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OPEN-ENDED WORKING GROUP OF THE PARTIES TO
THE MONTREAL PROTOCOL ON SUBSTANCES THAT
DEplete THE OZONE LAYER

Twenty-second meeting
Montreal, 23-25 July 2002

SUMMARY OF THE ISSUES ON THE AGENDA

Note by the secretariat

Introduction

1. The present note provides a summary for discussion by the Open-ended Working Group of the Parties to the Montreal Protocol on the issues related to items 3 to 8 of the provisional agenda for the twenty-second meeting of the Working Group (UNEP/OzL.Pro/WG.1/22/1). Recommendations made by the Working Group on the agenda items will be submitted to the fourteenth Meeting of the Parties to the Montreal Protocol, to be held in Rome in November 2002. Under item 3 of the provisional agenda the issues addressed in volumes 1 and 3 of the report of the Technology and Economic Assessment Panel (TEAP) of April 2002 are summarized. Items 5, 6 and 7 are covered in detail in meeting documents UNEP/OzL.Pro/WG.1/22/3, WG.1/22/4 and WG.1/22/5, respectively. Item 8 refers to the issue addressed in volume 2 of the TEAP report. The three volumes of that report have been communicated to all Parties. It is important that the Parties study the full TEAP report for its valuable suggestions, which are not repeated in the present summary.

Item 3 (a): Report of the Technology and Economic Assessment Panel on Campaign Production of chlorofluorocarbons (CFCs) for metered-dose-inhalers (MDIs) (decision XIII/10)

2. TEAP reviewed decision XIII/10 of the Parties to the Montreal Protocol and offered the following definitions regarding campaign production of CFCs for MDIs:

(a) Just-in-time supply: The supply of the quantity of CFCs required by an MDI-manufacturer to assure continuous production;

(b) Periodic campaign production: The operation of a CFC production plant during a defined time period to produce a specific quantity of pharmaceutical-grade CFCs for future use, after which the facility is switched over to produce another product(s) or shut down until further production of the desired CFC is required;

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(c) Final campaign production: The operation of a CFC production plant for a period of time to produce a specific quantity of pharmaceutical-grade CFCs for multiple-year use, after which the facility is irreversibly modified to produce a different product or dismantled;

(d) Pharmaceutical-grade CFCs: CFCs produced under Good Manufacturing Practices with sufficient purity so that they are acceptable to health regulatory authorities for use in human inhalation products. These regulations vary between countries.

3. TEAP believes that no changes to the Montreal Protocol or to the existing decision are required at present in order to permit final campaign production. Nonetheless, if final campaign production is to be undertaken in 2005, requiring a decision to be taken at the sixteenth Meeting of the Parties to the Montreal Protocol, to be held in 2004, to approve the multiple-year nominations, TEAP recommends that:

(a) Parties may wish to take a decision now that clarifies the timeline for submission of future projections of CFC requirements, for which final campaign production may be required;

(b) Parties may wish to consider a new decision requiring annual reporting of the use of any stockpile of CFCs created in a final production campaign;

(c) Furthermore, Parties may need to change national regulations in order to permit final campaign production. Such changes may require a significant time period to come into effect.

4. The Working Group may wish to discuss this matter and make any appropriate recommendation.

Item 3 (b). Final report on the progress made in reducing emissions of controlled substances from process agent uses and emissions-reduction techniques and alternative processes not using ozone-depleting substances (decision XIII/13)

5. Decision XIII/13 requests TEAP to finalize its evaluation on process agents (previously requested in decision X/14) and to report to the twenty-second meeting of the Open-ended Working Group. TEAP has received the previous reports of the Process Agent Task Force as well as newly available technical information and data, and has prepared a supplement to the April 2001 report of the Task Force and to its October 2001 supplement to the April 2001 Task Force report. Following the review, TEAP has (a) updated table A of decision X/14 with an improved four-part presentation; (b) improved the technical evaluation of table B of decision X/14; and (c) secured sponsorship for a periodic workshop where experts from process agent users and Governments can collaborate on further reductions and more accurate emissions reporting, including technological cooperation between article 5 and article 2 Parties to the Montreal Protocol.

6. Revised table A contains 44 processes identified as qualifying for process agents. TEAP recommends to consider or reconsider annually the use of ozone-depleting substances (ODS) as feedstock or process agents.

7. Regarding table B, TEAP recommends that the Parties require national Governments to certify that process agent emissions are negligible pending the development of harmonized practices for accurately estimating and reporting emissions from process agent inputs and process agents generated within chemical processes.

8. TEAP also recommends holding periodic workshops on reducing and more accurately reporting process agent emissions. These workshops would serve as a forum (a) to collaborate on monitoring and estimating emissions; (b) to share best practices to minimize emissions; and (c) to present not-in-kind alternatives to the use of process agents or products made with process agents.

9. The Working Group may wish to discuss this matter and make any appropriate recommendation.

Item 3 (c): Nominations by the Parties for essential-use exemptions for controlled substances

10. Seven Parties (Australia, the European Community, Japan, Poland, the Russian Federation, Ukraine and the United States of America) have applied for essential-use exemptions for MDIs applicable to the years 2003 and 2004. A summary of the recommendation of TEAP is given in the table below.

Essential-use nominations for 2003-2004 recommended by TEAP for consideration by
the Open-ended Working Group at its twenty-second meeting
(metric tonnes)

Party	2003	2004
	CFC-11, 12, 114	CFC-11, 12, 114
Australia	11.0	11.0
European Community	--	1,885.0
Japan	40.0	30.0
Poland <u>a/</u>	240.0	236.0
Russian Federation <u>b/</u>	396.0	--
Ukraine <u>c/</u>	--	
USA	--	2,975.0
Total	687.0	5,137.0

a/ TEAP recommends the nomination by Poland only for MDIs for asthma and chronic obstructive pulmonary disease. It does not recommend the nomination of 0.6 metric tonnes for nasal inhalers.

b/ The Russian Federation provided additional information regarding a nomination for 2002 and 2003 previously approved by the Parties.

c/ Ukraine provided additional information regarding the nomination submitted in 2001 for 2003 of 120.0 metric tonnes of CFC-11 and CFC-12. TEAP recommends approval of only the quantity used for MDIs and chronic obstructive pulmonary disease.

11. The Working Group may wish to discuss these matters and make any appropriate recommendation.

Item 3 (d) and (e): Report of the task force of the Technology and Economic Assessment Panel on the disposal of controlled substances (decision XII/8)

12. Further to decision XII/8, TEAP established two task forces, one on destruction technologies and another on the collection, reclamation and storage of controlled substances. The task forces each prepared a report, which have been communicated to all Parties as volume 3 of the TEAP report.

Item 3 (f): Other issues arising out of the report of the Technology and Economic Assessment Panel

A. Laboratory and analytical uses of ozone-depleting substances (decision X/19)

13. Three Parties (the European Community, Norway and Poland) have requested and been granted emergency exemptions for 2002 in order to continue the use of ODS for testing of oil, grease and total petroleum hydrocarbons in water. These Parties are in the process of changing over from analytical procedures using ODS to non-ODS procedures (the traditional infrared method and a new infrared method mentioned in the TEAP report).

14. No new non-ODS methods have been forthcoming in 2002 which would enable TEAP to recommend the elimination of further uses of controlled substances for laboratory and analytical uses.

15. The Parties may wish to take note of the TEAP report on laboratory and analytical uses of ODS.

B. Progress reports by the technical options committees of the Technology and Economic Assessment Panel (decision IV/13)

16. Volume 1 of the TEAP report of April 2002 contains the progress reports of the following technical options committees covering new developments since the TEAP report of April 2001, as requested in decisions IV/13 and VII/34:

- (a) Aerosol, Sterilants, Miscellaneous Uses and Carbon Tetrachloride Technical Options Committee;
- (b) Flexible and Rigid Foams Technical Options Committee;
- (c) Methyl Bromide Technical Options Committee;
- (d) Refrigeration, Air Conditioning and Heat Pumps Technical Options Committee;
- (e) Solvents, Coatings and Adhesives Technical Options Committee.

17. The Parties may wish to take note of the progress reports of the technical options committees.

C. Essential-use nominations for controlled substances for 1996 and beyond (decision VII/28)

18. In accordance with decision VII/28, paragraph 2(a) and (b), TEAP reviewed the essential use nominations for MDIs for asthma and chronic obstructive pulmonary disease received in 2002 and concluded that MDIs containing CFCs remained essential for patients' health until an adequate range of technically and economically feasible alternatives were available. As the transition to CFC-free MDIs progresses and the CFC volume requirements continue to decline, it will be critical to review the need for new CFC production and balance this with the depletion of CFC reserves and the continued introduction of alternatives. TEAP will continue to monitor the changing market situation. However, TEAP recommends that, as the launching of new CFC-free MDIs is continuing, the Parties may wish to continue to monitor and manage their own acquisition and usage of CFCs and essential-use exemptions, and adjust them as necessary.

19. The Parties may wish to take note of the TEAP recommendation on this matter.

D. Annual report on n-propyl bromide (nPB) use and emissions (decision XIII/7)

20. In response to decision XIII/7, TEAP presented an update on the most recent available data on the use and emission of n-propyl bromide (nPB).

21. TEAP reports that, owing to uncertain toxicity and probable environmental restrictions on the use of nPB and the prevailing economic conditions, the nPB market has not developed significantly since April 2001.

22. The Parties may wish to take note of the TEAP information on nPB.

E. Handbook on Critical Use Nominations for Methyl Bromide (decision XIII/11)

23. In decision XIII/11, the Parties requested TEAP to finalize the Handbook on Critical Use Nominations for Methyl Bromide by January 2002, and the secretariat to post the Handbook on its web site as soon as possible. The Handbook is being communicated to the Parties under a separate cover from the 2002 TEAP report and also posted on the ozone secretariat's web site as requested in paragraph 4 of decision XIII/11.

24. The Handbook describes the nomination process for critical use exemptions. It is based on the process for essential-use exemptions as it has evolved through the Montreal Protocol articles and decisions of the Parties; the procedures followed under the Montreal Protocol, and the experience of TEAP and its Methyl Bromide Technical Options Committee in managing the essential-use process to date. The Handbook contains three sections: (a) review of the critical-use process; (b) instructions for the completion of critical-use nominations; and (c) appendices on the relevant provisions of the Montreal Protocol, relevant decisions of the Parties and suggested critical-use nomination forms.

25. The Parties may wish to take note of the Handbook on Critical Use Nominations for Methyl Bromide.

F. Organization and functioning of the Technology and Economic Assessment Panel
(decision VIII/19)

26. Further to decision VIII/19 and annex V to the report of the eighth Meeting of the Parties to the Montreal Protocol, TEAP reported on its operations and the background of all its members. The members who participated in the preparation of the May 2002 report were: Radhey S. Agarwal (India), Stephen O. Andersen (United States), Paul Ashford (United Kingdom), Jonathan Banks (Australia), Walter Brunner (Switzerland), Jorge Corona (Mexico), László Dobo (Hungary), Yuichi Fujimoto (Japan), Ahmad H. Gaber (Egypt), Barbara Kucnerowicz-Polak (Poland), Lambert Kuijpers (Netherlands), Mohinder P. Malik (Germany), Nahum Marban Mendoza (Mexico), E. Thomas Morehouse (United States), José Pons-Pons (Venezuela), Miguel Quintero (Colombia), K. Madhava Sarma (India), Gary M. Taylor (Canada), Helen Tope (Australia), Ashley Woodcock (United Kingdom) and Shiqiu Zhang (China).

27. The Parties may wish to take note of the TEAP report and acknowledge the contribution of its members to the report.

Item 4: Modalities for the review in 2003 of the non-compliance procedure for the implementation of the Montreal Protocol (decision X/10)

28. In 1998 the Parties, at their tenth Meeting, by adoption of decision X/10, agreed to the changes in the non-compliance procedure presented by the Ad Hoc Working Group of Legal and Technical Experts on Non-Compliance, established by decision IX/35 of the ninth Meeting of the Parties. In paragraph 5 of decision X/10, the Parties agreed to consider, unless they decide otherwise, the operation of the non-compliance procedure again no later than the end of 2003. If the Parties intend to review the non-compliance procedure in 2003, they may wish to consider modalities for that review in 2002.

29. The Working Group may wish to consider this issue and make any appropriate recommendation.

Item 5: Report of the secretariat on precedents in other conventions for the purpose of determining any expedited procedures for adding new substances to the Montreal Protocol (decision XIII/6)

30. Decision XIII/6 of the Parties to the Montreal Protocol, entitled "Expedited procedures for adding new substances to the Montreal Protocol," requested the ozone secretariat to compile precedents in other conventions regarding the procedures for adding new substances and to provide a report at the twenty-second meeting of the Open-ended Working Group, in July 2002. The Parties had also adopted the following decisions on this issue: IX/24, "Control of new substances with ozone-depleting potential;" X/8, "New substances with ozone-depleting potential;" XI/19, "Assessment of new substances;" and XIII/5, "Procedures for assessing the ozone-depleting potential of new substances that may be damaging to the ozone layer."

31. The report of the secretariat contained in document UNEP/OzL.Pro/WG.1/22/3, considers a number of multilateral environmental agreements that contain lists of particular chemical substances or species of animals and/or plants which those agreements control or regulate in some way, and describes how these lists may be modified. Sections B, C, D and E of the report cover four multilateral environmental agreements

which are now in force, whereas sections F, G and H consider a further three which have been agreed but have not yet entered into force. For purpose of comparison, section A covers the Montreal Protocol itself.

32. The Working Group may wish to consider the report and make any appropriate recommendations.

Item 6: Study undertaken by the secretariat on monitoring of international trade and prevention of illegal trade in ozone-depleting substances (decision XIII/12)

33. The study contained in document UNEP/OzL.Pro/WG.1/22/4 was prepared by the secretariat, with consultancy assistance from the Royal Institute of International Affairs of the United Kingdom, based on decision XIII/12 of the thirteenth Meeting of the Parties to the Montreal Protocol on monitoring of international trade and prevention of illegal trade in ozone-depleting substances, mixtures and products containing ozone-depleting substances. The decision requested the ozone secretariat, in consultation, as appropriate, with TEAP, the World Customs Organization, the United Nations Environment Programme, Division of Technology, Industry and Economics and the World Trade Organization to undertake a study and present a report with practical suggestions on the issues contained in decision XII/10 to the Open-ended Working Group at its twenty-second meeting, in 2002, for consideration by the Parties in 2002. The terms of reference for the study are contained in decision XII/10, which is reproduced in annex I of the study.

34. The Working Group may wish to consider the report and make any appropriate recommendations.

Item 7: Final report by the treasurer and the secretariat of the Multilateral Fund on the implementation of the fixed exchange rate mechanism and determination of the impact of the mechanism on the operations of the Multilateral Fund for the Implementation of the Montreal Protocol and on the funding of the phase-out of ozone-depleting substances in article 5 Parties for the triennium 2000-2002 (decision XIII/4)

35. The final report contained in document UNEP/OzL.Pro/WG.1/22/5 has been prepared by the treasurer and the secretariat of the Multilateral Fund, in accordance with decision XIII/4 of the thirteenth Meeting of the Parties on the review and implementation of the fixed exchange rate mechanism, and determination of the impact of the mechanism on the operations of the Multilateral Fund and on the funding of the phase-out of ODS in article 5 Parties for the triennium 2000-2002.

36. The Working Group may wish to consider the report and make any appropriate recommendations.

Item 8: Assessment report of the Technology and Economic Assessment Panel on the funding requirement for the 2003-2005 replenishment of the Multilateral Fund (decision XIII/1)

37. Further to decision XIII/1, TEAP has prepared an assessment report on the funding requirement of the 2003-2005 replenishment of the Multilateral Fund. The report has been communicated to all Parties as volume 2 of the April 2002 TEAP report. Pursuant to decision XIII/2 of the thirteenth Meeting of the Parties, the Ad Hoc Working Group on the 2003-2005 Replenishment of the Multilateral Fund will meet following the twenty-second meeting of the Open-ended Working Group to provide initial feedback to TEAP as well as advice on sensitivity analysis. The Working Group may wish to consider the TEAP report.
