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BUREAU OF THE THIRD MEETING OF THE  
PARTIES TO THE MONTREAL PROTOCOL  
First meeting  
Geneva, 7 July 1992

NOTE BY THE SECRETARIAT

1. The first meeting of the Bureau of the Third Meeting of the Parties to the Montreal Protocol has the following major issues before it:

(a) Review of the implementation of the decisions adopted by the Third Meeting of the Parties to the Montreal Protocol (Nairobi, 19-21 June 1991);

(b) Budget review;

(c) Report of the Assessment Panels and the synthesis;

(d) Report of the sixth meeting of the Open-Ended Working Group, including the proposed adjustments and amendment;

(e) Report of the third meeting of the Ad Hoc Working Group of Legal Experts on Non-Compliance with the Montreal Protocol;

(f) Report of the Implementation Committee;

(g) Report of the Technical Advisory Committee on Destruction Technologies;

(h) Report on the Interim Multilateral Ozone Fund.

*A. Review of the implementation of the decisions adopted  
by the Third Meeting of the Parties to the Montreal  
Protocol (Nairobi, 19-21 June 1991)*

*III/1: Adjustments and Amendment*

2. The adjusted control measures came into force on 7 March 1992.

3. The Amendment to the Montreal Protocol did not enter into force on 1 January 1992 as earlier envisaged. Only 15 States and the EEC had by then ratified the Amendment. As of 15 April 1992, 19 States and EEC had ratified the Amendment. It will enter into force on the ninetieth day following the deposit of the twentieth instrument of ratification.

*III/2: Non-compliance procedure*

4. See paragraph 31 below.

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*III/3: Implementation Committee*

5. See paragraph 34 below.

*III/4: Montreal Protocol Handbook*

6. The first edition of the Montreal Protocol Handbook was distributed in English to all the Parties to the Convention and the Protocol during the Third Meeting of the Parties, held in Nairobi from 19 to 21 June 1991). The Handbook was not translated into other United Nations official languages because of the decision to prepare a revised edition, which was finalized in October 1991. That version was translated into all the official languages and distributed to all the Parties in May 1992.

*III/5: Definition of developing countries*

7. In accordance with the mandate given by the Third Meeting of the Parties to the Montreal Protocol, the Open-Ended Working Group of the Parties is discussing the criteria to be applied in the future regarding applications for classification as a developing country for the purpose of the Protocol. The recommendations of the Working Group will be submitted to the Fourth Meeting of the Parties for decision.

*III/6: Participation of developing countries*

8. Financial assistance for the participation of developing countries in Assessment Panels, committees and Bureau meetings was granted as follows:

Scientific Assessment Panel - 10 participants;

Economic and Technology Assessment Panel - 43 participants;

Environmental Effects Panel - 12 participants;

Technical Advisory Committee on Destruction Technologies - 14 participants;

Ad Hoc Working Group of Legal Experts on Non-Compliance with the Montreal Protocol - 21 participants;

Implementation Committee - 2 participants;

Open-Ended Working Group of the Parties - 38 participants.

*III/7: Data reporting*

9. Within the consolidated work programmes of UNDP, UNEP and the World Bank, a number of country programmes are planned to be prepared in 1992. These programmes will help provide the data required by Article 7 of the Protocol for these countries.

10. UNDP is initiating country programmes in Bangladesh, China, Costa Rica, Iran, Kenya, Sri Lanka, and Trinidad and Tobago. The World Bank is conducting or planning country programmes in Argentina, Brazil, Chile, China, Ecuador, Egypt, Iran, Jordan, Malaysia, Mexico, Nigeria, Philippines, Thailand, Tunisia, Turkey, Venezuela and Yugoslavia.

11. UNEP, through its Industry and Environment Programme Activity Centre (IE/PAC) in Paris, is carrying out country studies in Burkina Faso, Cameroon, Fiji, Gambia, Ghana, Malawi, Maldives, Syrian Arab Republic, Togo, Uganda and Zambia.

*III/8: Trade names of controlled substances*

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12. The list of trade names of controlled substances prepared by the Technology and Economic Assessment Panel was distributed to all Parties to the Protocol in March 1992.

*III/9: Formats for reporting data under the amended Montreal Protocol*

13. The adopted format was communicated to all Parties in August 1991 and has been used to report the 1990 data on controlled substances.

*III/10: Destruction Technologies*

14. See paragraph 35 below.

*III/11: Open-Ended Working Group of the Parties*

15. See paragraph 30 below.

*III/12: Assessment Panels*

16. See paragraphs 27-29 below.

*III/13: Further adjustment to and amendments to the Montreal Protocol*

17. See paragraph 30 below.

*III/14: Amendment of the rules of procedure*

18. The amended rules of procedure were printed in November 1991 after the Third Meeting of the Parties to the Montreal Protocol.

*III/15: Annex to the Montreal Protocol*

19. The list of products in Annex D to the Protocol was notified to all the Parties by the Depositary on 27 November 1991. They will enter into force after the expiry of six months following the date of notification, i.e. on 27 May 1992, for all the Parties that have not raised any objection by that date.

*III/16: Trade issues*

20. The response of the Parties in implementing Article 4 of the Protocol is contained in the Secretariat's report on data (document UNEP/OzL.Pro/ImpCom/3/2).

*III/17: Amendment of the Vienna Convention*

21. See paragraph 32 (e) below.

*III/18: Fourth Meeting of the Parties to the Montreal Protocol*

22. The Fourth Meeting of the Parties to the Montreal Protocol will be convened in Copenhagen from 23 to 25 November 1992 and will be preceded by a preparatory meeting at the same venue, from 17 to 20 November.

*III/19: Financial Mechanism*

23. The Open-Ended Working Group of the Parties considered this item at its sixth meeting and its report has been circulated to all Governments.

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*III/21: Budgets and financial matters*

24. See paragraph 26 below.

*III/22: Executive Committee of the Multilateral Fund*

25. The report on the work of the Executive Committee received from the Chief Officer of the Interim Multilateral Ozone Fund Secretariat is annexed to the present report.

*B. Budget Review*

26. A note on the budgets and financial matters up to 30 June 1992 will be presented at the meeting.

*C. Report of the Assessment Panels and the synthesis*

27. The Scientific Panel released its report in October 1991. The main findings were: global ozone decreases higher than those predicted had been observed; significant decreases had taken place during Spring and Summer in both the hemispheres at middle and high latitudes, as well as during the southern hemisphere Winter, losses being larger in the 1980s than during the 1970s; methyl bromide was identified as a significant ozone-depleting substance; the greenhouse role of CFCs remain uncertain; further tightening of the Montreal Protocol could minimize the adverse impacts.

28. The Environmental Effects Panel presented its report in November 1991. The findings confirmed the conclusions of their 1989 report. The main conclusions were: clear-cut increases of UV-B were observed in the Antarctic; such increases in other areas may have been masked by pollution; a sustained 10 per cent loss of ozone would lead to an increase in the incidence of non-melanoma skin cancers by 26 per cent; a 1 per cent decrease of ozone, other things being equal, would lead to 100,000-150,000 additional cases of cataract-induced blindness; UV-B radiation had a profound influence on the immune system; there was reason for concern regarding an increase of infectious diseases, as well as adverse influence on the world food supply and other impacts on air quality, plastics, etc.

29. The Technology and Economic Assessment Panel completed its work in November 1991. Its main conclusions were: consumption by developed countries had already dropped by 40 per cent, well ahead of the present phase-out schedule; technologies to eliminate the controlled substances were now available for virtually every application; the developed countries could virtually phase out the use of controlled substances by 1995-1997, the developing countries doing likewise in another 5-8 years; the costs of a phase-out were falling.

*D. Report of the sixth meeting of the Open-Ended Working Group, including the proposed adjustments and amendment*

30. The Open-Ended Working Group met in Geneva from 6 to 15 April 1992 to consider, *inter alia*, the conclusions of the Assessment Panels. The Working Group will continue the discussions at its next meeting, from 8 to 17 July 1992. The proposed adjustments and amendment to the Protocol, as consolidated at the April meeting, were communicated to all the Parties and non-Party Governments in April 1992 in document UNEP/OzL.Pro.4/2, six months in advance of the Fourth Meeting of the Parties to the Montreal Protocol in Copenhagen.

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E. *Report of the third meeting of the Ad Hoc Working Group  
of Legal Experts on Non-Compliance with  
the Montreal Protocol*

31. The Ad Hoc Working Group of Legal Experts on Non-Compliance with the Montreal Protocol completed the elaboration of the procedure on non-compliance at its third meeting, held in Geneva from 5 to 8 November 1991. The draft non-compliance procedure is contained in annex I of their report (UNEP/OzL.Pro/WG.3/3/3). There has been unanimity among the experts on all but two of the points in the procedure. One concerned the Implementation Committee's maintaining exchange of information with the Executive Committee of the Multilateral Fund. The other dealt with making available non-confidential information to any person on request and the information exchanged by or with the Committee to any Party on request.

32. The Working Group also discussed the following issues:

(a) *Identification of possible situations of non-compliance with the Protocol.* Seven possible situations of non-compliance have been identified. There has been agreement among the experts regarding five situations. No agreement has been reached on: (i) the failure to comply with the obligations in the decisions of the Parties to the Protocol; and, (ii) non-provision of contributions to the Financial Mechanism;

(b) *Developing an indicative list of measures that might be taken by the Parties in respect of Parties that are not in compliance with the Protocol.* The Group adopted the indicative list of measures in annex II, section II of their report. The Working Group took the view that, when considering cases of non-compliance, flexibility should be ensured in selecting and administering appropriate response measures, on the understanding that situations of non-compliance differed in importance;

(c) *Developing an indicative list of advisory and conciliatory measures to encourage full compliance with the Protocol.* The Working Group took the view that the measures already approved and included in annex II, section II, of its report were satisfactory;

(d) *The possible need for legal interpretation of the provisions of the Protocol and methods of providing the interpretation.* Many delegates noted that the Implementation Committee, in discharging its mandate, would have to formulate legal interpretations of the provisions of the Protocol. However, it was also agreed that the responsibility for legal interpretation of the Protocol rested ultimately with the Parties themselves;

(e) *Procedures for expediting the amendment procedure under Article 9 of the Vienna Convention.* The Working Group did not recommend any means of expediting the amendment procedure. The Group noted that there would be many problems inherent in different procedural obligations for different Parties, if work on such an amendment was continued.

33. The report of the Working Group will be before the Fourth Meeting of the Parties to the Protocol, to be held from 23 to 25 November 1992.

F. *Report of the Implementation Committee*

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34. The Implementation Committee met later than anticipated because of delays in the reporting of the 1990 data. The Committee held its first meeting in Geneva on 11 April 1992 to consider the Secretariat's report on data and non-compliance as contained in document UNEP/OzL.Pro/ImpCom/3/2. The information on data received from Parties for the year 1990 revealed that there had been a marked decrease in the overall consumption of controlled substances. This provided an indication of the effectiveness of the implementation of the control measures under the Protocol. The report of the Implementation Committee has been circulated as document UNEP/OzL.Pro/ImpCom/3/3.

G. *Report of the Technical Advisory Committee on  
Destruction Technologies*

35. The Technical Advisory Committee on Destruction Technologies that was established by the Second Meeting of the Parties met three times, in Nairobi, from 19 to 23 August 1991, Frankfurt, from 18 to 23 November 1991 and Singapore, from 16 to 19 February 1992. The Committee will complete its report by May 1992. The report will be placed before the Fourth Meeting of the Parties for their consideration.

H. *Report on the Interim Multilateral Ozone Fund*

36. The report of the Chief Officer of the Interim Multilateral Ozone Fund Secretariat is annexed to the present report.

*Annex*

SUMMARY OF ACTIVITIES OF THE EXECUTIVE COMMITTEE OF THE  
MULTILATERAL FUND TO BE PRESENTED TO THE BUREAU OF  
THE THIRD MEETING OF THE PARTIES TO  
THE MONTREAL PROTOCOL

*Report of the Chief Officer of the Interim Multilateral Ozone Fund*

*Executive Committee*

1. 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 the disbursement of resources for the purpose of achieving the objectives of the Multilateral Fund under the Financial Mechanism established in accordance with Decision II/8 of the Second Meeting of the Parties.
  2. The terms of reference of the Executive Committee and the terms of reference of the Interim Multilateral Fund are set out in Appendices II and IV respectively, of Annex IV to the report of the Second Meeting of the Parties (UNEP/OzL.Pro.2/3).
  3. In accordance with the terms of reference of the Executive Committee, the Committee shall report annually to the Meeting of the Parties on the activities exercised under its functions.
  4. The Executive Committee held all its seven meetings in Montreal with the exception of the fourth meeting which was held in Nairobi in June 1991. The reports of these meetings are available from the Secretariat of the Interim Multilateral Fund.
  5. The Executive Committee adopted rules of procedure for the meetings of the Executive Committee, which were subsequently endorsed by the Third Meeting of the Parties.
  6. The Chairman of the Executive Committee reported on the Committee's activities from September 1990 to June 1991 to the Third Meeting of the Parties.
- The Interim Multilateral Fund for the Implementation of the Montreal Protocol (Multilateral Fund)*
7. The Executive Committee signed an agreement with UNEP designating the Programme as the treasurer of the Multilateral Fund.
  8. The Executive Committee requested the Executive Director of UNEP in 1990 and 1991 to send letters out calling for contributions to the Fund by the Parties to the Montreal Protocol.
  9. The Executive Committee approved the implementation guidelines and criteria for project selection.
  10. The Executive Committee approved the procedures for presentation of country programmes and project proposals prepared by the Fund Secretariat.
  11. The Executive Committee approved the criteria for bilateral and

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regional co-operation prepared by the Fund Secretariat.

#### *Fund Secretariat*

12. The Executive Committee decided that the Fund Secretariat, co-located with UNEP, shall have Montreal as its venue. The Government of Canada would cover any additional costs of locating and operating the Secretariat in Canada relative to costs associated with UNEP headquarters. The coverage of these costs would be included in the host country agreement to be concluded between Canada and UNEP and adjusted on an annual basis.

13. The Executive Committee nominated Dr. Omar El-Arini for appointment by the Executive Director of UNEP as Chief Officer of the Interim Multilateral Fund.

14. The Chief Officer started his work on 10 February 1991.

15. The Executive Committee adopted the revised 1991 budget for the Fund Secretariat which was subsequently adopted by the Third Meeting of the Parties.

16. The Executive Committee took note of the revised three-year plan and budget for the Fund Secretariat.

17. The Executive Committee approved the revised estimates of 1992 budget of the Fund Secretariat.

18. The Executive Committee took note of the newly appointed staff of the Fund Secretariat (nine professional staff including the Chief Officer and nine General Service staff).

#### *Implementing agencies*

19. The Executive Committee took note of and welcomed the tripartite agreement among UNEP, UNDP and the World Bank on Procedural Arrangements for Co-operation and Assistance in Protecting the Ozone Layer in the Context of the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol on Substances that Deplete the Ozone Layer.

20. The Executive Committee signed agreements with UNDP, UNEP and the World Bank as the implementing agencies of the Multilateral Fund.

21. The Executive Committee approved the 1991 and 1992 work programmes and associated budgets of the three agencies. The work programmes list the activities and corresponding budgets to be carried out by an implementing agency in a paragraph 1 Article 5 country within a specified time frame. For 1991, the Executive Committee approved \$1,261,800 to UNDP, \$1,676,920 to UNEP and \$5 million to the World Bank respectively. The approved budgets for 1992 work programmes are: \$2,754,395 to UNDP, \$1,621,000 to UNEP and \$1,150,000 to the World Bank.

22. The Executive Committee decided that the implementing agencies should integrate their work programmes into one consolidated document with the support of the Fund Secretariat, starting with the 1992 work programmes.

23. The Executive Committee decided that the implementing agencies should adopt a sector-based approach when developing their work programmes.

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*Country programmes*

24. The Executive Committee approved the country programmes of Ecuador, Egypt, Jordan, Malaysia, Mexico and Turkey.

*Projects*

25. The Executive Committee decided that projects costing more than \$500,000 had to be submitted for its consideration by it. However, projects that would cost less than \$500,000 could be approved by the implementing agencies in the context of their work programmes.

26. The Executive Committee approved the Guidelines for the Presentation of Projects developed by the Fund Secretariat.

27. The Executive Committee approved projects proposals from China, Ecuador, Egypt, Malaysia and Mexico. The respective disbursements for these projects are: \$6 million, \$400,000, \$1.5 million, \$1.63 million and \$4 million.

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