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**Seventh meeting of the Conference
of the Parties to the Vienna
Convention for the Protection
of the Ozone Layer**

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

Dakar, 12–16 December 2005

**Issues for discussion by and information for the attention of the Conference
of the Parties and the Meeting of the Parties**

Note by the Secretariat

Introduction

1. The present note provides, in chapter I, a summary for delegates of issues that are expected to be discussed by the Conference of the Parties to the Vienna Convention and the Meeting of the Parties to the Montreal Protocol. Chapter II of the note contains information regarding specific requests that have been made by the Parties and issues that the Secretariat would like to bring to the attention of the Parties.

I. Substantive issues to be considered by the Parties

A. Issues relating exclusively to the Vienna Convention, or to both the Vienna Convention and the Montreal Protocol

1. Status of ratification of the Vienna Convention, the Montreal Protocol and amendments to the Montreal Protocol.

2. As of 5 October 2005, there were 190 Parties to the Vienna Convention, 189 Parties to the Montreal Protocol, 179 Parties to the London Amendment, 168 Parties to the Copenhagen Amendment, 134 Parties to the Montreal Amendment and 97 Parties to the Beijing Amendment. An updated document reviewing the status of ratifications will be distributed at the forthcoming joint meeting. At their meetings, the Parties typically adopt decisions urging countries to ratify all instruments to which they are not yet party. A draft decision to this effect has been prepared for consideration by the Parties and can be found in chapter III of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. At the

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preparatory segment of the meeting, Parties may wish to consider whether they would like to include this draft decision among those that will be put forward for adoption at the high-level segment of the meeting.

2. Presentation and consideration of the report of the sixth meeting of the Ozone Research Managers of the Parties to the Vienna Convention

3. In accordance with decisions I/6 and III/8 of the Conference of the Parties to the Vienna Convention, every three years, the Secretariat, in cooperation with the World Meteorological Organization (WMO), convenes a meeting of the Parties' Ozone Research Managers. This year, the sixth meeting of the Ozone Research Managers was held from 19 to 21 September in Vienna. Ozone Research Managers from 58 Parties attended the meeting, at which they reviewed their current ozone research and monitoring efforts and discussed additional research and monitoring needs. The results of their work can be found in the report of the sixth meeting of the Ozone Research Managers (WMO Global Ozone Research Monitoring Project, Report No. 48), which will be made available to the Parties upon its finalization.

4. Those results include a number of specific recommendations, which fall within the following categories: systematic observations, research needs, data archiving and capacity-building. The specific recommendations are being put forward for consideration by the Conference of the Parties to the Vienna Convention in document UNEP/OzL.Conv.7/6. At the preparatory session, Parties may wish to consider those recommendations and to take action as appropriate.

3. Financial reports and budgets for 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

5. The Ozone Secretariat services both the Montreal Protocol and the Vienna Convention, and it operates under individual budgets for each, with some shared budget lines. The budget for the Montreal Protocol is considered annually, while the budget for the Vienna Convention is considered once every three years, concurrently with the meeting of the Conference of the Parties to that Convention. In accordance with the related requirements, the Secretariat has circulated financial reports for both the Vienna Convention and Montreal Protocol trust funds, as well as budgets for each, contained in documents UNEP/OzL.Conv.7/4 and 5 and UNEP/OzL.Pro.17/4 and 5. This year the meeting will have to take final decisions on the 2006–2008 budget for the Vienna Convention and the 2006 budget for the Montreal Protocol. The Parties traditionally establish a budget committee to review the budget and make recommendations to the high-level segment of the Meeting. At the preparatory segment of the Meeting, the Parties may wish to establish that budget committee to facilitate preparation of a budget decision for consideration and transmission to the high-level segment.

4. Report by the Ozone Secretariat on the status of the trust fund for financing activities on research and systematic observations relevant to the Vienna Convention and related institutional arrangements

6. In decision VI/2 of the Conference of the Parties to the Vienna Convention, the United Nations Environment Programme (UNEP) was requested, in consultation with WMO, to establish an extrabudgetary fund for receiving voluntary contributions from the Parties and international organizations for the purpose of funding certain research and observation activities related to the Convention in developing countries and countries with economies in transition. In that same decision, the Secretariat was requested, among other things, to inform the Parties of the institutional arrangements for making decisions on the allocation of related funds, with a specific proposal to meet the requirements identified in the decision. It also called on the Parties to review the institutional arrangements, taking into account the developments and requirements within other conventions, and the desirability of avoiding duplication of efforts.

7. Regarding the institutional arrangements for the trust fund, the trust fund was established in February 2003 with a five-year term ending 31 December 2007. As the upcoming meeting of the Conference of the Parties to the Vienna Convention is the last meeting prior to the expiration of the trust fund, the trust fund will expire at the end of 2007 unless the Parties take a decision to request the secretariat to extend it. The terms of reference for the administration of the trust fund were circulated to all Parties in March of 2003 together with an invitation to make voluntary contributions to the fund. Regarding the arrangements for making decisions on the allocation of funds, the Ozone Secretariat and

WMO have agreed on a memorandum of understanding on this matter, which is contained in annex I to the present note. The terms of that memorandum of understanding, which is being put before the Parties, are designed to constitute the specific proposal called for by decision VI/2 referred to above.

8. Where its operation is concerned, the trust fund has received the following contributions and interest income as at 31 December 2004:

	US\$
Finland	11,838
Kazakhstan	1,500
United Kingdom of Great Britain and Northern Ireland	17,538
Interest	447
Total	31,323

A contribution of \$6,306 was subsequently received from Spain and an additional contribution of \$1,500 was subsequently received from Kazakhstan. A complete list of contributions received in 2005 will be presented at the next Meeting of the Conference of the Parties.

9. The first expenditure from the fund was a \$15,000 cash advance made to WMO to meet key needs identified by the Ozone Research Managers at their fifth meeting, in particular the need for assistance in the calibration of monitoring equipment to ensure accurate and timely monitoring. In that regard, a highly successful workshop on the calibration of monitoring equipment was carried out in Egypt from 23 February to 12 March 2004. A report of the workshop is available on the Ozone Secretariat website and will be available as a background document at the meeting. The National Oceanic and Atmospheric Administration of the United States and the Dobson Calibration Centre of the WMO Global Atmospheric Watch provided the necessary instrumentation and conducted the seminar with the assistance of the German weather service and the Czech Hydro-meteorological institute. The Egyptian Meteorological Authority hosted the event. The workshop facilitated the calibration of Dobson spectrometers from seven countries in Africa (Algeria, Botswana, Egypt, Kenya, Nigeria, Seychelles and South Africa). A second activity is currently being prepared by WMO and information on that activity will be reported to the Parties when it is ready.

10. At the preparatory segment of the meeting, the Parties may wish to review the report on the trust fund, as outlined above, including the institutional arrangements as per annex I and the activity carried out under the fund, to decide whether to extend the current trust fund, and to consider requesting the Secretariat to prepare a draft decision putting forward the agreed view reached at the preparatory segment for consideration at the high-level segment.

B. Discussion on Montreal Protocol-related issues

1. Essential-use nominations for non-Article 5 Parties

11. At their sixteenth Meeting, the Parties to the Protocol approved the 2006 essential-use nominations of the European Community and the United States of America "subject to a second review of the 2006 levels consistent with the requirements of decision XV/5". That decision required, among other things, that nominating parties submit plans for the phase-out of metered-dose inhalers the sole ingredient of which is salbutamol. All nominating Parties have submitted plans, which may be viewed in full on the Secretariat's website.

12. At its twenty-fifth meeting, the Open-ended Working Group of the Parties to the Montreal Protocol heard a presentation from the Technology and Economic Assessment Panel, which reviewed the plans and put forward the Panel's new recommendations on the 2006 and 2007 nominations that had been received. The tables that follow summarize both the nominations received and the Panel's initial recommendations on those nominations.

Table 1: Essential-use nominations for non-Article 5 Parties for 2006

Party	2006 nominated	2006 amounts authorized in 2004	2006 recommended after second review
European Community	550/539 tonnes ^a	550 tonnes	539 tonnes, including 181 tonnes for salbutamol CFC MDIs for export to non-Article 5, paragraph 1, Parties
United States of America	1,900/1,702 tonnes ^b	1,900 tonnes	1,242 tonnes for 2006, minus any available pre-1996 stockpiles that satisfy United States regulatory requirements sold into the United States market for use in MDIs, plus up to 180 tonnes if salbutamol CFC MDIs are not imported from the European Community in 2006
Russian Federation	286 tonnes	Unable to assess	Upward revised quantity of 400 tonnes

a. In January 2005, the European Community submitted a new downward request of 539 tonnes for 2006 based on a revised estimate of need. The recommendation includes 180 tonnes for export of salbutamol to non-Article 5 Parties.

b. The original quantity of 1,900 tonnes authorized by the Parties in 2004, and subject to review, was revised to 1,702 tonnes in a letter from the United States Environmental Protection Agency dated 25 April 2005 and received by the Technology and Economic Assessment Panel during its 2005 meeting.

Table 2: Initial review of essential-use nominations for 2007 submitted by non-Article 5 Parties (in metric tonnes)

Party	2007	Recommendation for 2007 requests
	Nominated	
Russian Federation	243 tonnes	Unable to recommend exemption for 2007 at this time, with an assessment in 2006 if a nomination for 2007 is submitted
United States of America	1,483 tonnes	Unable to recommend exemption for 2007 at this time, with an assessment in 2006 if a nomination for 2007 is submitted

13. The Open-ended Working Group discussed these and other issues raised by the Technology and Economic Assessment Panel on the matter of essential uses, and on the basis of those discussions, the European Community and the United States of America each proposed decisions on the issue. The Open-ended Working Group agreed that both proposals should be put forward for consideration by the Seventeenth Meeting of the Parties. Those proposed decisions can be found in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. At the preparatory segment of the meeting, the Parties may wish to consider related matters and decide on how to put this issue forward for consideration by the Seventeenth Meeting of the Parties.

2. Consideration of methyl bromide-related issues

(a) Presentation and consideration of the 2005 supplemental report of the Methyl Bromide Technical Options Committee, including the Parties' 2006 and 2007 nominations for critical use exemptions

14. Pursuant to paragraph 2 of decision IX/6 and decision XIII/11, 89 new 2006 and 2007 nominations for critical use exemptions for methyl bromide were submitted early in 2005 by 15 Parties. The Open-ended Working Group considered the initial Methyl Bromide Technical Options Committee recommendations on those nominations, noting that a significant number of nominations were still in the "unable to assess" category, and that bilateral discussions would be held between the Committee and the nominating Parties in an effort to clear up related outstanding issues prior to the Committee's August meeting and the Seventeenth Meeting of the Parties. In that context, several Parties met with the Methyl Bromide Technical Options Committee in the margins of the meeting of the Open-ended Working Group, and several others availed themselves of the opportunity to submit additional information to the Committee. All of this information was considered by the Committee at its second meeting, held from 29 August to 2 September 2005 in Melbourne, Australia. The Committee's final

recommendations on the 2006 and 2007 critical use nominations can be found in table 4 of its 2005 supplemental report. The following table summarizes the actions recommended by the Committee on an aggregate party-by-party basis.

Table 3: Summary of critical-use nominations for methyl bromide for consideration by the Parties at their Seventeenth Meeting, by country and aggregated (quantities in metric tonnes)

Party	Number of nominations		Total quantity nominated		Recommendations as contained in the TEAP/MBTOC final report on critical-use nominations			
					Total quantity not recommended for approval		Total quantity recommended for approval	
	2006	2007	2006	2007	2006	2007	2006	2007
Australia		2		41.9		1.23		40.67
Belgium	28		41.72		23.145		18.575	
Canada		3		39.988				39.988
Germany	2		19.45				19.45	
Greece	6		120.236		0.555		119.681	
Ireland	1		0.888				0.888	
Italy	1		130		65		65	
Japan	5	7	85.3	651.7		15.528	85.3	636.172
Latvia	1		2.502				2.502	
Malta	4		1.103				1.103	
Netherlands	1		0.12				0.12	
Poland	1		2.16				2.16	
Portugal	1		8.75				8.75	
Spain	1		50		7.935		42.065	
United Kingdom	9		32.966		1.51		31.456	
United States	1	16	7.07	7,417.999		668.418	7.07	6,7490.06*
TOTAL	62	28	502.265	8,151.587	98.145	685.176	404.12	7,465.89

* Recommended by the Methyl Bromide Technical Options Committee at its meeting in August 2005, except by a minority of three members (see section 2.4.2 of the Committee's October 2005 report).

15. The October 2005 report of the Methyl Bromide Technical Options Committee includes the Committee's work plan for 2006 and the standard presumptions that underlie its recommendations. It also includes proposed changes to those standard presumptions for future submissions. The sixteenth Meeting, the Parties agreed that the standard presumptions needed to be transparent, technically and economically justified, clearly stated in the Committee's reports, and submitted for approval by each Meeting of the Parties. At the twenty-fifth meeting of the Open-ended Working Group, some Parties noted that they had issues with the currently used presumptions, and the Open-ended Working Group took note of the fact that the Methyl Bromide Technical Options Committee intended to recommend some new presumptions for consideration by the Seventeenth Meeting of the Parties. Those presumptions are included in section 4.5 of the October 2005 report of the Methyl Bromide Technical Options Committee.

16. The preparatory segment of the meeting may wish to consider related matters and decide how to put this issue forward for consideration by the Seventeenth Meeting of the Parties.

(b) Consideration of the handbook on critical-use nominations

17. At their Sixteenth Meeting, the Parties agreed that they would take up the approval of the revised critical-use handbook at their Seventeenth Meeting. A draft revised handbook was made available to the Open-ended Working Group at its twenty-fifth meeting, and it was agreed that Parties with concerns or comments on that document should send in their comments to the Methyl Bromide Technical Options Committee, so that they could be taken into account in the preparation of a final proposal, which would be submitted to the Seventeenth Meeting of the Parties. The revised handbook, which is being put forward to the Seventeenth Meeting of the Parties for adoption, will be made available to the Parties as soon as it is received by the Secretariat.

18. The preparatory segment of the meeting may wish to consider related issues and to take action as appropriate.

(c) Multi-year exemptions for methyl bromide use (decision XVI/3)

19. The Fifteenth and Sixteenth Meetings of the Parties considered the issue of criteria for the approval of multi-year critical use exemptions for methyl bromide. The Sixteenth Meeting of the Parties adopted decision XVI/3, in which it decided that it would elaborate as far as possible, at the Seventeenth Meeting of the Parties, a framework for spreading a critical-use exemption over more than one year, taking into account a large number of specific elements delineated in the decision.

20. At its twenty-fifth meeting, the Open-ended Working Group discussed a proposal from the United States of America and agreed that the proposal should be forwarded for consideration by the Meeting of the Parties. That proposal is reproduced in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. At the preparatory segment of the meeting, the Parties may wish to consider related matters and to take action as appropriate.

(d) Laboratory and analytical uses of methyl bromide

21. At the twenty-fifth meeting of the Open-ended Working Group, the European Community put forward a proposal to include methyl bromide on the list of controlled substances covered by the laboratory and analytical use exemptions subject to the conditions applied to such exemptions that were agreed by the sixth Meeting of the Parties. The Open-ended Working Group agreed that this proposal should be put forward for consideration by the Seventeenth Meeting of the Parties. That proposal is reproduced in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. At the preparatory segment of the meeting, the Parties may wish to consider this proposal and to take action as appropriate.

(e) Recapturing, recycling and destruction of methyl bromide from space fumigation

22. At the twenty-fifth meeting of the Open-ended Working Group, New Zealand submitted a draft proposal that would encourage Parties deploying or planning to deploy measures to recapture, recycle, destroy or reduce emissions from methyl bromide space fumigation applications to submit details of such measures – including the efficacy of the destruction removal efficiency and economic feasibility – to the Technology and Economic Assessment Panel to enable the information to be posted on the Panel’s website and included in its 2006 report. The Working Group agreed that this proposal should be forwarded for consideration by the Seventeenth Meeting of the Parties. It can be found in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. At the preparatory segment of the meeting, the Parties may wish to consider this proposal and to take action as appropriate.

3. Replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol

23. At their Sixteenth Meeting, the Parties adopted decision XVI/35, directing the Technology and Economic Assessment Panel to perform a study on the replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol for the period 2006–2008, in accordance with the terms of reference contained in that decision. The Panel established a replenishment task force, which prepared a report that was distributed as volume 2 of the Panel’s 2005 report. That report provided estimates for all the cost elements of the funding requirement for the 2006–2008 replenishment of the Multilateral Fund, including the cost related to investment projects to phase out consumption and production completely (including bilateral programmes), non-investment activities, administrative costs, project preparation costs, core unit funding for implementing agencies, operating costs of the Multilateral Fund secretariat and costs of holding meetings of the Executive Committee, as well as Treasurer’s fees. Based on its analysis, the replenishment task force initially estimated that a total of \$419.44 million would be needed to enable the Parties operating under Article 5, paragraph 1, to comply with the control schedules under the Montreal Protocol.

24. The initial report also noted that, if the Parties were to agree on an adjustment to the methyl bromide phase-out schedule corresponding to the proposal put forward by the European Community at the Fifteenth Meeting of the Parties (namely, to add interim reduction steps in 2008, 2010 and 2012 into the methyl bromide phase-out schedule that applied to Parties operating under Article 5), an additional amount of \$10.58 million (including agency support costs) would have to be added to the total amount given above.

(a) **Presentation and consideration of the supplemental report of the Technology and Economic Assessment Panel replenishment task force**

25. At the twenty-fifth meeting of the Open-ended Working Group, the Parties considered the report of the task force and established a contact group to work in greater detail on related issues. On the basis of the report of the contact group, the Working Group agreed to request the task force to prepare a supplemental report which would include and take cognizance of, first, a table and narrative breaking down non-investment components; second, a further review of relevant information pertaining to carbon tetrachloride; third, any decisions of the forty-sixth meeting of the Executive Committee of the Multilateral Fund regarding, but not limited to, products concerning hydrochlorofluorocarbons (HCFCs), chillers, and destruction technologies; and, fourth, a corrected executive summary including a table with figures showing budgets allocated, as well as ozone-depleting substances phased out and projected to be phased out for the 2003–2008 replenishment periods. The working group also agreed to suggest that the Seventeenth Meeting of the Parties should look into the funding need associated with the possible accession of new Parties to the Protocol over the period 2006–2008. The work of the replenishment task force has now been completed, and the table which follows highlights the differences between the estimates provided in its latest report and those in the May 2005 report presented to the Open-ended Working Group.

Table 4: Summary of all elements that determine the 2006–2008 funding requirement

Type of projects	Investment (\$ million)	Agency support cost (\$ million)	Subtotal (\$ million)	Funding as estimated May 2005
a. Investment projects				
Consumption sector				
• Multi-year CFC, existing ^{1*}	53.189	4.362	57.551	55.402
• Non-LVCs with no plans (yet) ²	10.292	0.772	11.064	12.902
• LVC - TPMPs, existing	1.218	0.115	1.333	1.333
• LVCs funding after 2007 (TPMP conversion) (Dec. 45/54)	30.895	2.780	33.675	33.675
• MDI and pharmaceutical aerosols in non-LVCs ³	25.616	2.012	27.628	21.340
• MB (existing)	10.276	0.809	11.085	11.085
• MB (new) ⁴	11.758	1.039	12.797	14.947
• Halon	0.954	0.069	1.023	1.023
• CTC phase-out, existing ⁵	26.002	2.111	28.113	28.552
• CTC, new ⁶	26.219	2.003	28.222	28.222
• CTC (and TCA) contingency	6.000	0.450	6.450	6.450
• TCA phase-out	0.413	0.038	0.451	0.451
• BCM phase-out	0.700	0.054	0.754	0.754
Subtotal	203.532	16.614	220.146	216.436
b. Investment projects				
Production sector				
• Closure CFC production plants ⁷	82.708	6.203	88.911	89.716
• Closure Halon production plants (China)	0.800	0.060	0.860	0.860
• Closure CTC production plants ⁸	17.674	1.326	19.000	18.478
• Closure TCA production plants	0.700	0.0525	0.7525	0.7525
• Closure CTC/MB plant ⁹	0.900	0.068	0.968	–
• Closure MB production plant	3.000	0.225	3.225	3.225
Subtotal	105.782	7.935	113.717	113.031
c. Non-investment projects, supporting activities				
• CAP ¹⁰ (Personnel, clearinghouse and information exchange)	23.706	1.922	25.628	26.614
• Awareness raising	0.600	0.078	0.678	0.678
• Institutional strengthening (IS)	22.872	0.900	23.772	23.672
• Halon banking	1.500	0.120	1.620	1.620
• MB non-investment act.	1.000	0.090	1.090	1.090
• MDI transition strategies	1.080	0.097	1.177	1.177
• Technical assistance	4.840	0.421	5.261	4.186
• Demonstration ¹¹				
Subtotal	55.598	3.628	59.226	59.127

¹ Small changes in the funding requirement were determined as a result of a change in project number.

² Small changes in the funding requirement were determined as a result of a change in project number.

³ Based upon re-calculation of funding requirement for MDI conversion in one country.

⁴ Based upon re-calculation of funding requirement due to early submission of one project in 2005, expected for the next triennium.

⁵ Small changes in the funding requirement were determined as a result of refined calculations.

⁶ Based upon an estimate determined by the replenishment task force (different from Business Plan).

⁷ Small changes in the funding requirement were determined as a result of refined calculations.

⁸ Small changes in the funding requirement were determined as a result of refined calculations.

⁹ Project was inadvertently not considered in the May 2005 report due to a different consideration of the consumption sector in the country.

¹⁰ The amount for the CAP programme had to be re-calculated due to the fact that the assumption of the disbursement of money for annual programmes in the same year (as in the May report) had to be changed.

¹¹ The amount includes funds for additional HCFC survey projects.

Type of projects	Investment (\$ million)	Agency support cost (\$ million)	Subtotal (\$ million)	Funding as estimated May 2005
d. Other funding requirements				
<input type="checkbox"/> Multilateral Fund Executive Committee and services of the MLF secretariat	12.825		12.825	<i>12.825</i>
<input type="checkbox"/> Treasurer's Fees	1.500		1.500	<i>1.500</i>
<input type="checkbox"/> Agencies Core Unit Funding ¹²	<i>15.600</i>		15.600	<i>13.500</i>
e. Other funding requirements				
Project preparation costs	3.020		3.020	<i>3.020</i>
f. New requirements				
▪ Demonstration of "destruction" via four (national or regional) projects ¹³	<i>4.000</i>	<i>0.300</i>	4.300	–
Totals	<i>401.857</i>	<i>28.477</i>	430.334	<i>419.438</i>
Current estimate of the total funding requirement for the 2006–2008 replenishment of the Multilateral Fund			430.33	
Range of the total funding requirement based on assumptions in respect of submissions at the 47th Executive Committee meeting			404.9-473.2	
Total funding requirement estimated in the May 2005 report			419.44	

* Figures in the first three columns in italics denote changes from the values given in the May 2005 RTF report.

26. The supplemental report of the replenishment task force is in the process of being finalized, and will be made available to the Parties as soon as it is completed.

(b) Fixed exchange rate mechanism for the replenishment of the Multilateral Fund

27. For the last two replenishments of the Multilateral Fund, the Parties have agreed on a fixed exchange rate mechanism with the objective of promoting the timely payment of contributions and ensuring that there is no adverse impact on the level of available resources of the Multilateral Fund.

28. At the twenty-fifth meeting of the Open-ended Working Group, the European Community proposed that the fixed exchange rate mechanism be extended for a further trial period of three years to cover the 2006–2008 replenishment period, and that the use of the fixed exchange rate mechanism during that period should be subject to a number of understandings which were delineated in the proposal. The Working Group agreed that the proposal should be forwarded for consideration by the Seventeenth Meeting of the Parties. It can be found in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

4. Process agent issues

29. In decision XV/7, the Technology and Economic Assessment Panel was requested to review specific applications submitted by Parties against the criteria included in decision X/14 for process agents, and to make recommendations annually on uses that could be added to or removed from table A of decision X/14. On that basis, in 2004, the Panel and its process agents task force reviewed several nominations and concluded that all the processes reviewed met the criteria required for their designation as process agents. At the twenty-fifth meeting of the Open-ended Working Group, the Parties discussed the Panel's reaffirmation that each of those nominations met the criteria for designation as a process agent use.

30. Regarding one of those specific uses, the Technology and Economic Assessment Panel reported that new information submitted by the United States of America showed that the plant related to the agreed process agent use had expanded through several stages since the commencement of its operation in 1985. Accordingly, the Panel suggested that the determination of whether this specific plant qualified for the process agent exemption could depend on the Parties' interpretation of decision X/14, which in

¹² Core unit funding was increased by the Executive Committee at its forty-sixth meeting

¹³ Demonstration projects have been added compared to the May report (see chapter 5 of the report)

paragraph 7 stated: “Parties should not install or commission new plant using controlled substances as process agents after 30 June 1999, unless the Meeting of the Parties has decided that the use in question meets the criteria for essential uses under decision IV/25.”

31. Following discussion of the issue, a proposal was put forward by the European Community and another Party expressed its intent to put forward a draft decision. The proposal by the European Community is contained in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3. The Seventeenth Meeting of the Parties may wish to consider related matters and to take action as appropriate.

32. Under the agenda item dealing with process agents, the Open-ended Working Group also heard the findings or recommendations from the Technology and Economic Assessment Panel regarding several new submissions. These included a recommendation that table B of decision XV/7 be updated to reflect any changes made to table A and that Israel be included in table B because its use of carbon tetrachloride (CCl₄) for removing nitrogen trichloride (NCl₃) in the production of chlorine was a well known process agent use, a recommendation that a decision be taken on the status (either process agent use, limited emergency use, or continuing annual emergency use exemption) of the European Community’s continuing request to authorize the use of the eight litres of carbon tetrachloride required for the manufacture of radiolabelled cyanocobalamin, and a recommendation that Turkey’s use of bromochloromethane in the production of sulfamyllicine be considered a feedstock use. Regarding the submission by Turkey, the Secretariat would like to inform the Parties that, since the twenty-fifth meeting of the Open-ended Working Group, the Secretariat has passed on to the Technology and Economic Assessment Panel a letter from Turkey providing information in support of its belief that its use is not a feedstock but is in fact a process agent use.

33. The Seventeenth Meeting of the Parties may wish to consider related matters and to take action as appropriate.

34. Finally, at its twenty-fifth meeting, the Open-ended Working Group heard a presentation on the process agent uses that had been listed in decision XV/7 as process agent uses for 2005 and 2006 only, pending a reconsideration this year. That reconsideration was to be based on specific information to be reported by the relevant Parties. While the Technology and Economic Assessment Panel stated that no new information from related Parties has been put forward on those uses, it also noted that a recent Executive Committee report on process agents (see document UNEP/OzL.Pro.WG.1/25/INF/4) had surveyed 26 countries, including those Parties operating under Article 5 that have process agent uses listed in the table in decision XV/7. The study noted that three Parties operating under Article 5 accounted for 97 per cent of the total consumption in that area, and that each of those Parties had national carbon tetrachloride phase-out plans either already in place or in prospect for new uses. Accordingly, and while noting data discrepancies in that area, the Chemical Uses Technical Options Committee cited the Executive Committee report to the effect that the related consumption for identified process agent uses would cease in those countries when the related Multilateral Fund phase-out plans were completed.

35. Since the twenty-fifth meeting of the Open-ended Working Group, further information has been submitted by the People’s Democratic Republic of Korea and Romania on their requests for process agents and Brazil has resubmitted its request. In addition, the Secretariat received a letter from the Government of Argentina, withdrawing its earlier request for consideration of use of bromochloromethane in the production of losartan potassium as a process agent.

36. The Seventeenth Meeting of the Parties may wish to consider the related matters and to take action as appropriate.

5. Consideration of the assessment report of the Technology and Economic Assessment Panel and the Intergovernmental Panel on Climate Change as it relates to actions to tackle ozone depletion

37. At its twenty-fifth meeting, the Open-ended Working Group heard a presentation by the Technology and Economic Assessment Panel and the Intergovernmental Panel on Climate Change (IPCC) that included the ozone-related suggestions contained in the special report on climate and ozone issues. The primary ozone-related opportunity suggested in the special report related to the reduction of emissions from banked ozone-depleting substances through improved containment of substances; reduced charge of substances in equipment; end-of-life recovery and recycling or destruction; increased use of alternatives with zero ozone-depleting potential (ODP) and, ideally, a low or negligible global warming potential; use of not-in-kind technologies; or a combination of the above. In that regard, the special report noted that there were currently no requirements under the Montreal Protocol for Parties to apply best practices when it came to bank management or end-of-life treatment. Banked ozone-

depleting substances were defined in the report to include substances that had been produced but not yet released to the atmosphere, including chlorofluorocarbons (CFCs) stored in existing equipment as a pure chemical and distributed within the cells of foams. A more comprehensive review of this report may be found in paragraphs 26–36 of document UNEP/OzL.Pro.WG/25/2.

38. In the presentation of the report, it was noted that, while the special report included quantitative estimates of the impact that the possible measures it described would have on climate change if they were implemented, the related ozone benefits were less clearly articulated. In that regard, the Open-ended Working Group agreed to request the Technology and Economic Assessment Panel and IPCC to provide by 31 October a supplementary report that elaborated clearly the ozone depletion implications of information already in the special report by presenting it in terms of ODP and costs per ODP tonne. That report is in the process of being prepared and will be made available to Parties shortly.

39. At the preparatory segment of the meeting, the Parties may wish to consider the related issues and to take action as appropriate.

6. Monitoring and preventing illegal trade in ozone-depleting substances

40. In decision XVI/33, the Secretariat was requested, among other things, to convene a workshop of experts from Parties – funds permitting – to develop specific areas and a conceptual framework of cooperation for addressing illegal trade and to produce draft terms of reference for a study on the feasibility of developing systems for tracking trade in ozone-depleting substances and its cost.

41. At the twenty-fifth meeting of the Open-ended Working Group, the Parties considered both the report of the expert workshop and the draft terms of reference that had been prepared by the Secretariat for the study noted above. Following the consideration of those matters by a subgroup, the Open-ended Working Group agreed to forward a related proposal by the European Community to the Seventeenth Meeting of the Parties for its consideration with the understanding, first, that the European Community would explain more fully the changes that it had made to the Secretariat's proposal related to the study on the development of an ozone-depleting substance tracking system; and, second, that the Secretariat would invite the Parties to comment on the European Community proposals.

42. Regarding the initial proposal to the Secretariat, which included a request to provide an estimate of costs for a feasibility study on the development of a system for ozone-depleting substance tracking, the Secretariat sent out letters of invitation to three consulting companies and two non-governmental organizations for an informal estimate of the level of funding that might be needed to implement a study such as that represented by the draft terms of reference that the Working Group had decided to forward for consideration by the Meeting of the Parties. The informal estimates received were as follows: \$19,048, \$250,000, \$325,000 and \$415,000. The Parties may also find it relevant to note that one submission included an expected time frame of 6–9 months for completion, and a second proposal estimated that the study would take ten months to complete.

43. With regard to the request to the European Community for an explanation of its proposal, that explanation has been on the Secretariat's website since mid-August. It can also be found in document UNEP/OzL.Pro.17/INF/3. Finally, in response to the Secretariat's invitation to Parties to comment on the proposal by the European Community, two Parties have submitted comments, and those comments, which are available on the Ozone Secretariat website, are included as annexes I and II to document UNEP/OzL.Pro.17/INF/3. The original proposal of the European Community can be found in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

7. Technical and financial implications of the environmentally sound destruction of ozone-depleting substances

44. In 2002, the Technology and Economic Assessment Panel's Task Force on Destruction Technologies identified a number of emerging technologies that, while theoretically effective, had not yet demonstrated evidence of technical capability. By decision XVI/15, the Parties called for a review of any new information on those emerging technologies in order to determine whether any of them warranted consideration for inclusion on the Parties' list of approved destruction technologies. At the twenty-fifth meeting of the Open-ended Working Group, the Parties heard the Panel's conclusion that none of the technologies that had been categorized as emerging had as yet met the recommended technical capability criteria to warrant their being listed as approved destruction technologies. The Working Group also heard the Panel's suggestion that, because the destruction of fluorinated gases – namely, hydrofluorocarbons (HFCs), perchlorofluorocarbons (PFCs) and sulphurhexafluoride (SF₆) –

might be required for mitigation of global warming, related technologies might undergo further development and should therefore be reassessed in the near future.

45. During the course of the Open-ended Working Group discussions on that issue, the Parties took note of the Technology and Economic Assessment Panel findings and suggestions, but then moved on to consider a proposal by Colombia on the technical and financial implications of the environmentally sound destruction of concentrated and diluted sources of ozone-depleting substances. Specifically, that proposal would request the Technology and Economic Assessment Panel to prepare a case study in a Party operating under paragraph 1 of Article 5 on the technology and costs associated with a process for the replacement of CFC-containing refrigerators, including the environmentally sound recovery, transport and final disposal of the said equipment and CFCs. The proposal also called for the adoption by the Parties of the definition of recovery and destruction efficiency proposed by the Technology and Economic Assessment Panel with regard to diluted sources, in particular foams, and indicated that that parameter should be applied in the case study referred to above. The Open-ended Working Group agreed that the Colombian proposal, which is reproduced in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3, should be forwarded for consideration by the Seventeenth Meeting of the Parties.

46. The Seventeenth Meeting of the Parties may wish to consider related matters and to take action as appropriate.

8. Technology and Economic Assessment Panel administrative issues

47. In its 2005 progress report (page 244), the Technology and Economic Assessment Panel noted that it is currently operating with two temporary co-chairs for the Chemicals Technical Options Committee and the Halon Technical Options Committee and one temporary co-chair for the Methyl Bromide Technical Options Committee. At the Open-ended Working Group, it was noted that, in accordance with section 2.7 of the Technology and Economic Assessment Panel's terms of reference, temporary co-chairs may only serve up to the time of the next meeting of the Parties. During the Open-ended Working Group discussion on this issue, Parties noted their intent to address related issues at the Meeting of the Parties, and three Parties put forward specific nominations for co-chairs for the technical options committees. During the discussions on this issue, it was noted that the current terms of reference of the Technology and Economic Assessment Panel currently allowed a maximum of three co-chairs of such committees. The Seventeenth Meeting of the Parties may wish to consider matters related to the selection or endorsement of new co-chairs for the technical options committees.

48. The Technology and Economic Assessment Panel report also noted that continuing national sponsorship of Panel members, including technical options committee co-chairs, will be vital to enable the related bodies to complete their tasks, and that special financing for timely completion of significant tasks might be considered, as it was for the Methyl Bromide Technical Options Committee in 2005. Finally, the Technology and Economic Assessment Panel noted that, in some cases, funding for the Technology and Economic Assessment Panel and the technical options committee co-chairs and members from non-Article 5 Parties was becoming difficult to obtain. During the meeting of the Open-ended Working Group, discussions were held on these issues and the need for stable funding, during which some Parties suggested that it would be useful if the Secretariat could report on the use of the short-term funding that the Parties provided to the Methyl Bromide Technical Options Committee for 2005 pursuant to decision XVI/5. In that regard, the Secretariat would like to draw the attention of the Parties to the supplemental report of the Methyl Bromide Technical Options Committee, which includes in its section 4.3 a review of how related funds were allocated. The Open-ended Working Group also seemed to request information on the potential cost of providing travel and daily subsistence allowance to all non-Article 5 members of the Technology and Economic Assessment Panel and the technical options committees. Assuming the list of members included in the last report of the Panel is current, there are currently 113 members from non-Article 5 Parties. If it is assumed that three-quarters of them attend one meeting each year at an average cost of \$5,000 per trip, the added cost would be \$424,000.

49. The Seventeenth Meeting of the Parties may wish to consider related matters and to take action as appropriate.

9. Laboratory and analytical uses of carbon tetrachloride

50. At the twenty-fifth meeting of the Open-ended Working Group, Chile, on behalf of the group of Latin America and Caribbean Countries, put forward a proposal which would authorize Parties operating under Article 5 to apply the criteria and procedures of the global exemptions for carbon tetrachloride in laboratory and analytical uses that are currently established for Parties not operating

under paragraph 1 of Article 5. The Open-ended Working Group agreed that this proposal should be submitted for consideration by the Seventeenth Meeting of the Parties. The proposal can be found in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

10. Dates for future Montreal Protocol-related meetings

51. At the twenty-fifth meeting of the Open-ended Working Group, the European Community put forward a proposal that, among other things, would invite the Secretariat to post on its website indicative dates for the next two meetings of the Parties, on the understanding that it would inform the Parties if those dates were changed. The proposal also included a request to the Technology and Economic Assessment Panel to post on its website by 15 December each year the dates for its meetings and the meetings of the technical options committees with the understanding that revisions would be reflected on the website, and to make every endeavour to provide its reports approximately seven months before the meetings of the Parties. The Open-ended Working Group agreed that this proposal should be put forward for consideration by the Seventeenth Meeting of the Parties. The proposal is reproduced in chapter I of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

11. Guidelines for the declaration of interests of groups such as the Technology and Economic Assessment Panel and its technical options committees

52. At the twenty-fifth meeting of the Open-ended Working Group, Canada distributed an informal paper which included a proposed set of guidelines for the declaration of interests of groups such as the Technology and Economic Assessment Panel and its technical options committees. The proposal included declaration of interest forms, a list of interests that should be declared, procedures to be followed prior to nomination and after appointment of members to various groups, a definition of "conflict of interest", and the process to be followed should the Secretariat be of the opinion that a conflict of interest could arise or had arisen. Following a discussion of the issue at the twenty-fifth meeting of the Open-ended Working Group, it was agreed that Canada would invite further comment from the Parties and take those comments into account in the preparation of an updated proposal for consideration at the Seventeenth Meeting of the Parties. Any new proposal by Canada will be dispatched to the Parties soon after it is received by the Secretariat.

12. Consideration of the membership of Protocol bodies for 2006

(a) Implementation Committee

53. Pursuant to the non-compliance procedure adopted by the Fourth Meeting of the Parties and amended by the Tenth Meeting of the Parties, the Implementation Committee is to comprise 10 Parties elected for two years on the basis of equitable geographical distribution. Outgoing Parties may be re-elected for one consecutive term. In decision XVI/42, the Sixteenth Meeting of the Parties confirmed the positions of Australia, Belize, Ethiopia, Jordan and the Russian Federation as members of the Committee for one further year, and selected Cameroon, Georgia, Guatemala, Nepal and the Netherlands for a two-year period from 1 January 2005. The Netherlands has been serving as President and Jordan as Vice-President and Rapporteur of the Implementation Committee for one year with effect from 1 January 2005.

54. The sixteenth Meeting of the Parties may wish to select new members of the Implementation Committee to replace Australia, Belize, Ethiopia, Jordan and the Russian Federation, or, with the exception of Australia, which has already served two consecutive terms, may wish to consider re-electing those Parties to a second term. The Meeting of the Parties may also wish to confirm the positions of Cameroon, Georgia, Guatemala, Nepal and the Netherlands for one further year. A draft placeholder decision, which could be used by the Parties to put into effect related decisions, can be found in chapter III of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

(b) Executive Committee of the Multilateral Fund

55. The terms of reference of the Executive Committee approved by the Fourth Meeting of the Parties stipulates that the Executive Committee shall consist of 14 members, seven from the group of Parties operating under Article 5, paragraph 1, of the Protocol, and seven from the group of Parties not so operating. Each group elects its Executive Committee members, who then must be formally endorsed by the Meeting of the Parties. The Chair and the Vice-Chair must be selected from the 14 Executive Committee members. The office of Chair has effect from 1 January of the year in which the term of office commences and is subject to rotation, on an annual basis, between the Parties operating under paragraph 1 of article 5 and the Parties not so operating.

56. By decision XVI/43, the Sixteenth Meeting of the Parties endorsed the selection of Austria, Belgium, 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 non-Article 5 Parties to the Protocol, and the selection of Brazil, Cuba, the Former Yugoslav Republic of Macedonia, Syrian Arab Republic, Thailand and Zambia as members representing Article 5 Parties, for one year with effect from 1 January 2004.

57. The Parties may wish to note that Parties not operating under paragraph 1 of Article 5 are expected to select the members to represent them in the Executive Committee for 2006, as well as the Vice-Chair of the Committee for that year. The group of Parties operating under paragraph 1 of Article 5 may wish to select their seven representatives on the Committee and the Chair for 2006. The Seventeenth Meeting of the Parties is expected to endorse the selected representatives and take note of the selected Chair and Vice-Chair of the Committee. A draft placeholder decision which could be used by the Parties to put into effect related decisions can be found in chapter III of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

(c) Co-chairs of the Open-ended Working Group

58. In accordance with decision XVI/41 of the Sixteenth Meeting of the Parties, Mr. Tom Land (United States of America) and Mr. David Okioga (Kenya) served as co-chairs of the Open-ended Working Group of the Parties to the Montreal Protocol in 2005.

59. The Seventeenth Meeting of the Parties is expected to agree on the chairmanship of the Open-ended Working Group for 2006 and to endorse the selected co-chairs to serve in that capacity. A draft placeholder decision which could be used by the Parties to put into effect related decisions can be found in chapter III of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3.

13. Compliance and reporting issues considered by the Implementation Committee

60. The Implementation Committee established pursuant to Article 8 of the Montreal Protocol will be meeting from 7 to 9 December to, among other things, review the data reported by the Parties pursuant to Article 7 (see UNEP/OzL.Pro.17/6) and consider issues related to reporting and non-compliance. During the preparatory segment of the meeting, the parties will hear a report by the President of the Implementation Committee, and will be expected to consider how to forward the agreed recommendations of the Implementation Committee to the meeting of the Parties. In addition, the Parties traditionally take a decision memorializing the status of reporting, and urging all Parties to report in a timely manner. The Secretariat has prepared a draft placeholder decisions which could be used to facilitate the Parties' action in this regard. During the preparatory segment of the meeting, the Parties may wish to consider if this draft placeholder decision, which can be found in chapter III of document UNEP/OzL.Conv.7/3-UNEP/OzL.Pro.17/3, should be among the draft decisions to be forwarded to the high-level segment for adoption by the Parties.

14. Proposed adjustment of the Montreal Protocol

61. At the Open-ended Working Group, the meeting considered the proposal from the European Community for an adjustment to the Protocol calling for the addition of three interim reduction steps in the current methyl bromide phase-out schedule that applies to Parties operating under paragraph 1 of Article 5. The specific submission containing the proposal by the European Community for an adjustment to the Protocol, together with newly updated related background material prepared by the European Community, can be found in document UNEP/OzL.Pro.17/7. Following a discussion of the European Community proposal, the Open-ended Working Group agreed that it should be forwarded for consideration by the Meeting of the Parties. The Seventeenth Meeting of the Parties may wish to consider the proposal and to take action as appropriate.

15. Proposed amendment of the Montreal Protocol

62. At its twenty-fifth meeting, the Open-ended Working Group considered the proposal from the European Community for an amendment to the Protocol calling for an expedited procedure for listing new ozone-depleting substances in the Protocol. The specific submission containing the proposal by the European Community for amendment, together with related background material submitted by the European Community, can be found in document UNEP/OzL.Pro.17/8. Following a discussion of this proposal, it was agreed that it would be forwarded for consideration by the Meeting of the Parties. The Seventeenth Meeting of the Parties may wish to consider this proposal and to take action as appropriate.

16. Other matters

63. The Parties may wish to discuss other matters that have been identified and agreed for consideration.

II. Information on issues that the Secretariat would like to bring to the attention of the Parties

64. The Sixteenth Meeting of the Parties demonstrated to the Secretariat the difficulty of adding an agenda item to respond to each and every request for information contained in decisions of the Parties. This year, in an effort to streamline the agenda and allow the Parties to focus their attention on items that require action at their meetings, the Secretariat has included this information section as part of the Secretariat's note. It provides an opportunity for the Secretariat to report to the Parties on the relevant items, as requested, in a manner that will not necessarily take up undue time during the meeting. The Secretariat hopes that this information section will prove useful and effective in facilitating the deliberations of the Parties on the important issues that they must consider at their meetings.

A. Report by the Technology and Economic Assessment Panel on the methyl bromide quarantine and pre-shipment data submitted by the Parties, pursuant to decision XVI/10

65. In decision XI/13, the Parties 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. In its 2003 report, the Panel and its Methyl Bromide Technical Options Committee reported that individual tonnages for uses of methyl bromide for quarantine and pre-shipment treatment of particular commodities were not available on a worldwide basis. In subsequent reporting, the Panel and its Committee noted that a survey had been commissioned by the European Community and, in 2004, the Parties were requested, through the Ozone Secretariat, to provide data and information on quarantine and pre-shipment uses and their alternatives.

66. Decision XVI/10 set out a timetable for completing the survey. It also requested Parties that had not yet done so to submit detailed quarantine and pre-shipment data to the Panel before 31 March 2005, using the best available data. The decision further requested the Panel to establish a task force to analyse the data and to provide a first report on the initial data for the information of the Open-ended Working Group. By April 2005, a task force had been established, and its first report on initial data was included on pages 171–179 of the May 2005 Technology and Economic Assessment Panel's progress report. A quarantine and pre-shipment task force has now been established with 12 members from the following Parties: Argentina, Australia, China, Croatia, Jamaica, Japan, Kenya, Malaysia, Netherlands, New Zealand and the United States of America. Since issuance of the May 2005 report, one additional party (Uruguay) has submitted its data. The work of the task force is continuing with a view to analyzing the data and information submitted pursuant to decision XVI/10 by the 30 November 2005 date established by that decision.

B. Events to celebrate the twentieth anniversary of the Vienna Convention conducted in conjunction with the third session of the Preparatory Committee for the Development of a Strategic Approach to International Chemicals Management, held in Vienna in September 2005

67. The Secretariat would like to inform the Parties to the Vienna Convention and its Montreal Protocol that, in September, it helped facilitate two key events in celebration of the twentieth anniversary of the Vienna Convention. First, on 19 September 2005, during the third session of the Preparatory Committee for the Development of a Strategic Approach to International Chemicals Management, the Secretariat sponsored a workshop for the Strategic Approach in an endeavour to share with participants at that meeting the experience of the Vienna Convention and the broader ozone regime. The workshop was introduced by Mr. Klaus Töpfer, Executive Director of UNEP, and presentations were made by Nobel Prize winner Mario Molina, former UNEP Executive Director Mustafa Tolba, and the Honorary Chief Officer of the Multilateral Fund Omar El Arini. Their presentations, which reviewed the salient features that have made the ozone regime such a success, were well received by all participants.

68. In addition, the Ozone Secretariat was able to accept the generous offer of the Government of Austria to host a reception commemorating the twentieth anniversary of the adoption of the Vienna Convention. At that reception, joint UNEP/WMO awards were conferred upon 16 scientists to celebrate their outstanding contributions for the Vienna Convention. In addition, the Ozone Secretariat, in cooperation with WMO, organized the Vienna Convention Bureau meeting and the sixth meeting of Ozone Research Managers of the Parties to the Vienna Convention in conjunction with the anniversary ceremony. These activities in Vienna will be followed by further celebrations to be held in connection with the current seventh meeting of the Conference of the Parties to the Vienna Convention in Dakar, Senegal.

C. Changes to the Ozone Secretariat website: invitation for suggestions

69. The Ozone Secretariat is in the process of making changes to the Ozone website. First, over the next few weeks, the Secretariat will be making technical changes that will facilitate the transfer of the website to its own dedicated servers. As part of the process the website address will change from: <http://www.unep.org/ozone> to <http://ozone.unep.org>. This change will be effected in as transparent a manner as possible and in such a way that anyone using the old address will be automatically redirected to the new address. Through this change, the Secretariat hopes to be able to improve the quality and range of the web service provided to the Parties. In that context, the Secretariat has specific plans which it will be implementing over the next 12 months. These include the initiation of web-based access to the ozone-depleting substance data reports, with a query function that will enable Parties to obtain specific calculated data from the Ozone website. The Secretariat is also looking into including on-site access to the ozone treaties handbook, following its update next year.

70. While the Secretariat believes that these initiatives will benefit Parties, it would like to hear from them regarding the elements that they might like to see in an improved Ozone Secretariat website. While it may not be possible to meet the desires of every delegation at the outset, the Secretariat is anxious to understand how it can best use the website to support Parties' efforts to protect the ozone layer. Following the planned improvements in 2006, the Secretariat intends to prepare a brochure for the Parties so that they can understand more fully all the resources on the site that will be available to them.

D. Tentative dates for the 2006 meeting of the Open-ended Working Group

71. The Secretariat wishes to inform the Parties that it has made a tentative booking for the twenty-sixth meeting of the Open-ended Working Group to take place at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal, Canada, during the week of 2–9 July. If the Parties decide to hold the 2006 and 2007 Meetings of the Parties outside the seat of the Secretariat, unless instructed otherwise, the Secretariat plans to hold the twenty-seventh meeting of the Open-ended Working Group in July 2007 at the seat of the Secretariat during the same week as the Meeting of the Parties.

E. Secretariat missions

72. Over the last 12 months, Secretariat staff have attended a number of important meetings in an effort to promote both ratification of and compliance with the Montreal Protocol and Vienna Convention. Because of its relatively small staff size, its limited travel funds, and the essential need for

members to travel to the Open-ended Working Group, meetings of the Implementation Committee and Meetings of the Parties, the Secretariat continues to prioritize its travel in a manner that allows it to come into contact with as many Parties as possible. Accordingly, it has made it a priority to attend all meetings of the Executive Committee, and as many of the full network meetings as possible. Secretariat members always try to gain as much benefit from those missions as possible, for example, by making a special effort to reach out to Parties that are having problems with compliance, in an effort to assist them directly in any way that it can.

73. Secretariat staff-members also take every opportunity that they can while in a country to meet environment ministers and other high-level officials, in an effort to promote the objectives of the Protocol and bolster the efforts of ozone officers. In that context, they have sought out information on regional meetings of environment ministers and made efforts to attend those meeting wherever possible. Another priority has been attendance at ozone day celebrations and, this year, the Ozone Secretariat facilitated the celebrations in Vienna discussed earlier and attended an event in Mexico which celebrated the closure of the last CFC-producing plant in that country. Finally, in accordance with directives of the Parties for the participation in or monitoring of activities in other forums, the Secretariat was represented at the meeting of the SAICM forum earlier in 2005 and it continues to attend at least one meeting a year of the WTO forum.

F. Ozone Day celebration

74. As noted above, the Secretariat helped celebrate Ozone Day in 2005 in Vienna, through the conduct of a seminar on the ozone regime and the reception hosted by the Government of Austria. In addition, as noted above, the Secretariat attended an event in Mexico which celebrated Ozone Day in a very positive manner, by bringing to an end all CFC production in that country. The Secretariat also participated in the celebrations organized by the Government of Kenya, which included the organization of a workshop, held in conjunction with the implementing agencies, on alternatives to methyl bromide, with the participation of farmers and relevant staff-members from the University of Nairobi. The Secretariat and the UNEP Division of Technology Industry and Economics received reports from 40 other Parties on their Ozone Day celebrations, including Armenia, Bangladesh, Barbados, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Dominica, Dominican Republic, Fiji, France, Eritrea, Gabon, Georgia, Guyana, India, Indonesia, Kyrgyzstan, Latvia, Madagascar, Malaysia, Mauritius, Moldova, Mongolia, Romania, Seychelles, Sri Lanka, St. Vincent and the Grenadines, Suriname, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Trinidad and Tobago, Uruguay, United States of America and Zambia.

75. Activities carried out to commemorate Ozone Day included media broadcasts of high-level officials, press releases, news articles, rallies, information seminars and round tables, technical training workshops, competitions involving ozone knowledge, posters, poems, ozone songs, dramas, public exhibitions and even the launching of websites and commemorative postage stamps.

76. The Secretariat wishes to apologize for any inadvertent omission of Party names. It also requests other Parties to report on their activities and would be pleased to post all Parties' submissions on the Convention website. Those Parties who celebrated Ozone Day this year are to be commended and all Parties are urged to consider celebrating Ozone Day as a way of promoting awareness both of the ozone regime and of the continuing need for vigilance in our efforts to protect the ozone layer.

G. Discussion of Montreal Protocol issues within other international forums (Rotterdam Convention on the Prior Informed Consent Procedure for certain Hazardous Chemicals and Pesticides in International Trade)

77. During its second meeting, held in Rome from 27 to 30 September 2005, the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade considered notifications of final regulatory action relating to methyl bromide submitted by three countries and the issue of whether assessment information on that chemical developed under the auspices of the Montreal Protocol could be used by a Party to the Rotterdam Convention to support action taken under that convention. While not finally resolving the latter issue, the convention's Chemical Review Committee concluded that the submissions of two of the countries did not meet the requirements of the Convention, as a result of which no action was taken to include methyl bromide in the prior informed consent regime.

78. During the meeting, the Parties also discussed the possibility of using the Multilateral Fund to address developing country needs under the Rotterdam Convention and the precedent of the non-compliance regime under the Protocol as a potential model for that Convention. On the former

issue, the Parties were informed that the Multilateral Fund was, in accordance with its terms, limited to addressing compliance with the Montreal Protocol. To help resolve related issues, the Parties to the Rotterdam Convention have requested a broad options paper on the issue of financial assistance and will initiate a consultative process on the issue of compliance. The Ozone Secretariat would welcome the guidance of the Parties to the Montreal Protocol on how it might proceed to assist the Parties to the Rotterdam Convention in their efforts to more fully understand the Protocol experience.

79. As noted above, the Ozone Secretariat took the opportunity of the third meeting of the Preparatory Committee for the Development of a Strategic Approach to International Chemicals Management (SAICM) to share experiences in the area of ozone protection with those involved in this evolving regime.

H. International Plant Protection Convention

80. In decision XV/11, the Parties requested the Ozone Secretariat to make contact with the secretariat of the International Plant Protection Convention (IPPC) stressing the commitment of the Parties to the reduction of methyl bromide with specific reference to standard 15 of the International Standards for Phytosanitary Measures (ISPM 15) 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. The decision requested the Ozone Secretariat to report on this matter to the Seventeenth Meeting of the Parties.

81. ISPM 15 is an international standard for the treatment of solid wood packaging material to prevent the spread of forest pests, specifically those attacking standing timber. The pests that the standard seeks to control are typically insect pests and other pests and diseases vectored by insects. Many large trading countries and trading blocs have adopted and begun to implement ISPM 15. In some cases the standard has been adopted with additional requirements such as the need for timber to be debarked or for exposure periods for methyl bromide fumigations to be 24 hours, not 20 hours as in the current (March 2002) standard.

82. At the twenty-fifth meeting of the Open-ended Working Group this year, the Secretariat reported on the progress that had been made at that time (paragraph 91, UNEP/OzL.Pro.WG.25/2). In summary, a dialogue with the secretariat of the IPPC was started and the issue was discussed by the IPPC Interim Commission on Phytosanitary Measures (ICPM) at its meeting in April 2005 on the basis of a background document prepared by the Ozone Secretariat. The Commission agreed that the secretariats should cooperate, as appropriate, to coordinate work on this issue and encouraged countries to cooperate with appropriate research organizations and stress the importance and urgency of developing alternatives for quarantine purposes. Simultaneously, the Commission also agreed to submit to the Standards Committee for expedited review proposals for amending the March 2002 ISPM 15 standard to increase the duration of exposure to methyl bromide during fumigation and to increase the minimum required gas concentrations at various stages of the fumigation to ensure efficacy. The amended version of ISPM 15, which is expected to be considered for adoption by ICPM in 2006, can be found in its entirety on the IPPC website at <https://www.ippc.int/servlet/CDSServlet?status=ND0zNTIyNSY2PWVuJjMzPSomMzc9a29z>.

83. The Secretariat will continue to work on this issue in cooperation with the IPPC secretariat.

I. Use of the Globally Harmonized System for the Classification and Labelling of Chemicals for substances that deplete the ozone layer (decision XIV/8)

84. The Parties to the Montreal Protocol requested the Ozone Secretariat to contact the United Nations Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling to evaluate the possibilities for and feasibility of including ozone-depleting substances on its work programme (decision XIV/8).

85. At its December 2004 session, the Subcommittee agreed on its work programme for the biennium 2005–2006, including the examination of possibilities to develop classification criteria for ozone-depleting substances in cooperation with the Meeting of the Parties to the Montreal Protocol. In addition, the Subcommittee requested that the Organization for Economic Cooperation and Development (OECD) develop a detailed comparison of classification systems in countries and regions as a tangible outcome of this element of the work plan. In response to this request, a task force was established by OECD to deal with the issue.

86. The OECD task force requested comments on a proposal to develop classification criteria for ozone-depleting substances contained in a document that was posted on the OECD website on 3 June 2005. The proposal will be revised by the task force on the basis of comments received and then circulated to the OECD Task Force on Harmonization of Classification and Labelling, the United Nations Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling and the United Nations Subcommittee of Experts on the Transport of Dangerous Goods.

87. Work on the issue is still under way and it will remain on the work programme of the United Nations Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling, in cooperation with the OECD Task Force, for the biennium 2005–2006.

J. Developments in the negotiations by the World Trade Organization Committee on Trade and Environment (decision XIV/11)

88. Since the commencement of negotiations in 2002, the Committee on Trade and Environment of the World Trade Organization (WTO) in its Special Sessions has held 13 formal and several informal meetings. The Committee has dealt with three key items on its agenda, as detailed below.

89. First, subparagraph 31(i) of the Doha Ministerial Declaration states, with regard to the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements, that the negotiations shall be limited in scope to the applicability of such existing WTO rules as among parties to the multilateral environmental agreement in question and that the negotiations shall not prejudice the WTO rights of any member that is not a Party to the multilateral environmental agreement in question. With respect to this provision, various terms contained in the mandate were explored, such as “specific trade obligation” and “multilateral environmental agreement”.

90. A number of proposals were put forward with regard to potential outcomes of the discussions, including on principles to govern the relationship between WTO and the multilateral environmental agreements, and on a mechanism for so-called “mutual supportiveness and deference” between WTO and the multilateral environmental agreements, where the two regimes would complement each other in their areas of competence. Both these suggestions appear to embrace the notion that while no conflict has arisen to date between WTO and the multilateral environmental agreements, there is a need for WTO to ensure that future conflicts are prevented. The Committee on Trade and Environment in its special sessions has yet to engage in a substantive discussion of proposed outcomes.

91. Second, subparagraph 31 (ii) of the Doha Ministerial Declaration covers procedures for regular information exchange between multilateral environmental agreement secretariats and the relevant WTO committees and the criteria for granting of observer status. In their deliberations on this matter, WTO members have referred on a number of occasions to a list of ideas for more extensive information exchange and cooperation between WTO and multilateral environmental agreements than that developed earlier. Several delegations have pointed to the synergies between subparagraphs 31 (i) and (ii) of the negotiating mandate. Many have noted that, with greater cooperation and information exchange between WTO and multilateral environmental agreements, and with criteria for the granting of observer status in WTO to relevant organizations, the relationship between WTO and multilateral environmental agreements could be strengthened and potential conflicts possibly averted. The Ozone Secretariat’s request for granting observer status to the WTO Committee on Trade and Environment is still pending.

92. Finally, subparagraph 31(iii) of the Doha Ministerial Declaration deals with the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services. In its deliberations on this matter, the Committee on Trade and Environment in its special sessions focused on clarifying the concept of so-called “environmental goods”. Lists of environmental goods have been tabled by delegations and are now before the committee; a set of environmental goods is slowly beginning to emerge.

93. At the last meeting of the Committee on Trade and Environment in special session, held on 15 and 16 September 2005, the Committee focused on the mandate contained in subparagraph 31 (iii). The Committee used its time to discuss the details of the products that could be designated as environmental goods and submitted to the Hong Kong Ministerial Conference in December 2005.

K. Information reported by the Parties to the Montreal Protocol on illegal trade in ozone-depleting substances (decision XIV/7)

94. By paragraph 7 of decision XIV/7, the Parties to the Montreal Protocol requested the Secretariat to collect any information on illegal trade received from the Parties and to disseminate it to them. The information reported by two Parties to the Secretariat in 2005 pursuant to this decision has been summarized in annex II to the present note. Other cases of illegal trade that were reported to the Secretariat in 2004 were circulated to Parties in document UNEP/OzL.Pro.16/7, which is posted on the Secretariat's website, and have not been included in the present summary.

Annex I

**MEMORANDUM OF UNDERSTANDING BETWEEN UNEP AND WMO
ON THE INSTITUTIONAL ARRANGEMENTS FOR MAKING DECISIONS
ON ALLOCATION OF FUNDS
UNDER THE TRUST FUND OF THE VIENNA CONVENTION
FOR THE PROTECTION OF THE OZONE LAYER
ON RESEARCH AND SYSTEMATIC OBSERVATIONS**

This Memorandum of Understanding (herein referred to as the MOU) is concluded between:

The World Meteorological Organization (WMO)
7 bis Avenue de la Paix
Case postale No.2300
CH-1211 Geneva 2
Switzerland

and

The Ozone Secretariat
The United Nations Environment Programme (UNEP)
P.O. Box 30552
Nairobi, Kenya

1. BACKGROUND

Decision VI/2 of the Sixth Conference of the Parties to the Vienna Convention requested the United Nations Environment Programme (UNEP), in consultation with the World Meteorological Organization (WMO), to establish an extrabudgetary fund for receiving voluntary contribution from the Parties to the Vienna Convention and international organizations, for the purpose of financing activities on research and systematic observations relevant to the Vienna Convention, in developing countries and countries with economies in transition. Decision VI/2 is attached as Annex I.

In accordance with the decision, a Trust Fund for financing activities on research and systematic observations relevant to the Vienna Convention was established in February 2003, based on the Terms of Reference for the administration of the Fund that was approved by UNEP. The Terms of Reference is attached as Annex II.

Paragraph 4 of Decision VI/2 states that the primary purpose of the Trust Fund is to provide complementary support for the continued maintenance and calibration of the existing World Meteorological Organization Global Atmospheric Watch (WMO/GAW) ground-based stations for monitoring column ozone, ozone profiles and ultra-violet radiation in the developing countries and in the countries with economies in transition (CEITs), to address balanced global coverage. It further states that consideration is to be also given to supporting other activities identified by the Ozone Research Managers and in consultation with the co-chairs of the United Nations Environment Programme Scientific Assessment and Environmental Effects Assessment Panels for the improvement of the observation network and relevant research. The Terms of Reference, under the section on Administration, sets out the general institutional arrangements for the administration and management of the Fund.

Paragraph 5 of Decision VI/2 requested the Secretariat, in consultation with WMO, to advise the Parties of the institutional arrangements for making decisions on allocation of funds, with a specific proposal to meet the requirements identified in paragraph 4 of the Decision and to provide an annual report.

The first letter to the Parties inviting governments to contribute towards the Trust Fund was sent by the Ozone Secretariat in March 2003.

This MOU sets out the institutional arrangements between the Ozone Secretariat of UNEP and WMO on the allocation of funds under the Trust Fund. The MOU or its content will be communicated to the Parties in order to fulfill the requirement of paragraph 5 of the Decision.

2. PROCEDURES INCLUDING FOR ALLOCATION OF FUNDS

Contributions

- 2.1 Every year by letter, and at other appropriate times such as during ozone layer related meetings, the Ozone Secretariat shall invite the Parties to contribute towards the Trust Fund. The Ozone Secretariat shall inform WMO regularly of the contributions received to the Trust Fund.

WMO/GAW Activities

- 2.2 WMO shall submit to the Ozone Secretariat project proposals for fulfilling the objective as stated in the first part of paragraph 4 of Decision VI/2, namely, "for the continued maintenance and calibration of the existing World Meteorological Organization Global Atmospheric Watch (WMO/GAW) ground-based stations for monitoring column ozone, ozone profiles and ultra-violet radiation in the developing countries and in the countries with economies in transition (CEITs), to address balanced global coverage". Such projects will be hereafter be referred to as M&C Projects (Maintenance and Calibration Projects). In preparing the project proposals, WMO will ensure that relevant developments and requirements within other conventions are taken into account to avoid duplication of effort. The proposals will be considered by the Ozone Secretariat.
- 2.3 Through consultations between the Ozone Secretariat and WMO, decisions will be made on the eligibility of the ideas or proposals for funding under the Trust Fund. WMO and UNEP shall develop and sign either a memorandum of understanding or a project document, as appropriate, for the implementation of each agreed activity.

Other Activities of the Ozone Research Managers

- 2.4 After six M&C Projects have been funded on the maintenance and calibration of the existing WMO/GAW ground-based stations, the Ozone Secretariat shall invite the Parties operating under Article 5 of the Montreal Protocol as well as Parties that are countries with economies in transition, to submit project proposals for research and monitoring for possible funding under the Trust Fund. Such projects will hereafter be referred to as R&M Projects (Research and Monitoring Projects). The communication to a relevant Party shall be sent through its official channel of communication with a copy to the participant of the relevant Party at the most recent meeting of the Ozone Research Managers of the Parties to the Vienna Convention. The invitation to submit project proposals should also be posted on the web sites of WMO/GAW and UNEP.
- 2.5 The R&M Project proposals from the Parties should be in line with the national activities reported at the most recent meeting of the Ozone Research Managers and with the recommendations of the same meeting.
- 2.6 When the R&M Project proposals are received from Parties, the Ozone Secretariat and WMO, in consultation with the Co-Chairs of the Scientific Assessment Panel and the Environmental Effects Assessment Panel, shall select and prioritize an appropriate number of proposals for funding under the Trust Fund.
- (a) The criteria for the selection and prioritization shall be the value that the R&M Project adds

- to meeting the needs identified by, and recommendations of, the most recent meeting of the Ozone Research Managers.
- (b) The number of R&M Projects to be selected shall depend on the level of funds required to implement them. The total amount of funds to be allocated for the R&M Projects must not exceed the amount of funds used for the six M&C Projects for WMO/GAW ground based stations.
- 2.7 For each selected R&M Project proposal, the Ozone Secretariat and WMO shall agree on which organization will negotiate with the relevant Party for further development and finalization of the project proposal. In accordance with that agreement either the Ozone Secretariat or WMO shall work with the relevant Parties to finalize the project proposal. Depending on the subject area of the proposal, either the Co-Chairs of the Scientific Assessment Panel or the Environmental Effects Assessment Panel will be consulted in the process of its finalization.
- 2.8 The finalized R&M Project proposal shall then be signed by the Party and the Ozone Secretariat, as well as other partners if appropriate, and be implemented in the order of priority set in accordance with paragraph 2.6 above and as funds become available in the Trust Fund.
- 2.9 After the implementation is started on the last of the selected R&M Projects, the consideration and funding of the WMO/GAW activities as set out in paragraphs 2.2 and 2.3 above shall be repeated, followed by the consideration and funding of the next set of activities of the Ozone Research Managers set out in paragraphs 2.4 to 2.8 above. The cycle will continue to be repeated.

3. REPORTING ON THE ACTIVITIES UNDER THE TRUST FUND

- 3.1 As required under paragraph 5 of Decision VI/2, a report will be prepared annually on the status of contribution to the Trust Fund and its activities. The annual reports will be prepared jointly by the Ozone Secretariat and WMO.
- 3.2 The annual reports shall be prepared as an information note to the annual meeting of the Parties to the Montreal Protocol in order to ensure good visibility of the reports. The information note will be sent to all the Parties to the Montreal Protocol and the Vienna Convention.
- 3.3 In addition to the annual reports, special reports shall be prepared for the meetings of the Ozone Research Managers that are organized every three years. The special reports shall also be prepared jointly by the Ozone Secretariat and WMO.

4. OTHER MATTERS

- 4.1 All correspondence regarding this MOU between WMO and UNEP shall be addressed to:

At WMO:

Dr. Geir O. Braathen
 Senior Scientific Officer
 World Meteorological Organization
 AREP/Environment Division
 7 bis. Avenue de la Paix
 Case Postale 2300
 CH-1211 Geneva 2, Switzerland
 e-mail: GBraathen@wmo.ch
 Phone (41-22) 730-8235
 Fax (41-22) 730-8049

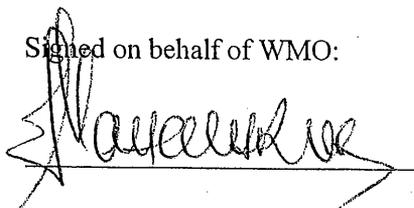
At UNEP:

Mr. Marco Gonzalez
 Executive Secretary
 The Secretariat for the Vienna Convention and the Montreal Protocol (Ozone Secretariat)
 United Nations Environment Programme
 Nairobi, Kenya
 P.O. Box 30552
 e-mail: marco.gonzalez@unep.org
 Tel: (254 2) 62 3855
 Fax: (254 2) 62 3601/62 3913

Ms. Megumi Seki
 Senior Scientific Affairs Officer
 Ozone Secretariat, UNEP
 P.O. Box 30552
 Nairobi, Kenya
 e-mail: meg.seki@unep.org
 Tel: +254-2 624011
 Fax: +254-2 623410

- 4.2 Any dispute arising out of or in connection with this agreement shall, if attempts at settlement by negotiation have failed, be submitted to arbitration by a single arbitrator agreed by both parties. Should the parties be unable to agree on a single arbitrator within thirty days of the request for arbitration then each party shall proceed to appoint one arbitrator and the two arbitrators thus appointed shall agree on a third. Failing such agreement, either party may request the appointment of a third arbitrator by the President of the United Nations Administrative Tribunal. The arbitrator shall rule on the costs, which may be divided between the parties. The decision rendered in the arbitration shall constitute the final adjudication of the dispute.
- 4.3 This MOU shall be in effect from the time of signature by both organizations up to the time when the Trust Fund is abolished.
- 4.4 This MOU may be terminated by either party before the expiry date of the MOU by giving notice in writing to the other party. The period of notice shall be fourteen days.
 In the event of the MOU being terminated prior to its due expiry date in this way, the WMO shall be compensated on a *pro rata* basis for no more than the actual amount of work performed to the satisfaction of UNEP. Additional costs incurred by UNEP resulting from the termination of the MOU WMO may be withheld from any amount otherwise due to the contractor from UNEP.
- 4.5 No change in or modification of this MOU should be made except by prior written agreement between UNEP and WMO.

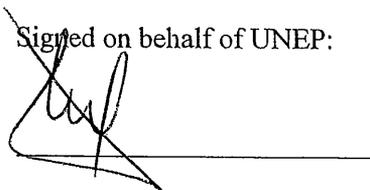
Signed on behalf of WMO:



Elena Manenkova
 Director of AREP

Date: 19 September 2005

Signed on behalf of UNEP:



Marco A. Gonzalez
 Executive Secretary, Ozone Secretariat

Date: 16 September 2005

ANNEX I

Decision VI/2. Ozone-related monitoring and research activities for the Vienna Convention

Recalling Articles 3 and 4, and Annexes I and II of the Vienna Convention, Decisions VCI/4, VCI/5, VCII/4, VCII/7, VCII/9, VCIII/5, VCIV/3, VCIV/4, and VCV/3, and paragraph 39 of the Plan of Action of the World Summit on Sustainable Development,

Recognizing the urgent need for enhancing the effective regime for the protection of the ozone layer established in the Vienna Convention and the Montreal Protocol,

1. To take note, with appreciation, of the report of the fifth meeting of the Ozone Research Managers, and the recommendations therein;
2. To request the United Nations Environment Programme, in consultation with World Meteorological Organization, to establish an extrabudgetary fund for receiving voluntary contribution from the Parties to the Vienna Convention and international organizations, for the purpose of financing activities on research and systematic observations relevant to the Vienna Convention, consistent with the decisions listed above, in developing countries and countries with economies in transition;
3. To urge all Parties and international organizations to make voluntary contributions to the Fund as well as voluntary contributions in kind for the purposes mentioned in paragraph 2;
4. The primary aim of the Fund should be to provide complementary support for the continued maintenance and calibration of the existing World Meteorological Organization Global Atmospheric Watch ground-based stations for monitoring column ozone, ozone profiles and ultra-violet radiation in the developing countries and in the countries with economies in transition, to address balanced global coverage. Consideration should be given to supporting other activities identified by the Ozone Research Managers and in consultation with the co-chairs of the United Nations Environment Programme Scientific Assessment and Environmental Effects Assessment Panels, for the improvement of the observation network and relevant research;
5. To request the Secretariat, in consultation with the World Meteorological Organization, to advise the Parties of the institutional arrangements for making decisions on allocation of funds, with a specific proposal to meet the requirements identified in paragraph 4 above and to provide an annual report;
6. To request the Secretariat to invite the Parties and international organizations to make annual voluntary contributions to the Fund;
7. To review the institutional arrangements for the operation of the Fund at the next meeting of the Conference of the Parties to the Vienna convention, taking into account the developments and requirements within other conventions, to avoid duplication of efforts;
8. To request the World Meteorological Organization and the United Nations Environment Programme, to draw to the attention of the Parties opportunities for meeting common objectives among conventions, in particular the United Nations Framework Convention on Climate Change.

ANNEX II

**TERMS OF REFERENCE FOR THE ADMINISTRATION OF THE GENERAL TRUST FUND
FOR FINANCING ACTIVITIES ON RESEARCH AND SYSTEMATIC OBSERVATIONS
RELEVANT TO THE VIENNA CONVENTION**

Establishment, Contributions and Budget

1. The General Trust Fund for financing activities on research and systematic observations relevant to the Vienna Convention is established in response to decision VI/2 of the Sixth Meeting of the Conference of Parties to the Vienna Convention for an initial period of five years effective 1 January 2003 and ending on 31 December 2007. In the event that Parties wish the Trust Fund to be extended beyond 31 December 2007, the Executive Director shall be so requested by the Parties at least six months before the expiry date of the Trust Fund.
2. The Trust Fund is established in accordance with the rules and regulations of the United Nations, the rules and regulations governing the Environment Fund of UNEP, the relevant provisions of the Secretary-General's bulletin ST/SGB/188, Administrative Instruction ST/AI/285, the authority of the Executive Director to establish general trust funds under the rules of the Environment Fund, as provided for in Article V of the General Procedures Governing the operations of the Environment Fund of UNEP and under the terms of ST/SGB/188.
3. The primary purpose of the Trust Fund is to provide complementary support for the continued maintenance and calibration of the existing World Meteorological Organization Global Atmospheric Watch (WMO/GAW) ground-based stations for monitoring column ozone, ozone profiles and ultra-violet radiation in the developing countries and in the countries with economies in transition (CEITs), to address balanced global coverage. Consideration will also be given to supporting other activities identified by the Ozone Research Managers and in consultation with the co-chairs of the United Nations Environment Programme Scientific Assessment and Environmental Effects Assessment Panels for the improvement of the observation network and relevant research.
4. The appropriations of the Fund shall be financed from:
 - (a) Voluntary contributions made by the Parties to the Convention including contributions from any new Parties;
 - (b) Voluntary contributions from States not party to the Convention, other governmental, intergovernmental and non-governmental organizations and other sources.
5. UNEP shall invite the Parties, States not party to the Convention, as well as other governmental, intergovernmental and non-governmental organizations, to make voluntary contributions, as well as voluntary contributions in kind to the Trust Fund for the purposes of financing activities on research and systematic observations relevant to the Vienna Convention.
6. The budget estimates prepared in United States dollars, covering the income and expenditure of the Fund, shall be submitted to the ordinary meetings of the Conference of the Parties to the Convention, for consideration.
7. The proposed budget shall be dispatched by UNEP to all Parties to the Convention at least ninety days before the date fixed for the opening of the ordinary meeting of the Conference of the Parties to the Convention or such a period as the Parties may decide upon from time to time.
8. All contributions into the Trust Fund shall be paid in United States dollars or other convertible currency into: Account no. 485-000326, UNEP Trust Funds and Counterpart Contributions, JP Morgan Chase, International Agencies Banking, 1166 Avenue of the Americas, 17th Floor, New York, N.Y. 10036-2708, United States.

9. In the event that the Executive Director anticipates that there might be a shortfall in resources over the financial period as a whole, he shall have discretion to adjust the budget so that expenditures are at all times fully covered by contributions received.
10. Commitments against the resources of the Fund may be made only if they are covered by the necessary income. No commitments shall be made in advance of the receipt of contributions.
11. The Executive Director may make transfers from one budget line to another within the budget in accordance with the Financial Regulations and Rules of the United Nations. At the end of a calendar year of a financial period, the Executive Director may transfer any uncommitted balance of appropriations to the following calendar year.
12. Contributions not immediately required for the purposes of the Fund shall be invested at the discretion of the United Nations and any interest income so earned shall be credited to the Trust Fund.
13. In accordance with the United Nations rules, the Executive Director shall deduct from the income of the Trust Fund a programme support charge equal to 13 per cent of actual expenditures recorded during any accounting period in order to meet the administrative cost of activities financed from the Trust Fund.
14. At the end of the first calendar year of a financial period, the Executive Director shall submit to the Parties the accounts for the year. He shall also submit, as soon as practicable, the audited accounts for the financial period.

Administration

15. The Executive Director shall maintain and administer the Trust Fund in accordance with the financial regulations, rules and directives of the United Nations and of the Environment Fund of UNEP as applicable. Personnel engaged for the purposes of the Trust Fund shall be recruited and administer in accordance with the provisions of such regulations, rules and directives.
16. The World Meteorological Organization (WMO) shall be invited to cooperate with and assist UNEP in administering and managing the programme of activities on research and systematic observations relevant to the Vienna Convention. In this context, WMO shall submit to UNEP for funding, projects or activities relevant to the maintenance and calibration of the existing World Meteorological Organization Global Atmospheric Watch (WMO/GAW) ground-based stations for monitoring column ozone, ozone profiles and ultra-violet radiation, in a manner consistent with the UNEP project formulation and reporting guidelines.
17. Consideration should be given to supporting other activities identified by the Ozone Research Managers in consultation with the co-chairs of the United Nations Environment Programme Scientific Assessment and Environmental Effects Assessment Panels for the improvement of the observation network and relevant research. Activities thus identified may be submitted to UNEP for funding in a manner consistent with the UNEP project formulation and reporting guidelines.

Annex II

Summary of information on illegal trade in ozone-depleting substances reported to the Secretariat in 2005 pursuant to decision XIV/7

Party	Date	Substances traded	Volume	Exporting country	Details of the illegal ODS trade
Kuwait	23/03/2004	CFC-12	700 cylinders (9520 kg)		Only the trade name mentioned on import documents and without prior permission to import.
	17/05/2004	CFC-12	400 cylinders (6800 kg)		Cylinders were filled with CFC-12 but falsely labelled as HCFC-134a.
	09/06/2004	CFC-12	300 cylinders (4080 kg)		Cylinders were filled with CFC-12 but falsely labelled as HCFC-134a.
	26/06/2004	HCFC-134a	600 cylinders (8160 kg)		Chemical identifier showed mixture of substances and mostly HCFC-22 with traces of HCFC-134a and CFC-12.
	30/06/2004	HCFC-134a	580 cylinders (7888 kg)		Chemical identifier showed mixture of substances mostly HCFC-22, 134a and CFC-12.
	05/07/2004	R502	20 cylinders (272 kg)		Not one of the listed companies which has a quota and no prior permission to import.
	05/07/2004	R502	16 cylinders (217.6 kg)		
	29/09/2004	CFC-12	4 cylinders (54.4 kg)		
	30/11/2004	R502	12 cylinders (163.2 kg)		
		27/03/2005	HCFC-134a	100 cylinders (1360 kg)	
Ghana					
	03/08/04	CFC-12	10 cylinders	UAE (Dubai)	Seized at Maerskline Terminal and released to Ghana Environment Protection Agency (EPA)
	24/08/04	CFC-12	15 cylinders	UAE (Dubai)	Seized at Maerskline Terminal and released to Ghana Environment Protection Agency (EPA)
	28/10/03	CFC-12	4 cylinders	Nigeria	Seized at Segbe border and released to EPA
	24/11/04	CFC-12	28 cylinders	Nigeria	Seized at Segbe border and delivered to EPA by Ghana Customs, Exercises and Preventive Services (CEPS)
	04/08/04	CFC-12	620 cylinders	Nigeria	Seized at importing company premises and penalty paid to CEPS and absorbed by quota
	28/10/03	CFC-12	9 cylinders	Nigeria	Seized at Segbe border and released to EPA.
	18/02/04	CFC-12	300 cylinders	United Kingdom of Great Britain and Northern Ireland	Seized at Tema harbour and transferred to a quota beneficiary.
	03/11/03	CFC-12 HCFC-22	50 cylinders 10 cylinders	Nigeria	Seized at Akanu border and released to EPA.
	28/10/03	CFC-12	5 cylinders	Nigeria	Seized at Akanu border and released to EPA.
	28/10/03	CFC-12	10 cylinders	Nigeria	Seized at Akanu border and released to EPA.
	28/10/03	CFC-12	40 cylinders	Nigeria	Seized at Akanu border and released to EPA.
	28/10/03	CFC-12	3 cylinders	Nigeria	Seized at Akanu border and taken custody.
	28/10/03	CFC-12	8 cylinders	Nigeria	Seized at Akanu border and released to EPA.
	28/10/03	HCFC-502	10 cylinders	Nigeria	Seized at Segbe border and released to EPA.
	25/04/03	CFC-12	1,100 cylinders	USA (Newark)	Seized at Tema harbour and transferred to a quota beneficiary.
		Total	2,323 Cylinders = 30,355 Kgs i.e. 30.3 Tons		