

**CRITICAL USE
EXEMPTIONS:**

**REQUIREMENTS FOR
ANNUAL REPORTING**

**Revised proposal by
Australia**

15 March 2004

SUMMARY OF REVISIONS

This document is a revised version of the Australian paper on a possible format for annual reporting by critical use exemptions that was circulated to Parties before and during the 15th Meeting of the Parties (CRP 13). The revisions generally do not alter the reporting requirements proposed in the original version. Rather, in light of feedback received from the Parties, the revisions simplify the wording of the proposed reporting requirements and provide a clearer impression of how the format may appear if incorporated into the TEAP Handbook.

The revisions include:

- **General changes to the wording, to improve clarity;**
- **A new structure for reporting information in Section 1. The new structure also includes additional information requirements: reporting technology transfer/deployment activities (Row 2), and any other transitional activities (Row 3), in addition to the original requirement to report on trials of alternatives (Row 1 of the new tabular format);**
- **Amendments to Section 3. In the original version of this document, this section referred to reporting by exemption holders to address recommendations made on their original nominations by TEAP/MBTOC. This Section has now been updated to require exemption holders to report against TEAP/MBTOC recommendations to the extent that those recommendations are adopted by the Parties as conditions of CUE.**

INTRODUCTION

The format proposed here would apply to annual reporting by Parties that have obtained a critical use exemption for a particular application. It is not intended to replace the format for requesting a critical use exemption for a particular application for the first time.

Note: in addition to a reporting format for holders of multiple-year exemptions, Australia proposes that this format would also be used by holders of single-year exemptions to re-apply for a subsequent year's exemption (for example, nominees approved for single-year exemptions for 2005, seeking further exemptions for 2006).

Also, Australia notes that it may be useful for the following format to be prefaced by cover pages similar to that detailed in the 2003 Critical Use Handbook, which summarise the critical use nomination (CUN) and provide the contact details of the nominating Party.

REPORTING REQUIREMENTS

1. Implementation of the Parties' Mandate on Continued Efforts to Find Alternatives

Table 1: Report on transition efforts and activities

Transition efforts and activities	A. Description and Implementation Status	B. Outcomes to date	C. Impact on CUN	D. Actions to address any delays/obstacles	E. Any re-changes to trials/other efforts
1. Trials of alternatives					
2. Technology transfer/deployment					
3. Any other transition activities					

REPORTING REQUIREMENTS

1. Implementation of the Parties' Mandate on Continued Efforts to Find Alternatives

Column A requires a description of the implementation of any trials, technology transfer activities and/or other transition activities that were identified in their earlier nomination, including advice on whether the activity is complete or ongoing.

Column B requires a report on the results of the transition activities (eg: trials of alternatives - yield results achieved with the alternative in comparison to those achieved through methyl bromide treatment; deployment – percentage of users represented in a nomination covered by deployment activities and now able to transition to alternatives). In the case of trials of alternatives, reporting would include attaching copies of formal scientific trial reports. Where formal trial reports are not available (for example, where an exemption holder's transition efforts focus on grower trials), the exemption holder could include a description of all relevant parameters of the trials that are available. These could include data, as specified in the TEAP CUE Handbook, such as soil and climate types in which the trials were conducted, plant-back times observed, the rate of methyl bromide/alternatives application (kg/hectare, or kg/m³), the proportionate mix of methyl bromide/chloropicrin, etc.

Column C requires a summary of the implication of the trial/activity results and outcomes, such as how they would impact on the quantity of methyl bromide required for the CUN. For example, positive results from technology transfer or deployment activities could lead to the nominating Party identifying a reduction in the quantity required for the subsequent year of the exemption.

Column D: where any obstacles or delays beyond the control of the exemption holder arose to hinder their transition activities, this column requires a description of those obstacles or delays and a detailed plan, including time-specific milestones, of the actions planned to address such problems and maintain their transition momentum.

Column E: where trials, technology transfer or other transition activities have been undertaken but yielded negative results (eg trials demonstrated technical problems with an alternative, deployment activities revealed unanticipated economic infeasibility, etc), Column E requires a description of the new and/or alternative transition activities to be undertaken by the exemption holder to overcome such obstacles to transition.

Notes:

In order for an exemption holder or nominee to qualify for an exemption, they must demonstrate their commitment to finding technically and economically viable alternatives and achieving a transition to the use of alternatives. In particular, Decision IX/6 requires the following of an exemption nominee:

“It is demonstrated that an appropriate effort is being made to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes... Non-Article 5 Parties must demonstrate that research

programmes are in place to develop and deploy alternatives and substitutes. Article 5 Parties must demonstrate that feasible alternatives shall be adopted as soon as they are confirmed as suitable to the Party's specific conditions..."

Section 1 provides the means by which exemption holders and nominees can report on their ongoing progress in implementing this mandate. The nature of information provided would vary according to the specific actions that had been outlined in each original nomination, but for ease of review the information should be structured as presented in Table 1 above.

2. Registration of an alternative

- (a) Where a nomination identified that an alternative was not yet registered at the time of the original nomination's submission, but was anticipated to be subsequently registered, the nominating Party should report on the progress of the alternative through the registration process. This report should include any efforts by the Party to "fast-track" or otherwise assist the registration of the alternative.**
- (b) Where significant delays or obstacles have been encountered to the anticipated registration of an alternative, the exemption holder should identify the scope for any new/alternative efforts that could be undertaken to maintain the momentum of their transition efforts, and identify a timeframe for undertaking such efforts.**
- (c) Where an alternative was de-registered subsequent to submission of the original nomination, the nominating Party would report the de-registration, including reasons for the de-registration. The nominating Party would also report on the de-registration's impact (if any) on the exemption holder's transition plan and on the proposed new/alternative efforts that will be undertaken by the exemption holder to maintain the momentum of their transition efforts.**

Notes:

It is noted that progress in registration of a product will often be beyond the control of an individual exemption holder, as the registration process must be undertaken by the manufacturer or supplier of the product. The speed with which registration applications are processed also falls outside the exemption holder's control, resting with the nominating Party.

Consequently, this section requires the nominating Party to report any efforts it has taken to assist the registration process, noting that the scope to expedite registration will vary from Party to Party.

In recognition of the fact that it would be unreasonable to revise an exemption holder's nomination owing to registration delays beyond their control, this section also requires a report on the actions that are being taken to continue transition despite registration delays.

3. Implementation of MBTOC/TEAP recommendations

In developing recommendations on exemption nominations submitted in 2003, MBTOC and TEAP in many cases recommended that nominees should explore and/or implement:

- options for reducing the quantity of methyl bromide required, or
- the use of particular alternatives not originally identified by the exemption holder as part of their transitional plan, but considered key alternatives by MBTOC/TEAP.

Where the Meeting of the Parties' approval of exemptions included conditions incorporating these recommendations, the exemption holder should report on its progress in exploring or implementing them as part of its annual reporting obligations.

- (a) Where a condition required the trialing of an alternative or adoption of an emission minimisation measure, the reporting should be structured in the same format as Table 1 (report on transition efforts and activities).**
- (b) Where a condition related to an assessment of the economic viability of an alternative or use/emission minimisation measure, the reporting would require to address the relevant economic data requirements identified in Section 4 below.**

4. Economic feasibility

Where a nomination has been approved on the basis of economic infeasibility of an alternative, the exemption holder should report on any significant changes to the underlying economics. This could include:

- (a) The purchase cost per kilogram of methyl bromide and of the alternative;**
- (b) Gross and net revenue with and without MeBr, and with the next best alternative.**
- (c) Losses as a percent of gross revenues if alternatives are used**
- (d) Absolute losses per hectare if alternatives are used**
- (e) Losses per kg of mebr requested if alternatives are used**
- (f) Losses as a percent of net cash revenue if alternatives are used**
- (g) Percent change in profit margin if alternatives are used**

Notes:

Where an exemption has been approved on the basis of economic infeasibility of an alternative, the exemption holder would have clearly described the nature of the economic infeasibility in their original nomination.

The economics of an alternative can be subject to change over time, and it is possible that these changes could impact on the exemption holder's claims that an alternative is not economically viable.

Noting that criteria for assessment of the economic feasibility of alternatives have not yet been agreed by the Parties, the seven data points identified above represent suggested guidance only at this time. As criteria are developed and approved by the Parties for inclusion in the TEAP/MBTOC Handbook, the data to be provided in annual reporting would reflect these criteria and any accompanying new data requirements.

5. Reduction in quantity of methyl bromide required

(a) Exemption holders should advise whether the number of hectares or cubic metres identified in their earlier nomination has changed. Where the number has reduced, the exemption holder should quantify any resultant change in the quantity of methyl bromide required.

Notes:

The critical use exemption Handbook requests pre-plant nominees to provide information on the number of hectares or cubic metres to be treated with methyl bromide.

In some cases, it is possible that the number of hectares or cubic metres to be treated could vary over time. As such variations can also change the quantity of methyl bromide required for the exemption, this Section provides the means to monitor such variations.

EXEMPTION QUANTITY DETAILS

Quantity requested in original nomination: _____

Quantity recommended by MBTOC/TEAP: _____

Quantity approved by Parties: _____

Quantity required for [year]: _____