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**Sixteenth Meeting of the Parties  
to the Montreal Protocol on  
Substances that Deplete the  
Ozone Layer**  
Prague, 22–26 November 2004

**Report of the Sixteenth Meeting of the Parties to the Montreal  
Protocol on Substances that Deplete the Ozone Layer**

**Introduction**

1. The Sixteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer was held at the Hilton Hotel, Prague, from 22 to 26 November 2004. It consisted of a preparatory segment, held from 22 to 24 November, and a high-level segment, held on 25 and 26 November.

**I. Opening of the preparatory segment of the Meeting**

2. The preparatory segment of the Meeting was opened at 10 a.m. on Monday, 22 November 2004 by its Co-Chair, Mr. Janusz Kozakiewicz (Poland). Mr. Marco Gonzalez, Executive Secretary of the Ozone Secretariat, welcomed participants and informed the meeting that Mr. Jorge Leiva, Co-Chair (Chile), would not be able to attend the meeting.

3. Opening statements were made by Mr. Shafqat Kakakhel, Deputy Executive Director of the United Nations Environment Programme (UNEP) and Mr. Libor Ambrozek, Minister of the Environment of the Czech Republic.

4. In his opening address, Mr. Kakakhel welcomed participants to the preparatory segment and expressed appreciation to the Government of the Czech Republic for the warm hospitality extended to all participants. He acknowledged the presence of four new Parties that had joined the Ozone family since the previous Meeting of the Parties: Afghanistan, Bhutan, Cook Islands and Niue, and noted that a large number of Parties had ratified the amendments to the Protocol in 2004. He drew attention to the Ozone Secretariat web site, which was not only proving to be a useful tool for communication and coordination among Parties, but was also now available in French and Spanish.

5. In order to ensure fruitful deliberations, the issues before the Meeting had been grouped into six main categories, including data reporting, in respect of which a considerable improvement in reporting had enabled the Implementation Committee to make a much more meaningful and complete evaluation of the status of compliance of the Parties for 2003.

6. Noting that the successful implementation of the Montreal Protocol depended on funds being made available to the trust funds of the Vienna Convention and the Montreal Protocol, he urged all those Parties that had not yet done so to pay their 2004 and any other outstanding contributions promptly.

7. Mr. Libor Ambrozek welcomed participants to the Czech Republic, pointing out that this was the first time that his country was hosting a Meeting of the Parties to one of the major global

environmental treaties. He also noted that the Velvet Revolution, which had radically altered the political, economic, social and environmental landscape of the Czech Republic, had coincided with the entry into force of the Montreal Protocol. During the 1990s, his country had successfully implemented the targets and requirements of the Montreal Protocol and its amendments.

8. Although the Parties to the Montreal Protocol had accomplished much in the field of ozone protection, there were still areas where a more proactive approach was needed. In that regard, he expressed the hope that the outcomes and recommendations of the international science symposium held in Prague a few days prior to the Meeting of the Parties would provide useful input to the deliberations. He called on Parties to show a willingness to work on the basis of compromise and consensus on the issues before them and adopt a holistic approach, seeking alliances with other related international environmental instruments. He wished participants fruitful deliberations and declared the meeting officially open.

## II. Organizational matters

### A. Attendance

9. The Sixteenth Meeting of the Parties to the Montreal Protocol was attended by representatives of the following Parties to the Montreal Protocol: Algeria, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bangladesh, Barbados, Belgium, Belize, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Comoros, Congo, Costa Rica, Croatia, Cuba, Czech Republic, Democratic People's Republic of Korea, Democratic Republic of the Congo, Denmark, Djibouti, Dominican Republic, Egypt, Estonia, Ethiopia, European Community, Fiji, Finland, France, Gabon, Georgia, Germany, Guatemala, Guinea, Guinea-Bissau, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Jamaica, Japan, Jordan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Maldives, Mauritania, Mauritius, Mexico, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Rwanda, Samoa, Saudi Arabia, Senegal, Serbia and Montenegro, Sierra Leone, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, The former Yugoslav Republic of Macedonia, Tunisia, Turkmenistan, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen and Zambia.

10. Representatives of the following United Nations bodies and specialized agencies also attended: Global Environment Facility (GEF), Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, UNEP Chemicals, UNEP Division of Technology, Industry and Economics, UNEP Office of the Executive Director, United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO) and the World Bank.

11. The following intergovernmental, non-governmental bodies and industry bodies were also represented: Agramkow Fluid Systems AS, Alliance for Responsible Atmospheric Policy, American Lung Association, Arvesta Corporation, Asociación Educativa para la Conservación de la Naturaleza (EcoNatura), California Strawberry Commission, Canadian Atmosphere Protection Alliance, Charles University, China Association of OFOFSMI, China Cleaning Engineering Technical Cooperation Association (CCETCA), Crop Protection Coalition, Czech Association of Refrigeration and Air Conditioning Engineers (CHKT), Dienst voor Residucontrole (DRC), Dow AgroSciences LLC, Ecology Transport in Public Service (Ekobus AS), Ekotez Limited, Environmental Investigation Agency (EIA), Federation of Pharmaceutical Manufacturers' Association of Japan, Florida Fruit and Vegetable Association, Florida Tomato Exchange, GlaxoSmithKline, Great Lakes Chemical Corporation, GTZ Proklima, Halons Bank of the Czech Republic, Hendrix and Dail Incorporated, ICF Consulting, Industrial Technology Research Institute, Ingersoll-Rand Equipment Manufacturing Czech Republic, International Institute of Refrigeration, International Pharmaceutical Aerosol Consortium, Japan Fluorocarbon Manufacturers Association, Japan Industrial Conference on Cleaning, Manitoba Ozone Protection Industry Association (MOPIA), Mebrom, Methyl Bromide Global Coalition, Natural Resource Defence Council, Olvia Corporation, R&M Consultancy Inc., Refrigerant Gas Manufacturers' Association, RHODIA, Russian National Chemical Technology Research Institute (VNIKhT), SAFE (European Association of Soil Fumigators), Slovak Environmental Agency, Teijin Twaron, Uniler R&D

Colworth, Unilever, United States Floral Industry, University of California and Zhejiang Quhua Fluoro-Chemistry Co.Ltd.

## **B. Officers**

12. Mr. Kozakiewicz served as Co-Chair of the preparatory segment of the Meeting.

## **C. Adoption of the agenda of the preparatory segment**

13. The Co-Chair introduced the provisional agenda contained in document UNEP/OzL.Pro.16/1. Following suggestions by representatives and the Secretariat, the agenda of the preparatory segment was adopted as amended, on the basis of the provisional agenda contained in document UNEP/OzL.Pro.16/1:

1. Opening of the preparatory segment:
  - (a) Statement by a representative of the Government of the Czech Republic;
  - (b) Statement by the Executive Director of the United Nations Environment Programme.
2. Organizational matters:
  - (a) Adoption of the agenda of the preparatory segment;
  - (b) Organization of work.
3. Consideration of issues arising out of the reports of the Technology and Economic Assessment Panel:
  - (a) Recommendations of the Open-ended Working Group at its twenty-fourth meeting:
    - (i) Essential-use nominations for Parties not operating under Article 5;
    - (ii) Assessment of the portion of the refrigeration service sector made up by chillers and identification of incentives and impediments to the transition to non-CFC equipment;
    - (iii) Sources of carbon tetrachloride emissions and means of reducing such emissions;
    - (iv) Review of approved destruction technologies;
  - (b) Assessment by the Technology and Economic Assessment Panel of the availability of supply of CFCs and carbon tetrachloride required for basic domestic needs for Parties operating under Article 5 for the period 2004–2010 (decision XV/2);
  - (c) Development of a plan of action for modification of the regulatory requirements on halon use in new airframes (decision XV/11);
  - (d) Review of requests for consideration of specific process-agent uses against criteria in decision X/14 and decision XV/7, paragraph 3.
4. Consideration of methyl bromide-related issues:
  - (a) Recommendations of the Open-ended Working Group at its twenty-fourth meeting:
    - (i) Multi-year exemptions for methyl bromide use;
    - (ii) Trade in products and commodities treated with methyl bromide;
    - (iii) Request for technical and financial support relating to methyl bromide alternatives;
    - (iv) Assessment of the normative authorization of the use of methyl bromide for quarantine and pre-shipment, feedstock and wooden pallet fumigation;

- (v) Flexibility in the use of alternatives for the phasing out of methyl bromide;
    - (vi) Assessment of the volume of methyl bromide to be replaced by the implementation of technically and economically feasible alternatives to its quarantine and pre-shipment uses (decision XI/13, subparagraph 4 (b));
  - (b) Recommendations of the ad hoc working group on the review of the working procedures and terms of reference of the Methyl Bromide Technical Options Committee of the Technology and Economic Assessment Panel as they relate to the evaluation of critical-use nominations;
  - (c) Recommendations of the Methyl Bromide Technical Options Committee of the Technology and Economic Assessment Panel on nominations for critical-use exemptions for methyl bromide (decisions IX/6, para. 2, and XIII/11);
  - (d) Recommendations of the Methyl Bromide Technical Options Committee of the Technology and Economic Assessment Panel on the handbook, reporting forms and accounting framework for critical uses of methyl bromide.
5. Consideration of issues related to the Multilateral Fund for the Implementation of the Montreal Protocol:
- (a) Evaluation and review of the financial mechanism of the Montreal Protocol (decision XV/47);
  - (b) Terms of reference for the study on the 2006–2008 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol;
  - (c) Consideration of an amendment of paragraph 10 (k) of the terms of reference of the Executive Committee of the Multilateral Fund relating to the nomination and appointment of the Chief Officer of the Multilateral Fund Secretariat (decision XV/48);
  - (d) Need to ensure equitable geographical representation in the Executive Committee of the Multilateral Fund.
6. Consideration of issues related to ratification, data reporting, compliance and international and illegal trade:
- (a) Data reporting under Article 7 of the Montreal Protocol;
  - (b) Status of ratification of the Convention, the Protocol and its amendments;
  - (c) Report by the President of the Implementation Committee on non-compliance issues;
  - (d) Issues arising from the Implementation Committee:
    - (i) Comments on the information on the implementation and operation of decision XV/3 received by the Secretariat pursuant to paragraph 3 of that decision;
    - (ii) Clarification of paragraph 7 of decision XIV/7;
    - (iii) Recommendations on non-compliance with Protocol obligations;
  - (e) Monitoring of trade in ozone-depleting substances and preventing illegal trade in ozone-depleting substances (decision XIV/7);
  - (f) Feasibility study on the development of a system for tracking international trade in ozone-depleting substances;
  - (g) Situation of very low-volume consuming countries.
7. Consideration of membership of various bodies in 2005:
- (a) Implementation Committee;
  - (b) Executive Committee of the Multilateral Fund;

- (c) Co-chairs of the Open-ended Working Group.
- 8. Consideration of administrative issues:
  - (a) Financial report on the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer and budget;
  - (b) Proposal to decide on the dates of the Meetings of the Parties three years in advance.
- 9. Proposed adjustments and amendment of the Montreal Protocol by the European Community.
- 10. Other matters.
- 11. Closure of the preparatory segment.

14. During the adoption of the agenda some issues were raised for consideration under “Other matters”, including the proposal submitted by France at the twenty-fourth meeting of the Open-ended Working Group to investigate the optimization of technical and financial assistance in the framework of the Montreal Protocol; and the applications for reclassification submitted by Malta and Turkmenistan.

#### **D. Organization of work**

15. The Meeting agreed to follow its customary procedure and to establish contact groups as necessary.

### **III. Consideration of issues arising out of the reports of the Technology and Economic Assessment Panel**

16. Mr. Lambert Kuijpers, co-chair of the Technology and Economic Assessment Panel, introduced the item. The co-chairs of the Panel’s bodies presented the relevant work of the Panel.

17. As chair of the Panel’s basic domestic needs task force, Mr. Kuijpers introduced the task force’s report. He highlighted various elements of decision XV/2 on assessment of the quantities of CFCs and carbon tetrachloride that could be produced and exported, mentioning the proportions of CFC-11 and CFC-12 consumed in Parties operating under Article 5 and specific aspects of the production of those substances. He summarized the sources for predicting the production of CFCs and explained that the task force had used two scenarios to predict future consumption of CFCs by Parties operating under Article 5. Data by the Ozone Secretariat for the period 1995–2002 had shown deficits every year, yet no shortages had been observed. Both scenarios also predicted deficits for the years 2003–2009, with one or two exceptions.

18. He noted that reporting on CFC feedstock production, imports and exports needed improvement. On the issue of non-feedstock, he said the reporting showed large irregularities and suggested that the Parties might wish to consider looking into the problem further. Although the task force had conducted a study on the level of CFC production required to meet basic domestic needs, no conclusions could be drawn from either the data available or the predictions made. He suggested that the Parties might wish to examine the current data-reporting system.

19. Mr. Ian Rae, proposed co-chair of the Chemicals Technical Options Committee, Mr. Masaaki Yamabe, proposed co-chair of the same committee and co-chair of the process agent task force, and Mr. José Pons Pons, co-chair of the Technology and Economic Assessment Panel and of the process agent task force, presented the report of the process agent task force established on the basis of decision XV/7. The task force had reviewed the new process-agent uses that several Parties to the Montreal Protocol had requested be added to table A of decision X/14, which had been updated by decision XV/6. Nine nominations for new uses had been received from five Parties and had been found to meet the definition set out by the 1997 process agent task force. The current task force expressed a willingness by the Technology and Economic Assessment Panel, if requested by Parties, to provide precise definitions of laboratory uses owing to the differences occurring when volume, rather than the type of activity – production, research, investigation or analytical measurement – was the deciding factor. The representatives of the task force also described the dichotomy between the uses of process agents in Parties operating under Article 5, who were working toward complete phase-out with funding from the Multilateral Fund, and in Parties not operating under Article 5, whose emissions had to be

negligible in compliance with table B in decision X/14, and highlighted that as an issue that the Parties might wish to consider.

20. Mr. David Catchpole, proposed co-chair of the Halons Technical Options Committee, presented the joint plan of action of the committee and the International Civil Aviation Organization (ICAO). He recalled that decision XV/11 authorized the Ozone Secretariat and the Technology and Economic Assessment Panel and its Halons Technical Options committee to discuss with ICAO the development of a plan of action to modify regulations that mandate the use of halon in new airframes. A first meeting in March 2004 had identified background information that would be needed by ICAO before it could proceed with any recommendations. The Halons Technical Options Committee had been assigned the task of assembling background information and of contacting the International Air Transport Association (IATA). The committee co-chairs had assembled and forwarded to ICAO and IATA information on currently available halon alternatives for use on aircraft, before arranging for a follow-up meeting with ICAO in November 2004, during which a plan of action had been developed. The committee was to submit an article for the ICAO journal, projecting halon supply, cost and emissions, while ICAO was to issue a State letter in 2006 inviting States to require the use of proven alternatives in newly designed aircraft as of 2009. The ICAO secretariat would introduce an ICAO/Halon Technical Options Committee working paper at the 2007 ICAO Assembly.

21. Mr. Jonathan Banks, co-chair of the Methyl Bromide Technical Options Committee, presented the committee's final report on 2004 critical-use nominations. Details of the recommendations given for individual nominations and a summary, by Party, of the quantities recommended could be found in the published committee report. When reasonable, the committee had recommended a reduction in nominated quantities, but adjustments had not been made when Parties had provided substantive argument, such as unusually tolerant pests, or where there were regulatory requirements to use specific rates.

22. The Panel and the Methyl Bromide Technical Options Committee agreed with several of the nominations that there were technical reasons why implementation of alternatives typically could not be achieved in a single year. They recommended that time be allowed for industry to make the transition to alternatives. Furthermore, in its interim report of June 2004, the Panel had suggested interim standardized phase-in schedules when alternatives were available but the nominations had not reflected technical progress towards phase-out. That was applied to eight nominations for 2006.

23. The Methyl Bromide Technical Options Committee recognized that registration and local regulations could act as constraints on the availability of particular chemical alternatives to the end user, in the sense of decision IX/6, and thus form grounds for recommending a critical-use exemption if no other suitable alternatives were available. It also believed that some technical considerations supported multi-year nominations, specifically when the frequency of methyl bromide use could be reduced to once in a number of years in rotation with alternatives.

24. Mr. Banks recalled that the critical-use nomination handbook had been revised as requested in decision Ex.I/4, paragraph 9 (k). It was awaiting incorporation of further decisions from the current Meeting of the Parties relating to the critical-use nomination process.

25. Following the presentations, representatives expressed concern about a potential increase in the consumption of controlled substances and particularly methyl bromide, in the light of critical-use exemptions, which was inconsistent with achieving the targeted reduction and phase-out, and requested further investigation into whether this was in fact occurring.

26. The representative of an environmental non-governmental organization argued that the report of the Panel's basic domestic needs task force did not enable Parties to make informed decisions about the production levels required in the coming years and the possibility of further reducing production, where appropriate. He expressed the view that the quality of the data used to compile the report was at fault, and suggested a study into the market for CFCs relying not only on data from Parties, but also on market indicators such as price, the uptake of alternatives and recycling.

27. A number of other representatives had specific queries regarding the presentations, and it was agreed that they would consult with members of the committees and task forces on a bilateral basis to obtain clarification.

## **A. Recommendations of the Open-ended Working Group at its twenty-fourth meeting**

### **1. Essential-use nominations for Parties not operating under Article 5**

28. The Co-Chair drew attention to a conference room paper containing a draft decision on metered-dose inhalers prepared by the European Community, which the representative of the Community introduced.

29. The representative noted that the European Community was presenting the proposed decision in response to a suggestion by the Technology and Economic Assessment Panel in its report that there be a review in 2005 of 2006 essential-use exemptions for (CFCs) because of possible changing regulatory circumstances for CFC-containing salbutamol in 2005. He noted that the Community had introduced an earlier version of the draft decision at the twenty-fourth meeting of the Open-ended Working Group, which had subsequently been revised to take into account comments made by a contact group that had considered it at that session. Pending the latest version of the draft decision to be issued in a conference room paper, the representative summarized the provisions of the draft decision, the goal of which, he said, was to end the use of CFC-containing metered-dose inhalers when non-CFC alternatives were available.

30. A number of Parties expressed their opposition to consideration of the draft decision on the grounds that the Fifteenth Meeting of the Parties had considered the issue and resolved it for the immediate future by its decision XV/5, which called for Parties not operating under paragraph 1 of Article 5 to submit to the Open-ended Working Group, at its twenty-fifth meeting, plans of action on the phase-out of domestic use of CFC-containing metered-dose inhalers whose sole active ingredient was salbutamol. As there had as yet been no opportunity to assess the effectiveness of those plans, it was premature to consider a new decision on the phase-out of CFC-containing metered-dose inhalers.

31. The representative of the United States of America introduced a conference-room paper containing a draft decision covering approval of the 2005 and 2006 essential-use nominations for Parties not operating under Article 5 in accordance with recommendations of the Technology and Economic Assessment Panel. In contrast to the draft decision proposed by the European Community, it would not exclude from 2006 approved levels of metered-dose inhalers whose sole ingredient was salbutamol or provide for the review in 2005 of 2006 essential-use nominations.

32. There was considerable debate over both proposals, with some Parties supporting one and some the other. A suggestion was made to amend the proposal by the United States of America to ensure that it was implemented in a manner consistent with decision XV/5. There was also much discussion on which proposal aligned more closely with the report of the Technology and Economic Assessment Panel's Aerosols, Sterilants, Miscellaneous Uses and Carbon Tetrachloride Technical Options Committee, which recommended approval of the nominated quantities of CFCs but also contained a strong suggestion that the quantities for 2006 be reviewed in 2005.

33. The representative of the United States of America explained that the proposal put forth by the European Community, if adopted, would pose great difficulties for his country, which was currently in the middle of a complex and difficult rule-making process aimed at implementing decision XV/5, and would jeopardize public health owing to the limited availability and high cost of CFC-free metered-dose inhalers. The representative of the European Community, as well as the representatives of two non-governmental organizations representing patients in the United States of America and metered-dose inhaler manufacturers, asserted that the European Community's proposal would have no deleterious effect and that CFC-free metered-dose inhalers were adequately available in the United States of America.

34. The representative of the Russian Federation sought the approval of the Parties for his country's 2006 essential-use nomination, which the Technology and Economic Assessment Panel had declined to consider on the grounds that it had been filed late. He acknowledged that it had been filed late, but pointed out that the nomination for 2005 had been filed on time and that the 2006 nomination sought the same amount. The draft decision proposed by the United States of America contained a provision that would approve the 2006 nomination for the Russian Federation.

35. The Parties agreed that informal consultations, in which a representative of the Technology and Economic Assessment Panel would participate, should be undertaken in an effort to reach agreement. Following those consultations, which were held, however, without participation by a member of the

Panel, the representative of the United States of America introduced a revised draft decision. The preparatory segment decided to forward that draft decision to the high-level segment for consideration and possible adoption.

**2. Assessment of the portion of the refrigeration service sector made up by chillers and identification of incentives and the impediments to the transition to non-CFC equipment**

36. Introducing the sub-item, the Co-Chair recalled that, in decision XIV/9, the Parties had requested the Technology and Economic Assessment Panel to collect data and assess the portion of the refrigeration service sector made up of chillers and identify incentives and impediments to the transition to non-CFC equipment. The report of the Panel's chiller task force had been completed and distributed to the Parties in June 2004. At the twenty-fourth meeting of the Open-ended Working Group, a draft decision had been presented containing three main elements: funding for additional demonstration projects; funding for awareness programmes for users, which would help encourage chiller users to phase out CFCs in a timely manner; and inclusion in refrigerant management plans of the use of ozone-depleting substances recovered from chillers for servicing needs. After a discussion and subsequent revision of the draft decision, the Open-ended Working Group had agreed to forward the draft decision to the Sixteenth Meeting of the Parties. The draft decision was set out in section B of document UNEP/OzL.Pro.16/3.

37. One representative said that an additional subparagraph (d) should be added to the draft decision, requesting the Multilateral Fund to fund total phase-out plans in Parties operating under Article 5. The Chair requested the representative to provide the proposed new subparagraph in writing to the Secretariat.

38. Another representative recalled that, in the negotiations leading to the draft decision, it had been noted that the Panel had pointed out that there was no eligible incremental cost associated with chiller conversions, but it had been agreed to allow a small number of demonstration projects to go forward, on a regional rather than country-by-country basis, as an incentive to countries to undertake projects on their own.

39. The two representatives agreed to discuss the matter informally. A number of representatives stressed that as the recovery and reuse of ozone-depleting substances from chillers was very important, demonstration projects in that area were also very important. The Chair noted that the importance of such projects was already accepted: the only question was how many should be funded.

40. The preparatory segment decided to forward the draft decision, contained in section B of document UNEP/OzL.Pro.16/3, as amended, to the high-level segment for consideration and possible adoption.

**3. Sources of carbon tetrachloride emissions and means of reducing such emissions**

41. The representative of Canada drew attention to the draft decision contained in section K of document UNEP/OzL.Pro.16/3, pointing out a minor editorial correction.

42. There being no comments on the text of the draft decision, the preparatory segment decided to forward the draft decision on sources of carbon tetrachloride emissions and means of reducing such emissions to the high-level segment for consideration and possible adoption.

**4. Review of approved destruction technologies**

43. The representative of Canada drew attention to the draft decision contained in section L of document UNEP/OzL.Pro.16/3. He explained that the intention was to request the Technology and Economic Assessment Panel to review those destruction technologies that had almost qualified for the approved list in the previous review, in order to determine whether any would now qualify.

44. There being no comments on the text of the draft decision, the preparatory segment decided to forward the draft decision on the review of approved destruction technologies to the high-level segment for consideration and possible adoption.

**B. Assessment by the Technology and Economic Assessment Panel of the availability of supply of CFCs and carbon tetrachloride required for basic domestic needs for Parties operating under Article 5 for the period 2004–2010 (decision XV/2)**

45. One representative noted that his country used small quantities of carbon tetrachloride as a spot cleaner in the garment industry. The country from which it was imported had undertaken, however, to phase out production by 2007. He asked whether it would be possible for it to continue production, for export only, until 2010. In response, the Co-Chair pointed out that that country was not the only producer of carbon tetrachloride in the world.

46. One representative noted that more time was needed to study the Panel's report on the issue, notably since some of the data in it appeared inadequate. He suggested that the issue should be discussed more fully at the twenty-fifth meeting of the Open-ended Working Group.

**C. Development of a plan of action for modification of the regulatory requirements on halon use in new airframes (decision XV/11)**

47. The Co-Chair invited comments from representatives on the issue, based on the report provided by the Technology and Economic Assessment Panel and its Halons Technical Options Committee. There being no comments, the co-chair moved on to the next agenda item.

**D. Review of requests for consideration of specific process-agent uses against criteria in decision X/14 and decision XV/7, paragraph 3**

48. The Co-Chair introduced the agenda item and invited comments from the Parties. He subsequently noted that the absence of any comments from the floor would imply agreement that all the process agent uses recommended by the Technology and Economic Assessment Panel should be included in the table already approved by the Parties.

49. One representative reported that, the previous week, his country had submitted to the Secretariat a request for a carbon tetrachloride use to be assessed against criteria for process-agent use. Being aware that the Panel had already concluded its report, his delegation sought guidance on how to proceed.

50. The Chair undertook to discuss the question with the Panel and report back to the Party.

51. The Parties agreed that the Secretariat would prepare a conference room paper for their consideration at the current meeting compiling the recommendations by the Technology and Economic Assessment Panel on the inclusion of new process-agent uses in table A of decision X/14.

52. The representative of the European Community said that his delegation was not able to support the draft decision contained in the conference-room paper before it for a number of technical reasons. The first was that no emissions data were given for most of the applications listed in the table contained in the draft decision.

53. The representative of the Technology and Economic Assessment Panel clarified that emissions data were included only for the applications 39 and 40 set out in the table to the draft decision. Applications 32–38, also set out in that table, had been presented by Parties operating under Article 5, and it was for the Meeting of the Parties to decide whether they were going to be reviewed under the Montreal Protocol, whereas applications 39 and 40 had been presented by Parties not operating under Article 5, and in consequence there was a greater emphasis on emissions.

54. The representative of the European Community said that it was not known when the relevant plants had started production. The representative of the Technology and Economic Assessment Panel, supported by several representatives, said that all the data could be found in the report, but the representative of the European Community asserted that the dates given in the report related to the provision of data, not to the start of operations by the plants.

55. There was general agreement that the preparatory segment should forward the draft decision to the high-level segment for consideration and possible adoption, entirely in square brackets.

56. Further discussion of the draft decision took place in an attempt to remove the square brackets from around applications 39 and 40. The representative of the European Community stated however that, despite assurances that the two applications met all the selection criteria of the Technology and Economic Assessment Panel, it retained its concerns.

57. The preparatory segment was again unable to reach consensus, and reiterated its decision to forward the draft decision to the high-level segment in square brackets.

58. With regard to the submission by Brazil of a process-agent use after the Technology and Economic Assessment Panel had already concluded its report, the Co-Chair reported that the Panel would consider it at its next meeting, and present its findings at the next Open-ended Working Group meeting.

## **IV. Consideration of methyl bromide-related issues**

### **A. Recommendations of the Open-ended Working Group at its twenty-fourth meeting**

#### **1. Multi-year exemptions for methyl bromide use**

59. This item was considered in conjunction with item 4 (b). The adoption of the decision pertaining to the item is described in paragraph 90 of the present report.

#### **2. Trade in products and commodities treated with methyl bromide**

60. The representative of Kenya introduced the draft decision under the item, which his delegation had submitted at the Fifteenth Meeting of the Parties and which had been further modified at the twenty-fourth meeting of the Open-ended Working Group. Noting the importance of the agricultural sector for his country's economy, both as an earner of foreign currency and the main source of the population's livelihood, he stressed that, so long as a country remained in compliance with the provisions of the Protocol, there should be no further restrictions on its trade in products and commodities treated with methyl bromide.

61. Wide support was expressed for the Kenyan proposal by other Parties operating under Article 5, for the reasons outlined by Kenya and given the continuing unavailability of acceptable alternatives to methyl bromide. One representative, while supporting the draft, also noted that trade restrictions could have the benefit of encouraging the development of alternatives. The representative of one Party not operating under Article 5 expressed reservations about the proposal, however, and stressed the need for safeguards that would ensure that the decision would be strictly limited to its terms and would include a commitment to meeting obligations under the Montreal Protocol and for confirmation that no provisions under international law would be compromised by the decision, without which his delegation would be unable to support it.

62. In response to concerns expressed by one representative regarding the lack of clarity of the first paragraph, the representative of New Zealand explained that his delegation had worked with Kenya to broaden the scope of the draft to cover other trade-related agreements, and had amended that paragraph accordingly, adding the references to other international instruments. He expressed his delegation's support for the proposal as it stood.

63. The representative of Kenya assured those who had concerns with the draft that his delegation's intention in proposing it was purely to ensure compliance with the Protocol and that, as soon as acceptable alternatives were available, methyl bromide use would cease. In the meantime, however, there should be no restriction on trade in products and commodities treated with methyl bromide. He shared the concern that the amendments to the draft decision might limit and render uncertain the obligation not to impose trade barriers by subjecting it to a requirement that it not conflict with other, unspecified, international agreements, and suggested that those additions should be deleted.

64. The Co-Chair proposed, and the Meeting agreed, that a small contact group should be set up to consider the proposal further, comprising the representatives of interested Parties.

65. The Co-Chair noted that there were now two draft decisions before the Meeting, one prepared by Kenya, in consultation with other representatives, and one prepared by Switzerland.

66. The representative of Kenya explained that his delegation's draft decision did not seek any special treatment, or extra allowances, for Kenya (which currently was consuming only about half of its methyl bromide baseline). All it sought to do was ensure access to markets for Kenya's agricultural

products treated with methyl bromide. If that access were not possible, Kenya's farmers would shift from agriculture to burning forests to make charcoal, which would be disastrous for the ozone layer. The representative of Switzerland explained that his draft decision sought to limit the scope of Kenya's proposal.

67. The Co-Chair suggested that Switzerland, Kenya and other interested representatives should try to draft a combined decision that would be acceptable to all.

68. Subsequently, the representative of Argentina reported that the contact group that had been established had held further meetings and prepared a consensus text, which it would circulate in due course. Following consideration of the consensus text, the preparatory segment decided to forward the draft decision on trade in products and commodities treated with methyl bromide to the high-level segment for consideration and possible adoption.

### **3. Request for technical and financial support relating to methyl bromide alternatives**

69. The Co-Chair recalled that the topic had been raised by Burkina Faso, on behalf of a group of African countries, and that it had been agreed that it would be forwarded to the Meeting of the Parties, but only after discussion of any new information.

70. The Executive Secretary of the Ozone Secretariat reported that the cost of translating the assessment reports, as called for in the draft decision, would amount to approximately US\$ 250,000.

71. The Co-Chair requested that a small drafting group, comprising at least the representatives of Burkina Faso and the United States of America, should work on the language of a revised draft decision.

72. A revised version of the draft was subsequently circulated. The Co-Chair said that the revised version had been amended in the light of consultations between Burkina Faso and the United States of America. The meeting agreed to approve the draft decision, with a minor oral amendment to accommodate concerns expressed by two other representatives, and to forward it to the high-level segment for consideration and possible adoption.

### **4. Assessment of the normative authorization of the use of methyl bromide for quarantine and pre-shipment, feedstock and wooden pallet fumigation**

73. The Co-Chair noted that the entire text of the draft decision in section I of document UNEP/OzL.Pro.16/3 was in square brackets, as Colombia and Guatemala had been expected to revise the language.

74. Following consultations with various interested Parties, the representatives of Guatemala and Colombia were able to present a revised draft decision on coordination among United Nations bodies on quarantine and pre-shipment.

75. One representative pointed out that, since not all Parties had agreed to standard 15 of the International Standards for Phytosanitary Measures on wood packaging treated with alternative methods to methyl bromide, the reference to Parties' compliance with that standard should be optional rather than prescriptive.

76. Following the discussion, the preparatory segment decided to forward the draft decision, as amended, to the high-level segment for consideration and possible adoption.

### **5. Flexibility in the use of alternatives for the phasing out of methyl bromide**

77. The Co-Chair noted that the text of the draft decision in section J of document UNEP/OzL.Pro.16/3 was to have been revised by Guatemala.

78. The representative of Guatemala explained that not all results of methyl bromide alternatives could be applied universally to all countries. In Guatemala's case, data problems, soil problems and climate problems had thus far conspired against finding an economically viable and technically sound alternative. Furthermore, the baseline had been established using the wrong data. The implementation schedule for methyl bromide phase-out therefore needed to be revised.

79. During the ensuing discussion, one representative said that other countries faced similar difficulties. The fact that critical-use exemptions were being granted in some Parties not operating under Article 5 of the Protocol clearly showed that even those Parties with sizeable technical and financial resources to implement alternatives were having problems, and lent validity to the draft decision presented by Guatemala.

80. One representative sought clarification as to whether Guatemala was proposing to revise the schedule for implementation referred to in Article 2H of the Protocol, or a specific schedule that Guatemala had agreed to in the context of a project approved by the Multilateral Fund. Following clarification that the draft decision referred to the schedule in the Protocol, the representative submitted a number of amendments.

81. Following the discussion, the preparatory segment decided to forward the draft decision, as orally amended and with some paragraphs in square brackets, to the high-level segment for consideration and possible adoption.

82. The representative of the United States of America wished to express, for the record, his country's understanding that the draft decision submitted by Guatemala simply meant that some Parties were having difficulty with methyl bromide alternatives, and were requesting assistance to comply with their obligations as soon as possible.

83. The representative of Guatemala reintroduced the draft decision and proposed some further modifications which were accepted by the preparatory segment. The draft decision, as orally amended, was forwarded to the high-level segment for consideration and possible adoption.

**6. Assessment of the volume of methyl bromide to be replaced by the implementation of technically and economically feasible alternatives to its quarantine and pre-shipment uses (decision XI/13, subparagraph 4 (b))**

84. The Co-Chair noted that, in decision XI/13, the Parties had requested the Technology and Economic Assessment Panel to evaluate the technical and economic feasibility of alternative treatments and procedures that could replace methyl bromide for quarantine and pre-shipment treatment and to estimate the volume of methyl bromide that would be replaced by the implementation of technically and economically feasible alternatives for quarantine and pre-shipment treatment, reported by commodity and/or application. The Panel had reported on the issue in its 2003 progress report and had noted that individual tonnages for uses of methyl bromide for quarantine and pre-shipment treatment of particular commodities were not available worldwide, although specific surveys were available for several countries. The Panel had further noted that a survey had been funded by the European Community and was scheduled to be available in 2004. The survey had actually started in mid-April 2004 and the Parties had been requested, through the Ozone Secretariat, to provide data and information by 30 June 2004.

85. The Co-Chair then invited the representative of Australia to introduce a conference room paper containing a draft decision that his delegation had prepared on the item. The latter explained that the proposed decision had been prompted by a concern that the Panel had requested Parties, in completing a survey intended to provide information needed for the study, to comply with a deadline that was too short. Australia expressed the fear that some Parties would simply be unable to comply with the deadline and that any reported data hastily compiled so as to meet the deadline might be incomplete and unreliable. Australia had accordingly prepared a proposed decision setting forth a new schedule for completing the study called for by decision XI/13, the aim of which was to ensure the provision of reliable and robust information.

86. Following Australia's introduction of the draft decision, the preparatory segment debated the item and decided to forward the draft decision on the reporting of information relating to quarantine and pre-shipment uses of methyl bromide, as orally amended, to the high-level segment for consideration and possible adoption.

**B. Recommendations of the ad hoc working group on the review of the working procedures and terms of reference of the Methyl Bromide Technical Options Committee as they relate to the evaluation of critical-use nominations**

87. Mr. Maas Goote, Co-Chair of the ad hoc working group on the review of the working procedures and the terms of reference of the Methyl Bromide Technical Options Committee, reported on the group's second meeting, which had taken place on 19 and 20 November 2004. In accordance with decision Ex.I/5, the working group at its two meetings had considered four main issues: further guidance to the Methyl Bromide Technical Options Committee on the application of the criteria set out in decision IX/6; the working procedures and membership of the Committee; conflicts of interest on the part of members of the Committee; and the provision of financial support to the Committee in its evaluation of critical-use nominations. The result of the working group's efforts was a draft decision for consideration by the Meeting of the Parties. He noted that, while the group had agreed on the majority of issues before it, some of the language in the draft decision, with respect to which it had not achieved

consensus, was enclosed in square brackets, but he was confident that the Parties could resolve their differences on that language at the current meeting. He expressed his thanks to all the working group participants, his co-chair, Mr. Elias Antonio Luna Almeida Santos (Brazil), and the Executive Secretary and his staff for all their efforts.

88. The Co-Chair thanked the co-chairs of the ad hoc working group and delegates who had participated in that group for their hard work and invited comments on the report.

89. The Parties agreed that, in the light of the need to agree on the language in the draft decision still enclosed in square brackets, it would establish a contact group, to be chaired by the co-chairs of the ad hoc working group, with the mandate to reach final agreement on the bracketed text.

90. The contact group agreed on two draft decisions: one covering all the issues reflected in the bracketed text of the draft decision agreed by the ad hoc working group, save the issue of the duration of critical-use exemptions; and a second relating to the latter issue. The preparatory segment agreed to forward both draft decisions to the high-level segment for consideration and possible adoption.

91. On the issue of financial support to the Methyl Bromide Technical Options Committee in connection with its evaluation of critical-use nominations, the working group had found that the committee was currently labouring under an extraordinarily heavy work load and that, in the light of those exceptional circumstances, there were certain areas in which extra financial assistance to the committee could prove beneficial. Given that conclusion, the representative of Australia introduced a conference room paper containing a draft decision prepared jointly by his country and Japan that would provide for certain additional financial support to the Committee during 2005.

92. During the ensuing debate, there was agreement that the Committee was indeed currently enduring a heavy work load and that it would be desirable to provide it with extra support. A number of Parties, however, were adamant that they could not endorse anything inconsistent with zero growth in the budget of the Protocol's trust fund. One noted that it could not agree to the funding of travel for members of the committee from Parties not operating under Article 5 other than on an occasional basis under extraordinary circumstances, and proposed a corresponding amendment.

93. There was also agreement that the Parties needed information on the financial implications of the proposed decision, and that those implications had to be considered in the context of other demands on available funds. The Parties accordingly agreed that the Secretariat would provide an estimate of the financial implications of the draft decision, both as originally submitted and as amended to provide for travel funding of non-Article 5 members only under extraordinary circumstances, and that the draft decision would be submitted to the budget committee for its consideration and recommendation.

94. The representative of Japan, speaking as one of the sponsors of the draft, explained that the three scenarios outlined in the draft served as the basis for calculation of the cost implications and agreed that no further progress on the draft was possible without information on those implications, although he pointed out that it was not the responsibility of the budget committee to choose among the three scenarios, merely to calculate their cost implications. Accordingly, he suggested that discussion on the draft should be postponed or that it be forwarded to the high-level segment in square brackets.

95. When the budget committee reported back, the representative of Canada, speaking as its chair, said that, in accordance with rule 14 of the rules of procedure, the plenary had been informed of the cost implications, which had been prepared as an annex to the draft decision. He brought to the attention of the meeting the figures in the tables in the annex, setting out the cost implications of the three scenarios.

96. One representative reiterated concerns about certain aspects of the proposal, pointing out that the provision of funding for travel of members of the Methyl Bromide Technical Options Committee from Parties not operating under Article 5 of the Protocol could have a demoralizing effect on members of other technical options committees, implying that their work was less valuable, and suggested certain amendments to the text.

97. The preparatory segment agreed to forward the draft decision, as amended and in square brackets, pending confirmation of the figures by the budget committee, to the high-level segment for consideration and possible adoption.

**C. Recommendations of the Methyl Bromide Technical Options Committee of the Technology and Economic Assessment Panel on nominations for critical-use exemptions for methyl bromide (decisions IX/6, para. 2, and XIII/11)**

98. The Co-Chair introduced the item, noting that one of the Parties' key tasks at the current meeting was to decide on 2004 critical-use nominations for methyl bromide, taking into account the recommendations of the Technology and Economic Assessment Panel contained in its final report on critical-use nominations for methyl bromide.

99. Several Parties expressed deep concern over what they saw as inappropriate treatment by the Methyl Bromide Technical Options Committee of a number of critical-use nominations. They pointed in particular to the fact that the Committee had applied a reduction of 20 per cent to up to 20 nominations, which they believed it had done in a standardized manner that violated the requirement that each critical-use nomination be evaluated individually and on the basis of its specific circumstances. One Party noted that the Committee had imposed similar reductions on other nominations on the grounds that alternatives to methyl bromide were available, without giving due consideration to evidence presented by the nominating Party that the alternatives were not feasible on the circumstances of the particular nominations. It was also asserted that there was no indication in the Panel's report that the Committee had considered the economic feasibility of methyl bromide alternatives. Another Party expressed the view that nominations of a similar nature had received disparate treatment, with no clear explanation that such disparity was based on sound technical considerations.

100. A number of Parties felt that imposition of a 20 per cent reduction on several nominations could be understood as an attempt by the Methyl Bromide Technical Options Committee to recommend a policy. They strongly expressed the view that the Committee had strayed from its mandate to provide technical assessments and to restrict itself to evaluating nominations according to the criteria laid down in the relevant decisions of the Parties. The Committee was also urged to explain its decisions more clearly, as Parties needed to understand clearly the basis of its recommendations and be confident that it was acting in accordance with the decisions of the Parties.

101. The co-chair of the Methyl Bromide Technical Options Committee reported that the Committee had indeed imposed reductions in cases in which methyl bromide alternatives were available and there was no evidence of efforts to use them. Although in a number of cases the reduction amounted to 20 per cent, he assured the meeting that the committee did evaluate nominations individually and on their own merits.

102. The Parties that expressed the view that their critical-use nominations had been treated inappropriately by the Committee indicated that they would ask the Meeting of the Parties to approve exemptions for the full amount of methyl bromide sought in their nominations. Several other Parties, however, indicated that while they were concerned that the committee might have given inadequate consideration to some nominations, they were reluctant simply to approve exemptions for the full amount sought. Instead, these Parties insisted that any change to the amount approved should come about as a result of another review and subsequent recommendation by the Technology and Economic Assessment Panel. Several Parties operating under Article 5 were in fact generally pleased with the level of reductions that the committee had recommended, and expressed the view therefore that Parties should not approve the nominated quantities in full.

103. A representative of an environmental non-governmental organization suggested that, in considering the evaluation of critical-use nominations, the Parties should consider several issues, including how the amount of methyl bromide sought in a nomination compared with the amount actually used in the recent past; the existence of stockpiles and whether they were transparently accounted for; and the efforts made by nominating Parties to reduce stockpiles. He also proposed that reductions in amounts of methyl bromide sought for exemption should be significant and should be challenging for users, in order to prompt innovation in the development of alternatives.

104. The Parties agreed to establish a contact group to consider the issue further. The group would elect its own chair and an effort would be made to balance its membership between Parties that had submitted critical-use nominations and those that had not.

105. After the meeting of the contact group, the representative of Switzerland introduced two draft decisions for consideration by the Parties. The first pertained to convening a second Extraordinary Meeting of the Parties in 2005 to review critical-use nominations for methyl bromide for 2006; the second draft decision dealt with critical-use nominations for 2005 and 2006. The representative of New Zealand wished to note the implications of the second draft decision for countries that did not hold

stocks. If the results of the trials under way in his country on alternative substances and production processes were not as successful as he hoped, then the economic viability of New Zealand's largest strawberry producer could be at risk. His country would not have the flexibility afforded by the ability to draw on stocks and might therefore have to avail itself of decision IX/7 and return to the Parties with a request for emergency methyl bromide use. In response, another representative expressed his confidence that New Zealand would use virtually impermeable films in order to limit methyl bromide emissions. He also said that decision IX/7 on emergency use involved a review procedure with which New Zealand would have to comply. He offered to provide New Zealand with technical consultations.

106. The Secretariat clarified that a second Extraordinary Meeting of the Parties could be absorbed into the budget of the twenty-fifth meeting of the Open-ended Working Group, provided it was held back-to-back with that meeting, and lasted for no more than one day.

107. Taking note of that clarification and the comment by the representative of New Zealand, the preparatory segment decided to forward the two draft decisions, as orally amended, to the high-level segment of the meeting for consideration and possible adoption.

108. Also under this agenda item, the representative of the European Community introduced a conference-room paper containing a proposal which, he said, was designed to ensure that the Technology and Economic Assessment Panel provided a report on the registration status of methyl bromide and its alternatives consistent with the provisions of decision Ex.I/4, paragraphs 1 and 9 (j). He also explained that the decision, the main provisions of which he outlined to the meeting, followed up on what had been agreed on the issue at the Extraordinary Meeting of the Parties.

109. One representative wondered why, if the provisions of the draft were already contained in a decision of the Extraordinary Meeting, adopted less than one year previously, it was thought necessary to restate them and issue a new decision. Other representatives, while agreeing that the information provided under the proposed decision would be useful, expressed concerns that the reporting requirements under the decision would place an additional burden on the resources of the Technology and Economic Assessment Panel and divert it from other, perhaps more urgent, work.

110. Following further informal consultation on the issue, the representative of the European Community agreed that there was still sufficient time for the Technology and Economic Assessment Panel to report to the Parties on this important topic and announced the European Community's agreement to withdraw its proposal.

#### **D. Recommendations of the Methyl Bromide Technical Options Committee of the Technology and Economic Assessment Panel on the handbook, reporting forms and accounting framework for critical uses of methyl bromide**

111. The Co-Chair introduced the item, noting that in decision Ex.I/4 the Parties had requested the Technology and Economic Assessment Panel to modify the Handbook on Critical Uses of Methyl Bromide in accordance with that decision and to report to the Sixteenth Meeting of the Parties. In that decision the Panel had also been requested to recommend an accounting framework for Parties to use in reporting quantities of methyl bromide produced, imported and exported by Parties under the terms of critical-use exemptions, as well as a format for a critical-use exemption report to be submitted by Parties reapplying for critical-use exemptions after 2005. The task before the Parties was to consider whether to approve the draft revised handbook (version 3.0, December 2004) and the draft accounting framework and reporting format contained in the appendices to the draft revised handbook.

112. A number of Parties expressed the view that the handbook needed considerable additional revision, both to effect changes to the current text and to reflect the decisions yet to be taken by the Sixteenth Meeting of the Parties, including those relating to the recommendations of the ad hoc working group on the review of its working procedures and terms of reference.

113. The Parties agreed that it would be beneficial for them to have more time to review the handbook and its appendices, and accordingly decided that, save for the draft accounting framework, they would not take up approval of the revised handbook at the current meeting. The Parties agreed that instead they would consider adoption of the revised handbook at their next meeting and that, in the meantime, Parties could use the handbook as non-binding guidance on the submission of critical-use nominations.

114. With respect to the draft accounting framework, it was agreed that the Parties would consider a separate decision on its adoption during the current meeting, a draft of which would be submitted by the European Community.

115. The preparatory segment decided to forward the draft decision on the accounting framework submitted by the European Community to the high-level segment for consideration and possible adoption.

## **V. Consideration of issues related to the Multilateral Fund for the Implementation of the Montreal Protocol**

### **A. Evaluation and review of the financial mechanism of the Montreal Protocol (decision XV/47)**

116. The Co-Chair introduced the item and recalled that, in accordance with decision XV/47, a steering panel had been set up to select a consultant to carry out an evaluation of the financial mechanism of the Montreal Protocol and supervise the evaluation process. The firm selected, ICF Consulting, had produced an evaluation report for distribution to all the Parties, the executive summary of which was to be found in document UNEP/OzL.Pro.16/11.

117. Mr. Mark Wagner, a consultant with ICF, gave a brief presentation on the report, highlighting five main areas: the Executive Committee's decision-making process; Fund Secretariat activities; activities implemented by multilateral and bilateral implementing agencies; Fund management; and additional matters (Fund contributions; analysis and reconciliation of financial data; and adequacy of interaction between implementing agencies, the Fund Secretariat and subsidiary bodies). On the basis of data collected and interviews conducted, ICF recommended that the Executive Committee make certain changes to its structure specifically to address compliance.

118. Responding to a number of questions and comments from representatives on his presentation and the report, Mr. Wagner said that the firm considered the country-driven approach to compliance to be very positive, and although there was need for greater capacity-building to ensure compliance, he was not in a position to comment on whether the approach was in fact effective and leading to phase-out. He stressed that ICF had merely made recommendations and that it was the prerogative of the Parties to determine whether and how those recommendations would be implemented. He also clarified that he had not meant to give the impression that only Parties operating under Article 5 needed to be concerned with compliance, since it was a matter for everyone.

119. One representative disagreed with the consultant regarding bilateral agencies and the right of a Party to offset 20 per cent of its contributions as it saw fit, arguing that the amount should be used in accordance with the terms of reference of the Multilateral Fund and Article 10 of the Montreal Protocol. Another representative expressed her appreciation to the consultant, who had taken into account the view of certain Parties operating under Article 5, regarding the importance of lifting the confidentiality of the Executive Committee documents for all the Parties to the Montreal Protocol. Several representatives suggested reorienting the work of the Executive Committee in the light of the challenges of the future, to ensure, for instance, greater support for the phase-out of HCFCs and combating illegal trade.

120. There was unanimous appreciation for the work of ICF and the steering panel, and general agreement that Parties could not give a blanket endorsement of all the recommendations in the ICF report nor approve a reorientation of the Committee's activities. The preparatory segment agreed that the representative of Brazil would draft a decision on the way to proceed with consideration of the recommendations and the involvement of the Executive Committee, taking into account the concerns and comments raised by other Parties during the preceding discussion.

121. The preparatory segment decided to forward the draft decision on the evaluation and review of the financial mechanism to the high-level segment for consideration and possible adoption.

### **B. Terms of reference for the study on the 2006–2008 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol**

122. The Co-Chair recalled that a decision by the Parties on the process and mechanism for replenishment of the Multilateral Fund for the period 2006–2008 had to be taken in 2004, along with terms of reference for any studies that might be deemed necessary to facilitate the process. At its twenty-fourth meeting, the Open-ended Working Group had agreed to forward two draft decisions on this issue to the Sixteenth Meeting of the Parties. The first had been introduced by the Netherlands, on behalf of the member States of the European Union, on terms of reference for the study on the replenishment. Several amendments to that draft had been put forward by representatives, and a revised

version was contained in a conference-room paper. The second draft decision had been introduced by Barbados, on behalf of the group of Latin American and Caribbean countries, and urged those Parties not operating under Article 5 that had never paid their contributions to the Multilateral Fund or had done so in an amount inferior to one annual contribution to pay them as soon as possible. The draft decision, as amended by the Working Group, was set out in section D of document UNEP/OzL.Pro.16/3.

123. The Co-Chair suggested and the Meeting agreed that, since there was a general agreement at the Open-ended Working Group on a decision submitted by the group of Latin American and Caribbean countries, that decision could be discussed first.

124. The representative of Mexico presented the draft decision originally submitted by the group of Latin America and Caribbean countries, explaining that it had been produced in response to some concerns of Parties operating under Article 5 that there might be financial shortfalls during the compliance period.

125. There being no comments from the floor, the draft decision was forwarded to the high-level segment for consideration and possible adoption.

126. The delegation of the Netherlands, on behalf of the 25 member States of the European Union, introduced a draft decision on the matter, explaining that its primary purpose was to address the need for the current Meeting of the Parties to determine the terms of reference for a study on the 2006–2008 replenishment. She explained that, if the current Meeting of the Parties was to agree on the adjustments proposed by the European Union to the methyl bromide phase-out schedule, the terms of reference of the study on the replenishment could be expanded to cover the impact of the related costs. A new paragraph 2 had also been added, calling on the Technology and Economic Assessment Panel to take into account the findings and recommendations of the evaluation of the financial mechanism of the Montreal Protocol.

127. A number of representatives suggested amendments to the draft decision. The Co-Chair suggested that all Parties who wished to contribute to the drafting should meet and discuss changes at the end of the day.

128. After that meeting the chair of the group presented the amendments made to the draft decision introduced by the Netherlands on behalf of the 25 member States of the European Union.

129. During the ensuing discussion, two representatives expressed opposing views on whether the draft decision, as amended by the drafting group, covered resource allocation for destruction of ozone depleting substances. Since neither representative wished to hold back the draft decision, they agreed to provide their respective statements of understanding in writing, to be included in the report as comments made upon adoption of the decision during the high-level segment of the meeting.

130. On that understanding, the preparatory segment decided to forward the draft decision to the high-level segment of the meeting for consideration and possible adoption.

131. The representative of Colombia wished the report to reflect his country's desire that destruction activities should be considered for fund allocation under the Montreal Protocol, as an important component of ozone-depleting substance elimination. Parties operating under Article 5, paragraph 1, of the Protocol were starting to face serious problems related to ozone-depleting substance stocks and obsolete ozone-depleting substance-containing equipment, and therefore needed resources in the short and medium term for destruction activities.

### **C. Consideration of an amendment of paragraph 10 (k) of the terms of reference of the Executive Committee of the Multilateral Fund relating to the nomination and appointment of the Chief Officer of the Multilateral Fund Secretariat (decision XV/48)**

132. The Co-Chair recalled that in decision XV/48, the Meeting of the Parties had decided to consider amending, at the Sixteenth Meeting of the Parties, the provisions of the terms of reference of the Executive Committee relating to the nomination and appointment of the Chief Officer, taking into account the proposals of the former Chair of the Executive Committee set out in the annex to that decision as well as those made by other Parties, and to request the Executive Committee to enter into consultations with the United Nations Secretariat and the Executive Director of UNEP on the matter and report thereon to the Sixteenth Meeting of the Parties.

133. Ms. Marcia Levaggi (Argentina), Chair of the Executive Committee, provided a progress report on her contacts with various United Nations bodies. She reported that she had received a letter from the Executive Director of UNEP stating that appointment of the Chief Officer was subordinate to the United Nations rules and regulations, as they applied to the recruitment and appointment of all United Nations staff members. On 3 November 2004, the Executive Committee had received a letter signed by the United Nations Assistant Secretary-General for Human Resources Management, informing the Committee that she had forwarded the observations of the Executive Director of UNEP to the Executive Office of the Secretary-General for a decision. She had undertaken to communicate that decision to the Executive Committee as soon as it had been taken.

134. One representative suggested that the sequence of letters and discussions revealed a serious gap in communication. The Montreal Protocol was a treaty body with its own personality under international law, and the contracting Parties to that treaty had decided that the Parties would nominate the Chief Officer, who would then be appointed by the Executive Director of UNEP. That was an intergovernmental decision, beyond the purview of the United Nations system. Consequently, his delegation could see no basis for the response of the Executive Director of UNEP to the Chair of the Executive Committee, and suggested that the matter should be referred to the United Nations Office of Legal Affairs.

135. Another representative pointed out that the Parties had been pursuing the matter for 18 months, and on two separate occasions had received a formal reply from the Executive Director of UNEP expressing an unchanged view. The question was whether the Parties were ready to accept that view. It had to be allowed that the rules of the United Nations on appointments had been changed since the Montreal Protocol had been written, that the changes had been agreed to by high-level representatives of the countries represented in the current meeting, and that they gave great latitude to the Secretary-General in the appointment of senior staff. It was probably time, while maintaining unchanged the terms of reference of the Executive Committee, to bow to the reality of the situation.

136. The Co-Chair suggested, and the Meeting agreed, that the matter should be left in abeyance pending a further response from the United Nations.

#### **D. Need to ensure equitable geographical representation in the Executive Committee of the Multilateral Fund**

137. The draft decision on this issue, contained in section M of annex I to the report of the Open-ended Working Group at its twenty-fourth session (UNEP/OzL.Pro.WG.1/24/9), was introduced on behalf of its sponsors by the representative of the former Yugoslav Republic of Macedonia. He pointed out that, since the establishment of the Executive Committee, the 13 Parties concerned, from the regions of Eastern Europe and Central Asia, had not formed part of any regional group under the Protocol and had therefore been unable to participate in the work of the Executive Committee. He said that the decision would ensure equitable geographical representation in the Executive Committee, while sending an important political message to the Governments of the Parties concerned.

138. Representatives of other Parties in those regions expressed support for the draft decision, which would respond to their strong political will to participate in the work of the Executive Committee on an equal footing with other Parties, and the representatives of other Parties operating under Article 5 also lent it their support. The representative of Nigeria, speaking on behalf of the African group of Parties, suggested that, in order to accommodate the countries of Eastern Europe and Central Asia, the membership of the Executive Committee should be increased and consideration should also be given to increasing the number of seats reserved for Africa.

139. The representative of the former Yugoslav Republic of Macedonia reintroduced its draft decision on the issue, as amended pursuant to discussions with various delegations. One representative proposed an amendment to the draft decision that would involve increasing the number of seats on the Executive Committee to 16, with eight coming from the Parties operating under Article 5 and eight from the Parties not so operating. Other representatives expressed concern with the proposal, suggesting that a change in the number of members might require an amendment to the Protocol or a change in the Committee's terms of reference, and therefore opposed it.

140. The Parties agreed to establish a contact group to consider the issue further. The chair of the contact group reported to the Parties on the group's progress, indicating that the draft decision had been further amended to take into account the concerns expressed. Two representatives said that their delegations would be unable to accept that amendment. Following additional consultations, the draft

was further revised to accommodate the concerns of that Party. The preparatory segment therefore agreed to forward the decision to the high-level segment for consideration and possible adoption.

## **VI. Consideration of issues related to ratification, data reporting, compliance and international and illegal trade**

### **A. Data reporting under Article 7 of the Montreal Protocol**

141. The Executive Secretary of the Ozone Secretariat introduced the item. In accordance with decision XV/15, all Parties were encouraged to forward data on consumption and production of ozone-depleting substances, preferably by 30 June each year. He explained that the Implementation Committee had considered document UNEP/OzL.Pro.16/4, in which the Secretariat had compiled the reported data. In response to decision XV/15, there had been a significant increase in the data provided by Parties. For the period 2003, 50 per cent more Parties had reported their data by the June deadline compared to the previous year. That had greatly facilitated the work of the Implementation Committee and its identification of non-compliance issues.

142. The preparatory segment took note of the information provided by the Secretariat on data reporting under Article 7.

### **B. Status of ratification of the Convention, the Protocol and its amendments**

143. A representative of the Secretariat introduced the item. He reported that, to date, there were 189 Parties to the Vienna Convention, 188 Parties to the Montreal Protocol, 175 Parties to the London Amendment, 164 Parties to the Copenhagen Amendment, 121 Parties to the Montreal Amendment and 84 Parties to the Beijing Amendment. The Parties agreed to adopt a decision urging countries to ratify all instruments to which they were not yet party. The representative of Argentina informed the Parties that the Senate of her country had approved the Beijing Amendment on 17 November 2004. Accordingly, Argentina expected to ratify it before the next Meeting of the Parties.

### **C. Report by the President of the Implementation Committee on non-compliance issues**

144. The President of the Implementation Committee presented a summary of the report of the Committee's work at its thirty-third meeting, the full text of which was before the meeting in document UNEP/OzL.Pro/ImpCom/33/4, and the accompanying draft decisions. He noted that there had been an easing off in the Committee's work in 2004, as evidenced by the greatly reduced number of its draft decisions – 16, compared to 32 in 2003.

145. On the issue of data reporting, he noted that the positive trend of 2003 had continued and that 175 out of 184 Parties had reported their data for 2003. Only three Parties – Afghanistan, Cook Islands and Niue – had yet to report any data at all, but all three had ratified the Protocol only recently, and two of them had yet to receive assistance with data reporting. Bhutan, the most recent State to join the Protocol, was not yet required to report, and he looked forward to receiving its data reports as soon as possible.

146. Turning to the question of baseline data, he was happy to report that, with the exception of the new members of the Ozone family, every Party had now reported those data, and there had been no need for any decisions on that issue. Where requests for changes in baseline data were concerned, the Committee had welcomed decision XV/19, setting out a detailed methodology for such requests. The requests submitted by four parties – Lebanon, the Philippines, Thailand and Yemen – had met the requirements of decision XV/19, and their requested changes were accordingly recommended to the Meeting of the Parties. He noted, however, that the request submitted by the Islamic Republic of Iran had been deferred, as its supporting documentation had only arrived in the middle of the Committee's meeting, and he invited the Party to forward further supporting documentation to the Ozone Secretariat in line with the methodology explained in decision XV/19. A final draft decision dealt with the issue of licensing systems under Article 4B of the Protocol, a key element in fulfilling Parties' obligations, and in particular in tackling illegal trade.

147. With regard to questions of compliance, he explained that, after carefully examining every case of reported deviation from the control schedules and, when available, the explanations provided by the Parties in question, the Committee had had to presume, in the absence of an explanation for consumption data for 2002 or 2003, that one Party was in non-compliance with its halon schedules and

four with their methyl chloroform schedules. The Committee had prepared two draft decisions listing those Parties and requesting them, as a matter of urgency, to provide explanations for the deviations from their consumption data, along with plans of action, with time-specific benchmarks, to bring them back into compliance. In a further four cases, the Parties had acknowledged their non-compliance, and had already submitted plans of action, set out in the relevant draft decisions. In three more cases, the Committee had identified a state of non-compliance, but had not yet received a plan of action. It looked forward to receiving those plans of action for consideration at its next meeting.

148. A further two draft decisions dealt with individual Parties in non-compliance: Azerbaijan and Oman. Azerbaijan had failed to meet the CFC phase-out benchmarks in its plan of action in 2001, 2002 and 2003; the Committee had been able to discuss the issue with a representative of the Party, and looked forward to receiving confirmation that it had fulfilled its undertaking to phase-out CFC consumption totally by 1 January 2005. Oman had reported consumption of methyl chloroform in 2003 above its control measure, but in response to a request by the Committee for a plan of action, it had introduced a ban on imports. The Committee commended that prompt action by the Party, which highlighted how vigilant all Parties needed to be in ensuring that they did not slip into non-compliance through unregulated imports.

149. In addition, the Committee had prepared a draft decision on Nepal, relating to the issue of illegal trade, which followed on from decisions XIV/7 and XV/39 and responded to the Committee's concern that some of the illegally imported CFCs that Nepal had seized might be released on to the country's domestic market. Following the provision in decision XIV/7 that illegally traded quantities should not be counted against a Party's consumption provided the Party did not place them on its own market, decision XV/39 had stated that, if Nepal decided to release any of the seized quantity of CFCs into its domestic market, it would be considered to be in non-compliance with its obligations under Article 2A of the Montreal Protocol. The Committee had developed a plan of action, in cooperation with the Party, which set out limits, year by year, for its release of the materials on to Nepal's market. It had also agreed, however, that that approach required an interpretation of decision XV/39 and paragraph 7 of decision XIV/7, upon which Nepal's draft decision was based, which could only be made by the Meeting of the Parties. Specifically, it wondered whether the text of paragraph 5 of decision XV/39 – "if Nepal decides to release any of the seized quantity of CFCs into its domestic market, it would be considered to be in non-compliance with its obligations under Article 2A of the Montreal Protocol" – could be interpreted as allowing for the approach outlined in the draft decision, and, accordingly, had placed the text of paragraph 4 of the draft decision in square brackets. He pointed out that the discussion on the issue would provide an important precedent for future, similar decisions.

150. With regard to the issue of bromochloromethane consumption, he noted that Canada had reported such consumption in 2003, but had also reported that it was for laboratory and analytical uses, and therefore covered by the global exemption. The Secretariat had been unable to determine, however, whether that consumption was consistent with earlier decisions of the Parties on laboratory and analytical uses and, as the Committee was not competent to resolve that issue, it had decided to hold discussion of the Party's compliance in abeyance and to request the Meeting of the Parties to reach a decision on the matter.

151. Congratulating the many Parties previously identified by the Committee and the Meeting of the Parties as being in non-compliance that had now returned to compliance with their Protocol obligations, he also thanked those Parties which had attended the Committee's meeting, at its invitation, to discuss issues of non-compliance, baseline data changes, and so on, in a process of dialogue which the Committee found immensely helpful. Finally, in commending the draft decisions prepared by the Committee to the attention of the Meeting of the Parties, he expressed his thanks to his colleagues on the Committee, thanked the Ozone Secretariat, the Fund Secretariat, the implementing agencies and all the Parties which had attended its meeting and expressed his hope that its operation, which represented a flexible and sophisticated compliance system, widely regarded as a model for other multilateral environmental agreements, would, with the support of all the Parties, be further improved in the future.

152. All the representatives who spoke commended the Implementation Committee on its hard work and achievements. With a view to improving the process still further, one representative stressed the need for greater transparency in the wording of the decisions, so that, in particular, where requests for baseline changes were entertained, an indication should be given of the kind of information provided by the country in support of its request, and, where countries were found to be in non-compliance, of the baselines of those countries. He also sought clarification from the Committee on the absence of cautions in the draft decision pertaining to Azerbaijan, whether the Committee had received responses from Chile and the Libyan Arab Jamahiriya regarding their action plans; and whether the Party whose

consumption of bromochloromethane was in question had actually asserted that, in its view, bromochloromethane was covered by the laboratory and analytical uses exemption, or was merely seeking guidance in that regard. Finally, he suggested that Nepal might be requested to make an annual declaration to the Parties that it had released no more CFCs on the market than had actually been permitted.

153. The representative of Bangladesh, noting that his country had been identified as being in non-compliance with regard to methyl chloroform, pointed out that the amount involved was only 25 kg above the limit and might even be due to a rounding error: Annex Ib to the data report prepared for the Fifteenth Meeting of the Parties (UNEP/OzL.Pro.15/4) stated that Bangladesh's baseline was 0.9 ODP tonnes. In 2003, the Party had imported 8.92 tonnes, equivalent to 0.892 ODP tonnes, which was lower than that value. Accordingly, he requested that Bangladesh be reclassified as being in compliance. The representative of the Ozone Secretariat clarified that, on the basis of the methyl chloroform data submitted by Bangladesh for the baseline years 1998–2000, Bangladesh's methyl chloroform baseline was 0.866667 ODP tonnes. She said that that information had been communicated to the Implementation Committee and that, given that Bangladesh had reported methyl chloroform consumption for 2003 that exceeded its baseline, the Committee had recommended that, in the absence of further explanation, the Meeting should find Bangladesh in non-compliance with its methyl chloroform phase-out obligations. The Meeting agreed that Bangladesh's situation should be reconsidered at the next meeting of the Implementation Committee.

154. One representative pointed out that the area of laboratory and analytical uses was one where differing interpretations were possible. His Party had been notified only about a month previously that there might be a compliance problem, but had not been given sufficient prior notice to address the issue in an appropriate manner. He pointed out that the consumption of bromochloromethane needed to calibrate instruments used for detecting that same chemical, was extremely small.

155. The representative of Chile regretted that his country was currently in non-compliance, and said that it would be presenting very shortly a plan of action with time-specific benchmarks to ensure a prompt return to compliance.

156. The representative of Argentina informed the Meeting that her country had established a licensing system on 17 November 2004 and requested that the statement of the number of countries that had, or did not have, licensing systems, in the draft decision recommended by the Implementation Committee for adoption, be corrected accordingly.

157. The representative of the Islamic Republic of Iran questioned the process by which decisions were reached on whether to cite a country as being in non-compliance. He recalled that after several attempts to obtain financial assistance from the Multilateral Fund, a survey had found the country's consumption of carbon tetrachloride and methyl chloroform to be much higher than had been thought. The Party had approached the Implementation Committee in order to have its baseline changed. It seemed absurd to classify a country as being in non-compliance when it had neither been allowed to present its plan for emerging from that situation, nor had been given any financial assistance to do so. He called on the Parties to instruct the Implementation Committee to remove his country's name from its report on non-compliance.

158. One representative suggested that future Implementation Committee reports should take account of the effects of illegal trade and smuggling on countries' compliance or lack thereof.

159. The representative of Fiji noted that his country had already responded to the Implementation Committee, to the effect that it wished to spend some time verifying its baseline data, and that it might then approach the Committee with a request for a change of baseline. Provided that certain commitments were maintained, such as Fiji's institutional strengthening project, he was confident of his country's rapid return to compliance.

160. The President of the Implementation Committee responded to the various comments. To the remarks of a Party on transparency and quality of data, he said that the Implementation Committee had always worked in a totally transparent way, and that the amount of detail provided was in line with past practice. Much additional information was contained in the report of the Implementation Committee (UNEP/OzL.Pro/ImpCom/33/4) and other supporting documents, but the purpose of his report was to give a clear and brief analysis of that mass of information. There had been correspondence with Chile concerning its plan of work, and there were precedents for the way in which the Implementation Committee was dealing with the issue of Nepal.

161. In response to Parties' statements that they should not be found in non-compliance because they had only exceeded their consumption limits by a very small amount, he emphasized that the smallness of the quantities involved was irrelevant; i.e., every country had to be handled according to the same rules, and the Committee had had to deal with very small quantities of ozone-depleting substances in the past.

162. With respect to the request from a Party to be counted in the number of Parties that had established a licensing system, he said that the necessary amendment could be made by the Secretariat. In response to the comments from the representative of the Islamic Republic of Iran, he said that the mandate of the Implementation Committee was to take the data provided and the information received from the Secretariat, to consider them in accordance with the methodology for change of baseline data, contained in decision XV/19 and to note its conclusions in its report, without prejudice or distinctions as to the identity of the Party concerned.

## **D. Issues arising from the Implementation Committee**

### **1. Comments on the information regarding the implementation and operation of decision XV/3 received by the Secretariat pursuant to paragraph 3 of that decision**

163. Introducing the issue, the representative of the Secretariat recalled the exposition contained in the report of the Executive Director, outlining the background to the issues before the Meeting of the Parties, in document UNEP/OzL.Pro/16.2, paragraphs 81–84, and the comments on the issue made by the Implementation Committee at its thirty-second meeting, which had been forwarded to the Meeting of the Parties in annex I to document UNEP/OzL.Pro/16/9.

164. Following that introduction, several representatives expressed concerns regarding the status of European Community member States in relation to the Beijing Amendment. One representative noted that at least two of the member States had not complied with decision XV/3 and could not therefore be considered States parties to the Protocol in relation to the Beijing Amendment. He also observed that ratification by a regional economic integration organization on behalf of its member States was not supported either by the text or the negotiation history of decision XV/3 and was inconsistent with international law. Another representative pointed out that, under its Article 13, paragraph 3, the Vienna Convention for the Protection of the Ozone Layer required regional economic integration organizations to declare formally the extent of their competence and to inform the Depositary of any substantial modification to the extent of that competence, and the European Community was requested to deposit a formal declaration with the Depositary to that effect, clearly establishing that it had the competence to bind its 25 members. The additional request was made that, when communicating the relevant information to Parties, the United Nations should indicate that the 25 member States of the European Community were covered by that declaration and the Ozone Secretariat was requested to publish that information on its web site as a supplement to the notification of ratification by the European Community.

165. The representative of the European Community clarified that the European Council had approved the Beijing Amendment on behalf of the Community on 4 March 2002, as promulgated in Council decision 2002/215/EC, the fifth and sixth recitals of which stated that the Community should undertake international commitments in the area covered by the amendment and that implementation of the amendment's provisions relating to production and trade in controlled substances between the Community and other Parties was the sole responsibility of the Community. Citing paragraph 1 (b) of decision XV/3, that the term "State not party to this Protocol" included all other States and regional economic integration organizations that had not agreed to be bound by the Copenhagen and Beijing amendments, he insisted that there had been no change in the degree of competence exercised by the Community in respect of its member States in that regard and that, as the Community had ratified the Beijing Amendment, it – and its member States – could not be considered as States not party to the Montreal Protocol. The European Community maintained that, as its member States were bound by the obligations entered into by the Community, it did not matter whether or not they ratified the amendments individually. Those Parties that did ratify the amendments individually did so in support of the Community's ratification. He undertook, in due course, to provide a copy of the instrument deposited by the Community with the Secretary-General which constituted the declaration of competence required under Article 13 of the Vienna Convention. In particular, he stated that he would attempt to locate annex 2 of the instrument, as that annex had contained a declaration of competence.

166. The representative of the Secretariat subsequently confirmed that the Secretariat had not been informed by the depositary of the treaty of the existence of a declaration in accordance with Article 13 of the Vienna Convention.

167. Notwithstanding the explanation by the Community, concerns relating to its competence to ratify the amendments on behalf of its members persisted. Accordingly, the Chair proposed, and the Meeting agreed, to set up a legal contact group to consider the matter further and to report back to the Meeting on the outcome of its work. The representative of the United States of America said that a statement of his delegation's position on the issue would be prepared for submission to the high-level segment.

168. The legal contact group reported back to the plenary that consultation among the interested Parties had not taken place, and that, owing to time constraints, no draft decision would be presented to the preparatory segment for forwarding to the high-level segment.

169. The representative of the United States of America stated that, although his delegation had cancelled the tabling of a relevant declaration, none of its actions at this present meeting should be construed as a concession with regard to the issue of the European Community's competence to represent its member States. He stated that the concerns of the United States remained, and that it reserved the right to raise the issue in the future.

## **2. Clarification of paragraph 7 of decision XIV/7**

170. The representative of the Ozone Secretariat recalled that paragraph 7 of decision XIV/7 provided that quantities of illegally traded ozone-depleting substances should not be placed on its own market. The provision had generated some confusion, with some Parties interpreting it to mean that seized illegal ozone-depleting substances could not under any circumstances be released on to the domestic market, and others understanding it to mean that seized ozone-depleting substances might be released on to the domestic market and consumed within the limits that each Party was permitted to consume consistent with the control measures of the Montreal Protocol. The Implementation Committee had addressed the issue at its meeting in July 2004 in the context of non-compliance with the Montreal Protocol by Nepal, concluding that, while it was its role to address all issues relating to compliance, it was only the Meeting of the Parties that could interpret or clarify its own previous decisions.

171. The representative of Nepal found it inappropriate that his country was classified as being in non-compliance. The illegal ozone-depleting substances that it had seized were still under the control of the customs authorities, and not a single kilogram had been released to the market. The treatment of Nepal might discourage other Parties which seized illegal ozone-depleting substances from declaring that they had done so.

172. A number of other representatives said that they too found the situation troubling, as they also had to deal with issues of illegal trade and seized ozone-depleting substances.

173. Following a discussion, it was agreed to amend the draft decision relating to Nepal, including by removing any reference to non-compliance by Nepal and by adding a commitment by Nepal to report annually on the quantity of CFCs released on to its market. It was also agreed that the decision on Nepal regarding compliance with the Montreal Protocol would serve as a precedent for other Parties in similar situations, so that paragraph 7 of decision XIV/7 would be understood to mean that a Party would only be considered to be in non-compliance if the amount of illegally-traded ozone-depleting substances released on to its market in any one year exceeded the Party's permitted level of consumption for that year, for the ozone-depleting substances concerned, when considered in conjunction with any other consumption of the ozone-depleting substances by the Party.

## **3. Recommendations on non-compliance with Protocol obligations**

174. The meeting agreed to entrust to the Secretariat the task of incorporating Parties' comments into all the draft decisions submitted by the Implementation Committee, and to forward them to the high-level segment for consideration and possible adoption.

175. At the Co-Chair's request, the representative of Canada introduced a draft decision providing for the inclusion in the global laboratory and analytical use exemption of Annex C, group II and group III, substances.

176. The representative of Japan voiced his concern that, in his view, Canada had not been clear about whether its import of the substance in question had been in compliance with the Montreal Protocol and the circumstances under which the import had been made, and indicated that he reserved the right to revisit the issue during the high-level segment. Japan subsequently withdrew its reservation in response to Canada's undertaking to provide the requested information for inclusion in the report of the meeting.

177. The representative of Canada explained that it had permitted the import of bromochloromethane in a very limited amount in small vials for use by a pharmaceutical company in the calibration of laboratory instruments. His country had been of the view that such imports were permitted under the laboratory and analytical use exemption, but in discussions with the Secretariat had recognized that there was room for reasonable differences of opinion as to the scope of the exemption and its application to the substance in question. It had accordingly decided to submit the draft decision so that the Parties could state clearly that such substances did fall within the exemptions.

178. The preparatory segment decided to forward the draft decision on laboratory and analytical uses to the high-level segment for consideration and possible adoption.

#### **E. Monitoring of trade in ozone-depleting substances and preventing illegal trade in ozone-depleting substances (decision XIV/7)**

179. Introducing the item, the representative of the Secretariat presented a document summarizing information reported by Parties to the Montreal Protocol on illegal trade in ozone-depleting substances (UNEP/OzL.Pro.16/7), and a note by the Secretariat on streamlining the exchange of information on reducing illegal trade in ozone-depleting substances (UNEP/OzL.Pro.16/8).

180. The Chief Officer of the Multilateral Fund Secretariat then recalled that, in accordance with decision XV/7, paragraph 6, the UNEP Division of Technology, Industry and Economics had been requested to report, through the Executive Committee of the Multilateral Fund, on the activities of the regional networks regarding means of combating illegal trade. That report was contained in document UNEP/OzL.Pro.16/13.

181. She also explained that, in accordance with that same decision, a new evaluation of customs-training and licensing systems projects was under way and that preliminary findings would be presented to the Executive Committee at its forty-fourth meeting.

182. The representative of the Division of Technology, Industry and Economics presented the work of the division's regional network in combating illegal trade in ozone-depleting substances, as contained in UNEP/OzL.Pro.16/13. He explained that the OzonAction Branch of the division was carrying out capacity-building activities to enable Parties operating under Article 5 of the Protocol and Parties with economies in transition to meet their compliance obligations. Its Compliance Assistance Programme had been providing services through UNEP regional offices in Bahrain, Bangkok, Mexico City and Nairobi, and also through the office in Paris for the network of developing countries in Europe and Central Asia. The representative drew attention to the table contained in the annex to the Secretariat's note giving a summary of the activities carried out by UNEP regional networks, the status of implementation and the actual impact with regard to combating illegal trading.

183. Several representatives expressed their appreciation of the support that they had received from the Division of Technology, Industry, and Economics in combating illegal trade and stressed the usefulness and importance of the bilateral, trilateral and regional network meetings from which they had benefited. Several representatives of Parties from the West African region reported progress towards a regional initiative to adopt a framework for controlling illegal trade.

184. One representative called for greater interaction and exchange between the source and target regions of illegal shipments. The representative of the Division of Technology, Industry, and Economics considered private-sector companies to be a good source of information on the source of products.

185. Another representative expressed concern that issues of illegal trade in ozone-depleting substances and equipment containing them were being considered in isolation when they ought to be dealt with as part of the topic of trade as a whole. Many representatives emphasized the need to consider the illegal trade in ozone-depleting substances within the scope of international chemicals management. More and improved coordination was needed to improve synergy with the trade control procedures of other multilateral environmental agreements such as the Basel, Rotterdam, and Stockholm conventions. Several representatives advocated more capacity-building and information-sharing workshops and round-table meetings, organized, where feasible, in conjunction with the secretariats of those multilateral environmental agreements. It was also suggested that awareness-raising in new methods of combating illegal trade among members of the Government, the academic community and the general public was a key area in which more work could be done.

186. One representative expressed the view that, although many activities were being carried out, more advice and clarification on procedural issues was generally needed. Responding to another representative regarding the procedures for dealing with ozone-depleting substances that had been

seized by customs officials, the representative of the Division of Technology, Industry, and Economics proposed that developed countries be asked to outline their procedures which it would then share with developing countries.

187. The Parties took note of the report by the Division of Technology, Industry and Economics with appreciation and encouraged the division to continue working with developing countries, through the regional networks, to control legal trade and combat illegal trade. The Co-Chair congratulated countries on their effort to date in that respect.

188. Introducing another related item, the Co-Chair called upon the representative of Georgia to present a draft decision on cross-checking of exports of controlled substances to prevent illegal trade, on behalf of nine countries of Eastern Europe and Central Asia, drafted in consultation with interested Parties. The representative of Georgia recalled decision IX/8, which had created the current licensing systems, and its reference to cross-checking information between exporting and importing countries. He emphasized the importance of preventing and eliminating illegal trade, given its impact on ozone layer depletion and on implementation of the Montreal Protocol. He also expressed the view that licensing systems could be significantly improved by incorporating elements of prior notification of shipment of ozone-depleting substances, enhanced tracking of consignments and more effective information sharing.

189. Several representatives stressed the need for stricter control of illegal trade in ozone-depleting substances and highlighted the importance of the issue.

190. Some representatives called for all aspects of illegal trade in ozone-depleting substances, such as monitoring and preventing illegal trade, establishing a tracking system and considering the situation of very-low-volume-consuming countries, to be dealt with as a package rather than separately. In relation to low-volume-consuming countries, it was pointed out that illegal trade had the effect of putting such countries into non-compliance.

191. Many representatives recognized that the current licensing system was insufficient to stop illegal trade in ozone-depleting substances. Others were of the opinion that a system for cross-checking like the one proposed in the draft decision was feasible, but should be complemented by additional measures. One such measure, proposed by a few representatives, was to incorporate the prior informed consent (PIC) procedure into trade mechanisms governing ozone-depleting substances. The need to strengthen customs offices through capacity-building and institutional strengthening was also noted.

192. The issue of whether exporting Parties had an obligation to track exports of ozone-depleting substances was raised. Some representatives argued that exporters of such substances did have a responsibility when it came to illegal trade, while others stated that the Montreal Protocol had not established such a responsibility. Several delegations pointed out that the Montreal Protocol had no provision for an information system based on the cross-checking of exports of controlled substances and that it could not impose any obligations on the exporting countries to inform the importing countries of the ozone-depleting substances exported. Therefore, if the draft decision introduced by the representative of Georgia were to be adopted, it would require amendment of the Protocol.

193. Several representatives described the issue as too complex to be dealt with through an additional multilateral control system established by a decision of the Parties applicable to all. One representative expressed the view that the proposal would be difficult to implement because it did not reflect normal international trade management procedures. His delegation believed that import and export controls of ozone-depleting substances should be incorporated into existing trade mechanisms and that the issue of ozone-depleting substance trade tracking would be best addressed through a meeting of the proposal's sponsors and other interested Parties, organized by UNEP. Another representative supported the suggestion of a meeting of countries and also suggested that the issue of tracking ozone-depleting substance trade could be addressed bilaterally between importing and exporting countries.

194. Many representatives agreed on the need to convene as soon as possible an intersessional meeting on ways of expanding the current licensing system, establishing a way to track trade and coordinating efforts by Parties at the national and international levels to suppress illegal trade.

195. In view of the lack of consensus on the draft decision, despite the general agreement on the urgent need to tackle illegal trade, the preparatory segment decided not to forward the draft decision to the high-level segment.

## **F. Feasibility study on the development of a system for tracking international trade in ozone-depleting substances**

196. The Co-Chair introduced the draft decision contained in section E of document UNEP/OzL.Pro.16/3 on the conduct of a feasibility study on the development of a system of tracking international trade in ozone-depleting substances, which had been prepared by 21 Asian countries. The draft decision had been discussed at the twenty-fourth meeting of the Open-ended Working Group, which had decided that the draft would be presented to the Sixteenth Meeting of the Parties along with additional information prepared by the Secretariat. That information was contained in document UNEP/OzL.Pro.16/INF/7.

197. The representative of Sri Lanka presented the draft decision on behalf of other Parties of the region, noting that incorrect labelling of unauthorized substances and equipment containing ozone-depleting substances had been a particular problem in his region, where most CFC consumption took place. The draft had been prepared in response to a concern that there might be an increase in illegal trade as countries moved towards a reduction in imports and exports to comply with the provisions of the Montreal Protocol. Sri Lanka had a strict licensing system, in which reporting took place on a quarterly basis, yet CFCs were readily available at low prices in the country; this indicated that the reduction in quota was not being respected. The group of countries proposed that a study be conducted on the feasibility of developing an import and export tracking system.

198. A few representatives expressed doubt regarding the usefulness of an additional study on the feasibility of developing a system to track trade in ozone-depleting substances. The study would have financial implications, at a time when the budget for the Secretariat did not make provision for the allocation of funds for additional activities. One representative said that, if the study were to take place, it should also consider the costs and benefits of such a system. Attempts to develop a universal system would furthermore give rise to complex legal considerations that could be addressed more effectively on a bilateral basis.

199. The representative of Japan offered to consult with interested Parties and submit a new draft decision summarizing the elements raised in the debate on the issue and also incorporating elements of the draft decision on the cross-checking of exports of controlled substances to prevent illegal trade, submitted by nine Parties of the Eastern Europe and Central Asia regions under agenda item 6 (e).

200. Following discussion on the draft decision introduced by Japan, the preparatory segment decided to forward it, as orally amended, to the high-level segment for consideration and possible adoption.

## **G. Situation of very-low-volume-consuming countries**

201. The representative of the Maldives introduced the draft decision prepared by his delegation on the situation of very-low-volume-consuming countries, contained in document UNEP/OzL.Pro/16/3, section N. The decision had been prompted by the problems faced by his country in obtaining the quantities of controlled substances that it needed at a reasonable price, given the shrinking supply of such ozone-depleting substances on the global market and the increasingly low volumes to which they were limited under the Protocol, which meant that they had to pay excessively high rates for their supplies.

202. In the ensuing discussion, it was pointed out that, notwithstanding the fact that the volumes that they required were small, low-volume-consuming Parties were still bound by the Protocol in the same way as other Parties and departure from those obligations could only be achieved through an adjustment to the Protocol, not a decision. Various suggestions were made as to how such countries could surmount their problem, including by aggregating their yearly allocations and making a single import of a larger volume, at a more economical price, which they would then hold in customs storage, drawing on it in accordance with their annual import limits. One representative pointed out that the problem would become more widely shared as Parties reduced their imports to comply with their limits under the Protocol and that a more general solution to the problem should be sought.

203. The Meeting was unable to reach agreement on the draft decision but it was recognized that the concern which had prompted its preparation by the Maldives was a serious one which necessitated assistance from the international community.

## **VII. Consideration of membership of various bodies in 2005**

204. The Executive Secretary requested the Parties to meet and propose nominations for membership of the Implementation Committee and the Executive Committee, and to propose nominations also for the co-chairs of the Open-ended Working Group. The Parties subsequently agreed on the membership of the Implementation Committee and the Executive Committee, and on the co-chairs of the Open-ended Working Group, and forwarded draft decisions reflecting that agreement to the high-level segment for consideration and possible adoption.

## **VIII. Consideration of administrative issues**

### **A. Financial report on the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer and budget**

205. The Executive Secretary introduced the financial report 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 for the biennium 2002–2003 and expenditures for 2003 as compared to the approved budgets (UNEP/OzL.Pro.16/5) and the note by the Secretariat on the revised approved 2004 and proposed 2005 and 2006 budgets for the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer (UNEP/OzL.Pro.16/6). He invited the Parties to constitute a subcommittee to discuss the financial reports and budgets and explained that a co-chair of the budget subcommittee would report to the plenary on the outcome of the deliberations.

206. Later in the meeting, at the invitation of the Co-Chair, the chair of the budget subcommittee, Mr. Jean-Louis Wallace (Canada), who had shared chair responsibilities with Mr. Jirí Hlaváček (Czech Republic), introduced two conference room papers containing draft decisions, one on financial reports and budgets and one on financial support to the Methyl Bromide Technical Options Committee, which had been forwarded to the budget subcommittee earlier in the meeting.

207. Regarding the first, he noted that the budget subcommittee had achieved consensus on the language in the draft decision except for a preambular paragraph relating to flexibility in the application of the United Nations scale of assessments in determining Parties' contributions to the Trust Fund of the Montreal Protocol, a politically charged issue that was also confronting a number of other multilateral environmental agreements. The decision included a provision approving a revision of the budget for 2004, which had been necessitated by expenditures made to effect the decisions taken by the Parties at their Extraordinary Meeting and the substantial work that that entailed. Regarding future budgets, the Parties were facing increased contributions, owing to the fact that the Trust Fund surplus had been nearly depleted by drawdowns made over the years.

208. He noted that, during debate on the second decision, which provided for a maximum of \$83,300 to be set aside to fund on an exceptional basis certain costs of the Methyl Bromide Technical Options Committee, including travel and consultancy costs, several members observed that their Governments would oppose funding of travel for committee members from Parties not operating under Article 5 of the Protocol.

209. A few representatives of Parties operating under Article 5 spoke regarding the United Nations scale of assessments, stressing the difficulties that their countries faced in making their annual contributions and arguing that the scale should be applied in a flexible manner that took into account Parties' ability to pay. The representative of Argentina asked that the statement of her delegation be included in the report as comments made upon adoption of the decision during the high-level segment of the meeting.

210. Following the debate, the preparatory segment decided to forward the draft decision on financial reports and budgets, as orally amended, and the draft decision on the provision of financial assistance to the Methyl Bromide Technical Options Committee, to the high-level segment for consideration and possible adoption.

## **B. Proposal to decide on the dates of the Meetings of the Parties three years in advance.**

211. The representative of the European Community introduced its proposed decision on the item, which had been circulated in a conference room paper. The proposal was intended to respond to the need for greater clarity regarding the dates of future meetings of the Meeting of the Parties.

212. Representatives who took the floor expressed sympathy with the intent of the proposal, but doubted whether it was realistic to try and plan so far ahead. Various suggestions were made as to how the decision could be amended and the meeting was cautioned against adopting a decision which might lock the Meeting of the Parties into an inflexible time-frame.

213. The representative of the Technology and Economic Assessment Panel assured the meeting that the Panel and its technical options committees would endeavour to fall in with whatever schedule was agreed by Parties for their negotiations but that, like the Parties, they would appreciate knowing the agreed dates as early as possible. She also pointed out the need for flexibility in scheduling dates, to allow for the eventuality of emergency meetings of the Panel or its committees.

214. The representative of the European Community reintroduced its draft decision on the issue, as amended pursuant to discussions with various delegations. Further amendments were proposed and accepted, following which the preparatory segment decided to forward the draft decision, as orally amended, to the high-level segment for consideration and possible adoption.

215. Following further consultation among interested Parties, a revised version of the draft decision without square brackets was considered by the preparatory segment. The preparatory segment decided to forward that revised draft decision to the high-level segment of the meeting for consideration and possible adoption.

## **C. Cooperation between the Secretariat and secretariats of related conventions and non-governmental organizations**

216. At the request of the Co-Chair, the representative of Canada introduced a draft decision providing for the Secretariat to cooperate with the secretariats of related multilateral environmental agreements and non-governmental organizations. He said that the decision was prompted by several considerations, including the desirability of promoting synergies among related environmental conventions and the fact that the Secretariat was often asked to participate in meetings of such bodies but lacked a clear mandate from the Parties to do so.

217. The Parties expressed general support for the proposed decision and made a number of proposals for amending it. The representative of Canada, the draft decision's sponsor, also suggested some textual amendments.

218. It was agreed that if the Secretariat was to feel in the future that it needed further guidance, it could return to the Parties to seek such guidance. It was also clarified that, while the Secretariat could provide descriptions of the provisions of the Protocol, or of how it operated, it was only the Meeting of the Parties that could actually provide interpretations of its provisions.

219. The preparatory segment decided to forward the draft decision, as orally amended, to the high-level segment for consideration and possible adoption.

## **IX. Proposed adjustments and amendment of the Montreal Protocol by the European Community**

220. The representative of the European Community explained that the Community had proposed the adjustment in response to decisions Ex.I/1 and IX/5. At their Extraordinary Meeting in March 2004, the Parties had agreed to keep under review the interim reduction schedule, and to consider – preferably before 2006 – further interim reductions in methyl bromide applicable to Parties operating under Article 5. The European Community was proposing a schedule of three reduction steps after 2005 – 20 per cent in 2008 and 2010 and 10 per cent in 2012. He also added that methyl bromide for quarantine and pre-shipment uses would be excluded from the proposed reduction schedule. He reviewed the graphs providing further detail of the reduction steps that the Community had provided to the Secretariat and noted the positive advances already achieved by many Parties in terms of reducing methyl bromide consumption, which, in many cases, went beyond those mandated under the Protocol. He pointed out that, currently, there would be no further reduction steps after 2005 until the final phase-

out in 2015, and therefore no further requirement for funding from the Multilateral Fund after 2005. He further noted that, if the situation were to change during the 2006–2008 period, the replenishment discussion at the current meeting represented the last opportunity for methyl bromide to be considered in the terms of reference for the Fund replenishment. The Community's proposal had been designed to address the difficulties likely to be experienced by countries in endeavouring to move from 80 per cent reduction to total phase-out in the course of a single year.

221. The representatives of a number of Parties operating under Article 5 stressed the importance of continued methyl bromide use in their countries, given the absence of acceptable alternatives. It was noted that most of those countries were already in compliance with the existing methyl bromide control measures, but would have great difficulty adjusting to further strict controls of the kind proposed by the European Community. It was also pointed out that over-hasty reductions often necessitated interim palliative measures, such as the critical-use exemptions applied for certain chemicals, and most representatives therefore maintained that the existing schedule, under which Parties operating under Article 5 had until 2015 before they were required to proceed to phase-out in accordance with the provisions of the Protocol should stand. It was also suggested that the European Community's proposed reduction schedule could be seen as one possible scenario for the Technology and Economic Assessment Panel to consider in preparing its study on the replenishment of the Multilateral Fund.

222. Raising a point of order, the representative of another Party operating under Article 5 questioned whether the adjustments had been circulated in sufficient time for them to be considered by the Meeting of the Parties. The representative of a Party not operating under Article 5 observed that it would be difficult to discuss the matter further without the relevant texts being available to the meeting. The representative of the Secretariat explained that, as reflected in the report of the Open-ended Working Group at its twenty-fourth meeting, the proposal had been placed on the Ozone Secretariat web site during the weekend of 22 and 23 May and a copy in English, exactly as received on 21 May, had been sent out on 24 May. The version in the other official languages had been sent out on 28 May.

223. While some representatives noted the commendable intentions behind the European Community proposal and agreed on the need to keep the schedule under review for consideration, preferably by 2006, as agreed in decision Ex.I/1, the Parties operating under Article 5 which took the floor all felt that it was nevertheless premature to consider it at the current meeting and opposed the establishment of a contact group for that purpose.

224. With regard to its proposed amendment on an expedited procedure for adding new ozone-depleting substances to the Protocol, the European Community held a side event during the Meeting. The side event had enabled the European Community to gather constructive suggestions from interested Parties, which it would incorporate into a new proposal that it wished to submit to the Open-ended Working Group at its twenty-fifth meeting.

225. The preparatory segment decided to request that the issue of proposed adjustments and amendments of the Montreal Protocol by the European Community be placed on the agenda of the twenty-fifth meeting of the Open-ended Working Group.

## **X. Other matters**

### **A. Reclassification of Parties**

226. The representative of the Secretariat reported on documents that it had received from Turkmenistan and Malta in which the former had requested the Parties to reclassify it as a Party operating under Article 5 and the latter had asked to be reclassified as a Party not operating under Article 5. Information on the requests was before the Parties in document UNEP/OzL.Pro.16/12.

227. The Parties agreed that the Secretariat should prepare a draft decision implementing the requests of both Parties.

### **B. Financial and technical assistance by the Multilateral Fund**

228. The representative of France introduced a draft decision that it had submitted on optimizing the provision of technical and financial assistance by the Multilateral Fund to ensure and sustain compliance in 2010. An earlier version of the proposal had been considered by the Open-Ended Working Group at its twenty-fourth meeting and on the basis of the ensuing discussions at that meeting, France had amended the decision for consideration at the current meeting.

229. The representative of France reintroduced its draft decision on the issue. Following an exchange of views, there was no agreement in the meeting, and the item was withdrawn on the understanding that it could be included in the agenda for future meetings.

### **C. Proposed International Year of the Ozone Layer**

230. Introducing the item, the Co-Chair called upon the representative of the Bolivarian Republic of Venezuela to present its proposed draft decision to have 2007 declared “International Year of the Ozone Layer”.

231. One representative pointed out, and the meeting agreed, that the reference to ozone layer recovery by 2050 should be linked to a reference to full compliance with the Montreal Protocol.

232. Following the discussion, the preparatory segment decided to forward the draft decision, as amended, to the high-level segment for consideration and possible adoption.

### **D. Prague Declaration on enhancing cooperation among chemicals-related multilateral environmental agreements**

233. Following presentation of the Prague Declaration by a representative of the Czech Republic, Parties were invited to submit their names for inclusion in the Declaration, as set out in annex V to the present report.

## **XI. High-level segment**

### **A. Opening of the high-level segment**

234. The high-level segment of the Meeting was held on 25 and 26 November 2004, and was opened at 10 a.m. on Thursday, 25 November 2004 by Mr. Libor Ambrozek, Minister of the Environment of the Czech Republic, in his capacity as President of the Bureau of the Fifteenth Meeting of the Parties.

#### **1. Welcome by the representative of the Government of the Czech Republic**

235. Welcoming participants to the Czech Republic, the Prime Minister of the Czech Republic, Mr. Stanislav Gross, described it as a great honour for the Czech Republic and its capital city Prague to host for a few days the present gathering of hundreds of politicians, experts and stakeholders from the business, scientific and research communities. A broad exchange of views, experiences, lessons learned and opinions on possible ways forward was necessary in the interest of ensuring sustainable development of the earth.

236. The Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol were among the most successful multilateral treaties for the protection of the environment and human health. The original negotiators had set very ambitious targets for phasing out numerous ozone-depleting substances from consumption and production. Essential to the setting of those targets was the fact that they had been based on long-term and systematic monitoring of the state of the ozone layer and careful scientific analysis of the reasons for its depletion and the impacts of ultra-violet radiation on human health and on ecosystems. Those committed to the preservation of the ozone layer had included leading representatives of the business community, in particular the chemical industry and producers of refrigeration and air-conditioning equipment. The dialogue among Governments, the business sector, consumers and scientists was a good example for other multilateral agreements to follow when setting realistic targets. In the former Czechoslovakia and in the present Czech Republic, the proactive attitude and approach of the business sector had brought about a successful transformation of the refrigeration and air conditioning industries in close cooperation with the relevant trade associations. The 1993–2002 environmental legislation, the implementation of the Global Environment Facility project in 1994–1996 and the State Programme for the Protection of the Ozone Layer had facilitated a transfer from ozone-depleting substances of the CFC group to substances and technologies that did not harm the ozone layer.

237. Those achievements had enabled the Czech Republic to be in compliance with the requirements of the Montreal Protocol and all its amendments. The Czech Republic was among the Parties that were not requesting exemptions for consumption of controlled substances, and also among those that were capable of participating actively in technology transfers and in providing assistance to other countries, not only through the Multilateral Fund or GEF but also through bilateral channels.

238. It was praiseworthy that UNEP and the Montreal Protocol and its Parties did not consider ozone layer protection in isolation, but in synergy with the issues of safe management of chemicals, management of hazardous waste, climate change, support to development of new technologies and their transfer to all parts of the world, support for science and research and capacity-building in monitoring the state of the environment and human health conditions. Cooperation with stakeholders, in particular with the business and research sectors, should assist in introducing new production practices and processes that would both ensure economic and social acceptance by consumers and at the same time contribute to solving the problem of unemployment. He was pleased to see that the Montreal Protocol and its Parties, as well as its expert panels, were intensively studying those interlinkages and mutual impacts.

## 2. Statement by the Executive Director of the United Nations Environment Programme

239. Mr. Klaus Töpfer, Executive Director of UNEP, expressed deep gratitude to the Government and people of the Czech Republic for their outstanding efforts in preparing for the meeting in the historic city of Prague – the crossroads of Europe.

240. As everyone present was aware, the story of the fight against destruction of the ozone layer was a success story. Even though problems remained, it was essential to let the world know about the success of the ozone approach: a scientific basis; a commitment by both developing and developed countries; and the Multilateral Fund, which gave the developing countries a real chance to implement phase-out projects.

241. The scientific symposium held in Prague the previous week had been chaired by one of the names that stood, essentially, for the scientific validation of the theory of ozone-layer destruction, Mr. Mario Molina. He applauded the awarding of the Nobel Prize to Mr. Molina, as it had helped to demonstrate that the work of rescuing the ozone layer was based on solid science. As Mr. Molina had said: “The Protocol is working. The emissions of ozone-depleting substances emissions have been greatly reduced and the overall level of ozone-depleting substances in the atmosphere is now in decline. This is a clear manifestation of international cooperation reversing human-induced changes in the chemical composition of Earth’s atmosphere. The ozone layer is expected to recover in coming decades, assuming the full implementation of the Montreal Protocol.”

242. It was essential for the meeting to be aware that the ozone community was also responsible for proving the integrity of global environmental agreements. The Basel, Rotterdam and Stockholm conventions were working successfully, and together with the striking success of the Montreal Protocol, gave people a clear signal that achieving environmental goals was not a vision, but a potential reality. Much remained to be done, however, to complete scientific understanding and the implementation of the Protocol. The ozone layer remained vulnerable owing to the large amount of ozone-depleting substances that would remain in the atmosphere for many years to come, and today, the ozone layer was most vulnerable, owing to the high levels of chlorine and bromine.

243. Given the general agreement on the need to phase out methyl bromide as soon as possible, he urged the Parties to use the time of the meeting to make that happen. Success could be achieved by a combination of technology, methyl bromide substitutes, licensing systems and other comparable measures. The timetable for phase-out was intimately linked to the decisions of the Meeting of the Parties, and it was sincerely to be hoped that cumbersome measures like the convening of another extraordinary Meeting of the Parties could be avoided.

244. In addition to the importance of phasing out methyl bromide, the focus needed to be broadened to other areas, including ozone-depleting substances as process agents and greater use of recycling. It was necessary, too, to be aware of the problem of new substances with ozone-depleting potential, and the initiative by the European Community to enable a faster adoption of controls on such new substances was greatly to be welcomed, as it gave a signal that the ozone world was ahead of developments, not simply reacting to them. A serious attempt had to be made to introduce control measures on the production of HCFCs, and attention had to be paid to the growing amounts of ozone-depleting substances that were being used for basic domestic needs.

245. Another important issue was that of compliance. In 1995–1997, Parties operating under Article 5 had consumed around 162,000 tonnes of CFCs. By 2002, the figure had dropped by almost 45 per cent. While the developing countries, and the Executive Committee of the Montreal Protocol’s Multilateral Fund, were certainly to be congratulated on that praiseworthy result, the previous Meeting of the Parties had found 18 developing countries, mostly small ones, unable to comply with the CFC freeze for a variety of reasons. The Multilateral Fund and its implementing agencies needed to focus on all those countries and make every effort to assist them to return to compliance as soon as possible.

246. He paid tribute to the dedication of Mr. Michael Graber, the Deputy Executive Secretary, who would shortly be retiring. He had been devoted to the cause of the ozone layer, and had always laboured effectively for its good rather than to see his name in the headlines. He welcomed Mr. Paul Horwitz as his replacement.

247. In closing, he called on the Meeting of the Parties to give a clear signal of the integrity of the Vienna Convention and its Montreal Protocol.

### **3. Statement by the President of the Fifteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer**

248. The Minister of Environment of the Czech Republic, Mr. Libor Ambrozek, said that it gave him pleasure in his capacity as President of the Bureau of the Fifteenth Meeting of the Parties to welcome all the participants to Prague, the capital of the Czech Republic. Recalling that it had been necessary to convene an extraordinary Meeting of the Parties in order to approve critical-use exemptions for methyl bromide, he noted that a successful agreement had been reached on the appropriate levels of critical uses of methyl bromide to satisfy short-term needs.

249. The number of essential-use applications and the volume of ozone-depleting substances in those applications where alternatives had not yet been found seemed to be dropping every year, as a result of continued efforts by all Parties to look for alternatives. At the same time, the growing optimism on phasing out essential uses for CFCs, halons and other substances might not necessarily extend to methyl bromide. It was proving difficult to find acceptable alternatives to satisfy those uses that were considered critical and the Parties were likely to face that problem for the foreseeable future. There was a need for continued efforts to identify viable alternatives for those critical uses of methyl bromide which were still proving difficult to phase out. A balance had to be found between the necessity for continued use of the substance and the need to protect the ozone layer.

250. The number of States that had ratified the Vienna Convention and the Montreal Protocol continued to grow, in a testimony to the confidence of the international community in the operation of the ozone protection regime over the years. The high amount of ozone-depleting substances that had been phased out and the level of technical and financial assistance that had been provided to developing countries and those with economies in transition were indicative of some of the effective measures that the Parties had taken in implementing the Montreal Protocol.

251. Implementation of the decisions of the Meeting of the Parties was one of the fundamental pillars of the operations of the Montreal Protocol. If those decisions were not implemented and observed, that could undercut the hopes and expectations for the recovery of the ozone layer in the years to come.

252. Progress in ratification of the four amendments to the Montreal Protocol adopted in 1990, 1992, 1997 and 1999 had been slow notwithstanding the urgent need to protect the ozone layer. He therefore appealed to all Parties to ratify the amendments to the Montreal Protocol as a good basis for implementing their provisions.

## **B. Organizational matters**

### **1. Election of officers of the Sixteenth Meeting of the Parties to the Montreal Protocol**

253. At the opening session of the high-level segment, in accordance with rule 21, paragraph 1, of the rules of procedure, the following officers were elected, by acclamation, to the Bureau of the Sixteenth Meeting of the Parties to the Montreal Protocol:

President:	Mr. Alan Flores, Costa Rica (group of Latin American and Caribbean countries)
Vice-Presidents:	Mr. Ndiaye Cheikh Sylla, Senegal (group of African countries) Mr. Adbul H. M. Fowzie, Sri Lanka (group of Asian countries) Mr. Jukka Uosukainen, Finland (group of Western European and other countries)
Rapporteur:	Ms. Rodica Ella Morohoi, Romania (group of Eastern European countries.)

## 2. Adoption of the agenda of the high-level segment

254. At the opening session of the high-level segment, the Parties adopted the following agenda for the high-level segment on the basis of the provisional agenda contained in document UNEP/OzL.Pro.16/1:

1. Opening of the high-level segment:
  - (a) Welcome by the representative of the Government of the Czech Republic;
  - (b) Statement by the Executive Director of the United Nations Environment Programme;
  - (c) Statement by the President of the Fifteenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer.
2. Organizational matters:
  - (a) Election of officers of the Sixteenth Meeting of the Parties to the Montreal Protocol;
  - (b) Adoption of the agenda of the high-level segment;
  - (c) Organization of work;
  - (d) Credentials of representatives.
3. Presentation by the Scientific Assessment Panel, the Environmental Effects Assessment Panel and the Technology and Economic Assessment Panels on their progress in 2004.
4. Presentation by the Chair of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol.
5. Presentation by the representative of the Global Environment Facility.
6. Presentations by the representatives of the implementing agencies (the United Nations Development Programme, the United Nations Environment Programme, the United Nations Industrial Development Organization and the World Bank).
7. Statements by heads of delegations.
8. Report of the co-chairs of the preparatory segment and consideration of the decisions recommended for adoption by the Sixteenth Meeting of the Parties to the Montreal Protocol.
9. Dates and venue of the Seventeenth Meeting of the Parties to the Montreal Protocol.
10. Other matters.
11. Adoption of the report of the Sixteenth Meeting of the Parties to the Montreal Protocol.
12. Closure of the meeting.

## 3. Organization of work

255. The Meeting agreed to follow its customary procedure.

## 4. Credentials of representatives

256. The representative of the Secretariat, speaking on behalf of the Bureau of the Sixteenth Meeting of the Parties to the Montreal Protocol, reported that the Bureau had approved the credentials of the representatives of 93 Parties out of the 127 represented at the Meeting. The Bureau had also provisionally approved the representation of seven Parties on the understanding that they would forward their credentials to the Secretariat as soon as possible. The Bureau urged all Parties attending future meetings of the Parties to make their best efforts to submit credentials to the Secretariat, as required under rule 18 of the rules of procedure.

## **C. Presentation by the Scientific Assessment Panel, the Environmental Effects Assessment Panel and the Technology and Economic Assessment Panel on their progress in 2004**

### **1. Scientific Assessment Panel**

257. Mr. Ayité-Lo Ajavon, co-chair of the Scientific Assessment Panel, summarized the status of the panel's 2006 scientific assessment. He briefly described the mandate for the assessment in decision XV/53 and the topics the assessment was to cover, including the state of the ozone layer and its expected recovery; the state of the Antarctic ozone hole and recent events related thereto; trends in the amount of ozone-depleting substances in the atmosphere; the impact of climate change on the ozone layer; the implications of the presence of bromines in the atmosphere; and surface ultraviolet radiation. He also outlined the schedule according to which the assessment would be carried out, noting that it should be completed in 2006. Steps to be taken included the nomination of experts, the determination of chapter structure by the co-chairs, selection of chapter lead authors, formation of chapter teams, preparation of the chapters and review and finalization of the chapters.

### **2. Environmental Effects Assessment Panel**

258. Ms. Janet Bornman, co-chair of the Environmental Effects Assessment Panel, presented the panel's 2004 progress report on its analysis of the environmental effects of ozone depletion and its interactions with climate change.

259. Her presentation covered ozone and changes in ultraviolet radiation; health; terrestrial ecosystems; aquatic ecosystems; biogeochemical cycles, air quality, materials; and assessment of the Arctic climate impact. She noted that, in general, the complexity of the relationship among ozone depletion, UV-B radiation and climate change had become more apparent, thus reinforcing the view that climate change effects took place over a long time period.

260. With respect to changes in ultraviolet radiation, she observed that it was difficult to determine whether ozone levels were recovering, owing to natural variation from year to year, but it was reasonably certain that there was a downward trend in the amount of ozone-depleting gases in the atmosphere that was attributable to the measures taken under the Montreal Protocol. She noted too that most methyl bromide came from natural sources and that such sources might have a role in ozone depletion.

261. In the area of health, recent data showed that melanoma and basal cell carcinoma were continuing to increase, particularly in eastern and southern Europe, that optimum levels of vitamin D through UV-B radiation could be achieved with exposures of 15–20 minutes per day, and that UV-B was associated with increased severity of nuclear cataracts, particularly for individuals between 20 and 29 years of age. Safety testing of CFC substitutes had demonstrated very low toxicity overall, but in at least one case, there was a suspected link between the use of HCFC 123 (as a substitute for CFC 11) and abnormal liver function among workers.

262. Regarding terrestrial ecosystems, there was further confirmation that increased UV-B exposures was resulting in reduced herbivory, and that it might increase stress tolerance in plants. It was thought that UV-B produced various synergistic reactions, including drought and high temperatures and, in the case of plants, an increase in cold hardiness and, of particular concern, a decrease in resistance to herbicides and pesticides.

263. In aquatic ecosystems, preliminary results from long-term studies suggested that the effects of UV-B combined with other stressors such that total ozone concentration was correlated with global biomass productivity. An observed decline in populations of amphibians included global climate change, UV-B radiation, environmental contaminants, habitat destruction, disease, parasites and introduced exotic species.

264. With respect to biogeochemical cycles, UV-B radiation could enhance the biological availability and reactivity of metals, especially in aquatic environments, while changes in temperature and precipitation (particularly the latter) could alter the transport of UV-absorbing substances from, and to, the oceans. In the summer months, concentrations of dimethyl sulphide were affected by the concentration of nutrients; concentrations could increase in low-nutrient waters and decrease in high-nutrient waters. Atmospheric methyl bromide concentrations were falling 2.5–3 per cent annually, but could rise again in response to global warming.

265. Concerning air quality, research models suggested that ozone-induced changes in the oxidation capacity of the atmosphere would have less impact on ground level hydroxyl concentrations, but tropospheric concentrations of HFC-134a, a potent greenhouse gas, were increasing rapidly, with implications for climate change.

266. As for materials, studies demonstrated that fading of the colour of materials induced by ultraviolet radiation was faster in the case of natural dyes than synthetic dyes. Studies had led to the development of polycarbonates with greater resistance to damage from the sun through the use of stabilizers or UV-absorbing materials.

267. In conclusion, she reported that, in connection with the first Arctic regional assessment of climate and ultraviolet radiation change, three reports would be presented in November 2004 dealing with ultraviolet radiation in the region and future scenarios of its future impact on ecosystems and health. An overview in popular language and a policy document would also be produced.

### 3. Technology and Economic Assessment Panel

268. Mr. Stephen Andersen, co-chair of the Technology and Economic Assessment Panel, made a brief presentation on the composition of the Panel and its technical options committees. He reported that, currently, the Panel had 15 members from 11 countries and its technical options committees had several hundred members. He expressed his appreciation for the work of the co-chair of the Methyl Bromide Technical Options Committee, Mr. Jonathan Banks, who would be retiring from the position of co-chair at the end of the year although he would remain a member of the committee.

269. Mr. Andersen presented the names of persons that would continue, or had been suggested, to serve as co-chairs of three technical options committees: Mr. Ian Porter, Ms. Michelle Marcotte and Mr. Nahum Mendoza for the Methyl Bromide Technical Options Committee; Mr. Ian Rae and Mr. Masaaki Yamabe for the Chemical Technical Options Committee; and Mr. David Catchpole and Mr. Dan Verdonick for the Halons Technical Options Committee. Mr. Andersen invited nominations from Parties operating under Article 5 for persons to serve as co-chairs of the Halons Technical Options Committee and the Chemical Technical Options Committee and as members of all the technical options committees.

270. The co-chair of the basic domestic needs task force, Ms. Shiqiu Zhang, reported that the 1995–2002 production and consumption data as submitted to UNEP had shown deficits every year, but no shortages had been observed. For 2003 and 2004, predicted figures also indicated a deficit, but no shortage had been reported in those years either. The two scenarios employed by the task force suggested deficits for the period 2003–2009, but the amount depended on the scenario used. Although the task force had conducted a study on the level of CFC production required to meet basic domestic needs, no conclusions could be drawn from either the data available or the predictions made.

271. The proposed co-chair of the process agent task force, Mr. Ian Rae, reported that the new processes that the task force had reviewed met the definition of the 1997 process-agent task force and he recommended their inclusion by the Parties in table A of decisions X/14 and XV/16. He also said that there were opportunities to switch to alternatives to ozone-depleting substances for all the new process-agent uses with significant emissions of controlled substances that were reviewed in the task force's report.

272. The co-chair of the Aerosols Technical Options Committee, Ms. Helen Tope, reported on the essential-use nominations for metered-dose inhalers, and on the potential impacts of the phase-out of CFCs in Parties not operating under Article 5 on the availability of affordable inhaled therapy in Parties operating under Article 5. She noted the constant downward trend in CFC use for metered-dose inhalers, the increasing global prevalence of asthma and chronic obstructive pulmonary disease, and the greater use of metered-dose inhalers by Parties operating under Article 5 and Parties with economies in transition. She said that technically satisfactory HFC alternatives, particularly involving salbutamol, were available worldwide, and drew attention to decision XV/5 of the Meeting of the Parties, stating that, by the time of the twenty-fifth meeting of the Open-ended Working Group, essential-use nominations would only be reviewed in the light of Parties' action plans to phase out CFC inhalers.

273. The co-chair of the Rigid and Flexible Foams Technical Options Committee, Mr. Miguel Quintero, reported that, despite the fact that supply shortages of some HFCs were still affecting several small and medium-sized enterprises in Europe, no HCFC use was being allowed there. CFC phase-out was continuing according to the Montreal Protocol in Parties operating under Article 5, although the sustained availability of CFCs at lower cost than substitutes continued to hinder accelerated phase-out. Hydrocarbons were likely to be the predominant blowing agent beyond 2005, and responsible use

criteria for HFCs were under development in several regions. He said, in conclusion, that the importance of end-of-life foam management was confirmed by the fact that banks of CFCs and HCFCs continued to accumulate and were currently in excess of one million tonnes for each category.

274. The proposed co-chair of the Halons Technical Options Committee, Mr. David Catchpole, introduced the committee's plan of action regarding new aircraft fire protection. The committee was to submit an article for the ICAO journal, projecting halon supply, cost and emissions, while ICAO was to issue a State letter in 2006 inviting States to require the use of proven alternatives in newly designed aircraft as of 2009. The ICAO secretariat would introduce an ICAO/Halon Technical Options Committee working paper at the 2007 ICAO Assembly.

275. The co-chair of the Methyl Bromide Technical Options Committee, Mr. Nahum Marban Mendoza, outlined the progress made in the registration of alternatives, advances in soil treatments, trends in quarantine and pre-shipment usage of methyl bromide, recapture and recycling of methyl bromide.

276. Mr. Jonathan Banks, also co-chair of the Methyl Bromide Technical Options Committee, reported on critical-use nominations and gave an update on the recommendations made by the committee for the years 2005 and 2006.

277. The co-chair of the Refrigeration, Air-Conditioning and Heat Pumps Technical Options Committee, Mr. Lambert Kuijpers, reported that some major multinational companies were adopting non-HFC alternative technologies for refrigerants, including hydrocarbons and carbon dioxide. Furthermore, a number of developments were under way, aimed at optimizing secondary loop systems that should be at least as efficient as the reference direct system. In mobile air conditioning, it was expected that, by 2008, almost all air-conditioned vehicles worldwide would use HFC-134a. Owing, however, to concerns about the global warming impact of HFC-134a, vehicle manufacturers and suppliers were searching for a replacement, with carbon dioxide and HFC-152a emerging as the leading candidates. Meanwhile, vehicle manufacturers would be applying enhanced HFC-134a systems to reduce refrigerant leakage and improve energy efficiency. The European Community had proposed bans on HFC-134a for new vehicles after the period 2009–2013, in the light of the development of technical alternatives, and the California Air Resources Board had proposed incentives both to reduce HFC-134a emissions and improve vehicle air-conditioning fuel efficiency.

278. The proposed co-chair of the Chemicals Technical Options Committee, Mr. Masaaki Yamabe, said that the new Committee had begun recruiting its membership and was expected to complete the process by the end of 2004. The issues for review at its first meeting, scheduled for early 2005, included an annual update on n-propyl bromide (nPB), a review of process-agent uses listed in table A of decision XV/6, and of specific requests by Parties, an assessment of the development and availability of laboratory and analytical procedures that could be applied without using controlled substances, and progress in phasing out solvents, carbon tetrachloride and technical aerosols. The co-chair also provided an update on nPB, noting that the Technology and Economic Assessment Panel urged application of the precautionary principle to discourage nPB solvent emissions, in view of the substantial risk to the ozone layer, particularly when emitted in the inter-tropical convergence zone, and in view of recent adverse toxicology and epidemiology findings.

279. Mr. Lambert Kuijpers, co-chair of the Technology and Economic Assessment Panel and member of the Technology and Economic Assessment Panel/Intergovernmental Panel on Climate Change steering committee, gave an update on work under way to produce the special report by the Intergovernmental Panel on Climate Change and the Technology and Economic Assessment Panel on use, banks and emissions of CFCs, HCFCs, HFCs and PFCs. The report would cover HFCs and PFCs that were alternatives to ozone-depleting substances and assess the alternatives to HFCs and PFCs in those applications, particularly for the period 2002–2015. He specified that the report did not consider HFCs, PFCs and sulphur hexafluoride in uses where ozone-depleting substances were never significantly used. Work was under way to estimate the annual emissions from inventories, banks and future production and use for the period 2002–2015, and the report would constitute a full assessment of the atmospheric and environmental impact of expected emissions. He described the timetable for drafting, reviewing and distributing the report, which would be published in May 2005 and presented to the Open-ended Working Group at its twenty-fifth meeting. He also mentioned that all Governments would have the opportunity to send comments on the summary for policy makers when the summary was posted on the web site between mid-February and the end of March 2005.

## **D. Presentation by the Chair of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol**

280. Ms. Marcia Levaggi, Chair of the Executive Committee drew attention to the report covering its forty-first, forty-second and forty-third meetings contained in document UNEP/OzL.Pro/16/10.

281. From 1 January 2005, Parties operating under Article 5 would be required to limit their consumption of CFCs to no more than 50 per cent of their CFC baseline, and to observe reductions in their consumption of carbon tetrachloride, methyl chloroform and methyl bromide. The 2005 control measure for CFCs would be closely followed by an even more severe reduction from 1 January 2007. In response to the approach of those control measures, new national or sectoral phase-out projects had been approved in principle for 18 countries at a cost of \$76.2 million to phase out 12,920 ODP tonnes of ozone-depleting substances. Five of those countries had undertaken to complete their phase-out programmes in advance of the relevant Montreal Protocol phase-out dates. In total, during the review period, the Executive Committee had allocated over \$169 million for the implementation of 76 investment projects that would phase out an estimated 23,000 tonnes of ozone-depleting substances.

282. In order to ensure that very-low-volume-consuming countries with little or no industrial infrastructure were not disadvantaged, the Executive Committee had decided at its forty-third meeting to supplement the lower ranges of annual funding for institutional strengthening projects up to a threshold level of \$30,000 per year, on the condition that the relevant country assigned a full-time officer to manage the ozone unit and that a national licensing system was in place. As consumption of ozone-depleting substances continued to decrease, institutional measures would become even more important to the achievement of compliance and eventual phase-out. The Committee's emphasis on the need for effective policy and institutional support was a response to that need.

283. At its forty-second meeting the Executive Committee had urged implementing and bilateral agencies to provide all possible assistance to countries for which they were implementing institutional strengthening projects to eliminate instances of non-reporting of data. That had resulted in significant improvements in the annual reports on the implementation of country programmes submitted to the Fund Secretariat. At the same meeting, the Committee had considered the consolidated business plan of the Multilateral Fund for 2004 and 2006, noting with satisfaction that it addressed all the phase-out needs identified in the three-year phase-out plan. At its forty-third meeting, however, the Committee had expressed concern regarding the large number of projects from the 2004 business plans that had not been submitted at that meeting and had urged bilateral and implementing agencies to submit them to the Committee at its forty-fourth meeting.

284. Low-volume-consuming countries had remained a high priority throughout the reporting period. Country programmes together with institutional strengthening projects and refrigerant management plans had been approved for seven new Parties, all low consumers. For most low-volume-consuming countries, refrigerant management plans remained the principal means by which assistance could be provided. At its forty-first meeting the Executive Committee had considered a final report on the evaluation of refrigerant management plans. The Committee had requested Parties operating under Article 5 and the agencies assisting them to consider incorporating a number of important initiatives in the development of refrigerant management plans, including an increased emphasis on legislative and industrial coordination mechanisms; a more selective focus on recovery and recycling to concentrate on industry sectors with the greatest chance for successful implementation; and greater emphasis on monitoring and consultation.

285. At its forty-second meeting the Executive Committee had considered the criteria for prolongation of agreements for accelerated phase-out of methyl bromide in Parties operating under Article 5, as requested in decision Ex.1/2 of the extraordinary Meeting of the Parties, and at the forty-third meeting the Committee had adopted criteria providing for the extension of such agreements in specific circumstances.

286. The Executive Committee had decided to fund a project on the development of a suitable strategy on the long-term management of HCFCs, including a study of the effects of management of HCFCs in China and other Parties operating under Article 5.

287. At its forty-first meeting, the Committee had decided to abolish the subcommittees on project review and on monitoring and evaluation and finance, while maintaining the production sector subgroup. As requested by the Committee at that meeting, the Secretariat had prepared a report on the year's activities for the forty-fourth meeting. In conclusion, she thanked the Chief Officer and all the staff members of the Secretariat for their support and hard work.

## **E. Presentation by the representative of the Global Environment Facility**

288. Mr. Laurent Granier, representative of the Global Environment Facility (GEF), provided clarification on funding of activities and briefed participants on the progress on a number of related issues. GEF had already provided an update to the Ozone Secretariat on its Strategic Approach to Enhance Capacity Building. The approach, which was considered by the GEF Council in November 2003, underscored the importance of GEF facilitation of nationally determined and prioritized capacity building needs.

289. He noted that the possibility existed for countries with economies in transition that were still experiencing difficulties in meeting their Montreal Protocol obligations to work with the implementing agencies to seek further institutional strengthening support through targeted capacity-building projects. Those could be considered in the context of the forthcoming replenishment of GEF. The GEF Council had recently approved a regional project proposal to support the sustainable phase-out of methyl-bromide in eligible countries with economies in transition. The project was being appraised by the implementing agencies and was due to commence soon.

290. Reporting on the request by the Fifteenth Meeting of the Parties to consider, on an exceptional basis, project proposals from South Africa on phasing out methyl bromide, he said that the GEF Council had agreed to provide project preparation financing to South Africa to develop a project proposal for phasing out methyl bromide without prejudice to a later discussion and decision on financing of the project. At the same time, the Council had expressed concerns and firmly stressed that that decision should not be viewed as establishing a precedent.

291. He stated in conclusion that GEF was preparing an assessment of the most effective ways to address HCFC reduction schedules in eligible recipient countries, over the medium to long term. That assessment, which would pave the way for investments in future phases of GEF, would include considerations of the broader chemicals agenda, and how best to build and maximize the use of country capacities.

## **F. Presentations by the representatives of the implementing agencies**

### **1. United Nations Development Programme**

292. Ms. Suely Carvalho, representative of the United Nations Development Programme (UNDP), noted that ensuring environmental sustainability was one of the internationally agreed goals of the Millennium Declaration. The success of the Montreal Protocol and the protection of the ozone layer were not only resulting in protection of all life on earth, but also fitted into the forward-looking agenda for sustainable development. UNDP was proud to be one of the four implementing agencies of the Multilateral Fund.

293. UNDP was present on the ground in 166 countries, 92 of which were benefiting from projects and activities carried out through the Multilateral Fund. That represented a cumulative total of over \$410 million in programme funding that would eliminate nearly 50,000 ODP tonnes of ozone-depleting substances globally. Over the previous year \$38 million had been approved, of which \$30 million had been disbursed, resulting in a phase-out of 5,846 tonnes. That phase-out was significantly higher than the yearly results that UNDP had been achieving since 1998.

294. She said that it had become clear that sustainability relied on building synergies that encouraged harmonization of efforts. She stressed the importance of national ownership and the critical role of Governments in enforcing legislation, without which phase-out efforts would not be sustained. She recognized that further efforts were needed to increase synergy with other conventions tackling chemicals management.

295. She expressed appreciation to the Parties for their confidence in UNDP and reaffirmed the commitment of UNDP to ensuring that the goals of the Montreal Protocol were met in a sustainable fashion.

### **2. United Nations Environment Programme**

296. Mr. Rajendra Shende, representative of the UNEP Division of Technology, Industry and Economics, presented the work of the Compliance Assistance Programme, which provided countries with policy advice and technical assistance through training, networking, and compliance related trouble-shooting, and organized regional awareness activities. The programme worked in partnership with a variety of institutions in carrying out its work, which, in particular, focused on assisting

low-volume-consuming countries. Facilitating cooperation between developing countries, enabling compliance through dialogue and organizing thematic meetings had been key features. It had introduced some innovative approaches for assisting Parties with compliance, which included regional phase-out initiatives, sub-regional dialogues, a compliance help desk, and on-line halon trading B2B web-portal.

297. He outlined the trends observed in the consumption of CFCs, halon, methyl bromide, carbon tetrachloride and methyl chloroform in Parties that were low-volume-consuming countries operating under Article 5 and explained that UNEP, through GEF, was also assisting five Parties with economies in transition not operating under Article 5.

298. He concluded by outlining the challenges that would need to be faced in years to come. Those included achieving the 2005 reduction targets, enabling new Parties to comply with the Protocol's provision, improving data accuracy, enforcing legislation, and ensuring that compliance was maintained after the completion of a funded project. He believed that partnerships with the secretariats of other regional and international organizations and other multilateral environmental agreements would be instrumental in meeting such challenges. Furthermore, he suggested developing partnerships for customs-officer training, working more closely with the other implementing and bilateral agencies, and integrated strategies for dealing with methyl bromide consumption, such as by highlighting the health hazards of methyl bromide, would also prove useful.

### **3. United Nations Industrial Development Organization**

299. Mr. Sidi Menad Si Ahmed, representative of the United Nations Industrial Development Organization (UNIDO), reviewed the history of his organization's involvement with the Multilateral Fund of the Montreal Protocol, and listed significant milestones over that 24-year history. Over those years it had developed 932 projects in 66 countries which, by the end of October 2004, had achieved the phase-out of over 32,000 ODP tonnes of ozone-depleting substances. In particular, he noted the radical change to the organization's business planning process since the thirty-eighth meeting of the Executive Committee, in Rome, in 2002, which had introduced the concept of a three-year rolling model business plan. The growing trend towards multi-year national and sectoral phase-out plans developed in line with that concept now applied to 86 per cent of UNIDO submissions to the Executive Committee, leaving little scope for stand-alone projects. That trend had, in the view of UNIDO, substantially increased the responsibilities of Parties operating under Article 5 to meeting their compliance targets and the organization stood ready to support them in that process, particularly in regard to monitoring implementation and the verification and auditing of phase-out programmes.

300. He said that one of the primary challenges facing UNIDO in that effort was to help countries strengthen their implementation capacity, which it aimed to do through institutional strengthening, advisory, monitoring, auditing and reporting services. Under the new approach to phase-out plans, particular importance attached to collaboration with other agencies, and UNIDO was very pleased to cooperate with its fellow agencies, namely, UNDP, UNEP and the World Bank, to that end. Furthermore, in an effort to harness potential synergies, UNIDO had established a new branch for multilateral environmental agreements, which it believed would help in responding to the needs of its beneficiary countries, particularly given the additional responsibilities assigned to their ozone officers relating to climate change and chemicals issues.

301. In conclusion, he expressed appreciation for the cooperation that UNIDO had received from Governments, national ozone units and recipient enterprises of Parties operating under Article 5, which had helped the organization achieve its 2003 targets, and conveyed its gratitude likewise to the Ozone Secretariat.

### **4. World Bank**

302. Mr. Steve Gorman, representative of the World Bank, said that the Sixteenth Meeting of the Parties marked another major milestone in the implementation of the Montreal Protocol. A series of new phase-out obligations would become effective for Parties operating under Article 5 of the Protocol in 2005, representing considerable challenges for those countries, and underlining the importance of the strategic business plan developed to help to meet those challenges. Furthermore, current implementation progress of all agreed phase-out plans implemented by the World Bank in the CFC and carbon tetrachloride sectors confirmed that the scheduled phase-out would be achieved.

303. Reporting on the initiative for accelerated CFC-production phase-out in China and the CFC production phase-out plan for the Bolivarian Republic of Venezuela, which would be presented to the Executive Committee at its forty-fourth meeting, he said that, if approved, the projects would together account for the elimination of 10,000 ODP tonnes of CFC production.

304. The World Bank's client countries under its Montreal Protocol Programme had made significant and measurable progress in reducing consumption of ozone-depleting substances and production in 2003. It had disbursed additional funds of \$66 million to its client countries to support implementation of all ongoing projects in 2003, bringing its cumulative disbursement to \$510 million, which represented 84 per cent of total funds approved by the Multilateral Fund up to the end of 2003. The achievements in project implementation in 2003 had brought the level of cumulative phase-out of ODP in the World Bank portfolio to 77,449 ODP tonnes in the consumption sector and 56,969 ODP tonnes in the production sector. That represented 64 per cent of total ODP phase-out under the Multilateral Fund, with only 41 per cent of the Multilateral Fund's resources allocated to the World Bank.

305. He said that the Montreal Protocol, through its implementation, had generated a wealth of knowledge that could benefit the strategic approach to international chemicals management and the high-level meetings on the strategic approach to capacity-building. He added that, in the coming pivotal years, for the overall success of the Montreal Protocol, the World Bank would step up its effort to support the work of Parties operating under Article 5 of the Protocol, the Ozone Secretariat, the Multilateral Fund Secretariat, bilateral donors, and other concerned parties through enhanced dialogue, technical advice and policy assistance.

## 5. Science symposium

306. The representative of Mexico reported on the science symposium held on Friday, 19 November 2004, at the Cernín Palace in Prague, which had been organized by the Governments of the Czech Republic and Mexico and UNEP. He said that the symposium had been chaired by Mr. Mario J. Molina, 1995 Nobel Prize Laureate for Chemistry, in recognition of his achievements in pioneering ozone depletion science. In their concluding statement, participants at the symposium said that the Montreal Protocol had proved to be a remarkable model of the way to solve global environmental problems through its reliance on scientific and technical advice, time-bound control measures, universal membership, and assistance to developing countries through a multilateral fund. The Protocol was working and, with its full implementation, the ozone layer was expected to recover over the coming decades. In conclusion, the representative of Mexico requested the inclusion in the present report of the summary of the symposium. Accordingly, the summary dated 19 November 2004 and entitled: "Challenges and procedures – Ozone Layer Protection", which was distributed to all delegates, is provided in annex VI below.

307. Much remained to be done, however, to complete current scientific understanding and the implementation of the Protocol. The ozone layer remained vulnerable, owing to the large amount of ozone-depleting substances that would persist in the atmosphere for many years to come and scientific and policy efforts must continue until the protection of the ozone layer was fully achieved, including through continued efforts to develop and deploy alternatives to all currently used ozone-depleting substances.

308. The participants pointed out that, while scientific understanding of the ozone layer had grown substantially over the past decades and had provided essential guidance to the Parties to the Montreal Protocol, human activities had continued to alter atmospheric composition through the increased emissions of a variety of chemical species in addition to those containing chlorine and bromine. As the phase out of ozone-depleting substances reached the final stages, some users might attempt to justify, on the plea of insignificant impact, continued uses that could be granted under the terms of the Protocol. The symposium participants urged strong caution because the cumulative effect of many small continuing uses and emissions could add a significant amount of ozone-depleting chlorine and bromine to the atmosphere.

309. They noted, in particular, that the current use of methyl bromide, with its high ODP, depleted ozone on an immediate timescale. Accordingly, ozone depletion due to methyl bromide would end almost as rapidly as its use was halted. That said, however, there was a risk that the gains achieved to date in the reduction of methyl bromide might be negated by increases in emissions from exempted uses, including quarantine, pre-shipment and critical use.

310. In conclusion, they highlighted the importance of the Protocol as a major precedent for solving global environmental problems and sustaining life on earth. It was imperative to preserve the integrity of the Protocol with continued stringent controls, financing, and enforcement, until its objectives were achieved.

## **G. Statements by heads of delegations**

311. At the high-level segment, statements were made by heads of delegations of the following Parties, listed in the order in which they spoke: Kenya, Bhutan, Sri Lanka, United Republic of Tanzania, Indonesia, China, Japan, Argentina, Brazil, Thailand, Rwanda, Malaysia, Burundi, Philippines, Republic of Korea, India, Pakistan, Armenia, Mozambique, Bosnia and Herzegovina, Bolivarian Republic of Venezuela, United States of America, Netherlands (in its capacity as Presidency of the European Union), Saudi Arabia and the Russian Federation.

312. In addition, the Meeting noted with appreciation the understanding of the following Parties who were unable to deliver their statements owing to time constraints: Belize, Bulgaria, Cambodia, Dominican Republic, Egypt, European Community, Fiji, Israel, Kuwait, Lao People's Democratic Republic, Lebanon, Mauritius, Myanmar, Namibia, Nepal, Romania, Sierra Leone, South Africa, Sudan, Thailand and Uganda.

313. All speakers expressed thanks to the Czech Republic for organizing and hosting the meeting. They also thanked the Ozone Secretariat, the Multilateral Fund, the implementing agencies, international aid agencies, other partners and donor countries for their contribution to ensuring the successful implementation of the Montreal Protocol.

314. Several speakers highlighted the overall success of the Montreal Protocol as an international agreement. It was a model of successful environmental collaboration that was in the process of achieving what it had set out to do in terms of ozone-depleting substances phase-out. In that connection, all speakers described the steps taken at the national level to implement the provisions of the Protocol. A number of speakers announced their country's intention to reach phase-out targets ahead of schedule and all speakers reaffirmed their continued commitment to fulfilling their obligations and protecting the ozone layer.

315. Despite the Montreal Protocol's numerous achievements, several speakers warned against complacency. It was pointed out that additional measures were required to sustain momentum and ensure the final and most difficult stage of phase-out. It was particularly important to ensure the appropriate level of Multilateral Fund replenishment for the 2006–2008 triennium, given the CFC and carbon tetrachloride phase-out deadlines of 2010. Several speakers expressed the need to define terms of reference for the study on replenishment to be conducted by the Technology and Economic Assessment Panel. While expressing gratitude for funds received, many speakers from Parties operating under Article 5 of the Protocol called for additional financial and technical assistance. One speaker drew attention to the funding needs of low-volume-consuming countries, while another called for special assistance for new Parties to the Protocol. Funding was also needed to cover the incremental costs incurred in developing countries. Some speakers referred to the need to create incentives for accelerated phase-out plans. One advocated measures to assist the phase-out efforts of small and medium enterprises, and suggested that a special funding window be created to fund assistance for them in the next triennium, in view of terminal phase-out.

316. Some speakers also highlighted emerging challenges. One speaker said that, as phase-out target dates approached, arrangements were required to enable very-low-volume-consuming countries to make necessary imports without going into non-compliance. Other speakers touched on issues such as the dumping of ODS-consuming equipment by developed countries, the need to develop alternatives for soil pesticides, the problem of preventing emissions from stockpiled ODS, and the urgent need for measures to recycle, recover and destroy stored ODS. Several speakers came back to issues that had generated considerable debate in the preparatory segment of the meeting, namely, illegal trade in ODS, critical-use exemptions for methyl bromide and alternatives to CFC use in metered-dose inhalers.

317. It was generally agreed that illegal trade was one of the most significant obstacles to the phase-out of ozone-depleting substances and a problem that needed urgent action. Several heads of delegation supported the proposal to set up a global import and export tracking system, and others extolled the virtues of national licensing systems. One speaker suggested, however, that the issues relating to trade should be looked at in a holistic manner rather than in isolation.

318. Other speakers had concerns about the continued use of ozone-depleting substances, in particular methyl bromide by Parties not operating under Article 5, and about the extensive use of critical-use exemptions. That practice threatened to undermine the gains of the Protocol. One speaker said that methyl bromide use was important for agriculture in his country and that agriculture was key to poverty eradication in many countries operating under Article 5. He therefore suggested that the possibility of obtaining critical-use exemptions be extended to developing countries. Another speaker expressed concern about the number of critical-use nominations, as well as the amounts requested, and asked Parties to request fewer critical-use exemptions; the current number of nominations gave the wrong message regarding phase-out. He said that a methyl bromide alternatives database was to be developed in 2005 and asked countries to contribute. He also made a plea for countries that had introduced ISPM 15 standards for quarantine and pre-shipment to use heat treatment rather than methyl bromide for wood packaging fumigation.

319. One speaker was concerned that the Methyl Bromide Technical Options Committee might be making arbitrary cuts in the amounts that Parties were requesting in their critical-use nominations and that, rather than basing its recommendations on the technical and economic feasibility of alternatives, the committee was making policy decisions. She suggested that there might be other ways of dealing with the problem of methyl bromide use, such as the issuing of credits for methyl bromide consumption in exchange for halon destruction. Another speaker, however, called for the establishment of more precise rules regarding critical-use exemptions and that, over time, there should be a consistent reduction in the amount of methyl bromide covered by critical-use exemptions. One speaker expressed his support for a multi-year approach to critical-use exemptions for methyl bromide.

320. Several speakers referred to the need to find cost-effective alternatives to the use of CFCs in metered-dose inhalers. One speaker stressed that patients should not be deprived of affordable medicines during that process. Another expressed the view that entirely acceptable alternatives, which posed no threat to human health, were already available. It was suggested that greater quantities of alternatives to CFC needed to be available in order to make those alternatives more affordable.

321. The representative of Pakistan conveyed his country's offer to host the Eighteenth Meeting of the Parties in 2006.

## **H. Report of the co-chairs of the preparatory segment and consideration of the decisions recommended for adoption by the Sixteenth Meeting of the Parties to the Montreal Protocol**

322. The Parties expressed appreciation for the work of the co-chair, Mr. Janusz Kozakiewicz.

323. The Meeting of the Parties adopted several decisions on the basis of the drafts forwarded by the preparatory segment, taking into account the comments of the high-level segment. The Meeting was unable, however, to reach agreement on the adoption of the draft decision on process agents forwarded for consideration by the preparatory segment. In addition, the European Community withdrew the draft decision forwarded to the high-level segment on its proposal to decide on the dates of the Meetings of the Parties three years in advance.

## **I. Decisions**

324. The Sixteenth Meeting of the Parties decides:

### **Decision XVI/1. Ratification of the Vienna Convention, the Montreal Protocol and the London, Copenhagen, Montreal and Beijing amendments to the Protocol**

1. To note with satisfaction the large number of countries that have ratified the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer;

2. To note that, as of 22 November 2004, 175 Parties had ratified the London Amendment to the Montreal Protocol, 164 Parties had ratified the Copenhagen Amendment to the Montreal Protocol, and 121 Parties had ratified the Montreal Amendment to the Montreal Protocol, while only 84 Parties had ratified the Beijing Amendment to the Montreal Protocol;

3. To urge all States that have not yet done so to ratify, approve or accede to the Vienna Convention and the Montreal Protocol and its amendments, taking into account that universal participation is necessary to ensure the protection of the ozone layer;

## **Decision XVI/2. Critical use exemptions for methyl bromide for 2005 and 2006**

*Cognizant* of its duty to assess critical uses of methyl bromide under Article 2H, paragraph 5, of the Montreal Protocol,

*Taking* into account the criteria and procedures for the assessment of critical uses of methyl bromide articulated in decision IX/6,

*Noting* with great appreciation the work done by the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee,

*Recognizing* that the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee review nominations for critical-use exemptions pursuant to paragraph 2 of decision IX/6 and that the Parties assess a critical methyl bromide use for the purposes of control measures in Article 2H of the Protocol,

*Noting* that decision XVI/4 should provide a solid basis for review of critical-use nominations in the future, and that in the absence of technical and economic justification for a recommendation, particular consideration should be given to the Party's nomination,

*Bearing* in mind, in particular, paragraphs 3 and 4 of the working procedures of the Methyl Bromide Technical Options Committee relating to the evaluation of nominations for critical uses of methyl bromide, as set out in annex I to the report of the Sixteenth Meeting of the Parties,<sup>1</sup>

1. For the agreed supplemental critical-use categories for 2005, set forth in section IA to the annex to the present decision for each Party, to permit, subject to the conditions set forth in decision Ex.I/4, to the extent that those conditions are applicable, the supplementary levels of production and consumption for 2005 set forth in section IB to the annex to the present decision which are necessary to satisfy critical uses;

2. For the agreed critical-use categories for 2006, set forth in section IIA to the annex to the present decision for each Party, to permit, subject to the conditions set forth in decision Ex. I/4, to the extent that those conditions are applicable, the levels of production and consumption for 2006 set forth in section IIB to the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties to the Montreal Protocol in accordance with decision IX/6;

3. That Parties should endeavour to ensure that the quantities of methyl bromide recommended by the Technology and Economic Assessment Panel are allocated as listed in sections IA and IIA of the annex to the present decision;

4. That each Party which has an agreed critical use should ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and that such procedures take into account available stocks of banked or recycled methyl bromide. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat;

5. To approve in the interim, until the Extraordinary Meeting of the Parties referred to in paragraph 9 below is convened, subject to the conditions set forth in decision Ex. I/4, to the extent that those conditions are applicable, the portions of the 2006 critical-use nominations set forth in section III of the annex to the present decision;

6. To ask the Methyl Bromide Technical Options Committee to review:

<sup>1</sup> UNEP/OzL.Pro.16/17.

(a) Those portions of the 2006 critical-use nominations set forth in section III of the annex to the present decision;

(b) The 2006 critical-use nominations that were identified as “unable to assess” in the October 2004 report of the Technology and Economic Assessment Panel,

on the basis of all relevant information submitted by 24 January 2005, including any supplemental information submitted by the Parties, and information relating to what is suitable for the crops and circumstances of the nomination;

7. To request the Methyl Bromide Technical Options Committee to evaluate the nominations referred to in paragraph 6 of the present decision:

(a) In accordance with the procedures set out in annex I to the report of the Sixteenth Meeting of the Parties subject to modifications necessary to meet the timetable provided in paragraphs 6–9 of the present decision;

(b) To meet the nominating Party before it completes its deliberations, if so requested by the Party;

8. To request the Technology and Economic Assessment Panel to report its findings to the Parties in the form of an interim report by 30 April 2005, and in the form of a final report by 15 May 2005;

9. To review the report of the Technology and Economic Assessment Panel prepared pursuant to paragraphs 6–8 of the present decision at an extraordinary Meeting of the Parties held in conjunction with the twenty-fifth meeting of the Open-Ended Working Group, in order to adopt a decision at the Meeting with respect to the portions of the 2006 critical-use nominations referred to in paragraph 6 of the present decision, with the understanding that it shall not give rise to any further financial implications;

10. That the procedure provided for in paragraphs 6–9 of the present decision is exceptional and applies only in 2005, unless the Parties decide otherwise;

## Annex Critical use exemptions

### Section IA: 2005 – agreed supplemental critical-use categories (metric tonnes)

Australia	Almonds (1.9)
Belgium	Mills (0.2), electronic equipment (0.1), woodworking premises (0.3), food premises (0.3), food storage dry structure (0.12), old buildings (1.15), empty silo (0.05), food processing premises (0.03), flour mill (9.515), artefacts and structures (0.59), churches, monuments and ships quarters (0.15), antique structures and furniture (0.319)
Canada	Strawberry runners (6.84)
France	Cucurbits (60), melon (7.5), seeds post harvest (0.135)
Germany	Artefacts (0.25), mills and processors (45)
Greece	Cut flowers (14), dried fruit (4.28), mills and processors (23)
Israel	Artefacts (0.65), cut flowers, protected (303), cut flowers, open fields (77), dates post harvest (3.444), flour mills – machinery and storages (2.14), furniture imported (1.422), fruit tree nurseries (50), potato (239), strawberry runners (35), strawberry fruit (196), melon (125.65), seed production (56)
Italy	Mills and processors (160), artefacts (5.225)
Japan	Chestnut (2.5), cucumber (48.9), ginger field (119.4), ginger protected (22.9), melon (99.6), watermelon (57.6), peppers hot (23.2), peppers green (89.9)
Netherlands	Strawberry runners (0.12)
New Zealand	Strawberry fruit (42), strawberry runners (8)
Poland	Strawberry runners (40), dry commodities (4.1)
Switzerland	Mills and processors (8.7)
United Kingdom	Mills and processors biscuits (2.525), spices (building) (3.0), spices and pappadum (0.035), woven baskets (0.77)

United States of America	Dried fruit and nuts (2.413), eggplant field (3.161), peppers field (9.482), tomato field (10.746), dry commodities structures (cocoa) (61.519), dry commodities – processed foods, herbs, spices, dried milk (83.344), ornamentals (154), smokehouse ham (67), strawberry fruit (219)
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### Section IB: 2005 – permitted supplemental levels of production and consumption (metric tonnes)

Australia	1.9
Belgium*	12.824
Canada	6.84
France*	67.635
Germany*	45.25
Greece*	41.28
Israel	1074
Italy*	165.225
Japan	464
Netherlands*	0.12
New Zealand	40.5
Poland*	44.1
Switzerland	8.7
United Kingdom*	6.33

\* The supplementary production and consumption of the European Community shall not exceed 382.764 metric tonnes for the purposes of the agreed supplementary critical uses.

### Section IIA: 2006 agreed critical-use categories (metric tonnes)

Australia	Almonds (2.1), cut flowers (22.35), cut flowers bulbs protected (5.25), rice consumer packs (6.15), strawberry runners (30)
Belgium	Food premises (0.3)
Canada	Strawberry runners (8.666), flour mills (27.8), pasta manufacturing facilities (8.4)
France	Carrots (8), chestnut (2), cucurbits (60), forest nurseries (10), orchard and raspberry replant (25), orchard and raspberry nurseries (5), peppers (27.5), rice consumer packs (2), seeds post harvest (0.135), strawberry fruit (86), strawberry runners (40), cut flowers bulbs (52), eggplant (22), tomato (48.4), melon (6.0), mills and processors (35)
Israel	Artefacts and libraries (0.65), cut flower open field (67), flour mills machinery and storages (1.49), fruit tree nurseries (45), strawberry fruit (196), strawberry runners (35), dates post harvest (2.755), cut flowers protected (240), melon (99.4), potato (165), seed production (28)
Italy	Strawberry runners (120), strawberry fruit protected (320), tomato protected (697), eggplant protected (156), cut flowers bulbs protected (187), melon protected (131), pepper protected (130), artefacts (5.225)
Japan	Chestnuts (6.5), cucumber (87.6), ginger field (119.4), ginger protected (22.9), melon (171.6), watermelon (60.9), peppers green (98.4), peppers hot (13.9)
New Zealand	Strawberry fruit (34), strawberry runners (8)
Poland	Strawberry runners (40), dry commodities (3.56)
Spain	Peppers protected (155), strawberry fruit protected (499.29), strawberry runners (230), cut flowers protected (42), cut flowers protected and open field (15)
Switzerland	Mills and processors (7.0)
United Kingdom	Ornamental tree nurseries (6), raspberry nurseries (4.4), strawberry fruit (54.5)
United States of America	Cucurbits – field (747.839), dried fruit and nuts (80.649), forest nursery seedlings (157.694), nursery stock – fruit trees, raspberries, roses (64.528), strawberry runners (56.291), turfgrass (131.6), dry commodities cocoa beans (46.139), dry commodities/structures (56.253), eggplant field (81.253), mills and processors (394.843), peppers field (806.877), strawberry fruit field (1523.180), tomato field (2222.934), orchard replant (527.6)

### Section IIB: 2006 – permitted levels of production and consumption (metric tonnes)

Australia	65.85
Belgium*	0.3
Canada	44.866
France*	429.035
Israel	880.295

Italy*	1746.225
Japan	581.2
New Zealand	40.5
Poland*	43.56
Spain*	941.29
Switzerland	7
United Kingdom *	64.9
United States of America	6897.68

\* The production and consumption of the European Community shall not exceed 3,225.310 metric tonnes for the purposes of the agreed critical uses.

### Section III – 2006 Approved critical-use nominations under paragraph 5 (metric tonnes)

Party	2006 Approved critical-use nominations under paragraph 5 (metric tonnes)
Australia	Cut flowers – bulbs – protected (1.75); rice – consumer packs (6.15); strawberry runners (7.5)
Canada	Flour mills (6.974); Pasta manufacturing facilities (2.057);
France	Cut flowers, bulbs – protected and open field (8.25); eggplant (5.5); melon (4.0); mills and processors (5); tomato (12.1);
Israel	Cut flowers – protected (63); dates - postharvest (0.689); melon protected – in field (42.6); seed production (22)
Italy	Artefacts (0.275); cut flowers – bulbs – protected (63); eggplant – protected (44); melon – protected (4); peppers – protected (30); strawberry fruit – protected (80); tomato – protected (333)
Japan	Peppers – green (65.6); peppers – hot (9.3)
New Zealand	Strawberry fruit (8); strawberry runners (2)
Spain	Cut flowers – Cadiz/Sevilla – protected (11); cut flowers (Cataluna – carnation, protected and open field (3.6);
United Kingdom	Strawberry fruit (9.1)
United States of America	Dry commodities/structures (cocoa beans) (15.38); dry commodities/structures (processed foods, herbs and spices, and cheese processing facilities) (27.091); eggplant – field (20.933); mills and processors (111.139); orchard replant (300.394); peppers – field (694.497); strawberry fruit – field (397.597); tomato – field (627.552)

### Decision XVI/3. Duration of critical-use nominations of methyl bromide

*Mindful* that decision Ex.I/4, under paragraph 9 (e), requested the Technology and Economic Assessment Panel to review critical-use nominations on an annual basis and to apply the criteria set forth in decision IX/6 and of other relevant criteria agreed by the Parties,

*Recognizing* that decision Ex.I/3, under paragraph 6, asked the Parties to take note of the proposal by the United States of America on multi-year exemptions, and to consider the elaboration of criteria and a methodology for authorizing multi-year exemptions,

1. To agree that the basis for extending the duration of critical-use nominations and exemptions of methyl bromide to periods greater than one year requires further attention;
2. To elaborate, as far as possible, at the Seventeenth Meeting of Parties a framework for spreading a critical-use exemption over more than one year and to agree that the following elements, among others, should be taken into account:
  - (a) Annual reporting on:
    - (i) Status of re-registration and review of methyl bromide;
    - (ii) Status of registration of alternatives and substitutes for methyl bromide;
    - (iii) Efforts to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes;

- (b) Assessment of requests to reconsider approved critical-use exemptions in the case of exceptional circumstances;
  - (c) Review of downward trends for different instances;
  - (d) Assessments of nominations in the light of the alternatives database referred to in paragraph 1 of decision Ex.I/4, and comparisons with management strategies;
  - (e) Applicability of existing decisions to methyl bromide critical-use exemptions longer than one year;
  - (f) Additional conditions applicable to critical-use exemptions longer than one year;
3. To consider the technical justifications for spreading a critical-use exemption over more than one year, taking into account, among others, the following instances:
- (a) Where the use patterns of methyl bromide are not regular on an annual or seasonal basis;
  - (b) Where, for a specific use, no alternatives or emerging solutions are anticipated for several years;
  - (c) Where a plan of implementation of an alternative stretches over several years;
  - (d) Where management strategies include a complete time-bound phase-out for a nomination or sector or use;

#### **Decision XVI/4. Review of the working procedures and terms of reference of the Methyl Bromide Technical Options Committee**

*Reaffirming* that each Party should aim significantly and progressively to decrease its production and consumption of methyl bromide for critical uses with the intention of completely phasing out methyl bromide as soon as technically and economically feasible alternatives are available for critical uses in the circumstances of the nominations according to decision IX/6,

To adopt the elements related to procedures and terms of reference of the Methyl Bromide Technical Options Committee related to the evaluation of nominations for critical uses of methyl bromide as set out in annex I to the report of the Sixteenth Meeting of the Parties.<sup>2</sup>

#### **Decision XVI/5. Provision of financial assistance to the Methyl Bromide Technical Options Committee**

*Noting* the heavy workload faced by the Methyl Bromide Technical Options Committee in its role under its renewed working procedures for the assessment of nominations for critical-use exemptions,

*Acknowledging* that a significant proportion of the Committee's administrative burden in conducting this work falls to the co-chairs of the Committee,

*Acknowledging* the greater levels of detail and transparency that are requested by the Parties to be applied to the Methyl Bromide Technical Options Committee's reports on its assessment of those nominations,

*Noting* that the current workload of the Methyl Bromide Technical Options Committee in conducting its assessment of the present high numbers of critical-use nominations to the standards directed by the Parties represents an exceptional circumstance that will not continue indefinitely, and for which the associated administrative burden for the Committee could reasonably be expected to reduce in the near term,

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<sup>2</sup> UNEP/OzL.Pro.16/17.

1. To provide financial support to the positions of one co-chair from a Party operating under paragraph 1 of Article 5 and one co-chair from a Party not so operating of the Methyl Bromide Technical Options Committee to cover the costs of their travel and accommodation for attendance at those meetings related to the Committee's assessment of critical-use nominations;

2. Also to provide financial support to the Methyl Bromide Technical Options Committee's co-chairs, to facilitate expert assistance in the initial summarization of critical-use nominations to facilitate the Methyl Bromide Technical Options Committee's timely and more detailed assessment of the nominations' claims against the criteria of decision IX/6, and expert assistance with the preparation of the Methyl Bromide Technical Options Committee's reports on its assessment of the critical-use nominations, so as to ensure that such reports provide sufficient levels of transparency and detail to meet the requirements of the Parties;

3. That the financial support referred to in paragraph 2 of the present decision would not exceed the equivalent of 12 months full time salary for one P-3 level position, and would be allocated between the components identified in paragraph 2 at the discretion of the Technology and Economic Assessment Panel;

4. To authorize as a transitional measure to enable the Methyl Bromide Technical Options Committee to adapt to a new pattern of its meetings arising out of its renewed working procedures, the Secretariat to meet upon request the expenses, i.e., daily subsistence allowance and travel, for the attendance of members of the Methyl Bromide Technical Options Committee in its meetings on the assessment of the critical-use exemption nominations, which they are unable to defray during 2005, while taking into account the practice on the standards of accommodation for the travels of independent experts attending official meetings of the Protocol;

5. To provide the necessary technical and financial assistance to the co-chairs of the Methyl Bromide Technical Options Committee, funds permitting, with respect to:

(a) Their site visits where necessary for the verification of the basis for nominations of critical-use exemptions, and

(b) Strengthening the liaison function of the Secretariat with the members of the Methyl Bromide Technical Options Committee;

6. That the financial support referred to in paragraphs 1–5 of the present decision would be provided within the existing level of budgetary provisions drawn from the Trust Fund of the Montreal Protocol for the 2005 budget to meet the expenses required above;

7. That the temporary financial support referred to in paragraphs 1–5 of the present decision would initially be provided only for 2005, with any proposal for similar support to be provided in subsequent years requiring the separate consideration and agreement of the Parties;

8. To encourage Parties not operating under paragraph 1 of Article 5 of the Protocol to continue offering assistance to their members in the three Panels and their subsidiary bodies for their continued participation in the assessment activities under the Protocol;

## **Decision XVI/6. Accounting framework**

*Noting* with appreciation the work undertaken by the Technology and Economic Assessment Panel, pursuant to decision Ex.I/4, paragraph 9 (f), in developing an accounting framework,

*Mindful* that after the end of 2005 each Party which has been granted a critical-use exemption is requested to submit information on the quantities of methyl bromide produced, imported and exported by Parties under the terms of the critical-use exemptions,

*Aware* that such information must be submitted with a Party's nomination using the accounting framework format,

1. To adopt the accounting framework, as set out in annex II to the report of the Sixteenth Meeting of the Parties;<sup>3</sup>
2. To request the Technology and Economic Assessment Panel to include the accounting framework in the next version of the Handbook on Critical Use Nominations for Methyl Bromide;

### **Decision XVI/7. Trade in products and commodities treated with methyl bromide**

*Noting* that many of the Parties operating under paragraph 1 of Article 5 of the Montreal Protocol derive a portion of their national income from trade in commodities which currently rely on methyl bromide for their production or shipment,

*Acknowledging* that alternative practices, treatments and products are becoming increasingly available for methyl bromide treatments,

*Recalling* that, taking into account the shared but differentiated responsibilities of the Parties regarding the protection of the ozone layer, the aim of each Party to the Montreal Protocol is to phase out the controlled ozone-depleting substances,

1. To invite the Parties to the Montreal Protocol, subject to rights and obligations under this agreement and any other international agreements, not to restrict trade in products or commodities from Parties that have ratified the Montreal Protocol provisions regarding methyl bromide and are otherwise in compliance with their Montreal Protocol obligations just because the commodities or products have been treated with methyl bromide, or because the commodities have been produced or grown on soil treated with methyl bromide;
2. To welcome the continuing efforts of the Parties operating under paragraph 1 of Article 5 of the Montreal Protocol in the adoption of alternatives to methyl bromide;

### **Decision XVI/8. Request for technical and financial support relating to methyl bromide alternatives**

*Considering* the Copenhagen Amendment calling for the total elimination of methyl bromide,

*Considering* the number and size of requests for critical-use exemptions,

*Considering* the significant quantities of methyl bromide used for pre-shipment and quarantine purposes,

*Considering* the conclusions of the regional workshop on experiences in using alternatives to methyl bromide, held in Dakar, Senegal, from 8 to 11 March 2004,

*Considering* the fact that the Multilateral Fund has provided some support to countries that use little or no methyl bromide to enable them to put in place bans on imports and to phase out remaining methyl bromide uses,

1. To reinforce the fact that Parties operating under paragraph 1 of Article 5 of the Montreal Protocol that use little or no methyl bromide need technical and financial assistance from the Multilateral Fund to enable them to identify environmentally safe strategies and plans effectively to implement the methyl bromide provisions of the Montreal Protocol;
2. To request the Ozone Secretariat to translate into the official United Nations languages and to publish in those languages a summary of the alternatives-related components of the reports prepared by the Methyl Bromide Technical Options Committee;

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<sup>3</sup> UNEP/OzL.Pro.16/17.

**Decision XVI/9. Flexibility in the use of alternatives for the phasing out of methyl bromide**

*Considering* the willingness of the Parties to comply with the requirements under the Montreal Protocol and its phase-out schedules,

*Considering* that the development of alternatives to methyl bromide has come up against unforeseen difficulties, for certain crops such as melons, flowers and strawberries, owing to specific local and agricultural conditions,

*Taking into account* that these agricultural technologies need to be adapted and new expertise must be put in place for such specific conditions,

*Aware that* the Parties operating under paragraph 1 of Article 5, facing this situation, seek continued technical support and the flexibility to adapt the necessary technical assistance in order to help build these capacities and find a more satisfactory solution to the use of alternatives,

To request the appropriate bodies to evaluate the progress already made and the necessary adjustments to reach the stated goals;

**Decision XVI/10. Reporting of information relating to quarantine and pre-shipment uses of methyl bromide**

*Recalling* the tasks assigned to the Technology and Economic Assessment Panel under decision XI/13 paragraphs 4 (a) and (b) regarding quarantine and pre-shipment uses of methyl bromide,

*Recognizing* that in order to complete both of these tasks, the Panel will require better data on the nature of each Party's quarantine and pre-shipment uses and on the availability in each Party of technically and economically feasible alternatives to methyl bromide for these uses,

*Noting* the advice of some Parties that they would require additional time in order to provide useful and robust data to inform the Panel's work on this issue, particularly on the availability of technically and economically feasible alternatives in their jurisdictions,

*Desiring* that the Technology and Economic Assessment Panel's implementation of decision XI/13, paragraph 4, should nevertheless take place in as timely and reasonable a manner as possible,

*Noting* with appreciation that some Parties have already submitted partial data to inform the Panel's work on this issue,

*Noting* that, given the nature of quarantine and pre-shipment applications, quarantine and pre-shipment uses of methyl bromide and its alternatives can vary considerably from year to year,

*Noting* that the introduction of standard 15 of the International Standards for Phytosanitary Measures, of March 2002, of the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations, may create a growing demand for the quarantine and pre-shipment uses of methyl bromide, despite the availability of heat treatment as a non-methyl bromide option in the standard;

*Noting* the current workload of the Methyl Bromide Technical Options Committee and its request at the twenty-fourth meeting of the Open-ended Working Group for additional expertise in some quarantine and pre-shipment applications,

*Noting* that quarantine and pre-shipment treatments, according to decisions VII/5 and XI/12, are authorized or performed by national plant, animal, health or stored product authorities,

1. To request the Panel to establish a task force, with the assistance of the Parties in identifying suitably qualified members, to prepare the report requested by the Parties under decision XI/13 paragraph 4;
2. To request Parties that have not yet submitted data to the Panel on this issue to provide best available data to the task force before 31 March 2005, identifying as available all known uses of methyl bromide for quarantine and pre-shipment, by commodity and application;
3. In responding to the request under paragraph 2, to request the Parties to use best available data for the year 2002 or data considered by the Party to be representative of a calendar year period;
4. To request the task force to report the data submitted by the Parties under paragraphs 2 and 3, or previously submitted by other Parties in response to the 14 April 2004 methyl bromide quarantine and pre-shipment survey, by 31 May 2005, for the information of the Open-ended Working Group at its twenty-fifth session;
5. Also to request the task force, in reporting pursuant to paragraph 4, to present the data in a written report in a format aggregated by commodity and application so as to provide a global use pattern overview, and to include available information on potential alternatives for those uses identified by the Parties' submitted data;
6. To request the Parties to provide information to the task force, as available and based on best available data, on the availability and technical and economic feasibility of applying in their national circumstances the alternatives identified in paragraph 5, focusing in particular on the Parties' own uses, for the calendar year period reported under paragraphs 2 and 3, by 30 November 2005, constituting either:
  - (a) More than 10 per cent of their own total annual methyl bromide consumption for quarantine and pre-shipment consumption; or
  - (b) In the absence of uses over 10 per cent, which constitute their five highest volume uses; or
  - (c) Where data is available to the Party, all their known uses;
7. To request the Panel, on the basis of information contained in paragraph 6, to report to the Parties in accordance with decision XI/13, paragraph 4, by 31 May 2006;

### **Decision XVI/11. Coordination among United Nations bodies on quarantine and pre-shipment uses**

*Bearing* in mind that, under standard 15 of the International Standards for Phytosanitary Measures, of March 2002, of the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations, guidelines were issued regulating wood packaging materials in international trade, which approved heat treatments and fumigation by methyl bromide for wood packaging to reduce the risk of the introduction and/or spread of quarantine pest associated with wood packaging used in trade,

*Understanding* that these guidelines are intended to address quarantine and pre-shipment applications,

*Considering* that coordination among United Nations bodies is essential for the attainment of their common goals,

*Taking into account* that the Technology and Economic Assessment Panel is conducting assessments on methyl bromide alternatives on quarantine and pre-shipment uses,

1. To request the Ozone Secretariat to make contact with the Secretariat of the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations, stressing the commitment by Parties to the Montreal Protocol to the reduction of methyl bromide with specific reference to standard 15 of the International Standard for Phytosanitary Measures, and to exchange information with a view to encouraging alternatives to methyl bromide treatment of wood packaging material stipulated by that organization as a phytosanitary measure;
2. To request the Ozone Secretariat to report thereon to the Seventeenth Meeting of the Parties;
3. To urge the Parties to consider, in the context of standard 15 of the International Standards for Phytosanitary Measures, the use, as a priority and to the greatest possible extent, when economically feasible and when the country concerned has the required facilities of alternatives such as heat treatment or alternative packaging materials, instead of methyl bromide fumigation;
4. To encourage the importing Parties to consider accepting wood packaging treated with alternative methods to methyl bromide, in accordance with standard 15;

**Decision XVI/12. Essential-use nominations for Parties not operating under paragraph 1 of Article 5 of the Montreal Protocol for controlled substances for 2005 and 2006**

*Noting* with appreciation the work done by the Technology and Economic Assessment Panel and its Technical Options Committee,

1. To authorize the levels of production and consumption necessary to satisfy essential uses of CFCs for metered-dose inhalers for asthma and chronic obstructive pulmonary diseases as specified in the annex to this decision, subject to the conditions established by the Meeting of the Parties in paragraph 2 of its decision VII/28 and subject to a second review of the 2006 levels consistent with decision XV/5;
2. To urge the Technology and Economic Assessment Panel to specify in the Handbook on Essential Use Nominations that a nominating Party may submit in its nomination data aggregated by region and product group for CFC-containing metered-dose inhalers intended for sale in Parties operating under paragraph 1 of Article 5 when more specific data are not available;
3. That, in the light of the fact that Aerosol Technical Options Committee's recommendations for future essential-use exemptions are based on past stock level information, Parties, when preparing essential use nominations for CFCs, should give due consideration to existing stocks, whether owned or agreed to be acquired from a metered-dose inhaler manufacturer, of banked or recycled controlled substances as described in paragraph 1 (b) of decision IV/25, with the objective of maintaining no more than one year's operational supply;

**Annex**

**Essential-use nominations for 2005 and 2006 of CFCs for metered-dose inhalers approved by the Parties at the Sixteenth Meeting (metric tonnes)**

Party	2005		2006	
	Amount nominated	Amount approved	Amount nominated	Amount approved and subject to a second review in 2005
European Community	—	— <sup>a</sup>	550	550
Russian Federation	—	— <sup>a</sup>	286	<sup>b</sup>
Ukraine	53.1	53.1	—	—

Party	2005		2006	
	United States of America	—	— <sup>a</sup>	1900
Total	53.1	53.1	2736	2450

<sup>a</sup> As approved by the Parties at their fifteenth meeting (document UNEP/OzL.Pro/15/9, decision XV/4 and annex I).

<sup>b</sup> The Technology and Economic Assessment Panel will review the nomination in 2005.

### **Decision XVI/13. Assessment of the portion of the refrigeration service sector made up by chillers and identification of incentives and impediments to the transition to non-CFC equipment**

*Noting* with appreciation the report of the chiller task force on the collection of data and assessment of the portion of the refrigeration service sector made up by chillers, as decided in decision XIV/9,

*Noting* that the chiller sector has been and will be a long-term challenge for both developed and developing countries owing to its distinct character, as has been brought out by the report of the Technology and Economic Assessment Panel,

*Recognizing* the need to develop a management plan for CFC-based chillers in the Parties operating under paragraph 1 of Article 5, to facilitate CFC phase-out in chillers,

*Recognizing* also the urgent need for effective replacement programmes to phase out consumption of CFCs,

*Recognizing* further the need for economic incentives for assisting enterprises in these countries to speed up the replacement programme,

*Recognizing* the impediments and uncertainties brought out by the Technology and Economic Assessment Panel in its report related to the lack of information for decision makers and lack of policies and regulatory measures needed to be set up for CFC phase-out in the chiller sector,

To request the Executive Committee of the Multilateral Fund to consider:

(a) Funding of additional demonstration projects to help demonstrate the value of replacement of CFC-based chillers, pursuant to relevant decisions of the Executive Committee;

(b) Funding actions to increase awareness of users in countries operating under paragraph 1 of Article 5 of the impending phase-out and options that may be available for dealing with their chillers and to assist Governments and decision makers;

(c) Requesting those countries preparing or implementing refrigerant management plans to consider developing measures for the effective use of the ozone-depleting substances recovered from the chillers to meet servicing needs in the sector;

### **Decision XVI/14. Sources of carbon tetrachloride emissions and opportunities for reductions**

*Noting* with appreciation the 2002 report of the Scientific Assessment Panel and the April 2002 report of the Technology and Economic Assessment Panel on destruction technologies,

*Recognizing* the need to understand the latest technology and best practices for mitigating emissions and destruction of carbon tetrachloride,

*Expressing* concern that measured atmospheric concentrations of carbon tetrachloride are significant,

*Recognizing* the need to access further the sources of carbon tetrachloride being measured in the atmosphere,

1. To request the Technology and Economic Assessment Panel to assess global emissions of carbon tetrachloride being emitted:

(a) From feedstock and process agent sources situated in Parties not operating under paragraph 1 of Article 5;

(b) From sources situated in Parties operating under paragraph 1 of Article 5 already addressed by existing agreements with the Executive Committee of the Multilateral Fund;

(c) From feedstock and process agent uses of carbon tetrachloride applied in Parties operating under paragraph 1 of Article 5 not yet addressed by agreements with the Executive Committee of the Multilateral Fund;

(d) From sources situated both in Parties operating under paragraph 1 of Article 5 and in those not so operating that co-produce carbon tetrachloride;

(e) From waste and incidental quantities of carbon tetrachloride that are not destroyed in a timely and appropriate manner;

2. To request the Technology and Economic Assessment Panel to assess potential solutions for the reduction of emissions for the categories above;

3. To request the Technology and Economic Assessment Panel to prepare a report for the consideration of the Parties at the Eighteenth Meeting of the Parties in 2006;

### **Decision XVI/15. Review of approved destruction technologies pursuant to decision XIV/6 of the Parties**

*Recalling* the report of the task force on destruction technologies presented to the Parties at the twenty-second meeting of the Open-ended Working Group,

*Noting* the need to keep the list of approved destruction technologies up-to-date,

*Mindful* of the need to minimize any additional workload for the Technology and Economic Assessment Panel,

1. To request the initial co-chairs of the task force on destruction technologies to reconvene in order to solicit information from the technology proponents exclusively on destruction technologies identified as “emerging” in the 2002 report of the task force on destruction technologies;

2. Further to request the co-chairs, if new information is available, to evaluate and report, based on the development status of these emerging technologies, whether they warrant consideration for addition to the list of approved destruction technologies;

3. To request that that report be presented through the Technology and Economic Assessment Panel to the Open-ended Working Group at its twenty-fifth meeting;

## **Decision XVI/16. Laboratory and analytical uses**

*Recalling* decision IX/17 on essential-use exemptions for laboratory and analytical uses of ozone-depleting substances,

*Noting* the report of the Implementation Committee requesting guidance from the Parties on the use of bromochloromethane for laboratory and analytical uses,

*Considering* that decision XV/8 requests the Technology and Economic Assessment Panel to report annually on the development and availability of laboratory and analytical procedures that can be performed without using controlled substances in Annexes A, B and C, groups II and III, of the Protocol,

1. To include in the global laboratory and analytical use exemption under the conditions set out in annex II of the report of the Sixth Meeting of the Parties substances in Annex C, groups II and III, of the Protocol,
2. To apply the conditions set out in paragraphs 3, 4 and 5 of decision X/19 to paragraph 1 of the present decision.

## **Decision XVI/17. Data and information provided by the Parties in accordance with Article 7 of the Montreal Protocol**

1. To note that the implementation of the Protocol by those Parties that have reported data is satisfactory;
2. To note with appreciation that 175 Parties out of the 184 that should have reported data for 2003 have now done so, but that the following Parties have still not reported to date: Botswana, Lesotho, Liberia, Micronesia (Federated States of), Nauru, Russian Federation, Solomon Islands, Turkmenistan and Tuvalu;
3. To note further that the Federated States of Micronesia has also still not reported data for 2001 and 2002;
4. To note that this places those Parties in non-compliance with their data-reporting obligations under the Montreal Protocol and to urge them, where appropriate, to work closely with the implementing agencies to report the required data to the Secretariat as a matter of urgency, and to request the Implementation Committee to review the situation of those Parties at its next meeting;
5. To note also that lack of timely data reporting by Parties impedes effective monitoring and assessment of Parties' compliance with their obligations under the Montreal Protocol;
6. To recall decision XV/15, which encouraged the Parties to forward data on consumption and production to the Secretariat as soon as the figures were available, and preferably by 30 June each year, in order to enable the Implementation Committee to make recommendations in good time before the Meeting of the Parties;
7. To note further with appreciation that 92 Parties out of the 184 that could have reported data by 30 June 2004 succeeded in meeting that deadline;
8. To note also that reporting by 30 June each year greatly facilitates the work of the Executive Committee of the Multilateral Fund in assisting Parties operating under paragraph 1 of Article 5 to comply with the control measures of the Montreal Protocol;
9. To encourage Parties to continue to report consumption and production data as soon as the figures are available, and preferably by 30 June each year, as agreed in decision XV/15;

**Decision XVI/18. Non-compliance with data-reporting requirements under Articles 5 and 7 of the Montreal Protocol by Parties recently ratifying the Montreal Protocol**

1. To note that the following Parties, temporarily classified as operating under paragraph 1 of Article 5, have not reported any consumption or production data to the Secretariat: Afghanistan and Cook Islands;
2. To note that that situation places those Parties in non-compliance with their data-reporting obligations under the Montreal Protocol;
3. To acknowledge that all those Parties have only recently ratified the Montreal Protocol and also to note that Cook Islands has not yet received assistance with data collection from the Multilateral Fund through the implementing agencies;
4. To urge those Parties to work together with the United Nations Environment Programme under the compliance assistance programme and with other implementing agencies of the Multilateral Fund to report data as quickly as possible to the Secretariat, and to request the Implementation Committee to review the situation of those Parties with respect to data reporting at its next meeting;

**Decision XVI/19. Potential non-compliance with consumption of Annex A, group II, ozone-depleting substances (halons) by Somalia in 2002 and 2003, and request for a plan of action**

1. To note that Somalia has reported annual data for Annex A, group II, ozone-depleting substances (halons) for both 2002 and 2003 which are above its requirement for a freeze in consumption;
2. To note further that, in the absence of further clarification, Somalia is presumed to be in non-compliance with the control measures under the Protocol;
3. To request Somalia, as a matter of urgency, to submit to the Implementation Committee for consideration at its next meeting explanations for its excess consumption, together with a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Somalia may wish to consider including in its plan of action the establishment of import quotas to freeze imports at baseline levels and support the phase-out schedule, a ban on imports of ozone-depleting-substances-using equipment, and policy and regulatory instruments that will ensure progress in achieving the phase-out;
4. To monitor closely the progress of Somalia with regard to the phase-out of halons. To the degree that Somalia is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Somalia should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Somalia, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of halons (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

**Decision XVI/20. Potential non-compliance in 2003 with consumption of the controlled substance in Annex B, group III (methyl chloroform) by Parties operating under paragraph 1 of Article 5, and requests for plans of action**

1. To note that the following Parties operating under paragraph 1 of Article 5 of the Montreal Protocol have reported annual data for the controlled substance in Annex B, group III (methyl chloroform), for 2003 which is above their requirement for a freeze in consumption: Bangladesh, Bosnia and Herzegovina, Ecuador and the Islamic Republic of Iran. In the absence of further clarification, those Parties are presumed to be in non-compliance with the control measures under the Protocol. To note, however, that the Islamic Republic of Iran has submitted a request for a change in its baseline data for methyl chloroform that will be considered by the Implementation Committee at its next meeting;

2. To request those Parties, as a matter of urgency, to submit to the Implementation Committee for consideration at its next meeting explanations for their excess consumption, together with plans of action with time-specific benchmarks to ensure a prompt return to compliance. Those Parties may wish to consider including in their plans of action the establishment of import quotas to freeze imports at baseline levels and support the phase-out schedule, and policy and regulatory instruments that will ensure progress in achieving the phase-out;

3. To monitor closely the progress of those Parties with regard to the phase-out of methyl chloroform. To the degree that those Parties are working towards and meeting the specific Protocol control measures, they should continue to be treated in the same manner as Parties in good standing. In that regard, those Parties should continue to receive international assistance to enable them to meet their commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions those Parties, in accordance with item B of the indicative list of measures, that, in the event that any Party fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of methyl chloroform (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

**Decision XVI/21. Non-compliance with the Montreal Protocol by Azerbaijan**

1. To recall that, under decision X/20, Azerbaijan committed itself, among other things, to a complete phase-out of Annex A, group I, substances (CFCs), and to a ban on imports of Annex A, group II, substances (halons), by 1 January 2001, in order to ensure its return to compliance with its obligations under Articles 2A and 2B of the Montreal Protocol;

2. To note with appreciation that Azerbaijan prohibited the import of halons in 1999, in accordance with decision X/20;

3. To note with great concern, however, that data submitted for 2001, 2002 and 2003 show consumption of CFCs that places Azerbaijan in non-compliance with its obligations under Article 2A of the Montreal Protocol;

4. To note also that Azerbaijan has not fulfilled its undertaking, contained in decision XV/28, to ban the consumption of CFCs from January 2003;

5. To note Azerbaijan's undertaking that complete phase-out of CFCs would be achieved by 1 January 2005 and to urge Azerbaijan to confirm its introduction of a ban on the import of CFCs, to support that undertaking;

6. To urge Azerbaijan to report its 2004 consumption data to the Secretariat as soon as they become available, and to request the Implementation Committee to review the situation of Azerbaijan at its thirty-fourth meeting;

### **Decision XVI/22. Non-compliance with the Montreal Protocol by Chile**

1. To note that Chile has reported annual data for the controlled substances in Annex B, group I (other fully halogenated CFCs), Annex B, group III (methyl chloroform), and Annex E (methyl bromide) for 2003 which are above its requirements for those substances. As a consequence, for 2003, Chile was in non-compliance with its obligations under Articles 2C, 2E and 2H of the Montreal Protocol;

2. To request Chile, as a matter of urgency, to submit a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Chile may wish to consider including in its plan of action the establishment of import quotas to freeze imports at baseline levels and support the phase-out schedule, and policy and regulatory instruments that will ensure progress in achieving the phase-out;

3. To monitor closely the progress of Chile with regard to the phase-out of other CFCs, methyl chloroform and methyl bromide. To the degree that Chile is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as Parties in good standing. In that regard, Chile should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Chile, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of other CFCs, methyl chloroform and methyl bromide (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

### **Decision XVI/23. Non-compliance with the Montreal Protocol by Fiji**

1. To note that Fiji has reported annual data for the controlled substances in Annex E (methyl bromide) for 2003 that is above its requirement for that substance. As a consequence, for 2003, Fiji was in non-compliance with its obligations under Article 2H of the Montreal Protocol;

2. To request Fiji, as a matter of urgency, to submit a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Fiji may wish to consider including in its plan of action the establishment of import quotas to freeze imports at baseline levels and support the phase-out schedule, and policy and regulatory instruments that will ensure progress in achieving the phase-out;

3. To monitor closely the progress of Fiji with regard to the phase-out of methyl bromide. To the degree that Fiji is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Fiji should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Fiji, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of methyl bromide (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

## Decision XVI/24. Non-compliance with the Montreal Protocol by Guinea-Bissau

1. To note that Guinea-Bissau ratified the Montreal Protocol and the London, Copenhagen and Beijing amendments on 12 November 2002. Guinea-Bissau is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 2004. The Executive Committee has approved \$669,593 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;

2. To note also that Guinea-Bissau's baseline for the controlled substances in Annex A, group I (CFCs), is 26.275 ODP tonnes. It reported consumption of 29.446 ODP tonnes of CFCs in 2003. As a consequence, for 2003, Guinea-Bissau was in non-compliance with its obligations under Article 2A of the Montreal Protocol;

3. To note with appreciation Guinea-Bissau's submission of its plan of action to ensure a prompt return to compliance with the control measures for the controlled substances in Annex A, group I (CFCs), and to note further that, under the plan, without prejudice to the operation of the financial mechanism of the Montreal Protocol, Guinea-Bissau specifically commits itself:

(a) To reducing CFC consumption from 29.446 ODP tonnes in 2003 as follows:

- (i) To 26.275 ODP tonnes in 2004;
- (ii) To 13.137 ODP tonnes in 2005;
- (iii) To 13.137 ODP tonnes in 2006;
- (iv) To 3.941 ODP tonnes in 2007;
- (v) To 3.941 ODP tonnes in 2008;
- (vi) To 3.941 ODP tonnes in 2009;
- (vii) To phasing out CFC consumption by 2010, as required under the Montreal Protocol, save for essential uses that may be authorized by the Parties;

(b) To introduce a system for licensing imports and exports of ozone-depleting substances, including quotas by the end of 2004;

4. To note that the measures listed in paragraph 3 above should enable Guinea-Bissau to return to compliance by 2004, and to urge Guinea-Bissau to work with the relevant implementing agencies to implement the plan of action and phase out consumption of CFCs;

5. To monitor closely the progress of Guinea-Bissau with regard to the implementation of its plan of action and the phase-out of CFCs. To the degree that Guinea-Bissau is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Guinea-Bissau should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Guinea-Bissau, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of CFCs (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

## Decision XVI/25. Non-compliance with the Montreal Protocol by Lesotho

1. To note that Lesotho ratified the Montreal Protocol on 25 March 1994. Lesotho is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1996. The Executive Committee has approved \$311,332 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;

2. To note also that Lesotho's baseline for the controlled substances in Annex A, group II (halons), is 0.2 ODP tonnes. It reported consumption of 1.8 ODP tonnes of halons in 2002. As a consequence, for 2002, Lesotho was in non-compliance with its obligations under Article 2B of the Montreal Protocol;

3. To note with appreciation Lesotho's submission of its plan of action to ensure a prompt return to compliance with the control measures for the controlled substances in Annex A, group II (halons), and to note further that, under the plan, without prejudice to the operation of the financial mechanism of the Montreal Protocol, Lesotho specifically commits itself:

- (a) To reducing halon consumption from 1.8 ODP tonnes in 2002 as follows:
  - (i) To 0.8 ODP tonnes in 2004;
  - (ii) To 0.2 ODP tonnes in 2005;
  - (iii) To 0.1 ODP tonnes in 2006;
  - (iv) To 0.1 ODP tonnes in 2007;
  - (v) To zero ODP tonnes in 2008, save for essential uses that may be authorized by the Parties after 1 January 2010;
- (b) To introduce a quota system for the import of halons;
- (c) To introduce a ban on the import of halon-based equipment and systems in 2005;

4. To note that the measures listed in paragraph 3 above should enable Lesotho to return to compliance by 2006, and to urge Lesotho to work with the relevant implementing agencies to implement the plan of action and phase out consumption of halons;

5. To monitor closely the progress of Lesotho with regard to the implementation of its plan of action and the phase-out of halons. To the degree that Lesotho is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Lesotho should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Lesotho, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of halons (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

## **Decision XVI/26. Non-compliance with the Montreal Protocol by the Libyan Arab Jamahiriya**

1. To note that the Libyan Arab Jamahiriya has reported annual data for the controlled substances in Annex A, group II (halons), for 2003 which is above its requirements for those substances. As a consequence, for 2003, the Libyan Arab Jamahiriya was in non-compliance with its obligations under Article 2B of the Montreal Protocol;

2. To request the Libyan Arab Jamahiriya, as a matter of urgency, to submit a plan of action with time-specific benchmarks to ensure a prompt return to compliance. The Libyan Arab Jamahiriya may wish to consider including in its plan of action the establishment of import quotas to freeze imports at baseline levels and support the phase-out schedule, a ban on the import of ozone-depleting-substances-using equipment, and policy and regulatory instruments that will ensure progress in achieving the phase-out;

3. To monitor closely the progress of the Libyan Arab Jamahiriya with regard to the phase-out of halons. To the degree that the Libyan Arab Jamahiriya is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, the Libyan Arab Jamahiriya should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions the Libyan Arab Jamahiriya, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of halons (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

## **Decision XVI/27. Compliance with the Montreal Protocol by Nepal**

1. To note that Nepal ratified the Montreal Protocol and the London Amendment on 6 July 1994. Nepal is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1998. The Executive Committee has approved \$453,636 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;

2. To recall that in its decision XV/39, the Fifteenth Meeting of the Parties had congratulated Nepal on seizing 74 ODP tonnes of imports of CFCs that had been imported in 2000 without an import license, and on reporting the quantity as illegal trade under the terms of decision XIV/7;

3. To recall that, in paragraph 5 of decision XV/39, the Parties had stated that, if Nepal decided to release any of the seized quantity of CFCs on to its domestic market, it would be considered to be in non-compliance with its obligations under Article 2A of the Montreal Protocol and would therefore be required to fulfil the terms of decision XIV/23, including submitting to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance;

4. To clarify the meaning of paragraph 5 of decision XV/39 to mean that Nepal would only be considered to be in non-compliance if the amount of CFCs released on to the market in any one year exceeded its permitted consumption level under the Protocol for that year;

5. To note further that Nepal's baseline for CFCs is 27 ODP tonnes;

6. To note with appreciation Nepal's submission of its plan of action to manage the release of the seized CFCs, and to note further that, under the plan, Nepal specifically commits itself:

(a) To release no more than the following amount of CFCs in each year as follows:

- (i) 27.0 ODP tonnes in 2004;
  - (ii) 13.5 ODP tonnes in 2005;
  - (iii) 13.5 ODP tonnes in 2006;
  - (iv) 4.05 ODP tonnes in 2007;
  - (v) 4.05 ODP tonnes in 2008;
  - (vi) 4.00 ODP tonnes in 2009;
  - (vii) Zero in 2010, save for essential uses that may be authorized by the Parties;
- (b) To monitor its existing system for licensing imports of ozone-depleting substances, including quotas, introduced in 2001, which includes a commitment not to issue import licenses for CFCs, in order to remain in compliance with its plan of action;
- (c) To report annually on the quantity of CFCs released pursuant to paragraph 6 (a) above;
- (d) To ensure that any quantities of CFCs remaining after 2010 are not released on to its market except in compliance with Nepal's obligations under the Montreal Protocol;
7. To note that the measures listed in paragraph 6 above will enable Nepal to remain in compliance;
8. To monitor closely the progress of Nepal with regard to the implementation of its plan of action and the phase-out of CFCs;

### **Decision XVI/28. Non-compliance with the Montreal Protocol by Oman**

1. To note that Oman has reported annual data for the controlled substance in Annex B, group III (methyl chloroform), for 2003 which are above its requirements for that substance. As a consequence, for 2003, Oman was in non-compliance with its obligations under Article 2E of the Montreal Protocol;
2. To note that, in response to a request from the Implementation Committee for an explanation for its excess consumption and a plan of action to return it to compliance, Oman has introduced a ban on the import of methyl chloroform;
3. That no action is required on this incident of non-compliance, but that Oman should ensure that a similar case does not occur again;

### **Decision XVI/29. Non-compliance with the Montreal Protocol by Pakistan**

1. To note that Pakistan ratified the Montreal Protocol and the London Amendment on 18 December 1992 and the Copenhagen Amendment on 17 February 1995. Pakistan is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1996. The Executive Committee has approved \$18,492,150 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;
2. To note that, in accordance with decision XV/22 of the Fifteenth Meeting of the Parties, Pakistan was requested to submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance;
3. To note with appreciation Pakistan's submission of its plan of action, and to note also that, under the plan, Pakistan specifically commits itself:

- (a) To reducing halon consumption from 15.0 ODP tonnes in 2003 as follows:
  - (i) To 14.2 ODP tonnes in 2004;
  - (ii) To 7.1 ODP tonnes in 2005;
  - (iii) To phasing out halon consumption by 2010, as required under the Montreal Protocol, save for essential uses that may be authorized by the Parties;
- (b) To monitor its enhanced system for licensing imports and exports of ozone-depleting substances, including quotas, introduced in 2004;

4. To note that the measures listed in paragraph 3 above should enable Pakistan to return to compliance by 2004, and to urge Pakistan to work with the relevant implementing agencies to implement the plan of action and phase out consumption of ozone-depleting substances in Annex A, group II (halons);

5. To monitor closely the progress of Pakistan with regard to the implementation of its plan of action and the phase-out of halons. To the degree that Pakistan is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Pakistan should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Pakistan, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of halon (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

### **Decision XVI/30. Non-compliance with the Montreal Protocol by Saint Vincent and the Grenadines**

1. To note that Saint Vincent and the Grenadines ratified the Montreal Protocol and the London and Copenhagen amendments on 2 December 1996. Saint Vincent and the Grenadines is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1998. The Executive Committee has approved \$166,019 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;

2. To note that, in accordance with decision XV/42 of the Fifteenth Meeting of the Parties, Saint Vincent and the Grenadines was requested to submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance;

3. To note with appreciation the submission by Saint Vincent and the Grenadines of its plan of action, and to note also that, under the plan, Saint Vincent and the Grenadines specifically commits itself:

- (a) To reducing CFC consumption from 3.07 ODP tonnes in 2003 as follows:
  - (i) To 2.15 ODP tonnes in 2004;
  - (ii) To 1.39 ODP tonnes in 2005;
  - (iii) To 0.83 ODP tonnes in 2006;
  - (iv) To 0.45 ODP tonnes in 2007;
  - (v) To 0.22 ODP tonnes in 2008;

- (vi) To 0.1 ODP tonnes in 2009;
  - (vii) To phasing out CFC consumption by 1 January 2010, as required under the Montreal Protocol, save for essential uses that may be authorized by the Parties;
- (b) To monitoring its existing system for licensing imports of ozone-depleting substances and its ban on imports of ozone-depleting-substances-using equipment, introduced in 2003;
  - (c) To introducing an ozone-depleting substances quota system by the last quarter of 2004, which will become effective from 1 January 2005;

4. To note that the measures listed in paragraph 3 above should enable Saint Vincent and the Grenadines to return to compliance by 2008, and to urge Saint Vincent and the Grenadines to work with the relevant implementing agencies to implement the plan of action and phase-out of consumption of ozone-depleting substances in Annex A, group I (CFCs);

5. To monitor closely the progress of Saint Vincent and the Grenadines with regard to the implementation of its plan of action and the phase-out of CFCs. To the degree that Saint Vincent and the Grenadines is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Saint Vincent and the Grenadines should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Saint Vincent and the Grenadines, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of CFCs (that is, the subject of non-compliance) is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

### **Decision XVI/31. Requests for changes in baseline data**

1. To note that, in accordance with decision XIII/15 of the Thirteenth Meeting of the Parties, Parties that had requested changes in reported baseline data for the base years were asked to submit their requests to the Implementation Committee, which would in turn work with the Ozone Secretariat and the Executive Committee to confirm the justification for the changes and present them to the Meeting of the Parties for approval;

2. To note further that decision XV/19 of the Fifteenth Meeting of the Parties set out the methodology for the submission of these requests;

3. To note that the following Parties have presented sufficient information, in accordance with decisions XIII/15 and XV/19, to justify their requests for a change in their baseline consumption of the relevant substances:

(a) Lebanon, to change its baseline consumption data for the controlled substance in Annex E (methyl bromide) from 152.4 to 236.4 ODP tonnes;

(b) Philippines, to change its baseline consumption data for the controlled substance in Annex E (methyl bromide) from 8.0 to 10.3 ODP tonnes;

(c) Thailand, to change its baseline consumption data for the controlled substance in Annex E (methyl bromide) from 164.9 to 183.0 ODP tonnes;

(d) Yemen, to change its baseline consumption data for Annex A, group I, substances (CFCs) from 349.1 to 1,796.1 ODP tonnes; for Annex A, group II, substances (halons) from 2.8 to 140.0 ODP tonnes; and for the controlled substance in Annex E (methyl bromide) from 1.1 to 54.5 ODP tonnes;

5. To accept these requests for changes in the respective baseline data;
6. To note that these changes in baseline data place the Parties in compliance with their respective control measures for 2003;

### **Decision XVI/32. Report on the establishment of licensing systems under Article 4B of the Montreal Protocol**

1. To note with appreciation that 81 Parties to the Montreal Amendment to the Montreal Protocol have established import and export licensing systems, as required under the terms of the Amendment;
2. To note also with appreciation that 42 Parties to the Montreal Protocol that have not yet ratified the Montreal Amendment have also established import and export licensing systems;
3. To recognize that licensing systems bring the following benefits: monitoring of imports and exports of ozone-depleting substances; prevention of illegal trade; and enabling data collection;
4. To urge all the remaining 39 Parties to the Montreal Amendment to provide information to the Secretariat on the establishment of import and export licensing systems, and for those that have not yet established such systems to do so as a matter of urgency;
5. To encourage all the remaining Parties to the Montreal Protocol that have not yet ratified the Montreal Amendment to ratify it and to establish import and export licensing systems if they have not yet done so;
6. To urge all Parties that already operate licensing systems to ensure that they are implemented and enforced effectively;
7. To review periodically the status of the establishment of licensing systems by all Parties to the Montreal Protocol, as called for in Article 4B of the Protocol;

### **Decision XVI/33. Illegal trade in ozone-depleting substances**

1. To note with appreciation the notes by the Secretariat on information reported by the Parties on illegal trade in ozone-depleting substances<sup>4</sup> and on streamlining the exchange of information on reducing illegal trade in ozone-depleting substances;<sup>5</sup>
2. Further to note with appreciation the report by the Division of Technology, Industry and Economics of the United Nations Environment Programme on activities of the regional networks with regard to means of combating illegal trade;<sup>6</sup>
3. To note the need for coordination of efforts by Parties at national and international level to suppress illegal trade in ozone-depleting substances;
4. To request the Ozone Secretariat to gather further ideas from the Parties on further areas of cooperation between Parties and other bodies in combating illegal trade such as development of a system of tracking trade in ozone-depleting substances and improvement of communications between exporting and importing countries in the light of the information provided in the note by the Secretariat on streamlining the exchange of information on reducing illegal trade in ozone-depleting substances and the report by the Division of Technology, Industry and Economics of the United Nations Environment Programme on activities of the regional networks with regard to means of combating illegal trade;

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<sup>4</sup> UNEP/OzL.Pro.16/7.

<sup>5</sup> UNEP/OzL.Pro.16/8.

<sup>6</sup> UNEP/OzL.Pro.16/13.

5. Further to request the Ozone Secretariat to produce draft terms of reference for a study on the feasibility of developing a system of tracking trade in ozone-depleting substances and the cost implications of carrying out such a study, taking into account the proposal presented by Sri Lanka;

6. To request in addition the Executive Secretary of the Ozone Secretariat to convene in the first half of 2005, and provided that funds are available, a workshop of experts from Parties to the Montreal Protocol to develop specific areas and a conceptual framework of cooperation in the light both of information already available and of the reports to be produced by the Secretariat pursuant to paragraphs 4 and 5 above and make appropriate proposals to the Meeting of the Parties;

7. To consider the information on the outcome of the workshop to be convened by the Ozone Secretariat at the Seventeenth Meeting of the Parties;

### **Decision XVI/34. Cooperation between the secretariat of the Montreal Protocol and other related conventions and international organizations**

*Noting* that the United Nations Environment Programme has encouraged an informal institutional dialogue over several years, between convention secretariats, and that the Governing Council, at its last general session, in February 2003, encouraged the United Nations Environment Programme to develop synergies and improve cooperation between its existing institutions,

*Noting also* that informal dialogue has been taking place more recently between multilateral environmental agreements, including between the secretariats of the Montreal Protocol to the Vienna Convention for the Protection of the Ozone Layer, the United Nations Framework Convention on Climate Change, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Stockholm Convention on Persistent Organic Pollutants and the strategic approach to international chemicals management, the Food and Agriculture Organization of the United Nations, the World Trade Organization and the World Customs Organization to enhance synergies in particular in relation to the environment, health and trade,

*Mindful* of the need to strengthen cooperation between the Montreal Protocol and the other convention secretariats and international organizations within their respective mandates,

1. *Welcomes* the enhanced cooperation between the Secretariat of the Montreal Protocol and the other convention secretariats and international organizations;

2. *Requests* the Secretariat:

(a) To seek opportunities to enhance its cooperation with other relevant conventions or organizations that pertain to issues related to the Montreal Protocol either, resources permitting, by attending meetings or through the exchange of factual information, including schedules of meetings;

(b) To report to the Meeting of the Parties of the Montreal Protocol on any meetings of other conventions or organizations that it attends, any substantive contacts that it has with the relevant secretariats, and any information provided to or requested by these secretariats, mindful at all times that the Secretariat of the Montreal Protocol cannot provide any legal interpretation of the provisions of the Protocol;

(c) To monitor developments in other related conventions and organizations of interest to the Parties to the Montreal Protocol and to report on such developments to the Meeting of the Parties of the Montreal Protocol;

(d) To reflect on ways of enhancing information flows on matters of common interest with the other related conventions and organizations of interest to the Parties to the Montreal Protocol;

3. *Encourages* Governments to apprise their representatives that participate in the meetings of other related conventions and international organizations on the nature of the present decision;

**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;

### **Decision XVI/36. Evaluation and review of the financial mechanism of the Montreal Protocol (decision XV/47)**

*Taking note* with appreciation of the 2004 evaluation and review of the financial mechanism of the Montreal Protocol,

*Noting* also that the Multilateral Fund is an essential instrument for enabling compliance with the Montreal Protocol by Parties operating under paragraph 1 of Article 5 of the Protocol and therefore one of the pillars of the success of the regime for the protection of the ozone layer,

1. To request the Executive Committee of the Multilateral Fund, within its mandate, to consider the report on the 2004 evaluation and review of the financial mechanism of the Montreal Protocol, with a view to adopting its recommendations, whenever appropriate, in the process of continuous improvement of the management of the Multilateral Fund, and having in mind the need to contribute to the assessment by the Technology and Economic Assessment Panel of the 2006–2008 replenishment of the Multilateral Fund;

2. To request the Executive Committee regularly to report back to and seek guidance from the Parties on the subject. To this effect, the Executive Committee shall submit a preliminary assessment to the Open-ended Working Group at its twenty-fifth meeting and include a component in its annual report to the Meeting of the Parties, on progress made and issues encountered in its consideration of the recommended actions contained in the executive summary of the evaluation report;

### **Decision XVI/37. Outstanding contributions to the Multilateral Fund**

*Aware* of the forthcoming negotiations on the replenishment of the Multilateral Fund for the next triennium,

*Noting* that some Parties not operating under paragraph 1 of Article 5 have never paid their contributions to the Multilateral Fund or have done so in an amount inferior to one annual contribution,

*Recalling* paragraph (c) of decision 39/5 of the Executive Committee, which urged those Parties to pay their contributions for the 2003–2005 triennium to enable Parties operating under paragraph 1 of Article 5 to comply with the 2005–2007 control measures of the Montreal Protocol and to avoid shortfalls arising from the non-payment or delayed payment of pledged contributions during the compliance period for Parties operating under paragraph 1 of Article 5,

To urge those Parties to pay their outstanding contributions to the Multilateral Fund as soon as possible, in view of the current compliance needs of Parties operating under Article 5 of the Montreal Protocol;

### **Decision XVI/38. Need to ensure equitable geographical representation in the Executive Committee of the Multilateral Fund**

*Recognizing* the necessity to ensure equal geographical representation in the Executive Committee,

*Noting* that, for historical reasons, no seat has been allocated in the Executive Committee for the countries of Eastern Europe and Central Asia operating under paragraph 1 of Article 5 of the Protocol,

1. To amend paragraph 2 of the terms of reference of the Executive Committee, as modified by the Ninth Meeting of the Parties in decision IX/16, to read:

“2. The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee

members. Seven seats allocated to the group of Parties operating under paragraph 1 of Article 5 shall be allocated as follows: two seats to Parties of the African region, two seats to Parties of the region of Asia and the Pacific, two seats to Parties of the region of Latin America and the Caribbean, and one rotating seat among the regions referred, including the region of Eastern Europe and Central Asia. The members of the Executive Committee shall be endorsed by the Meeting of the Parties”;

2. That the issue of seats for Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and Parties not so operating shall be added to the agenda of the twenty-fifth meeting of the Open-ended Working Group;

### **Decision XVI/39. Application of Turkmenistan for developing country status under the Montreal Protocol**

To accept the application of Turkmenistan to be listed as a developing country for the purposes of the Montreal Protocol, taking into account that the per capita consumption of Annex A and Annex B substances of the Party is below the limits specified under Article 5 of the Montreal Protocol and the Party is classified as a low income country by the World Bank;

### **Decision XVI/40. Request by Malta to be removed from the list of developing countries under the Montreal Protocol**

1. To note the request by Malta to be removed from the list of developing countries operating under paragraph 1 of Article 5 of the Montreal Protocol;

2. To approve Malta’s request and note further that Malta shall assume the obligations of a Party not operating under paragraph 1 of Article 5 of the Montreal Protocol;

### **Decision XVI/41. Co-Chairs of the Open-ended Working Group of the Parties to the Montreal Protocol**

To endorse the selection of Mr. David Okioga (Kenya) and Mr. Tom Land (United States of America) as co-chairs of the Open-ended Working Group of the Parties to the Montreal Protocol in 2005;

### **Decision XVI/42. Membership of the Implementation Committee**

1. To note with appreciation the work done by the Implementation Committee in the year 2004;

2. To confirm the positions of Australia, Belize, Ethiopia, Jordan and the Russian Federation for one further year and to select Cameroon, Georgia, Guatemala, Nepal and the Netherlands as members of the Committee for a two-year period from 1 January 2005;

3. To note the selection of the Netherlands to serve as President and of Jordan to serve as Vice-President and Rapporteur, respectively, of the Implementation Committee for one year with effect from 1 January 2005;

### **Decision XVI/43. Membership of the Executive Committee of the Multilateral Fund**

1. To note with appreciation the work done by the Executive Committee with the assistance of the Fund Secretariat in the year 2004;

2. To endorse the selection of Austria, Belgium, Canada, the Czech Republic, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America as members of the Executive Committee representing Parties not operating under paragraph 1 of Article 5 of the Protocol and the selection of Brazil, Cuba, the Niger, the Syrian Arab Republic, Thailand, Zambia and the former Yugoslav Republic of Macedonia as members representing Parties operating under that paragraph, for one year effective from 1 January 2005;

3. To note the selection of Mr. Paul Krajnik (Austria) to serve as Chair and Mr. Khaled Klaly (Syrian Arab Republic) to serve as Vice-Chair of the Executive Committee for one year with effect from 1 January 2005;

## **Decision XVI/44. Financial matters: Financial reports and budgets**

*Recalling* decision XV/52 on financial matters,

*Noting* the financial report on the Trust Fund for the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer for the biennium 2002–2003,<sup>7</sup>

*Recognizing* that voluntary contributions are an essential complement for the effective implementation of the Montreal Protocol;

*Welcoming* the continued efficient management demonstrated by the Secretariat of the finances of the Montreal Protocol Trust Fund;

*Noting* that the presence of a surplus and agreement by the Sixteenth Meeting of the Parties to draw down further from the fund balance has permitted the Secretariat to present a balanced budget for the year 2004;

*Determined* that, in the future, the budgets and the terms of reference for the administration of the Trust Fund for the Montreal Protocol on Substance that Deplete the Ozone Layer should be fully respected;

1. To approve the revised 2004 budget in the amount of \$5,424,913 and the proposed 2005 budget for the Trust Fund in the amount of \$4,514,917 and to take note of the proposed budget of \$4,580,403 for 2006, as set out in annex III to the report of the Sixteenth Meeting of the Parties;<sup>8</sup>

2. To authorize the Secretariat to use the additional amount not exceeding \$239,560 in the year 2004 from the fund balance of the Montreal Protocol Trust Fund to cover costs arising from additional activities in 2004 as decided by the extraordinary Meeting of the Parties in March 2004;

3. Also to authorize the Secretariat to use an amount not exceeding \$1,017,263 in the year 2005 from the fund balance of the Montreal Protocol Trust Fund;

4. To approve, as a consequence of the draw-downs referred to in paragraphs 2 and 3 above, total contributions to be paid by the Parties at \$2,279,351 for 2004 and \$3,497,654 for 2005, as set out in annex IV to the report of the Sixteenth Meeting of the Parties;

5. Also to approve that the contributions of individual Parties shall be listed in annex IV to the report of the Sixteenth Meeting of the Parties;

6. To authorize the Secretariat to maintain a constant operating cash reserve of the estimated annual planned expenditures that will be used to meet the final expenditures under the trust fund. In 2005, Parties shall be asked to contribute 7.5 per cent of the approved budget for 2005 and, in 2006, the operating cash reserve will increase to 15 per cent;

<sup>7</sup> UNEP/OzL.Pro.16/5.

<sup>8</sup> UNEP/OzL.Pro.16/17.

7. To express its concern over delays in payment of the agreed contributions by Parties, contrary to the provisions of the terms of reference for the administration of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer, as contained in paragraphs 3 and 4 of those terms of reference;

8. To urge all Parties to pay their contributions promptly and in full and further to urge Parties that have not done so to pay their contributions for prior years as soon as possible;

9. To encourage Parties, non-Parties, and other stakeholders to contribute financially and with other means to assist members in the three assessment panels and their subsidiary bodies for their continued participation in the assessment activities under the Protocol;

10. Also to encourage Parties, non-Parties, and other stakeholders to contribute financially and with other means to assist in the provision of financial assistance to the Methyl Bromide Technical Options Committee;

11. To invite Parties to notify the Secretariat of the Montreal Protocol of all contributions made to the Montreal Protocol Trust Fund at the time such payments are made;

12. In accordance with rule 14 of the rules of procedure, to request the Executive Secretary to provide Parties with an indication of the financial implications of draft decisions which cannot be met from existing resources within the budget of the Montreal Protocol Trust Fund;

13. To request that the Secretariat of the Montreal Protocol ensure the implementation of the decisions adopted by the Meeting of the Parties as approved, within the budgets and the availability of financial resources in the Trust Fund;

14. Further to request the Secretariat to inform the Open-ended Working Group on all sources of income received, including the reserve and fund balance and interest, as well as actual and projected expenditures and commitments, and to request the Executive Secretary to provide an indicative report on all expenditures against the agreed budget lines;

15. Also to request the Open-ended Working Group to keep under review the financial information provided by the Secretariat, including the timeliness and transparency of that information;

### **Decision XVI/45. Declaration of 2007 as “International Year of the Ozone Layer”**

*Recalling* that the Montreal Protocol on Substances that Deplete the Ozone Layer, which constitutes the primary legal instrument for saving the ozone layer, was signed in the city of Montreal, Canada, on 16 September 1987,

*Recognizing* that, to ensure the success of the Montreal Protocol, the Parties to the Protocol have demonstrated commitment and decisive action by reducing the consumption of ozone-depleting substances since 1986 by 90 per cent,

*Considering* that entry into force of the Montreal Protocol has resulted in:

- (a) A decline in the level of ozone-depleting substances in the atmosphere;
- (b) The expectation that the ozone layer will recover by about 2050 if there is full compliance with the provisions of the Montreal Protocol;
- (c) The avoidance of further significant increases in ultraviolet radiation reaching the Earth's surface;

and, thereby, improved the expectations of human health and reduced environmental risks for life on Earth,

*Gratified* by the transcendent success of the Montreal Protocol,

*Declares* 2007 “International Year of the Ozone Layer”;

## **Decision XVI/46. Extraordinary Meeting of the Parties**

*Recognizing* that the Sixteenth Meeting of the Parties has been unable to complete consideration of the items on its agenda,

*Recalling* Article 11, paragraph 2, of the Protocol,

*Having regard to* paragraph 3 of rule 4 and to rule 13 of the rules of procedure,

1. To deem necessary an extraordinary Meeting of the Parties, on the understanding that this will not give rise to any further financial implication;
2. That the extraordinary Meeting of the Parties shall be held in conjunction with the twenty-fifth meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol;
3. That the provisional agenda of the Extraordinary Meeting of the Parties is as set out below:

### **Annex**

#### **Provisional agenda for the extraordinary Meeting of the Parties**

1. Opening of the Meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Review of the critical-use nominations for methyl bromide for 2006.
4. Adoption of the report of the Extraordinary Meeting of the Parties.
5. Closure of the Meeting.

## **Decision XVI/47. Seventeenth Meeting of the Parties to the Montreal Protocol**

To convene the Seventeenth Meeting of the Parties to the Montreal Protocol in Dakar, Senegal, in 2005;

### **J. Comments made at the time of adoption of the report**

325. With regard to the issue of amending paragraph 10 (k) of the terms of reference of the Executive Committee of the Multilateral Fund, the representative of Japan proposed that the Meeting of the Parties should consider adopting a decision along the following lines:

“To take note with appreciation of the report of the Chair of the Executive Committee, contained in document UNEP/OzL.Pro.16/14;

“To take note of the assurances by the representative of the United Nations, the Assistant Secretary-General for Human Resources Management, that the Executive Committee would be informed of a decision of the Secretary-General on the proposal of the Executive Director of the United Nations Environment Programme on this matter;

“To defer consideration of the matter pending the receipt of a further communication from the United Nations authorities.”

326. Following that proposal, the current and future chairs of the Executive Committee both gave their assurances that they would continue to pursue the matter in 2004 and 2005. The representative of Japan expressed his gratitude for those assurances.

327. With regard to the decision on the terms of reference for the study on the 2006–2008 replenishment of the Multilateral Fund, the representative of Japan reiterated his delegation's position that, as the Parties operating under Article 5 had not accepted the adjustment relating to methyl bromide proposed by the European Community, that scenario should not be equated to the control measures that formed the basis for the financial assessment of the level of funding by the Multilateral Fund and should not have been included in paragraph 1 (a) of the decision. He stated that the Government of Japan would not consider any part of the funding deriving from the financial assessment of that scenario until and unless Parties operating under Article 5 committed themselves to implementing it.

328. He further stated, with regard to paragraph 1 (b) of the decision, that Japan understood that the resources allocated to enable all the Parties operating under Article 5 to maintain compliance with Articles 2A–2I of the Protocol as indicated in that paragraph included those required for the “cost of collection, management, recycling and, if cost effective, destruction of ozone-depleting substances”, as provided for in the indicative list of categories of incremental costs approved by the Fourth Meeting of the Parties in its decision IV/18 in 1992.

329. With regard to the same decision on terms of reference for the study on the 2006–2008 replenishment of the Multilateral Fund, the representative of the United States of America expressed the view that funding destruction activities would be inconsistent with Article 10 of the Montreal Protocol, in that destruction was not required by the Protocol, and Article 10 limited the scope of funding to enabling compliance with the Protocol.

330. The representative of Argentina requested that the following statement, regarding the decision on the report on financial matters, be recorded in the report of the meeting:

331. “The Republic of Argentina reserves its right to request the revision of and flexibility in the application of the scale of assessment of the voluntary contributions to the trust funds of the Vienna Convention and the Montreal Protocol, based on the scale of assessments of the United Nations, for the biennium 2005–2006, with a view to achieving its reduction, taking into account the serious economic difficulties that the country is facing and that several developed countries pay contributions inferior to some developing countries.”

332. The representative of Mexico stated that his Government wanted the present system of contributions in accordance with the United Nations scale of assessments to be adjusted to take into account Parties' ability to pay.

333. With regard to the decision on the provision of financial assistance to the Methyl Bromide Technical Options Committee, it was noted that the items proposed for support in that decision would exceed the funds that were made available in the budget. One representative suggested that this meant that the Parties would need to delete certain items from the decision. Another expressed his delegation's understanding that the Secretariat would be given the discretion to discuss related issues with the Methyl Bromide Technical Options Committee, and allocate the newly provided resources as deemed appropriate. The President asked the plenary whether providing the Secretariat with that discretion was acceptable and, seeing no comment, noted that the decision would be implemented in that fashion.

334. With regard to the draft decision on process agents, the representative of the Democratic People's Republic of Korea urged the Parties to adopt the decision, given that it was based on the Technology and Economic Assessment Panel's recommendations. Failure to take a decision on that matter would have significant implications for his country.

## **XII. Dates and venue of the Seventeenth Meeting of the Parties to the Montreal Protocol**

335. The representative of Senegal conveyed to the Parties the offer of his Government to host the Seventeenth Meeting of the Parties, which was accepted by acclamation.

## **XIII. Other matters**

336. There were no other matters.

#### **XIV. Adoption of the report of the Sixteenth Meeting of the Parties to the Montreal Protocol**

337. The present report was adopted on Friday, 26 November 2004, on the basis of the draft reports submitted to the meeting.

#### **XV. Closure of the meeting**

338. Following the customary exchange of courtesies, during which, in particular, the meeting gave a standing ovation to Mr. Michael Graber, Deputy Executive Secretary of the Ozone Secretariat, who would shortly be retiring from his post, in recognition of his years of service and dedication to the cause of protecting the ozone layer, the President declared the meeting closed at 10.45 p.m. on Friday, 26 November 2004.

## Annex I

### A. Working procedures of the Methyl Bromide Technical Options Committee relating to the evaluation of nominations for critical uses of methyl bromide

1. The schedule for the MBTOC assessment of critical-use exemptions will be revised as set out in the following table:

<b>Actions</b>	<b>Indicative completion date</b>
1. Parties submit their nominations for critical-use exemptions to the Secretariat	24 January
2. The nominations are forwarded to MBTOC co-chairs for distribution to the subgroups of appointed members	7 February
3. Nominations in full are assessed by the subgroups of appointed members. The initial findings of the subgroups, and any requests for additional information are forwarded to the MBTOC co-chairs for clearance	28 February
4. MBTOC co-chairs forward the cleared advice on initial findings and requests for additional information on to the nominating Party concerned and consult with the Party on the possible presumption therein	7 March
5. Nominating Party develops and submits its response to the MBTOC co-chairs	28 March
6. MBTOC meets as usual to assess nominations, including any additional information provided by the nominating Party prior to the MBTOC meeting under action 5 and any additional information provided by nominating Party through pre-arranged teleconference, or through meetings with national experts, in accordance with paragraph 3.4 of the terms of reference of TEAP, advises the nominating Party of any outstanding information regarding the information requested under action 3 for those critical-use nominations where it was unable to assess the nomination, and provides its proposed recommendations to TEAP	11 April
7. TEAP meets as usual in May, among other things, to assess the MBTOC report on critical-use nominations and submits the finalized report on recommendations and findings to the Secretariat	early May
8. The Secretariat posts the finalized report on its web site and circulates it to the Parties	mid-May
9. Nominating Party has the opportunity to consult with MBTOC on a bilateral basis in conjunction with the Open-ended Working Group meetings	early July
10. The nominating Party submits further clarification for the critical-use nomination in the "unable to assess" category or if requested to do so by the Open-ended Working Group, and provides additional information should it wish to appeal against a critical-use nomination recommendation by MBTOC	early August
11. MBTOC meets to reassess only those critical-use nominations in the "unable to assess" category, those where additional information has been submitted by the nominating Party and any critical-use nominations for which additional information has been requested by the Open-ended Working Group	late August
12. MBTOC final report is made available to Parties through TEAP	early October

2. Standard presumptions that underlie MBTOC recommendations of critical-use nominations need to be transparent and technically and economically justified, and should be clearly stated in its reports, and submitted to the Parties for approval at the Seventeenth Meeting of the Parties, and thereafter on an annual basis. Reaffirming that the individual circumstances are the primary point of departure for an assessment of a nomination, MBTOC should not apply standard presumptions where the Party has demonstrated that the individual circumstances of the nomination indicate otherwise.

3. In the event that a nomination has been recommended for rejection or reduction as assessed under action 6 above, MBTOC will give the nominating Party the opportunity to send detailed corroborating information taking into account the circumstances of the nomination. On the basis of this additional information (and possible consultations with the nominating Party by pre-arranged teleconference) MBTOC will reassess this nomination.

4. Although the burden of proof remains with the Party to justify a request for a critical-use exemption, MBTOC will provide in its report a clear explanation of its operation with respect to the process of making determinations for its recommendations, and clearly state the approach, assumptions

and reasoning used in the evaluation of the critical-use nominations. When cuts or denials are proposed, the description should include citations and also indicate where alternatives are technically and economically feasible in circumstances similar to those in the nomination, as described in decision Ex.1/5, paragraph 8.

5. Communications between the nominating Party and MBTOC will be based on the principles of fairness and due process, on the basis of corroborating written documentation, and will be properly reflected in the MBTOC and TEAP reports.

6. The role of the Secretariat should be central in regard to assistance in organizational, administrative and technical aspects of the process whereby the efficiency, operations and communications could be enhanced.

7. MBTOC is requested to develop and keep up to date an expanded matrix describing the conditions under which alternatives are technically and economically feasible. The matrix should include detailed references, such as citations of trial reports demonstrating this feasibility or case studies of commercial operation. Before application, the Parties should approve the matrix and any subsequent changes.

8. MBTOC, when holding its meeting, can consult the nominating Party through pre-arranged teleconference or through face-to-face discussions with national experts, in accordance with paragraph 3.4 of the terms of reference for the Technology and Economic Assessment Panel, in order to facilitate a transparent exchange of information and understanding between MBTOC and the critical-use exemption applicant.

9. It is recalled that paragraphs 9 (f) and 9 (g) of decision Ex.I/4 request TEAP to recommend an accounting framework and to provide a format for a critical-use exemption report.

10. Despite the opportunities given to the nominating Party to supply any additional information required in support of its nomination, MBTOC should categorize the nomination as “unable to assess” if there is insufficient information to make an assessment, and clearly explain what information was missing.

## **B. Membership of the Methyl Bromide Technical Options Committee**

11. TEAP and MBTOC are urged to apply strictly the current terms of reference of TEAP approved by the Eighth Meeting of the Parties in its decision VIII/9, in particular:

(a) To draw up guidelines for nominating experts by the Parties to be published by the Secretariat;

(b) To publish and keep current a matrix showing existing and needed skills for the MBTOC members. In so doing, MBTOC may like to use all available UNEP publications, the Secretariat web page, the regional ozone officers’ network meetings and any other means considered appropriate. Parties, and in particular Parties operating under Article 5, are urged to consider nominating experts to MBTOC in those areas where missing skills and expertise have been identified by MBTOC;

(c) To ensure that MBTOC has about 20–35 members as set out in the terms of reference of TEAP, while also ensuring coverage of the required expertise;

(d) In order to meet the overall goal of achieving a representation in the Committee of about 50 per cent for Parties operating under Article 5, where candidates from Parties operating under Article 5 and those not so operating have equivalent expertise and experience, the MBTOC co-chairs shall give preference to the appointment of those experts from Parties operating under Article 5. The MBTOC co-chairs, supported by the Ozone Secretariat, should aim to achieve a balanced membership within two years, or as soon as possible thereafter. The Parties shall monitor progress in pursuing a balanced membership by reviewing the advice provided in the work plan on the composition of MBTOC;

(e) Skills and expertise in the following fields, among others deemed necessary by MBTOC, should be represented:

- (i) Chemical and non-chemical alternatives to methyl bromide;
- (ii) Alternative methods of pest control that have replaced or could replace significant uses of methyl bromide;
- (iii) Technology transfer or extension activities related to alternatives;
- (iv) Regulatory processes of registration;
- (v) Agricultural economics;
- (vi) Weed control;
- (vii) Resistance management;
- (viii) Recapture and recycling of methyl bromide.

12. MBTOC should ensure a membership with substantive practical and first-hand experience. With respect to (i), (ii), (iii) and (vi) above, preference should be given to candidates who have experience in the implementation of more than one alternative.

13. With a view to supporting a timely review process and ensuring additional expertise that may be required for a particular critical-use nomination, MBTOC may seek assistance from additional experts who, at the request of MBTOC, should provide written input and assist in the review of MBTOC documents. These consulting experts can be invited by the MBTOC co-chairs, on an exceptional basis, to be heard personally at a meeting of MBTOC. For reasons of transparency and accountability, the role and type of input of these consulting experts should be clearly set out.

14. Candidates should be willing to undertake an evaluation of a proportion of the nominations before arriving at the meeting in order to take advantage of all the local resources available (library, internet, reports); and to undertake any work after the meeting necessary to finalize the report.

15. An annual work plan will enhance the transparency of, and insight in, the operations of MBTOC. Such a plan should indicate, among other things:

- (a) Key events for a given year;
- (b) Envisaged meeting dates of MBTOC, including the stage in the nomination and evaluation process to which the respective meetings relate;
- (c) Tasks to be accomplished at each meeting, including appropriate delegation of such tasks;
- (d) Timing of interim and final reports;
- (e) Clear references to the timelines relating to nominations;
- (f) Information related to financial needs, while noting that financial considerations would still be reviewed solely in the context of the review of the Secretariat's budget;
- (g) Changes in the composition of MBTOC, pursuant to the criteria for selection;
- (h) Summary report of MBTOC activities over the previous year, including matters that MBTOC did not manage to complete, the reasons for this and plans to address these unfinished matters;
- (i) Matrix with existing and needed skills and expertise; and
- (j) Any new or revised standards or presumptions that MBTOC seeks to apply in its future assessment of critical-use nominations, for approval by the Meeting of the Parties.

16. The annual work plan should be drawn up by MBTOC (supported by the Ozone Secretariat) in consultation with TEAP, which shall submit it to the Meeting of the Parties each year.

## **C. Further guidance on the criteria for the evaluation of nominations for critical uses of methyl bromide**

### **1. On the availability of technically and economically feasible alternatives, and economic feasibility**

17. Pending further consideration by the Meeting of the Parties, MBTOC shall continue to define:

- (a) “Alternatives” as any practice or treatment that can be used in place of methyl bromide;
- (b) “Existing alternatives” as those alternatives in present or past use in some regions; and
- (c) “Potential alternatives” as those alternatives in the process of investigation or development.

18. Understanding of the concept of “availability” shall be primarily guided by the alternative’s market presence in sufficient quantities and accessibility, taking into account, among other things, regulatory constraints.

19. To the factors already listed in annex I, part B, paragraph 4 of the report of the Extraordinary Meeting of the Parties, with regard to paragraphs 6 and 9 (c) of decision Ex.I/4, the following are added:

- (a) The difference in purchasing costs between methyl bromide and the alternatives per treated areas, mass, or volume, and related costs such as new equipment, labour costs and losses resulting from closing the fumigated object for an extended period of time;
- (b) Difference in yield per hectare, including its quality, and harvest time, between the alternative and methyl bromide;
- (c) Percentage change in net revenue if alternatives are used.

20. In line with paragraph 4 above, in any case in which a Party makes a nomination which relies on the economic criteria of decision IX/6, MBTOC should, in its report, explicitly state the central basis for the Party’s economic argument and explicitly explain how it addressed that factor, and, in cases in which MBTOC recommends a cut; MBTOC should also provide an explanation of its economic feasibility.

21. As regards significant market disruption, it is recalled that paragraph 1 (a) (i) of decision IX/6 provides that a use of methyl bromide should qualify as “critical” only if the nominating Party determines that the specific use is critical because the lack of availability of methyl bromide for that use would result in a significant market disruption. Parties are invited to include in their nominations, information on their determination referred to in paragraph 1 (a) (i) of decision IX/6.

### **2. On the duration of critical-use nomination of methyl bromide**

22. It is recalled that the Sixteenth Meeting of the Parties adopted decision XVI/3, related to the duration of critical-use nominations of methyl bromide.

### **3. On aggregation of nominations**

23. It is reaffirmed that applications shall be considered on a case-by-case basis. In that context, MBTOC shall continue its current approach as regards the level of aggregation or disaggregation.

### **4. On individual circumstances of nominations**

24. In the interest of fair and equal treatment, nominations should be assessed in the light of compliance with the criteria of decision IX/6 and other relevant decisions, irrespective of the size or number of tonnes in the nomination. MBTOC is invited to propose a streamlined method for assessing small nominations to the degree that the method is consistent with the principle stated above.

25. If a particular product is not registered or subject to national or local regulatory restrictions, or if it becomes de-registered, MBTOC should recommend a critical-use exemption, provided there are no other feasible alternatives according to decision IX/6 for the specific situation. MBTOC should request

written advice from the nominating Party, which may include advice from the manufacturer of an alternative.

26. In cases where alternatives are currently in the registration process, MBTOC should note this fact. It is acknowledged that a Party does not always have the capability to influence the registration of alternatives. A nominating Party should inform MBTOC when registration occurs and MBTOC should take this kind of information into account when recommending critical-use exemptions, as is already requested by the Parties in decision IX/6, paragraph 1 (b) (iii).

#### **5. On the handbook on critical use nominations for methyl bromide**

27. The handbook is a general reference for all those involved in the critical-use exemption process, in part owing to the convenience of using the handbook as a general reference volume for methyl bromide decisions, as well as the critical-use nomination procedure. Therefore, the handbook should be reframed to become a comprehensive “one-stop shop” that includes information on methyl bromide decisions, working procedures and terms of reference of MBTOC, the critical-use nomination process, agreed standard presumptions and other related topics. The text should be taken as far as possible, however, directly from decisions of the Meeting of the Parties or other language that has been approved by the Parties.

28. The onus remains on the nominating Party to provide sufficient information in order for MBTOC to be able to assess whether critical-use nominations comply fully with decision IX/6. The handbook should inform Parties which information requirements are needed.

29. TEAP and its MBTOC should be responsible for updating the handbook. TEAP and its MBTOC should not put any new proposals in the handbook which do not have a basis in a decision of the Meeting of the Parties. Factual updates of the handbook incorporating the specific language of the decisions of the Parties do not require prior approval from the Parties. Otherwise, updates require approval from the Parties.

#### **6. On approach, assumptions and reasoning to be used in the evaluation**

30. Decision IX/6 is the basis for the assessment of critical-use exemptions by MBTOC.

31. While the burden of proof remains with the nominating Party to justify the request for a critical-use exemption, MBTOC, in its report, should indicate whether the nominating Party has provided the information in order for MBTOC to determine that the Party has met the applicable criteria set out in decision IX/6 and related decisions.

32. Exemptions must fully comply with decision IX/6 and other relevant decisions, and are intended to be limited to the levels needed for critical-use exemptions, temporary derogations from the phase-out of methyl bromide in that they are to apply only until there are technically and economically feasible alternatives that otherwise meet the criteria in decision IX/6. MBTOC should take a precise and transparent approach to the application of the criteria, having regard, especially, to paragraphs 4 and 20 above.

#### **7. On similar circumstances**

33. When MBTOC makes differentiated recommendations on nominations that cover the same use, it should clearly explain why one country’s nomination is being treated differently than the nominations of other countries or the nominations of the same country, based on more information and citations of feasible alternatives relevant to these nominations, thus eliminating unjustified inconsistencies in assessments and ensuring equal treatment of nominations.

**8. On market penetration of alternatives**

34. When considering the market penetration of an alternative in a nominating Party, MBTOC should evaluate the critical-use nominations based on information provided by the Parties and other information, in accordance with the terms of reference of TEAP, and in the light of likely implementation time in the circumstances of the nomination, and provide recommendations. In evaluating, MBTOC should request written advice from the nominating Party, which may include further information from the manufacturer of an alternative.

35. In situations where MBTOC recommends a nomination on grounds that it is necessary to have a period for adoption of alternatives, the basis for calculating the time period must be explained fully in the TEAP report and take fully into account the information provided by the nominating Party, the supplier, the distributor or the manufacturer. Relevant factors for such a calculation include the number of enterprises that need to transition, e.g., the number of fumigation and pest control companies, estimated training time assuming full effort, opportunities for importing alternative equipment and expertise if not available locally, and costs involved.

36. A case-by-case approach by MBTOC for each specific nomination (on the basis of information provided according to paragraph 35 above) is necessary above a one-size-fits-all approach when considering penetration of alternatives and transition times.

**9. On conflict of interest**

37. The members of MBTOC should be required to declare any interest that they may have on the basis of a declaration, to be agreed by the Parties, and subject to any conditions attached to it.

38. It is recognized that the topic of conflict of interest, including the format of the declaration referred to in paragraph 37 above, needs further deliberations, taking fully into account the experience gained in this regard, the issue of confidentiality and the existing code of conduct contained in paragraph 5 of the terms of reference of TEAP.

## Annex II

### Reporting accounting framework for critical uses of methyl bromide (all quantities expressed in metric tonnes)

Party: \_\_\_\_\_

A	B	C	D		E (C + D)	F (B - E)	G	H (E + G)	I	J	K	L (H - I - J - K)
Year of critical use	Quantity exempted for year of critical use <sup>1</sup>	Quantity acquired by production for critical use	Quantity acquired for critical use by import & countr(y)(ies) of Manufacture		Total quantity acquired for critical use	Quantity authorized but not acquired	Amount on hand at start of year <sup>2</sup>	Amount available for use in current year	Amount used for critical use	Amount exported	Amount destroyed	Amount on hand at end of year <sup>3</sup>
			Amount	Country(s)								

- <sup>1</sup> Exempted by the Parties to the Montreal Protocol. Note that the critical use for a particular year may be the sum of quantities authorized by decision in more than one year.
- <sup>2</sup> Where possible, national Governments should include quantities on hand as of 1 January 2005 and for each year thereafter. National Governments that are not able to estimate quantities on hand as of 1 January 2005 can track the subsequent inventory of methyl bromide produced for critical uses (column L).
- <sup>3</sup> Carried forward as “Amount on hand at start of year” for next year.

## Annex III

### Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer

#### Revised approved 2004, approved 2005 and proposed 2006 budgets

		w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
<b>Project personnel component</b>							
1100	<i>Project personnel</i>						
1101	Executive Secretary (D-2) (shared with the Vienna Convention, VC)	6	105,000	6	115,000	6	115,000
1102	Deputy Executive Secretary (D-1)	12	160,000	12	150,000	12	150,000
1103	Senior Legal Officer (P-5)	12	120,000	12	130,000	12	130,000
1104	Senior Scientific Affairs Officer (P-5) (shared with VC)	6	82,500	6	82,500	6	82,500
1105	Administrative Officer (P-4) (paid by UNEP)		0		0		0
1106	Database Manager (Information System & Technology – P3)	12	95,000	12	100,000	12	100,000
1107	Programme Officer (Communication & Information – P3) (paid from VC)	12	0	12	0	12	0
1108	Programme Officer (Monitoring and Compliance – P3)	12	47,000	12	112,000	12	112,000
1199	<i>Subtotal</i>		<i>609,500</i>		<i>689,500</i>		<i>689,500</i>

		w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
1200	<i>Consultants</i>						
	1201 Assistance in data-reporting, analysis and promotion of the implementation of the Protocol		50,000		50,000		50,000
1299	<i>Subtotal</i>		50,000		50,000		50,000
1300	<i>Administrative support</i>						
	1301 Administrative Assistant (G-7) (shared with VC)	6	11,109	6	11,776	6	12,000
	1302 Personal Assistant (G-6)	12	21,160	12	22,430	12	23,000
	1303 Programme Assistant (G-6) (paid by VC)		0		0		0
	1304 Information Assistant (G-6) (shared with VC)	6	11,109	6	11,776	6	12,000
	1305 Programme Assistant (G-6) (shared with VC)	6	11,109	6	11,776	6	12,000
	1306 Documents Clerk (G-4)	12	10,580	12	11,215	12	11,700
	1307 Data Assistant (G-6)	12	21,372	12	22,654	12	23,000
	1308 Programme Assistant – Fund (G-6) (paid by UNEP)		0		0		0
	1309 Logistics Assistant (G-3) (paid by UNEP)		0		0		0
	1310 Bilingual Senior Secretary (G-6) (to be paid from VC)		0		0		0
	1320 Temporary assistance		15,870		16,822		17,000
	1321 Open-ended Working Group meetings		450,000		420,000		420,000
	1322 Preparatory and Parties meetings (shared with VC every three years, applies to the Seventeenth Meeting of the Parties to the Montreal Protocol and seventh Conference of the Parties to the Vienna Convention)		500,000		350,000		485,000
	1323 Assessment panel meetings*		100,000		168,300		100,000
	1324 Bureau meetings		20,000		20,000		20,000
	1325 Implementation Committee meetings		70,000		74,000		74,000
	1326 MP informal consultation meetings to promote ratification and compliance		5,000		5,000		5,000
	1329 Extraordinary Meeting of the Parties		300,000		0		0
1399	<i>Subtotal</i>		1,547,309		1,145,747		1,214,700

		w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
1600	<i>Travel on official business</i>						
1601	Staff travel on official business		150,000		150,000		150,000
1602	Conference Services staff travel on official business		15,000		15,000		15,000
1699	<i>Subtotal</i>		<i>165,000</i>		<i>165,000</i>		<i>165,000</i>
<b>Component total</b>			<b>2,371,809</b>		<b>2,050,247</b>		<b>2,119,200</b>
<b>Contracts</b>							
2300	<i>Subcontracts</i>						
2301	Study of the financial mechanism of the Montreal Protocol		500,000		0		0
2399	<i>Subtotal</i>		<i>500,000</i>		<i>0</i>		<i>0</i>
<b>Component total</b>			<b>500,000</b>		<b>0</b>		<b>0</b>
<b>Meeting/participation component</b>							
3300	<i>Support for participation</i>						
3301	Assessment panel meetings*		520,000		540,000		450,000
3302	Preparatory and Parties meetings		350,000		350,000		350,000
3303	Open-ended Working Group meetings		300,000		300,000		300,000
3304	Bureau meetings		40,000		40,000		40,000
3305	Implementation Committee meetings		115,000		125,000		125,000
3306	Consultations in an informal meeting (dec. XII/10)		20,000		20,000		20,000
3308	Extraordinary Meeting of the Parties		300,000		0		0
3399	<i>Subtotal</i>		<i>1,645,000</i>		<i>1,375,000</i>		<i>1,285,000</i>
<b>Component total</b>			<b>1,645,000</b>		<b>1,375,000</b>		<b>1,285,000</b>

		w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
<b>Equipment and premises component</b>							
4100	<i>Expendable equipment (items under \$1,500)</i>						
	4101		17,000		17,000		17,000
4199	<i>Subtotal</i>						
			17,000		17,000		17,000
4200	<i>Non-expendable equipment</i>						
	4201		2,500		5,000		5,000
	4202		0		0		0
	4203		5,000		5,000		5,000
	4204		0		10,000		10,000
4299	<i>Subtotal</i>						
			7,500		20,000		20,000
4300	<i>Premises</i>						
	4301		33,500		40,000		40,000
4399	<i>Subtotal</i>						
			33,500		40,000		40,000
<b>Component total</b>			<b>58,000</b>		<b>77,000</b>		<b>77,000</b>
<b>Miscellaneous component</b>							
5100	<i>Operation and maintenance of equipment</i>						
	5101		14,500		17,500		18,940
5199	<i>Subtotal</i>						
			14,500		17,500		18,940

		w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
5200	<i>Reporting costs</i>						
	5201 Reporting		54,000		54,000		64,000
	5202 Reporting (assessment panels)		10,000		15,000		60,000
	5203 Reporting (Protocol awareness)		5,000		5,000		5,000
5299	<i>Subtotal</i>		<i>69,000</i>		<i>74,000</i>		<i>129,000</i>
5300	<i>Sundry</i>						
	5301 Communications		35,000		35,000		35,000
	5302 Freight charges (documents)		75,000		60,000		70,000
	5303 Training		6,000		6,000		6,000
	5304 Others (International Ozone Day)		12,000		12,000		12,000
5399	<i>Subtotal</i>		<i>128,000</i>		<i>113,000</i>		<i>123,000</i>
5400	<i>Hospitality</i>						
	5401 Hospitality		14,500		10,000		15,000
5499	<i>Subtotal</i>		<i>14,500</i>		<i>10,000</i>		<i>15,000</i>
	<b>Component total</b>		<b>226,000</b>		<b>214,500</b>		<b>285,940</b>
	<b>Total direct project cost</b>		<b>4,800,809</b>		<b>3,716,747</b>		<b>3,767,140</b>
	<i>Programme support costs (13%)</i>		<i>624,104</i>		<i>483,176</i>		<i>489,727</i>
	<b>Grand total (inclusive of programme support costs)</b>		<b>5,424,913</b>		<b>4,199,923</b>		<b>4,256,867</b>
	<b>Operating cash reserve**</b>		<b>0</b>		<b>314,994</b>		<b>323,536</b>
	<b>Total budget</b>		<b>5,424,913</b>		<b>4,514,917</b>		<b>4,580,403</b>

	w/m	2004 (US\$)	w/m	2005 (US\$)	w/m	2006 (US\$)
Drawdown from the Trust Fund balance <sup>2</sup>		675,000		533,280		266,720
Drawdown from Secretariat's unspent 2001 balance <sup>3</sup>		686,000		67,239		33,630
Drawdown from the Trust Fund's interest income <sup>4</sup>		250,000		83,350		166,650
Additional drawdown from the Trust Fund balance <sup>5</sup>		1,295,002		0		0
Additional drawdown from the Trust Fund's balance and interest income <sup>6</sup>		239,560		333,394		119,668
Subtotal of draw-downs		3,145,562		1,017,263		586,668
Contribution from the Parties		2,279,351		3,497,654		3,993,735

\* Financial assistance has been provided by the Parties for 2005, on an exceptional basis, to cover the costs of expert assistance to MBTOC for the maximum sum of \$68,300, and travel for an Article 2 Co-chair to three meetings related to critical-use nominations to the maximum sum of \$15,000, reflected in the meeting participation budget line 3301 for assessment panels.

\*\*The Parties have agreed that the operating cash reserve for 2005 will be 7.5% of the approved budget . In 2006, the operating cash reserve will increase to the level of 15%.

<sup>1</sup> In accordance with decisions XIII/3 of the thirteenth Meeting of the Parties and XV/47 and XV/52, an evaluation and review of the financial mechanism of the Montreal Protocol was conducted in 2004. A provision of \$500,000 was made in 2004 budget to cover the study.

<sup>2</sup> The drawdown of \$675,000 in 2004 was based on decision XI/21, paragraphs 5 and 6. Decision XV/52 on the drawdown of \$800,000 in 2005 has been superseded by paragraph 3 of decision XVI/44.

<sup>3</sup> The additional drawdown of \$686,000 for 2004 was based on decision XIV/41, paragraph 6. The drawdown of \$100,869 to be applied in 2005 has been superseded by paragraph 3 of decision XVI/44, and is now distributed over the years 2005 and 2006.

<sup>4</sup> Decision XIV/41, paragraph 7 calls for a further drawdown of \$250,000 per year for 2003 and 2004 from the interest income accruing to the Trust Fund. Decision XV/52 which calls for a further drawdown of \$250,000 for 2005 has now been superseded by decision XVI/44, paragraph 3, and is now distributed over the years 2005 and 2006.

<sup>5</sup> Decision XV/52 calls for a drawdown of \$1,295,002 in 2004, which includes the \$500,000 allocated for the external study of the financial mechanism, and \$596,000 for the expenditure of the extraordinary meeting of the Parties, in order that the contributions of the Parties in 2004 can be maintained at the level set in 2003.

<sup>6</sup> To ensure that the contributions of the Parties amount to \$2,279,351 in 2004, an additional drawdown not exceeding \$239,560 was authorized by the Parties as stipulated in paragraph 2 of decision XVI/44. In 2005, a drawdown in the amount of \$1,017,263 will be made in accordance with paragraph 3 of decision XVI/44.

## Explanatory notes for the revised approved 2004, approved 2005, and proposed 2006 budgets for the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer

Budget line	Comment
Personnel component: 1101–1104, 1106 and 1108	Standard professional salary costs applicable to the Nairobi duty station for 2005 and 2006 have been used for the budget proposals. Where information on actual staff cost is available, however, the figures were adjusted accordingly. Unspent commitments normally revert to the Montreal Protocol Trust Fund.
1102	An increase of \$10,000 was requested in 2004 to cover the installation of the new Deputy Executive Secretary.
1105	The post of the Administrative Officer continues to be paid from the 13 per cent programme support costs based on actual expenditures.
1106	The approved 2004 allocation against this budget line was reduced by \$17,000 based on expected actual 2004 costs.
1108	The approved 2004 allocation against this budget line was reduced by \$65,000 as the recruited staff member came on board only towards the end of 2004.
Consultants: 1201	Assistance in data reporting and updating of publications, as well as in the development of a fully interlinked, digital system at the secretariat, will continue to be required. Funds under this line can be transferred to line 1100 to create short-term Professional posts if necessary.
Administrative support/personnel: 1301–1307	Standard general service salary costs applicable to the Nairobi duty station have been used for the 2005 and 2006 budget proposals.
1308 and 1309	The posts of Programme Assistant (Fund) and Logistics Assistant continue to be paid from the 13 per cent programme support costs.
1320	The Secretariat continues to require funding allocation for general temporary assistance, particularly in the area of documents preparation for meetings, web site posting, organization of participants' attendance at meetings and other conference-related work.
Administrative support/conference services: 1321–1326	Necessary funds may be transferred from the conference servicing budget lines (1321–1326) should such services be required to be rendered either by individual consultancies or corporate contracts. The current conference servicing costs have been based on the following reasons and assumptions:  1321: The requested increase of \$100,000 in 2004 is related to the conference service requirements of the Ad Hoc Working Group meeting on Methyl Bromide as requested in decision Ex.1/5 of the First Extraordinary Meeting of the Parties, held in March 2004, for extra weekend costs incurred due to back-to-back arrangements with the Executive Committee meeting and increased costs due to exchange rate fluctuations.  The budget proposed is for one meeting of the Open-ended Working Group to be held each year during 2005 and 2006 in Nairobi or another United Nations venue, using six languages.  1322: The requested increase of \$40,000 in 2004 is related to the conference service requirements for the Ad Hoc Working Group meeting on methyl bromide as requested by the Open-ended Working Group at its twenty-fourth meeting, in July 2004.  It is assumed that the Meeting of the Parties and its preparatory meeting will be held in Nairobi in 2005 and 2006, in six languages. The total conferencing costs in 2005 will be shared with the Vienna Convention Trust Fund, as the seventh meeting of the Conference of the Parties to the Convention will be held concurrently with the Seventeenth Meeting of the Parties to the Montreal Protocol. Accordingly, the amount allocated for the Seventeenth Meeting of the Parties in 2005 has been reduced as the Convention share in this meeting has already been allocated in the approved 2005 budget for the Vienna Convention Trust Fund.

Budget line	Comment
	When meetings are not held in Nairobi, the differential costs will be borne by the host Governments.
	<p>1323: An increase of \$25,000 in the approved 2004 allocation for the organization of the meetings of the assessment panels is proposed to cover the additional meetings of the Methyl Bromide Technical Options Committee unforeseen during preparations for the Fifteenth Meeting of the Parties.</p> <p>Provision has been made in 2005 for one meeting of the Intergovernmental Panel on Climate Change and the Technology and Economic Assessment Panel as called for in decision XIV/10.</p>
	The budget allocation in 2005 and 2006 for the Technology and Economic Assessment Panel and its technical options committees, the Scientific Assessment Panel and the Environmental Effects Assessment Panel will cover the costs of organizing their annual meetings, as well as communication and other sundry costs related to the work of panel members from developing countries and countries with economies in transition.
	Financial assistance has been provided by the Parties for 2005, on an exceptional basis, to cover the costs of expert assistance to the Methyl Bromide Technical Options Committee for the maximum sum of \$68,300.
	1324: Two Bureau meetings are scheduled for each of the years 2005 and 2006, with provision for interpretation and documents translation in the appropriate languages based on the membership of the Bureau.
	1325: An increase of \$25,000 in the approved 2004 budget for the conduct of the meetings of the Implementation Committee is being requested to cover interpretation and translation requirements, as mentioned in paragraph 102 of UNEP/OzL.Pro/ImpCom/30/4.
	At least two Implementation Committee meetings of three days' duration are scheduled for each of the years 2005 and 2006 with interpretation and documents translation as required, to be held back-to-back with the Open-ended Working Group meeting and the Meeting of the Parties in that year.
	1326: At least one informal consultation meeting per year, expected to take place in Nairobi, is envisaged for 2005 and 2006 to facilitate the work of assisting the Parties, as well as in the promotion of the ratification of and compliance with the Montreal Protocol and its amendments.
	1329: The requested increase of \$89,000 in 2004, relating to the conference service costs of the First Extraordinary Meeting of the Parties, held in March 2004, is due to unforeseen documentation levels, weekend costs arising from back-to-back arrangements with the Executive Committee meeting, as well as increased costs due to exchange rate fluctuations.
Travel on official business: 1601	Staff travel is undertaken in the context of the activities of the Secretariat. Some missions will be undertaken in 2005 and 2006 to continue the promotion of compliance with and the ratification of the Montreal Protocol amendments, as well as to support the Compliance Assistance Programme of the United Nations Environment Programme.
Contracts component	<p>Subcontracts: 2301</p> <p>In accordance with decisions XIII/3 of the Thirteenth Meeting of the Parties and XV/47 and XV/52 of the Fifteenth Meeting of the Parties, an evaluation and review of the financial mechanism of the Montreal Protocol is being conducted in 2004. A provision of \$500,000 has been made in the 2004 Montreal Protocol budget for this study.</p>
Meetings/participation component: 3300	<p><b>Participation of developing countries</b></p> <p>The participation in the various Protocol meetings of representatives from Parties operating under Article 5 is assumed at \$5,000 per participation, taking into account not more than one person's travel costs per country, using the most appropriate and advantageous economy-class fare and United Nations per diem allowances.</p>

Budget line	Comment
3301	<p>The budget provision requested in 2005 includes travel of members and experts of the assessment panels and the Technology and Economic Assessment Panel's technical options committees from Parties operating under Article 5 attending their 2005 meetings.</p> <p>A maximum sum of \$15,000 has been allocated by the Parties for 2005 to cover the travel costs for an MBTOC co-chair from a Party not operating under Article 5 to three meetings related to critical-use nominations.</p>
3302 and 3303	<p>Participation costs are allocated for 70 participants attending the Meeting of the Parties and 60 participants attending the Open-ended Working Group meeting for 2005 and 2006.</p>
3304	<p>Participation costs are based on two Bureau meetings a year for four participants from developing countries or countries with economies in transition at each meeting.</p>
3305	<p>The participation costs for the two Implementation Committee meetings a year are based on eight members from developing countries and countries with economies in transition at each meeting and one representative each from three countries invited by the Implementation Committee at each meeting. Provision has also been made for the travel of the Implementation Committee President or Vice-President from a Party operating under Article 5 to attend three Executive Committee meetings a year.</p>
3306	<p>Funds have been allocated to finance the participation of four participants from developing countries and countries with economies in transition as part of informal consultations on non-compliance with the Montreal Protocol, assumed to be held in Nairobi.</p>
Equipment and premises component	
Expendable equipment: 4101	<p>The cost of miscellaneous expendables is being maintained at \$17,000. Resource use is being monitored constantly in order to maintain the expenditure at this level.</p>
Non-expendable equipment: 4200	<p>A set of computer equipment and related accessories is requested in 2004 to provide for the requirements of the new Programme Officer (Monitoring and Compliance) who came on board towards the end of 2004.</p> <p>A minimum provision in 2005 has been made to provide for equipment required by new staff members. A minimum provision in 2006 has also been made to enable the Secretariat to replace equipment as and when required.</p>
Premises (rent): 4300	<p>The allocation for rental of premises is being increased from 2005 onwards to allow for an increase in rental costs as well as increased space requirement due to additional staff members.</p>
Miscellaneous component	
Operation and maintenance of equipment: 5101	<p>The provision for operation and maintenance of equipment is being increased due to additional equipment for new staff members.</p>
Reporting costs (including editing, translation, duplication, publication and printing): 5201–5203	<p>General reporting costs for the Secretariat are provided for in line 5201. A proposed increase is being requested in this line in 2006 due to envisaged increase in requirements during the 2006 assessment period.</p> <p>Line 5202 is reserved for reporting of assessment panels. Provision for this line is being increased by \$5,000 in 2005 to cater for reproduction of an additional Methyl Bromide Technical Options Committee report. The sum of \$60,000 is being requested for 2006 for the printing of assessment reports.</p>

Budget line	Comment
Sundry Communications: 5301	Careful monitoring of telecommunications resources and the use of electronic mail instead of facsimile communications enable the Secretariat to maintain a relatively low budget provision in this line.
Freight and post: 5302	The additional dispatch of documentation related to the Ad Hoc working Group on Methyl Bromide will be covered from existing resources. Dispatch of Assessment reports will increase the requirements in this budget line for 2006.
Training: 5303	The provision for training will be maintained to cater to training schemes introduced by the United Nations as a result of the ongoing human resources reform programme.
Others (International Ozone Day): 5304	The Ozone Secretariat will provide assistance to some countries during 2005 and 2006 to assist in their preparations for the celebration of the International Day for the Preservation of the Ozone Layer.
Hospitality: 5401	Hospitality arrangements follow the usual procurement procedures of the United Nations.
	A minimum increase of \$2,500 was requested in 2004 to allow for increased costs.
	In 2005, the hospitality costs will be shared with the Vienna Convention Trust Fund, hence the reduced allocation. A minimal increase is requested for 2006.

## Annex IV

### Trust Fund for the Montreal Protocol on the Substances that Deplete the Ozone Layer

Scale of contributions by the Parties for the year 2005 and 2006 based on the United Nations scale of assessments (General Assembly resolution 58/1 B of 3 March 2004 with no Party paying more than 22 per cent)

(in United States dollars)

Name of Party	UN scale of assessment for year 2004–2006	Adjusted UN scale to exclude non-contributors	Adjusted UN scale with 22% maximum assessment rate considered	Year 2005 Contributions by Parties	Year 2006 Contributions by Parties
Afghanistan	0.002	0.000	0.000	0	0
Albania	0.005	0.000	0.000	0	0
Algeria	0.076	0.000	0.000	0	0
Angola	0.001	0.000	0.000	0	0
Antigua and Barbuda	0.003	0.000	0.000	0	0
Argentina	0.956	0.956	0.951	33,253	37,970
Armenia	0.002	0.000	0.000	0	0
Australia	1.592	1.592	1.583	55,376	63,230
Austria	0.859	0.859	0.854	29,879	34,117
Azerbaijan	0.005	0.000	0.000	0	0
Bahamas	0.013	0.000	0.000	0	0
Bahrain	0.030	0.000	0.000	0	0
Bangladesh	0.010	0.000	0.000	0	0
Barbados	0.010	0.000	0.000	0	0
Belarus	0.018	0.000	0.000	0	0
Belgium	1.069	1.069	1.063	37,184	42,458
Belize	0.001	0.000	0.000	0	0
Benin	0.002	0.000	0.000	0	0
Bhutan	0.001	0.000	0.000	0	0
Bolivia	0.009	0.000	0.000	0	0
Bosnia and Herzegovina	0.003	0.000	0.000	0	0
Botswana	0.012	0.000	0.000	0	0
Brazil	1.523	1.523	1.515	52,976	60,489
Brunei Darussalam	0.034	0.000	0.000	0	0
Bulgaria	0.017	0.000	0.000	0	0
Burkina Faso	0.002	0.000	0.000	0	0
Burundi	0.001	0.000	0.000	0	0
Cambodia	0.002	0.000	0.000	0	0
Cameroon	0.008	0.000	0.000	0	0
Canada	2.813	2.813	2.798	97,847	111,725
Cape Verde	0.001	0.000	0.000	0	0
Central African Republic	0.001	0.000	0.000	0	0

Name of Party	UN scale of assessment for year 2004–2006	Adjusted UN scale to exclude non-contributors	Adjusted UN scale with 22% maximum assessment rate considered	Year 2005 Contributions by Parties	Year 2006 Contributions by Parties
Chad	0.001	0.000	0.000	0	0
Chile	0.223	0.223	0.222	7,757	8,857
China	2.053	2.053	2.042	71,411	81,540
Colombia	0.155	0.155	0.154	5,391	6,156
Comoros	0.001	0.000	0.000	0	0
Congo	0.001	0.000	0.000	0	0
Cook Islands	-	0.000	0.000	0	0
Costa Rica	0.030	0.000	0.000	0	0
Cote d' Ivoire	0.010	0.000	0.000	0	0
Croatia	0.037	0.000	0.000	0	0
Cuba	0.043	0.000	0.000	0	0
Cyprus	0.039	0.000	0.000	0	0
Czech Republic	0.183	0.183	0.182	6,365	7,268
Democratic People's Republic of Korea	0.010	0.000	0.000	0	0
Democratic Republic of the Congo	0.003	0.000	0.000	0	0
Denmark	0.718	0.718	0.714	24,975	28,517
Djibouti	0.001	0.000	0.000	0	0
Dominica	0.001	0.000	0.000	0	0
Dominican Republic	0.035	0.000	0.000	0	0
Ecuador	0.019	0.000	0.000	0	0
Egypt	0.120	0.120	0.119	4,174	4,766
El Salvador	0.022	0.000	0.000	0	0
Estonia	0.012	0.000	0.000	0	0
Ethiopia	0.004	0.000	0.000	0	0
European Community	2.500	2.500	2.486	86,960	99,293
Fiji	0.004	0.000	0.000	0	0
Finland	0.533	0.533	0.530	18,540	21,169
France	6.030	6.030	5.997	209,747	239,495
Gabon	0.009	0.000	0.000	0	0
Gambia	0.001	0.000	0.000	0	0
Georgia	0.003	0.000	0.000	0	0
Germany	8.662	8.662	8.614	301,298	344,031
Ghana	0.004	0.000	0.000	0	0
Greece	0.530	0.530	0.527	18,435	21,050
Grenada	0.001	0.000	0.000	0	0
Guatemala	0.030	0.000	0.000	0	0
Guinea	0.003	0.000	0.000	0	0
Guinea-Bissau	0.001	0.000	0.000	0	0
Guyana	0.001	0.000	0.000	0	0
Haiti	0.003	0.000	0.000	0	0
Honduras	0.005	0.000	0.000	0	0

Name of Party	UN scale of assessment for year 2004–2006	Adjusted UN scale to exclude non-contributors	Adjusted UN scale with 22% maximum assessment rate considered	Year 2005 Contributions by Parties	Year 2006 Contributions by Parties
Hungary	0.126	0.126	0.125	4,383	5,004
Iceland	0.034	0.000	0.000	0	0
India	0.421	0.421	0.419	14,644	16,721
Indonesia	0.142	0.142	0.141	4,939	5,640
Iran (Islamic Republic of)	0.157	0.157	0.156	5,461	6,236
Ireland	0.350	0.350	0.348	12,174	13,901
Israel	0.467	0.467	0.464	16,244	18,548
Italy	4.885	4.885	4.858	169,919	194,019
Jamaica	0.008	0.000	0.000	0	0
Japan	19.468	19.468	19.361	677,172	773,217
Jordan	0.011	0.000	0.000	0	0
Kazakhstan	0.025	0.000	0.000	0	0
Kenya	0.009	0.000	0.000	0	0
Kiribati	0.001	0.000	0.000	0	0
Kuwait	0.162	0.162	0.161	5,635	6,434
Kyrgyzstan	0.001	0.000	0.000	0	0
Lao People's Democratic Republic	0.001	0.000	0.000	0	0
Latvia	0.015	0.000	0.000	0	0
Lebanon	0.024	0.000	0.000	0	0
Lesotho	0.001	0.000	0.000	0	0
Liberia	0.001	0.000	0.000	0	0
Libyan Arab Jamahiriya	0.132	0.132	0.131	4,591	5,243
Liechtenstein	0.005	0.000	0.000	0	0
Lithuania	0.024	0.000	0.000	0	0
Luxembourg	0.077	0.000	0.000	0	0
Madagascar	0.003	0.000	0.000	0	0
Malawi	0.001	0.000	0.000	0	0
Malaysia	0.203	0.203	0.202	7,061	8,063
Maldives	0.001	0.000	0.000	0	0
Mali	0.002	0.000	0.000	0	0
Malta	0.014	0.000	0.000	0	0
Marshall Islands	0.001	0.000	0.000	0	0
Mauritania	0.001	0.000	0.000	0	0
Mauritius	0.011	0.000	0.000	0	0
Mexico	1.883	1.883	1.873	65,498	74,788
Micronesia (Federated States of)	0.001	0.000	0.000	0	0
Monaco	0.003	0.000	0.000	0	0
Mongolia	0.001	0.000	0.000	0	0
Morocco	0.047	0.000	0.000	0	0
Mozambique	0.001	0.000	0.000	0	0
Myanmar	0.010	0.000	0.000	0	0

Name of Party	UN scale of assessment for year 2004-2006	Adjusted UN scale to exclude non-contributors	Adjusted UN scale with 22% maximum assessment rate considered	Year 2005 Contributions by Parties	Year 2006 Contributions by Parties
Namibia	0.006	0.000	0.000	0	0
Nauru	0.001	0.000	0.000	0	0
Nepal	0.004	0.000	0.000	0	0
Netherlands	1.690	1.690	1.681	58,785	67,122
New Zealand	0.221	0.221	0.220	7,687	8,778
Nicaragua	0.001	0.000	0.000	0	0
Niger	0.001	0.000	0.000	0	0
Nigeria	0.042	0.000	0.000	0	0
Niue	-	0.000	0.000	0	0
Norway	0.679	0.679	0.675	23,618	26,968
Oman	0.070	0.000	0.000	0	0
Pakistan	0.055	0.000	0.000	0	0
Palau	0.001	0.000	0.000	0	0
Panama	0.019	0.000	0.000	0	0
Papua New Guinea	0.003	0.000	0.000	0	0
Paraguay	0.012	0.000	0.000	0	0
Peru	0.092	0.000	0.000	0	0
Philippines	0.095	0.000	0.000	0	0
Poland	0.461	0.461	0.458	16,035	18,310
Portugal	0.470	0.470	0.467	16,348	18,667
Qatar	0.064	0.000	0.000	0	0
Republic of Korea	1.796	1.796	1.786	62,472	71,332
Republic of Moldova	0.001	0.000	0.000	0	0
Romania	0.060	0.000	0.000	0	0
Russian Federation	1.100	1.100	1.094	38,262	43,689
Rwanda	0.001	0.000	0.000	0	0
Saint Kitts and Nevis	0.001	0.000	0.000	0	0
Saint Lucia	0.002	0.000	0.000	0	0
Saint Vincent and the Grenadines	0.001	0.000	0.000	0	0
Samoa	0.001	0.000	0.000	0	0
Sao Tome and Principe	0.001	0.000	0.000	0	0
Saudi Arabia	0.713	0.713	0.709	24,801	28,318
Senegal	0.005	0.000	0.000	0	0
Serbia and Montenegro	0.019	0.000	0.000	0	0
Seychelles	0.002	0.000	0.000	0	0
Sierra Leone	0.001	0.000	0.000	0	0
Singapore	0.388	0.388	0.386	13,496	15,410
Slovakia	0.051	0.000	0.000	0	0
Slovenia	0.082	0.000	0.000	0	0
Solomon Islands	0.001	0.000	0.000	0	0
Somalia	0.001	0.000	0.000	0	0
South Africa	0.292	0.292	0.290	10,157	11,597

Name of Party	UN scale of assessment for year 2004–2006	Adjusted UN scale to exclude non-contributors	Adjusted UN scale with 22% maximum assessment rate considered	Year 2005 Contributions by Parties	Year 2006 Contributions by Parties
Spain	2.520	2.520	2.506	87,655	100,088
Sri Lanka	0.017	0.000	0.000	0	0
Sudan	0.008	0.000	0.000	0	0
Suriname	0.001	0.000	0.000	0	0
Swaziland	0.002	0.000	0.000	0	0
Sweden	0.998	0.998	0.993	34,714	39,638
Switzerland	1.197	1.197	1.190	41,636	47,542
Syrian Arab Republic	0.038	0.000	0.000	0	0
Tajikistan	0.001	0.000	0.000	0	0
Thailand	0.209	0.209	0.208	7,270	8,301
The former Yugoslav Republic of Macedonia	0.006	0.000	0.000	0	0
Togo	0.001	0.000	0.000	0	0
Tonga	0.001	0.000	0.000	0	0
Trinidad and Tobago	0.022	0.000	0.000	0	0
Tunisia	0.032	0.000	0.000	0	0
Turkey	0.372	0.372	0.370	12,940	14,775
Turkmenistan	0.005	0.000	0.000	0	0
Tuvalu	0.001	0.000	0.000	0	0
Uganda	0.006	0.000	0.000	0	0
Ukraine	0.039	0.000	0.000	0	0
United Arab Emirates	0.235	0.235	0.234	8,174	9,334
United Kingdom	6.127	6.127	6.093	213,121	243,348
United Republic of Tanzania	0.006	0.000	0.000	0	0
United States of America	22.000	22.000	21.879	765,244	873,781
Uruguay	0.048	0.000	0.000	0	0
Uzbekistan	0.014	0.000	0.000	0	0
Vanuatu	0.001	0.000	0.000	0	0
Venezuela (Bolivarian Republic of)	0.171	0.171	0.170	5,948	6,792
Viet Nam	0.021	0.000	0.000	0	0
Yemen	0.006	0.000	0.000	0	0
Zambia	0.002	0.000	0.000	0	0
Zimbabwe	0.007	0.000	0.000	0	0
<b>Total</b>	<b>102.472</b>	<b>100.554</b>	<b>100.000</b>	<b>3,497,654</b>	<b>3,993,735</b>

## Annex V

### Prague Declaration on enhancing cooperation among chemicals-related multilateral environmental agreements

*We, the ministers of the environment and heads of delegation of the following Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer attending the Sixteenth Meeting of the Parties of the Montreal Protocol in the city of Prague:*

*Algeria, Armenia, Austria, Belgium, Belize, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Congo, Croatia, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Dominica, Dominican Republic, Egypt, Estonia, European Community, Fiji, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lithuania, Luxembourg, Maldives, Malta, Mozambique, Nepal, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Thailand, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, Viet Nam, Zambia*

*Recognizing* the need to continue the momentum of unique and successful cooperation among the world communities in negotiating and implementing the Montreal Protocol,

*Aware* of the need to maintain the integrity of the Montreal Protocol to continue on the road to the recovery of the ozone layer and to its subsequent sustainable preservation,

*Conscious* of the Plan of Implementation of the World Summit on Sustainable Development and the need successfully to implement the Montreal Protocol in order to attain sustainable development objective,

*Cognizant* of the findings of the Scientific Assessment Panel of the Montreal Protocol and the Intergovernmental Panel on Climate Change on interlinkages between ozone layer depletion and climate change,

*Recognizing also* that the mainstreaming of the environmental dimension into national strategies for sustainable development and poverty reduction remains an important challenge to all countries,

*Aware* of the efforts of the world community to develop a strategic approach to international chemicals management,

1. *Reaffirm* their commitment to continue their efforts to protect the global environment and the ozone layer, bearing in mind in particular the Rio Principles, including the principle of common but differentiated responsibilities;

2. *Stress* the need in particular, to implement the relevant elements of the Plan of Implementation of the World Summit on Sustainable Development concerning the sound management of chemicals, including the prevention of international illegal trade in ozone-depleting substances, hazardous chemicals and hazardous wastes;

3. *Emphasize* the need for developing countries to implement multilateral environmental agreements and mainstream environmental considerations in their sustainable development and poverty reductions strategies to maximise the efficiency of the technical and financial support provided;

4. *Reiterate* the need to help provide support for the implementation of chemicals-related multilateral environmental agreements to developing countries and countries with economies in transition, for the Montreal Protocol including through an adequate replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol and the Global Environment Facility and enhanced cooperation between these funds;

5. *Enhance* the collaborative efforts towards technological development, in particular those related to the protection of the ozone layer and the mitigation of climate change, and transfer technology to the countries that need it;

6. *Seek* alliance with other multilateral instruments like the Basel, Rotterdam and Stockholm conventions to contribute to an effective strategic approach to international chemicals management; and

7. *Declare* the willingness of the Parties assembled in this City of Bridges to contribute to building bridges between the relevant multilateral environmental agreements and to help them draw inspiration from the success of the Montreal Protocol while, in turn, drawing inspiration from them in meeting future challenges.

*Prague, 26 November 2004*

## Annex VI

### Summary of the science symposium: challenges and perspectives – ozone layer protection

Prague, Czech Republic, 19 November 2004

Chaired by Professor Mario Molina<sup>9</sup>

Throughout the twentieth century, halocarbons – including chlorofluorocarbons (CFCs) and methyl bromide – were used in increasing quantities for many industrial, agricultural, and domestic uses. In 1974, Mario Molina and Sherwood Rowland hypothesized that CFC emissions would significantly deplete the stratospheric ozone layer. The ozone layer protects the earth from harmful ultraviolet radiation that causes skin cancer, cataracts, suppression of the human immune system, and damage to agricultural and natural ecosystems. In 1985, scientists reported that alarming ozone depletion had been occurring over Antarctica since the early 1980s; scientists later reported that ozone depletion was also occurring at other latitudes. In 1987, The world's Governments addressed this global environmental challenge by signing the Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol has proven to be a remarkable model of the way to solve global environmental problems through its reliance on scientific and technical advice, time-bound control measures, universal membership, and assistance to developing countries through a multilateral fund.

The Protocol is working. The emissions of ozone-depleting substances (ODS) have been greatly reduced and the overall level of ODS in the atmosphere is now in decline. This is a clear manifestation of international cooperation reversing human-induced changes in the chemical composition of Earth's atmosphere.

Mario Molina – who with Sherwood Rowland and Paul Crutzen was awarded the 1995 Nobel Prize in Chemistry for pioneering ozone depletion science – convened the Prague Science Symposium in November 2004, at this critical stage in the implementation of the Montreal Protocol. The participants in the Symposium highlighted the importance of both the achievements of the Protocol and international solidarity in completing the phase-out of ODS. They further emphasized the importance of preserving the integrity of the Montreal Protocol process, which is a successful example of how sustainable development can be assured for all nations, rich and poor.

*The Montreal Protocol is working, but leaves no room for complacency.*

The ozone layer is expected to recover in coming decades, assuming the full implementation of the Montreal Protocol. However, much remains to be done to complete our scientific understanding and the implementation of the Protocol. The ozone layer remains vulnerable due to the large amount of ODS that will remain in the atmosphere for many years to come. Scientific and policy efforts need to be continued until the protection of the ozone layer is fully achieved. Implementation of the Protocol requires continued efforts to develop and deploy alternatives to all currently used ODS.

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<sup>9</sup> A group of scientists from Australia, Czech Republic, Egypt, Mexico, Netherlands, Togo, United Kingdom and the United States of America, met to discuss challenges and perspectives in protecting the stratospheric ozone layer. The symposium was chaired by Mario J. Molina, 1995 Nobel Prize Laureate for Chemistry. Presenters and commentators included Ayite-Lo Nohende Ajavon (Togo), Stephen O. Andersen (United States), Jonathan Banks (Australia), Martyn Chipperfield (United Kingdom), Omar El Arini (Egypt), David W. Fahey (United States), Paul J. Fraser (Australia), Mario Molina (Mexico and United States), Stephen A. Montzka (United States), and Jan van der Leun (Netherlands). The symposium panel included Libor Ambrozek, Minister of Environment for the Czech Republic, and was coordinated with the assistance of Jirí Hlaváček, Czech Republic Ministry of Environment. Introductory remarks were provided by Shafqat Kakakhel, Deputy Executive Director of the United Nations Environment Programme, and by distinguished members from the Czech Republic: Tomas Hušek, Director General of the Ministry of Foreign Affairs, Tomáš Novotý, Deputy Minister of the Environment, and Aleš Sulc, Head of the Prime Minister's Office. Mexico was represented by Ambassador Federico Salas and by Ives Gomez, Agustin Sanchez, and Sergio Sanchez from the Secretariat of Environment and Natural Resources.

## Ozone-depletion science: achievements and challenges

Our scientific understanding of the ozone layer has grown substantially over the past decades and has provided essential guidance to the Parties to the Montreal Protocol. Scientific research has led to: discovery of the Antarctic ozone hole and ozone depletion at other latitudes, development and validation of the ozone depletion theory, deployment of the ozone and ODS-monitoring networks, and estimation of benefits of phase-out of ODS under the Montreal Protocol.

Early warning and periodic assessments by scientists of policy-relevant information allowed nations and multiple stakeholders to build consensus on actions to protect the ozone layer. Scientific findings guided Governments to design controls for ODS and incentives for alternatives; guided industry to develop alternatives with higher energy efficiency, greater reliability, and less manufacturing waste; and provided the information necessary to transform markets at a pace that protected existing investment.

Since the onset of ozone depletion in the 1980s, however, human activities have continued to alter atmospheric composition through the increased emissions of a variety of chemical species in addition to those containing chlorine and bromine. These other species have changed important conditions that directly or indirectly influence the transport and loss of stratospheric ozone. For example, water vapour has increased and temperatures have decreased in the ozone layer. It is important to be able to predict future ozone abundances in our chemically changing atmosphere.

Furthermore, climate change is expected from the continuing accumulation of greenhouse gases in the atmosphere. Because ozone, ODS, HFC and some other substitutes are greenhouse gases contributing to the radiative balance of the Earth's atmosphere, climate change is influenced by the reduction and phase-out of ODS. Ozone depletion, in turn, depends on climate change through changes in atmospheric composition and meteorology. As a consequence of the complex interrelationship between ozone depletion and climate change, there is a clear need for scientists to continue development of atmospheric models to predict with greater accuracy how the ozone layer will change in the future.

The protection from ultraviolet radiation provided by the ozone layer limits damage to phytoplankton that provide a carbon sink in oceans. Because the formation of skin cancer by ultraviolet radiation increases at higher temperatures, climate change will increase skin cancer incidence, compounding the effects of ozone depletion. Monitoring and assessment of the global atmosphere by a large international group of scientists using space-borne and ground-based instruments has successfully guided the Montreal Protocol and will be essential in the coming decades as the ozone layer recovers.

It is paramount to maintain and further strengthen the scientific basis of the Protocol, particularly in developing countries, by building expertise and institutions for addressing, in a sustainable manner, the depletion of the ozone layer and other adverse environmental changes. This strengthening requires financing of scientific activities by national governments, private organizations, and multilateral agencies such as the United Nations Environment Programme (UNEP), World Meteorological Organization (WMO), the World Bank and United Nations Educational, Scientific and Cultural Organization (UNESCO).

## Implementation of the Protocol: progress and opportunities

As the phase-out of ODSs reaches the final stage, some users may attempt to justify, on the plea of insignificant impact, continued uses that could be granted under the terms of the Protocol. The Symposium Participants urged strong caution because the cumulative effect of many small continuing uses and emissions can add a significant amount of ozone-depleting chlorine and bromine to the atmosphere. Furthermore, Parties to the Protocol need to determine, with guidance of scientists, whether current emissions exempted from control under the Montreal Protocol, such as feedstocks, process agents, essential uses, critical uses, laboratory and analytical uses, and other inadvertent uses, are environmentally acceptable and prudent under terms of the Precautionary Principle. If the recovery of the ozone layer in the next few decades is to be achieved, there continues to be a strong scientific justification to eliminate production and consumption of ODSs as currently scheduled by the Protocol. Protection of the ozone layer can be further strengthened by eliminating emissions at an accelerated pace. This acceleration can be achieved by collecting and destroying CFCs and halons contained in equipment and foam products, by reduction in the use of the Quarantine and Pre-Shipment exemption,

and by accelerating the phase-out of HCFCs in all the countries. This acceleration can consider the implications for the accumulation of greenhouse gasses. For example, HCFC-123 could be allowed in specific air-conditioning applications where its use promotes superior energy efficiency and assures near-zero refrigerant emissions.

Today, the ozone layer is most vulnerable owing to the high abundances of chlorine and bromine. An outstanding success of the Montreal Protocol has been the immediate reduction in the atmospheric abundances of the short-lived gases, methyl chloroform and methyl bromide. Methyl chloroform was successfully phased out in 1996 in developed countries. Current use of methyl bromide, with its high ODP, depletes ozone on an immediate timescale. Therefore, ozone depletion due to methyl bromide would end almost as rapidly as its use is halted. In fact, recent studies show that about twenty percent of the observed decline in equivalent chlorine abundances can be attributed to the decline in methyl bromide emissions. There is a risk, however, that the gains achieved so far in the reduction of methyl bromide may be negated by increases in emissions from exempted uses including quarantine, pre-shipment and critical use.

By the end of 2004, developed countries will have phased out – with the exception of exempted categories such as quarantine and pre-shipment and essential and critical use exemptions – CFCs, halons, methyl bromide, carbon tetrachloride, methyl chloroform and 35 per cent of the consumption of HCFCs. In addition, developing countries will have made significant progress in their phase-out. The remaining global consumption of ODS in developing countries, although constituting a small fraction of their respective baselines, is harder to phase out because of the uses in the service sector and by thousands of micro enterprises. Continued support of the Multilateral Fund is necessary to achieve a total phase-out by developing countries.

While all the signs point to the high probability of near total ODS phase-out by 2015 by all Parties, the ozone hole will be a permanent feature during the Antarctic spring for many years to come. Recovery of the ozone layer can occur only after human-made ODS are no longer significant in the atmosphere.

### **Concluding statement**

The success of the Montreal Protocol transcends the immediate achievement of protecting the stratospheric ozone layer. The scientific, policy, industrial, and public response evoked by the Montreal Protocol is an achievement of all humanity, preventing a global disaster. The Protocol is also a very important precedent for solving global environmental problems and sustaining life on earth. It is imperative to preserve the integrity of the Protocol with continued stringent controls, financing, and enforcement, until its objectives are achieved.

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