5 accounted for approximately 62 per cent of consumption in 2006 and 46 per cent in 2007. Two Parties accounted for 82 per cent of total consumption by such Parties in 2007. The United States reports a wide annual variation in quarantine and pre-shipment consumption, peaking at 5,089 metric tonnes in 2006 and dropping to 2,930 tonnes in 2007. Quarantine and pre-shipment consumption in Parties operating under paragraph 1 of Article 5 increased since 2000, particularly in Asia, while in Parties not so operating it declined. Consumption by Parties operating under paragraph 1 of Article 5 amounted to 38 per cent of total global consumption in 2006 and 54 per cent in 2007.

42. Notwithstanding data gaps and uncertainties, the Quarantine and Pre-Shipment Task Force was able to make preliminary estimates of the volumes of uses covering more than 77 per cent of total reported quarantine and pre-shipment consumption. The Task Force estimated that at least 66 per cent of total global consumption resulted from five main categories of use: fresh fruit and vegetables (8 per cent of identified uses); grain, including rice (12 per cent); soil (14 per cent); whole logs (21 per cent); and wood and wood packaging material (13 per cent). In all of those categories there were at least some instances in which alternatives were not technically available.

43. Notwithstanding recent surveys and submission of further data by various Parties, additional quantitative data on consumption for major uses is required from Parties to permit satisfactory assessment of usage trends. For Parties not operating under paragraph 1 of Article 5 there is a discrepancy of about 1,300 tonnes for 2007 between total consumption estimated by bottom-up analysis and total consumption reported by Parties pursuant to Article 7. This difference apparently arises from

undefined use in one Party. A discrepancy of similar magnitude is apparent yearly over the period 2003–2007. Further clarification of this is being sought.

44. The Task Force noted that development of alternatives to methyl bromide for quarantine and pre-shipment applications for commodities continues to be difficult. Complicating factors include the multitude of commodities being treated, the diverse situations in which treatments are applied, a constantly changing trade and regulatory landscape, requirements for bilateral agreement on quarantine and pre-shipment measures, requirements for very high levels of proven effectiveness and a lack of patent or other commercial protection for some potential alternatives. Regulations prescribing methyl bromide treatment alone are a major barrier to adoption of alternatives as often there is little incentive for such regulations to be changed. A key barrier to the development of alternatives for soil treatment for growing plants of certified high health status is the rigorous testing required to prove an alternative effective.

45. In response to the request of the Parties to identify uses that had been classified as quarantine and pre-shipment uses by some Parties but not by others, the Panel noted that it had thus far identified only a few such cases, as follows: the treatment of export coffee, by Viet Nam; the treatment of export rice and cassava chips, by Thailand and Viet Nam; and the treatment of soil to produce propagation material, by the United States of America.

46. The Panel reported that it would include in its final report a list of applications for which technically feasible alternatives had not been identified and it encouraged Parties to submit additional quantitative data on consumption for major uses as soon as possible.

47. The Secretariat will hold a one-day workshop on quarantine and pre-shipment issues immediately preceding the Twenty-First Meeting of the Parties. The Twenty-First Meeting of the Parties may wish to consider the final report by the Technology and Economic Assessment Panel and the outcomes of the workshop during the preparatory segment and to propose such action as it deems appropriate for possible formal adoption during the high-level segment.

## **I. Other issues arising out of the report of the Technology and Economic Assessment Panel (item 9 of the provisional agenda for the preparatory segment)**

### **1. Alternatives to hydrochlorofluorocarbons in the refrigeration and air-conditioning sectors in Parties operating under paragraph 1 of Article 5 with special conditions (decision XIX/8)**

48. By decision XIX/8 the Technology and Economic Assessment Panel was requested to undertake a scoping study to assess alternatives to HCFCs in the refrigeration and air-conditioning sectors in Parties operating under paragraph 1 of Article 5 that were affected by specific climatic and unique operating conditions. During the twenty-ninth meeting of the Open-ended Working Group the Panel presented an interim report on its findings, which focused on HCFC-22 replacement refrigerants for commercial refrigeration and unitary air-conditioning equipment operating in high ambient temperature conditions and in deep mines. The report, which was highly technical in nature, considered a group of HFCs and HFC blends (including HFC-134A, HFC-32, R-404A, R-407C, R-410A and R-422B, and HFC-1234yf), hydrocarbons (HC-290, HC-600a and HC-1270), ammonia (R-717) and carbon dioxide (R-744) as possible alternatives to HCFCs. The Panel noted that it would produce a final report on this matter in time for the Twenty-First Meeting of the Parties.

49. During the discussion on this issue by the Open-ended Working Group the very technical nature of the report was noted, as was the need for a careful consideration of its contents by national experts. In the light of those observations the Parties agreed that the issue should be taken up again by the Twenty-First meeting of the Parties. The Twenty-First Meeting of the Parties may wish to continue the deliberations on this issue during the preparatory segment and to approve a decision, as appropriate, for possible formal adoption during the high-level segment.

### **2. Projected regional imbalances in the availability of halons and potential mechanisms for the improved prediction and mitigation of such imbalances (decision XIX/16)**

50. In its 2007 progress report the Technology and Economic Assessment Panel noted that there could be regional imbalances in the availability of halons that could lead to some countries being unable to obtain these substances for important uses. Accordingly the Nineteenth Meeting of the Parties adopted decision XIX/16, in which it requested the Panel to examine and to discuss potential mechanisms that could be used to predict and mitigate such imbalances in the future.

51. At its twenty-ninth meeting the Open-ended Working Group considered the Panel's initial report on the issue, which can be found on pages 89–119 of its 2009 progress report. In its report the Panel defined regional imbalances as a lack of parity between supply and demand on a regional basis, rather than differences in quantities available from region to region. For halon 1211 the Panel noted that while adequate supplies of recycled halon 1211 appeared to be currently available in all regions there were strong indications that outside of China there might not be sufficient quantities to meet future demand. Specific areas of concern noted by the Panel included the aviation and military sectors in the European Union, the Russian Federation and the United States of America. Regarding halon 1301, the Panel noted that only about 20 per cent of global banks of the substance were found in Parties operating under paragraph 1 of Article 5. The Panel noted that China had expressed concern that it might not be able to meet its needs for this substance, which it deemed critical, but that no Party not operating under paragraph 1 of Article 5 had expressed similar concerns. Lastly, the Panel noted that restrictions on imports required by the Multilateral Fund in connection with halon banking projects might impede imports of halon 1301 that might be needed in the future by some Parties operating under paragraph 1 of Article 5. Regarding halon 2402, while the Panel had not found any apparent shortage on a global basis, it had found that there were regional problems in some sectors (namely, defence and aviation), where users were having problems meeting their demand owing in part to the high cost of recycled halon 2402.

52. Regarding the mitigation of imbalances, the Panel suggests that the Parties may wish to explore ways to increase the flow of halon 1211 on the international market. For halon 1301 the Panel suggests that increasing the use of alternatives would lead to the increased flow of 1301 from other applications to applications for which it is more critical. For halon 2402 the Panel suggests that Parties that use this substance should undertake needs assessments and that halon 1301 should not be destroyed before existing demands are met.

53. In considering this report during the twenty-ninth meeting of the Open-ended Working Group some Parties said that further collaboration between the Technology and Economic Assessment Panel and the International Civil Aviation Organization relating to alternatives for aircraft uses was important. The Parties agreed that the issue should be considered further by the Twenty-First Meeting of the Parties.

### **3. Proposal on laboratory and analytical-use exemptions (decisions XVII/10 and XIX/18)**

54. By decision XIX/18, the Parties decided to extend until 31 December 2011 the global laboratory and analytical-use exemption, which covers all controlled substances except HCFCs, and to request the Technology and Economic Assessment Panel and its Chemicals Technical Options Committee to provide, by the Twenty-First Meeting of the Parties, a list of laboratory and analytical uses of ozone-depleting substances, indicating those for which alternatives existed. The list prepared by the Panel in response to this request may be found on pages 52–56 of the Panel's 2009 progress report; it includes information on feasible alternatives for virtually all of the uses noted. In consideration of the Panel's findings, the European Community put forward at the twenty-ninth meeting of the Open-ended Working Group a proposal (draft decision XXI/[A] in chapter I of document UNEP/OzL.Pro.21/3), in which it suggested that a number of specific laboratory and analytical applications with identified alternatives be excluded from the exemption. The draft decision also touches on an issue discussed in a note to the Working Group prepared by the Secretariat (UNEP/OzL/Pro.WG.1/29/3, paras. 18 and 19). The note suggests that given the language of past decisions on laboratory and analytical uses the Parties may wish to consider if it is desirable or appropriate to provide any clarification on the status of laboratory uses in Parties operating under paragraph 1 of Article 5 after 2010. The Parties discussed the draft decision on the issue proposed by the European Union, which they agreed should be further considered by the Twenty-First Meeting of the Parties. It was noted, however, that the draft still contained many square brackets and that the sponsors would work intersessionally to endeavour to resolve outstanding issues. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment.

### **4. Proposal on process agents (decision XVII/6 and paragraph 100 of the report of the Twentieth Meeting of the Parties)**

55. In accordance with decision XVII/6 and the action of the Twentieth Meeting of the Parties, the Open-ended Working Group at its twenty-ninth meeting heard a presentation by the Multilateral Fund secretariat on progress made in reducing emissions of controlled substances from process-agent uses and a report by the Technology and Economic Assessment Panel on process-agent use exemptions, on insignificant emissions associated with such uses and on process-agent uses that could be added to or

deleted from table A of decision X/14. Table A of decision X/14 lists uses of controlled substances as process agents, while table B of the same decision sets out emissions limits for process-agent uses proposed by some Parties. Among other things, the Panel reported that only three of ten newly submitted process-agent nominations met the technical criteria for inclusion in table A, namely, carbon tetrachloride as a dispersant or diluting agent in the production of polyvinylidene fluoride; carbon tetrachloride as a solvent for etherification in the production of tetrafluorobenzoyl ethyl acetate; and carbon tetrachloride as a solvent for bromination and purification in the production of 4-bromophenol. The Panel and its Chemicals Technical Options Committee also confirmed that process-agent use in the production of dicofol (entry 6 in table A of decision XIX/15) had ceased in 2007 and recommended the deletion of that use from table A. With regard to table B, the Panel noted that it lacked sufficient information to make any recommendations on possible reductions in make-up or emissions contained in that table since not all Parties had submitted relevant data.

56. The Open-ended Working Group considered the report of the Panel and the Executive Committee and discussed a proposal to change table A to reflect both the approval of the new process agent uses recommended by the Panel and the removal of applications that were reported by Parties as having already been phased out. That proposal may be found as draft decision XXI/[B] in chapter I of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment.

**5. Proposal on potential further work on carbon tetrachloride emissions**

57. Over the past several years the Parties have considered the issue of carbon tetrachloride and more recently the differing estimates that have resulted from what are known as “bottom-up” and “top-down” analyses of carbon tetrachloride emissions. During the twenty-ninth meeting of the Open-ended Working Group, Sweden, as President of the European Union, prepared a proposal on the issue and discussed it bilaterally with several Parties. The Open-ended Working Group agreed to forward to the Twenty-First Meeting of the Parties a draft decision on the issue with the understanding that further work would be done intersessionally to endeavour to refine the proposal. The latest version of that draft proposal may be found as draft decision XXI/[C] in chapter I of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment.

**6. Other issues arising out of the Panel’s reports**

58. Under this agenda item the Parties are expected to consider other issues arising out of the report of the Technology and Economic Assessment Panel, including any requests to endorse new co-chairs of the Panel and its technical options committees.

**J. Issues related to the financial mechanism of the Montreal Protocol (item 10 of the provisional agenda for the preparatory segment)**

**1. Proposal on terms of reference for an evaluation of the financial mechanism**

59. At its twenty-ninth meeting the Open-ended Working Group established a contact group to discuss the possibility of a future evaluation of the financial mechanism of the Montreal Protocol based on a proposal submitted by Canada. The Open-ended Working Group agreed that the Twenty-First Meeting of the Parties should further discuss the timing of the preparation of such an evaluation and its terms of reference.

60. The draft decision on this matter may be found as draft decision XXI/[E] in chapter I of document UNEP/OzL.Pro.21/3. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption, with any amendments that it deems appropriate, during the high-level segment.

**2. Proposal on institutional strengthening activities under the Multilateral Fund**

61. The term institutional strengthening most often relates, in the Montreal Protocol context, to funding that is provided through the Multilateral Fund to Parties operating under paragraph 1 of Article 5 to enable them to operate their national ozone units. At the twenty-ninth meeting of the Open-ended Working Group the group of Latin American and Caribbean States put forward a draft proposal requesting the Executive Committee to extend and increase the levels of financial support for

institutional strengthening by Article 5 Parties, taking into account the findings of the Multilateral Fund secretariat in its document 57/63, entitled "Institutional strengthening by end 2010: funding and levels".

62. After a long discussion, the Open-ended Working Group decided to forward the draft decision set out as draft decision XXI/[F] in chapter I of document UNEP/OzL.Pro.21/3 for further consideration by the Twenty-First Meeting of the Parties. The Parties may wish to discuss the draft decision during the preparatory segment for possible adoption, with any amendments that they deem appropriate, during the high-level segment.

## **K. Compliance and data reporting issues (item 11 of the provisional agenda for the preparatory segment)**

### **1. Proposal on the treatment of stockpiled ozone-depleting substances relative to compliance (decision XVIII/17)**

63. At the twenty-sixth meeting of the Open-ended Working Group the Parties considered a report of the Secretariat on the Implementation Committee's treatment of cases in which Parties had stockpiled ozone-depleting substances for exempted use in future years. In its report, which had been discussed by the Implementation Committee, the Secretariat noted that in previous years a number of Parties that had exceeded the prescribed levels of production or consumption for particular controlled substances for a given year had explained that their excess production or consumption in a given year represented:

(a) Ozone-depleting-substance production which had been stockpiled for domestic destruction or export for destruction in a future year;

(b) Ozone-depleting-substance production which had been stockpiled for domestic feedstock use or export for that use in a future year;

(c) Ozone-depleting-substance production which had been stockpiled for export to meet basic domestic needs of developing countries in a future year;

(d) Ozone-depleting substances imported in that year which had been stockpiled for domestic feedstock use in a future year.

64. On the basis of its review, and acknowledging fully that only the Parties themselves could interpret the Protocol, the Secretariat observed that of the four types of deviation listed above, only the type described in subparagraph (d) appeared to be consistent with the Protocol owing to the provisions of decision VII/30, which appeared to allow such activity. With regard to the other three types of consumption and production deviations listed in subparagraphs (a)–(c) above, the Secretariat stated that it was not able to identify any Protocol provisions or decisions of the Parties that would support the conclusion that those types of deviation were consistent with the Protocol.

65. In considering this issue fully, the Eighteenth Meeting of the Parties decided in decision XVIII/17 to note the four cases discussed above; to recall that the Implementation Committee had concluded that scenario (d) was, in any event, in conformity with the provisions of the Montreal Protocol and decisions of the Meetings of the Parties; to request the Secretariat to maintain a consolidated record of the cases in which the Parties had explained that their situations were the consequence of scenarios (a), (b) or (c) and incorporate that record in the documentation of the Implementation Committee, for information purposes only, and in the Secretariat's report on data submitted by the Parties in accordance with Article 7 of the Protocol; to recognize that new scenarios not covered by paragraph 1 would be addressed by the Implementation Committee in accordance with the non-compliance procedure of the Protocol and the established practice thereunder; and to agree that the Twenty-First Meeting of the Parties would revisit the issue in the light of information gathered in accordance with paragraph 3 of the decision.

66. In accordance with decision XVIII/17 the Secretariat presented the Open-ended Working Group at its twenty-ninth meeting with a consolidated record of cases in which Parties had explained that their reported excess levels of production were the result of one of the four situations noted above. Following a presentation on this issue to the Open-ended Working Group, the European Community put forward a draft proposal, which the Parties agreed should be further considered by the Twenty-First Meeting of the Parties. That draft proposal, which may be found as draft decision XXI/[D] in chapter I of document UNEP/OzL.Pro.21/3, suggested, among other things, that Parties using these provisions could report that they had developed reporting and monitoring frameworks to ensure that that export or use of the sort described in the four scenarios had taken place in accordance with the Parties' initial reported expectations. It was further suggested that cases of this sort would not have to be reviewed by the

Implementation Committee where the use or export took place within a certain time limit. The Twenty-First Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible formal adoption, with any amendments that it deems appropriate, during the high-level segment.

**2. Presentation on and consideration of the work and recommended decisions of the Implementation Committee**

67. Under this agenda item, the President of the Implementation Committee will report on the status of ratification of the Vienna Convention, the Montreal Protocol and the amendments to the Protocol. A draft decision recording the status of ratification is set out as decision XXI/[AA] in chapter III of document UNEP/OzL.Pro.21/3.

68. The President of the Committee will also report on Party compliance issues considered during the Committee's forty-second and forty-third meetings. It is expected that compliance-related draft decisions emanating from the Implementation Committee will be distributed to the Parties during the second day of the preparatory segment. The Twenty-First Meeting of the Parties may wish to consider the draft decisions during the preparatory segment for possible formal adoption, with any amendments that it deems appropriate, during the high-level segment.

**L. High-level segment (7 and 8 November 2009)**

**1. Opening of the high-level segment (item 1 of the provisional agenda for the high-level segment)**

69. The high-level segment of the Twenty-First Meeting of the Parties is scheduled to be opened on Saturday, 7 November, at 10 a.m.

**(a) Statements by representative(s) of the Government of Egypt**

**(b) Statements by representative(s) of the United Nations**

**(c) Statement by the President of the Twentieth Meeting of the Parties**

70. Opening statements will be made by representatives of the Government of Egypt and the United Nations and by the President of the Twentieth Meeting of the Parties.

**2. Organizational matters (item 2 of the provisional agenda for the high-level segment)**

**(a) Election of officers for the Twenty-First Meeting of the Parties**

71. In accordance with the rules of procedure, the Twenty-First Meeting of the Parties must elect a president, three vice-presidents and a rapporteur. A representative of a Party from the group of Eastern European States presided over the Twentieth Meeting of the Parties, while a representative of a Party from the group of Asian and Pacific States served as rapporteur. On the basis of regional rotation agreed by the Parties, the Parties may wish to elect a Party from the group of Latin American and Caribbean States to preside over the Twenty-First Meeting of the Parties and to elect a Party from the group of Eastern European States as rapporteur. The Parties may also wish to elect three additional vice-presidents, one each from the group of African States, the group of Asian and Pacific States and the group of Western European and other States.

**(b) Adoption of the agenda of the Twenty-First Meeting of the Parties**

72. The provisional agenda for the high-level segment is set forth in chapter II of document UNEP/OzL.Pro.21/1 and will be before the Parties for adoption. The Parties may wish to adopt that agenda, including any items that they may agree to include under item 9, "Other matters."

**(c) Organization of work**

73. The President of the meeting is expected to outline a plan of work for discussing the items on the agenda.

**(d) Credentials of representatives**

74. In accordance with rule 18 of the rules of procedure for meetings of the Parties to the Montreal Protocol, the credentials of representatives of Parties attending a meeting of the Parties must be submitted to the Executive Secretary of the meeting, if possible not later than 24 hours after the opening of the meeting. Representatives are urged to come to the meeting with duly signed credentials and to submit them to the Secretariat as soon as possible after the start of the meeting. Under this agenda item, and in accordance with rule 19 of the rules of procedure, the elected officers of the meeting will examine the credentials and submit their report thereon to the Parties.

**3. Status of ratification of the Vienna Convention, the Montreal Protocol and the amendments to the Montreal Protocol (item 3 of the provisional agenda for the high-level segment)**

75. Under this agenda item the Parties will review the status of ratification of the instruments agreed under the ozone regime. A draft decision recording the status of ratification can be found as decision XXI/[AA] in chapter III of document UNEP/OzL.Pro.21/3.

**4. Presentations by the assessment panels on the status of their work, with a focus on the latest developments (item 4 of the provisional agenda for the high-level segment)**

76. Under this agenda item the assessment panels will make brief presentations on their work, with a particular focus on any new developments.

**5. Presentation by the Chair of the Executive Committee of the Multilateral Fund on the work of the Executive Committee, the Multilateral Fund secretariat and the Fund's implementing agencies (item 5 of the provisional agenda for the high-level segment)**

77. The Chair of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol will present a report of the Executive Committee to the Parties, as circulated in document UNEP/OzL.Pro.21/6.

**6. Statements by heads of delegations (item 6 of the provisional agenda for the high-level segment)**

78. Under this agenda item, heads of delegations will be invited to make statements. Beginning on the first day of the preparatory segment of the meeting, the Secretariat will begin accepting requests to speak and compiling a list of speakers based on those requests. In the interests of fairness to all delegations and to ensure that all who wish to speak have an opportunity to do so it will be important for heads of delegations to limit their statements to four or five minutes. Statements from heads of delegations of Parties will be delivered in the order in which their requests to speak are received, subject to the understanding that ministers will be given priority.

**7. Report by the Co-Chairs of the preparatory segment and consideration of the decisions recommended for adoption by the Twenty-First Meeting of the Parties (item 7 of the provisional agenda for the high-level segment)**

79. Under this agenda item the co-chairs of the preparatory segment will be invited to report to the Parties on the progress that has been made in reaching consensus on the substantive issues on the agenda.

**8. Dates and venue for the Twenty-Second Meeting of the Parties (item 8 of the provisional agenda for the high-level segment)**

80. The Parties will be informed of any information regarding the potential venue for the Twenty-Second Meeting of the Parties. The Parties may then wish to take a decision on this matter.

**9. Other matters (item 9 of the provisional agenda for the high-level segment)**

81. Any additional substantive issues agreed for inclusion on the agenda under item 2 (c), "Adoption of the agenda", will be taken up under this agenda item.



**10. Adoption of decisions by the Twenty-First Meeting of the Parties (item 10 of the provisional agenda for the high-level segment)**

82. Under this agenda item the Parties will adopt the decisions to be taken by the Twenty-First Meeting of the Parties.

**11. Adoption of the report of the Twenty-First Meeting of the Parties (item 11 of the provisional agenda for the high-level segment)**

83. Under this agenda item the Parties will adopt the report of the Twenty-First Meeting of the Parties.

**12. Closure of the meeting (item 12 of the provisional agenda for the high-level segment)**

84. The Twenty-First Meeting of the Parties is expected to close by 6 p.m. on Sunday, 8 November 2009.

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

**A. Secretariat missions**

85. In accordance with the directives of the Parties on participation in or monitoring of activities in other forums the Secretariat has participated in and contributed to several meetings since the twenty-ninth meeting of the Open-ended Working Group. They include meetings of the ozone regional networks for French-speaking and English-speaking Africa, Europe and Central Asia, South Asia, South-East Asia and the Pacific, West Asia and Latin America and the Caribbean. In addition, the Secretariat was represented at informal intersessional consultations of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol and the Ad Hoc Working Group on Long-term Cooperative Action under the Convention held in Bonn, Germany, in August 2009. It was also represented at the first part of the seventh session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the first part of the ninth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, held in Bangkok in September 2009. The Secretariat also participated in a Compliance Assistance Programme advisory meeting held in early September in Paris and in HCFC phase-out management plan national stakeholder meetings held in China in September 2009.

**B. Informal discussions on high-global-warming-potential alternatives to ozone-depleting substances**

86. At various times in the history of the Montreal Protocol groups of experts have convened at the behest of the Ozone Secretariat to engage in informal consultations. These experts, stepping beyond their national mandates to share their knowledge and expertise in their personal capacities, have been able to speak freely about significant issues of the moment related to ozone protection and thereby contribute to their resolution.

87. The Secretariat, in keeping with this tradition, convened a series of informal discussions as part and parcel of meetings under the Compliance Assistance Programme to enable further thoughts on the matter to be aired to advance understanding of issues and questions of relevance to high-global-warming-potential alternatives to ozone-depleting substances. Those discussions were based upon the information included in an information note that will be made available to the Parties (UNEP/OzL.Pro.21/INF/3). The information note undertakes to frame the issue posed by high-global-warming-potential alternatives in the historical context of the Montreal Protocol. The note also reviews what the Secretariat understands are some of the key outcomes of the initial discussions on the matter during the workshop on the subject and the meeting of the Open-ended Working Group that took place in Geneva in July 2009. In addition, the note provides summaries of related developments on the issue since the twenty-ninth meeting of the Open-ended Working Group.

### **C. Extension of the paperless meeting initiative to the UNEP Governing Council**

88. The Secretariat is pleased to inform the Parties that the paperless meeting initiative that was so effectively undertaken by the Parties with the kind assistance of the Qatari Government is planned to be replicated by the United Nations Environment Programme Governing Council/Global Ministerial Environment Forum during its forthcoming eleventh special session in Bali, Indonesia. We would encourage all Parties to the Protocol to assist their colleagues participating in the UNEP special session to ensure that they enjoy the same success as the Parties to the Montreal Protocol in their use of the paperless system.

### **D. International Day for the Preservation of the Ozone Layer, 16 September 2009: celebrations for universal ratification**

89. The theme for this very special International Day for the Preservation of the Ozone Layer is “Universal participation – ozone protection unifies the world”, designed to celebrate the fact that the Vienna Convention and the Montreal Protocol are the most widely ratified United Nations treaties to date.

90. Timor-Leste has become the 196th member of the ozone treaties, as announced by Mr. Kay Rala Xanana Gusmão, Prime Minister of Timor-Leste, in the capital city of Dili on 16 September 2009, the day of its accession. That day, the Secretary-General, UNEP and several Parties issued statements to the media welcoming Timor-Leste and praising the world for uniting around the protection of the ozone layer. The Vienna Convention and its Montreal Protocol have become the first international treaties deposited with the Secretary-General to have achieved universal ratification.

91. Celebratory posters were produced and sent to ozone officers around the world for dissemination in their countries, and the Secretariat published submissions from Parties regarding their activities on the day on its website at [http://www.unep.ch/Ozone/Events/ozone\\_day\\_2009/index.shtml](http://www.unep.ch/Ozone/Events/ozone_day_2009/index.shtml).

92. The Secretariat would like to acknowledge the enormous support received from government representatives worldwide, including ozone officers in particular, colleagues in the various United Nations agencies and members of academic institutions, industry and civil society, all of whom are working together to protect the ozone layer, for the remarkable achievement celebrated on this day.

### **E. Centrum and other publications**

93. The second edition of the Ozone Secretariat biannual e-newsletter, *Centrum*, a forum for the sharing of ideas by Parties and other ozone protection stakeholders to identify synergies between multilateral environmental agreements, was shared with the Parties and other stakeholders on 4 July 2009. This edition contains articles from six Parties and two other contributors and has been posted alongside the first edition on the Ozone Secretariat website at <http://www.unep.ch/ozone/Publications/index.shtml>. The Secretariat hopes that it meets with the Parties’ approval, and has already started work on the third edition, which it hopes to publish by the end of the year on the theme “Synergies at the national and regional levels”. Contributions to the third edition are welcome.

94. On 1 July 2009, the Secretariat distributed to those on its mailing list an article entitled “The large contribution of projected HFC emissions to future climate forcing”, which was published by Guus J. M. Velders, David W. Fahey, John S. Daniel, Mack McFarland and Stephen O. Andersen in the *Proceedings of the National Academy of Sciences* (vol. 106, June 2009). The article, along with previous articles that the Secretariat has shared with stakeholders, may be found on the Ozone Secretariat website at <http://www.unep.ch/ozone/Publications/index.shtml>.

### **F. New website**

95. At the suggestion of the Parties the Secretariat has been working on a new website, which will be officially launched during the opening of the Twenty-First Meeting of the Parties. It will replace the existing Ozone Secretariat website. To facilitate the transition from one website to the other, both sites will run in parallel until the end of 2009. The Secretariat has endeavoured to make the appearance and the navigation of the website as simple as possible and, in that way, hopes that it will feel familiar to users.

## Annex I<sup>1</sup>

### **List of ideas that may be considered in developing a decision on the environmentally sound management of banks of ozone-depleting substances (from the contact group on the environmentally sound management of banks of ozone-depleting substances of the twenty-ninth meeting of the Open-ended Working Group)**

1. The following points/suggestions were made:
  - (a) Continue with step by step approach agreed in decision XX/7 – as matter of urgency, finalize/submit strategies and national plans called for under decision XX/7 – for Article 5 parties, possibly utilizing remaining funds from CFC phase-out plans to identify quantities of ODS they feel are surplus.
  - (b) Continue to develop practical information on destruction through pilot projects, projects that include co-funding, information dissemination on ongoing programmes, and further destruction project proposals.
  - (c) Continue to try to clarify the scope of desired recovery and destruction efforts through national efforts to identify the quantity of ODS ready for destruction, and the further categorization/elaboration of banks.
  - (d) Use the Multilateral Fund to identify priority areas and fund destruction demonstration and other projects that are cost-effective projects that will deliver significant reductions (low-hanging fruit).
  - (e) Develop more information on how countries with disposal programmes have taken into account long-term servicing needs to enable all Parties to consider how to take this issue into account in their own context.
  - (f) Request reports from the Multilateral Fund on work being done on destruction pursuant to decision XX/7, including reports on status and success of pilot projects, obstacles encountered, studies undertaken, and related experience with co-funding.
2. It was suggested that the items noted above be put in two categories: activities that could be undertaken within the Montreal Protocol, and activities that could be undertaken individually by parties.
3. The contact group also discussed the possibility of, and potential modalities for enabling information-sharing with the GEF. It was noted that this goal could possibly be accomplished through a collective decision/guidance from the Parties to the Montreal Protocol to be directed to the GEF. Such an action could include a request to the GEF to:
  - reactivate the GEF window for short-term response measures to address ODS destruction;
  - continue its support for CEIT countries and expand its support for parties operating under paragraph 1 of Article 5 for the environmentally sound disposition of ODS banks.
4. As an alternative to providing collective guidance from the Parties to the Montreal Protocol, it was noted that individual parties/GEF participants themselves could/should consider pursuing related issues with the GEF.
5. Some thought that it was valuable for the Ozone Secretariat to engage in the GEF replenishment and in post-replenishment GEF deliberations. In that regard, it was suggested that opportunities for dialogue with the GEF should be strengthened, and that the Ozone and Multilateral Fund Secretariats should provide the GEF with information on destruction of ODS banks and related ongoing activities. The value of institutionalized dialogue between the GEF and the Montreal Protocol was noted as being important, not only at the Secretariat level, but also at the Parties' level; it was suggested that this effort could include reaching out to the participants of the GEF on Montreal Protocol issues.

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<sup>1</sup> The contents of this annex have not been formally edited.

## Annex II<sup>2</sup>

### List of concepts relevant to the proposed amendment on hydrofluorocarbons

#### Conceptual discussion (exchange of information) on:

1. Substances to be covered (Annex F) and how to categorize them
  - Add to the list [HFOs (e.g. 1234yf, 1234ze)], hydrofluoroethers, PFCs
  - what to do with HFC-23 controls? Give priority to group I HFCs?
  - Some HFCs are not covered in other legislation
2. Baseline
  - Need to account for both HCFCs' and HFCs' production and consumption?
  - Data is not known – how to ensure accuracy?
  - Need for grace period?
  - Baseline to be the same as for the Kyoto Protocol?
3. Phase-down steps
  - Phase-down, not phase-out – alternatives not available for all applicationsRate and plateau? Same or different depending on different composition of baseline (HCFCs and/or HFCs)?
  - Environmental benefit to be looked at globally, i.e. benefits stemming from both Article 5 and non-Article 5 efforts?
  - Assess which phase-down conditions would bring additional environmental benefits in comparison with existing or forthcoming national regulation of HFCs, and limitation of HFC phase-in through the MLF process?
  - Needs to consider the linkage to the HCFC phase-out?
  - Assess what level of transitions would be required for HCFC to HFCs, taking into account the availability of alternatives that are technically feasible and economically viable, etc.
  - Applicability only to non-Article 5 or also Article 5?
  - Assess the contribution of the phase down to the Kyoto Protocol?
4. Linking the work with the UNFCCC
  - Assess the contribution of the phase-down to the UNFCCC?
  - Scope for reporting synergies?
  - What should be the appropriate roles of UNFCCC and Montreal Protocol with regard to HFCs?
  - How would the institutions of UNFCCC (including IPCC) and the Vienna Convention/Montreal Protocol collaborate on the assessments (scientific, technical, etc.), reporting, decision-making (MOP/COP), etc.?
  - How to ensure environmental benefits?
  - UNFCCC is the appropriate framework for HFC emission control, Montreal Protocol to provide technical support/inputs?
  - Enhanced collaboration in the area of provision of assistance to developing countries
  - Can production and consumption control be established under UNFCCC?
  - Ensuring that production and consumption control would result in emission reductions?
  - Unit of account stated in GWP for baseline, etc.?
5. Finance
  - What would be the role of MLF, GEF and other relevant financial institutions and how to ensure collaboration between them?
  - How to ensure technology transfer?
  - The Montreal Protocol model is effective – incremental cost, permanent sustained aggregate reduction, etc.
  - What would be the legal basis for the use of MLF for HFCs?
  - What kind of funding model would be appropriate for reducing emissions?

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2 The contents of this annex have not been formally edited.

6. By-product emissions
    - HFC-23 emissions and linkage to HCFC-22
  7. Unit of accounting
    - GWP unit of accounting may be the most appropriate?
    - How to implement other options (LCA, LCCP, etc.) in a practical way?
  8. Importance of import and export licensing systems for HFCs
    - Not an obligation at the moment, so many countries do not have such systems – support would be needed to establish the systems?
    - Support needed for reporting inventories and data of HFCs? Should such systems be considered for the future?
    - Consistency with other relevant bodies such as WTO?
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