

Distr.
GENERAL

UNEP/OzL.Pro/ImpCom/4/2
6 October 1992

ORIGINAL: ENGLISH

Implementation Committee under
the Non-Compliance Procedure for
the Montreal Protocol

Fourth meeting
Geneva, 14 September 1992

REPORT OF THE FOURTH MEETING OF THE IMPLEMENTATION
COMMITTEE UNDER THE NON-COMPLIANCE PROCEDURE
FOR THE MONTREAL PROTOCOL

I. INTRODUCTION

1. The Fourth Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol was held at the Palais de Nations, Geneva on 14 September 1992.

II. ORGANIZATIONAL MATTERS

2. The President of the Committee, Mrs. Carola Bjorklund, opened the meeting and welcomed all the participants, including the representatives from the Interim Multilateral Fund ("IMLF") and the three implementing agencies of IMLF, i.e. United Nations Development Programme (UNDP), United Nations Environment Programme/Industry and Environment/Programme Activity Centre (UNEP/IE/PAC) and the World Bank, who were participating in the meeting of the Implementation Committee for the first time.

3. The Committee had before it for its consideration the Report of the Secretariat on the Reporting of Data by the Parties to the Montreal Protocol (UNEP/OzL.Pro.4/6) and the information on country programmes/studies carried out by the implementing agencies of the IMLF and their results.

4. The meeting was attended by representatives from Cameroon, Chile, Hungary, Japan, Norway, Thailand, Uganda and the United States as well as from the IMLF, UNDP, UNEP/IE/PAC, and the World Bank. The Russian Federation and Trinidad and Tobago did not attend.

5. The meeting adopted the following agenda contained in document UNEP/OzL.Pro./ImpCom/4/1 and made changes to agenda item 3 (b) to include country programmes:

1. Opening of the meeting.
2. Adoption of the agenda.
3. Substantive matters:
 - (a) Report of the Secretariat on data.
 - (b) Information on country programmes/studies which have been conducted by implementing agencies under the Multilateral Fund and their results.

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4. Other matters.
 5. Adoption of the report.
 6. Closure of the meeting.

III. SUBSTANTIVE MATTERS

A. *Report of the Secretariat on Data*

6. The Secretariat introduced the Report of the Secretariat on the Reporting of Data by the Parties to the Montreal Protocol (UNEP/OzL.Pro.4/6) (the "Report") and explained the current status of the Parties with regard to reporting under Articles 4, 7 and 9 of the Protocol. The Secretariat expressed its gratitude to the Global Resource Information Database Programme Activity Centre (GRID/PAC) of UNEP, Nairobi for the excellent professional assistance given to the Secretariat for developing a new database system.

7. The Committee reviewed the Report paragraph by paragraph and provided comments to the Secretariat. It was suggested that Decision I/II concerning reporting of data should be included in paragraph 1 of the Report. The Secretariat was requested to reconcile the differences between the number of Parties shown as reporting in 1989 in UNEP/OzL.Pro.4/6 and UNEP/OzL.Pro./Imp/Com/3/3. It was suggested that if a Party which does not report or which reports incomplete data provides an explanation for this, such information should be reflected in the report. As regards the reliability of data reported, it was noted that the Committee has no mandate to verify the data reported by the Parties.

8. On the issue of compliance with the control measures, the Committee noted the positive situation of many of the Parties reducing their consumption of controlled substances much beyond the extent called for by the control measures of the Protocol. These Parties account for a major portion of the production and consumption of controlled substances in the world. Concern was expressed over the trend toward increased consumption of controlled substances, particularly halons, by some Parties operating under Article 5. Concern was also expressed at non-reporting or late reporting by many Parties.

9. The Secretariat informed the Committee that the European Community ("EC") data for 1990 had been received by the Secretariat on September 10, 1992 and, therefore, had not yet been analysed and could not be considered by the Committee at this stage. The Committee indicated that the concern about consumption raised in relation to one EC member country in the report is no more valid, since EC data has now been received.

10. The Committee discussed the problem of getting accurate population data from the Parties. The Secretariat suggested that Parties should send population data along with their data on controlled substances. However, some members supported the current practice of obtaining population data from the UN statistical office because it may be more reliable than data obtained directly from an individual country. A member from a developing country pointed out that some developing countries may have difficulty in reporting accurate population statistics for each year because it takes a long time to conduct a population census and analyse the results. The President suggested that the Secretariat further consider which source of population data is more accurate and utilize the data it determines to be

most appropriate for analysis under the Protocol. One member pointed out an inconsistency in the Nigerian population data contained in Tables 2 and 3.

The Committee asked the Secretariat to verify the data and make the appropriate correction.

11. Several questions were raised concerning the information on certain activities reported by Parties under Article 9. The Committee accepted the position expressed by the Secretariat that it does not inquire into the details of the information reported by the Parties under Article 9.

12. The Committee discussed, in the context of facilitating reporting, efforts that have been made so far to adopt a harmonized system of custom codes for controlled substances. The Secretariat explained the process and difficulties involved in adopting a uniform set of code numbers for all the controlled substances by all countries. The Customs Co-operation Council has designated six-digit numbers for groups of substances. Each country can add two or three more digits and develop its own system of numbering for the controlled substances. The numbering system will be useful for reporting only if it gives a separate number to each of the controlled and transitional substances, since the reporting under Article 7 is for each of substances individually. Some countries such as New Zealand have already adopted such systems. The Committee requested the Secretariat to provide information on all countries implementing the harmonized system to enable monitoring of imports and exports of controlled substances. This information should be provided to the Parties so that each country can adopt a system which is most appropriate to meet its needs.

B. *Information on country studies/programmes conducted by the implementing agencies under the Fund and their results in respect of reporting by Parties operating under Paragraph 1 of Article 5*

13. The Chief Officer, IMLF, reported on the activities of the Fund to date. The representatives of each of the implementing agencies (UNDP, UNEP and the World Bank) presented information on the country programmes and country studies which they are carrying out and the effect of these activities on development and reporting of data as required by the Montreal Protocol. The information given is summarized below.

i. *Interim Multilateral Fund*

14. At their Second Meeting, the Parties to the Montreal Protocol established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including disbursement of resources for achieving the objectives of the Fund. In addition to completing a number of other activities related to implementation of the Fund, the Executive Committee has approved:

- (1) funding for the preparation of 37 country programmes (with funding approval for two additional programmes envisioned for 1992) at a total cost of \$1.7 million;
- (2) four country programmes of Chile, Ecuador, Malaysia and Mexico. The Chile country programme is fully funded at \$1.206 million to enable Chile to phase-out 67 per cent of the country's total consumption of controlled substances within a four-year period;

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- (3) 67 projects in 13 countries, including investment projects aimed at phase-out of approximately 25,000 metric tons of ozone-depleting substances at a cost of \$35 million; and
- (4) disbursements to implementing agencies and the Fund Secretariat.

15. The Executive Committee has resolved most of the key policy concerns relating to implementation of the Fund through the development of policy papers, guidelines and criteria on the following issues:

- (1) institutional strengthening of Parties operating under Article 5;
- (2) guidelines for the preparation of country programmes and project proposals, which, *inter alia*, are based on both the sector and cumulative consumption and production of controlled substances and the projected growth in production and consumption;
- (3) specific criteria to address the availability of resources for enterprises in countries operating under Article 5 that are partially or wholly owned by multinational corporations or non-Parties;
- (4) criteria for determining whether funding can be provided for projects or activities undertaken before a Party filed an application for funding under the Multilateral Fund.

ii. *The United Nations Development Programme*

16. The UNDP representative reported on current activities of UNDP undertaken to assist Parties operating under Article 5 to phase-out production and consumption of controlled substances. UNDP provides assistance to countries operating under Article 5 in the following areas: on site/in country technical training; sectoral and/or regional demonstration and training workshops; assistance in country programme formulation; institutional strengthening for ozone layer protection; design and implementation of demonstration projects; preparation of feasibility and pre-investment studies; investment project design and implementation; and promotion of technical and managerial sustainability of projects and programmes.

17. In 1992, UNDP is the lead agency for country programme preparation in seven countries (Bangladesh, China, Costa Rica, Iran, Kenya, Sri Lanka, Trinidad and Tobago) and has ongoing sectoral/regional/national technical assistance, training and demonstration activities in twenty-two countries. UNDP's technical assistance follows a sectoral approach covering aerosols, mobile air-conditioning, refrigeration and air-conditioning, rigid and flexible foams, solvents and halons. UNDP cooperates closely with the World Bank and UNEP in project and programme design and implementation.

18. UNDP is assisting countries which are very large consumers of controlled substances to develop databases to track consumption and production of ozone-depleting substances (ODS). These data could be used to provide the data required under Article 7 of the Protocol.

iii. UNEP Industry and Environment/Programme Activity Centre

19. The representative of the IE/PAC presented the efforts made by the Centre in assisting the countries in reporting the statistical data as per Article 7, while conducting the country programmes. IE/PAC is conducting or will soon begin country programmes in fourteen countries which are low-volume users of ozone-depleting substances: Botswana, Burkina Faso, Cameroon, Fiji, Gambia, Ghana, Guatemala, Malawi, Maldives, Panama, Syrian Arab Republic, Togo, Uganda and Zambia.

20. Along with an ODS survey, institutional structure, strategies and action plans for phase-out of ODS, each national team is apprised of the various obligations of Parties under the Montreal Protocol. The problem of complying with the reporting requirements under Article 7 of the Protocol has been taken into account in the country programme preparation process for six countries: Zambia, Ghana, Fiji, Maldives, Syria and Uganda. For other countries, the country programmes are yet to start or have just started. Most of the countries do not have adequate record keeping and monitoring systems to enable the Government to report the required data. Only Ghana has established a system to monitor the import of controlled substances. Since 1990, all importers in Ghana are required to report their chemical imports to the Environmental Protection Council which must approve the importation. The system enables Ghana to report the data required under Article 7 of the Protocol.

21. The problem of compliance with Article 7 has been pursued under the country programme preparation for Zambia, Fiji, Maldives and Syrian Arab Republic, as described below:

(a) The reporting requirements under the Montreal Protocol and the importance of reporting on each controlled substance was explained to the appropriate Ministry;

(b) The country programme preparation included a survey of the consumption of controlled substances for 1986, 1989, 1990 and 1991. From the survey, the major importers and users of controlled substances were identified. Import data on each controlled substance were obtained directly from the relevant industries/companies. There is no production of controlled substances in these countries;

(c) The activities conducted by UNEP during preparation of country programmes included facilitation of establishment of monitoring arrangements and systems for improved record keeping in order to enable monitoring of the importation and use of controlled substances. This will allow: (i) observation and evaluation of the effectiveness of the country programme in reducing and phasing out the consumption of the controlled substances and (ii) compliance with Article 7 of the Montreal Protocol;

(d) The representative of the IE/PAC also explained the efforts made by the Centre along with the Ozone Secretariat in assisting countries in reporting data under Article 7 during three Regional Workshops it held in 1991-1992. IE/PAC also indicated that its regional office in Bangkok had completed a study paper on data collection problems in April 1992.

iv. The World Bank

22. The World Bank representative reported that as of 12 September 1992, the Bank has completed eight country programmes, including assistance for the development of institutional strengthening. The Bank is also assisting

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thirteen countries of Eastern Europe and the Commonwealth of Independent

States in developing country programmes and projects. As a result of these country projects and programmes, the Bank expects that more countries will report data under Article 7 of the Protocol next year.

23. The Committee expressed its appreciation to the Chief Officer, IMLF and the representatives of the implementing agencies for the presentations made. It noted that the work of the IMLF and its implementing agencies is of great relevance to the work of the Implementation Committee in monitoring the compliance of the Parties operating under Article 5, paragraph 1. It is, therefore, essential that the Implementation Committee and the Fund work closely together and exchange information regularly. The Chief Officer, IMLF, concurred with this view and stated that such information exchange is essential and mutually beneficial.

C. *Other matters*

24. The hypothetical issue of a Party operating under Article 5 of the Protocol exceeding its per capita consumption beyond 0.3 kg was briefly discussed and it was noted that this issue is on the agenda of the Fourth Meeting of the Parties.

25. The issue of whether a developing country not operating under Article 5 would be eligible for reclassification as a Party operating under Article 5 if it reduces its per capita consumption to below 0.3 kg was raised and it was noted that this is an issue of legal interpretation of the Protocol.

D. *Adoption of the Report*

26. It was agreed that a draft report would be sent to the members shortly after the meeting for their comments and that the Secretariat would finalize the report taking into account the comments received.

E. *Closure of the Meeting*

27. After the customary exchange of courtesies, the President declared the Meeting closed at 4.15 pm on Monday, 14 September 1992.
