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

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

Doha, 16–20 November 2008

Items 3–5 of the provisional agenda
of the preparatory segment*

**Issues for discussion by and information of the Conference of the
Parties to the Vienna Convention at its eighth meeting and the
Twentieth Meeting of the Parties to the Montreal Protocol**

Note by the Secretariat

Introduction

1. The present note provides, in chapter I below, a summary of substantive issues for discussion at the eighth meeting of the Conference of the Parties to the Vienna Convention and the Twentieth Meeting of the Parties to the Montreal Protocol. Several of the issues on the agenda are awaiting new information from the Technology and Economic Assessment Panel, including those on replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol, critical-use exemptions for methyl bromide, essential-use exemptions for aerospace uses and the scoping study on hydrochlorofluorocarbon (HCFC) uses in mines and in high temperature conditions. Once the Panel has submitted such information, the Secretariat will prepare an addendum to the present note summarizing the Panel's findings on these and other outstanding agenda items.

2. The present note also includes, in chapter II, information on matters that the Secretariat would like to bring to the attention of the Parties.

* UNEP/OzL.Conv.8/1-UNEP/OzL.Pro.20/1.

I. Summary of issues for discussion at the eighth meeting of the Conference of the Parties to the Vienna Convention and the Twentieth Meeting of the Parties to the Montreal Protocol

A. Agenda item 3: Consideration of Vienna Convention and combined Vienna Convention and Montreal Protocol issues

1. Item 3 (a): Presentation of and discussion on the report of the seventh meeting of the Ozone Research Managers

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, convenes a meeting of the Ozone Research Managers of the Parties to the Vienna Convention. The seventh meeting was held in Geneva from 18 to 21 May 2008. Participants considered many issues of vital importance to ozone research, including the state of the ozone layer, the interactions between ozone layer depletion and climate change, continuing work in international monitoring programmes (including Global Atmosphere Watch (under the World Meteorological Organization), the Network for the Detection of Atmospheric Composition Change, the Southern Hemisphere Additional Ozonesondes network, the Global Climate Observing System, the Integrated Global Atmospheric Chemistry Observations, the Advanced Global Atmospheric Gases Experiment and associated networks, the World Climate Research project for stratospheric processes and their role in climate, and national and regional ozone research and monitoring activities, in particular the national reports submitted by Parties. High on the agenda was the status of satellite research and monitoring with a view to addressing scientists' concerns that there would be serious gaps in satellite monitoring when the existing generation of satellites and instruments came to an end in the near future. Current and future developments of satellite programmes by relevant agencies, including the Belgian Institute for Space Aeronomy, the Canadian Space Agency, the European Space Agency, the European Organization for the Exploitation of Meteorological Satellites, the Royal Netherlands Meteorological Institute, the United States National Aeronautics and Space Administration and National Oceanic and Atmospheric Administration and the China Meteorological Administration, were presented and considered. Although space agencies are aware of a possible data gap between 2011 and 2014, no firm commitments have yet been made for maintaining sufficient ozone-related capabilities and filling that gap.

4. Based on their review of the state of knowledge in the field and related activities, the Ozone Research Managers made a number of recommendations, including on satellite monitoring and research. Those recommendations highlighted areas in which further research, support and resources were needed to enable a robust understanding of expected ozone recovery, the interrelationship between ozone and climate variability and change and human and biological vulnerability to increased levels of ultraviolet radiation and other stress factors.

5. The report of that meeting, together with all the national reports submitted, will be sent to Parties who have so requested, while the recommendations will be issued as document UNEP/OzL.Conv.8/6. The report, together with the national reports, can already be found on the Ozone Secretariat's website at http://ozone.unep.org/Meeting_Documents/research-mgrs/7orm/. The Parties will review the work and recommendations of the seventh meeting of the Ozone Research Managers and make recommendations to the high-level segment of the Conference of the Parties on this matter as deemed appropriate.

2. Item 3 (b): Status of the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention

6. By decision VI/2, the Parties to the Vienna Convention called for the establishment of an extrabudgetary fund for receiving voluntary contributions for the purpose of financing certain activities on research and systematic observations relevant to the Vienna Convention in developing countries and countries with economies in transition. Following a review of activities undertaken by that fund, the Parties took decision VII/7, which called for the United Nations Environment Programme (UNEP) to extend the terms of the extrabudgetary fund. It also called, among other things, for the Secretariat to seek contributions for the Fund and report on its activities. In accordance with paragraph 8 of that decision, the Secretariat will report to the Conference of the Parties on the operation of, contributions to, and expenditures from the Trust Fund since its inception.

3. Item 3 (c): Financial reports and budgets of the trust funds for the Vienna Convention and the Montreal Protocol

7. The Ozone Secretariat, which services both the Vienna Convention and the Montreal Protocol, has traditionally had separate budgets with some shared budget lines. While the Montreal Protocol budget is considered annually, the Vienna Convention budget is considered only in years in which the Conference of the Parties to the Vienna Convention meets, 2008 being such a year. The Secretariat has prepared four documents (UNEP/OzL.Conv.8/4, UNEP/OzL.Conv.8/4/Add.1, UNEP/OzL.Pro.20/4 and UNEP/OzL.Pro.20/4/Add.1) to support the Parties' consideration of budgetary issues. Under this agenda item, it is expected that the Parties will establish a budget committee to deliberate and recommend action on the Secretariat's budgets.

4. Item 3 (d): Status of ratification of the Vienna Convention, the Montreal Protocol and amendments to the Montreal Protocol

8. During 2007, the Ozone Secretariat and the Parties to the Vienna Convention and Montreal Protocol made significant strides towards universal ratification. With the recent ratifications of the Vienna Convention and the Montreal Protocol by the Holy See and Iraq, there remain, as of mid-August 2008, only three non-Parties to the Vienna Convention and Montreal Protocol (Andorra, San Marino and Timor-Leste) and the Secretariat is hopeful that some of these States may be in a position to ratify the Protocol before the end of 2008. Furthermore, in the period since the Nineteenth Meeting of the Parties, there have been a number of additional ratifications of the Protocol's amendments. Parties will review the status of ratification of the Convention, the Protocol and its amendments. A draft decision to record the status of ratification at the time of the meeting has been prepared for consideration by the Parties and may be found as draft decisions VIII/AA and XX/AA in chapter II of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3.

B. Agenda item 4: Discussion of Montreal Protocol-related issues

1. Item 4 (a): Replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol

9. The Nineteenth Meeting of the Parties agreed on the terms of reference for a replenishment study and requested the Technology and Economic Assessment Panel to prepare a replenishment report and present it to the Open-ended Working Group at its twenty-eighth meeting to enable the Parties to decide at their Twentieth Meeting on the appropriate level of the 2009–2011 replenishment of the Multilateral Fund (decision XIX/10). In response to this decision, the Panel established a replenishment task force that undertook an exhaustive and complex evaluation. That evaluation concluded that the estimated total funding requirement for the Fund for the triennium 2009–2011 should be between \$343 million and \$640 million. In accordance with its mandate, the Task Force also estimated funding requirements for future trienniums.

10. The Open-ended Working Group heard a lengthy presentation by the Task Force on its study and engaged in a robust discussion, both in plenary session and in an open-ended contact group, on related issues and to determine what new information it would like the Technology and Economic Assessment Panel to generate in order to support further discussions on the issue in Doha.

11. Both in its report and at the meeting, the Task Force noted that the relatively large range in cost estimates for the next replenishment was primarily a result of uncertainties in how to assess future costs for the HCFC phase-out. This was in part because the Executive Committee had not yet taken decisions on a number of key issues, such as possible cut-off dates (i.e., guidelines that would prohibit funding to firms using HCFCs established after a specific date) and second conversions (whether and what the Fund would pay firms that the Fund had previously paid to convert from CFCs to HCFCs). In addition, the Executive Committee had not decided on the starting point for funding reductions (e.g., would the Fund pay for reductions from current HCFC consumption levels, baseline consumption levels, or some other set levels), and the agreed duration (if any) for compensation of operational cost in HCFC projects (operational costs generally compensate for the difference between the chemical being phased out and the new alternative). Because of this, operational costs can either be positive (if the alternative to HCFCs is more expensive, as some hydrofluorocarbons tend to be) or negative (if the alternative to HCFCs is cheaper, as hydrocarbons tend to be).

12. In spite of these uncertainties, the Task Force explained that it had endeavoured to tackle HCFCs as best it could. Its first step in that effort had been to classify Parties into one of four groups, based on their 2006 consumption levels. The first group in fact comprised only one country – China, which was unique in that, at 15,000 ODP tonnes, it accounted for over 70 per cent of the total sum of all HCFC consumption occurring in Parties operating under paragraph 1 of Article 5. The second group consisted of 17 Parties, whose consumption together totalled 7,000 ODP tonnes. The sum of these two groups demonstrates that 95 per cent of all HCFC consumption in Parties operating under paragraph 1 of Article 5 takes place in just 18 countries. The third group comprised 34 Parties with a combined HCFC consumption level of 1,000 ODP tonnes. The fourth group, consisting of 83 countries, had a combined level of consumption of 150 ODP tonnes. This classification enabled the Task Force to apply funding assumptions and derive related funding estimates. As regards the ODP numbers noted above, while it has been suggested that they appear somewhat modest, they amount to over 300,000 metric tonnes, a number that rivals the combined level of all chemicals that have been phased out to date by Parties operating under paragraph 1 of Article 5.

13. Because most Parties operating under paragraph 1 of Article 5 consume HCFCs solely in the servicing sector, the Panel grouped all related countries and explained that its cost estimates were based on the Fund's experience in funding refrigerant-related activities, including refrigerant management plans and terminal phase-out management plans. These plans had used such measures as establishing legal and technical frameworks and training to enable Parties operating under paragraph 1 of Article 5 to achieve required reductions. In total, the Task Force estimated that \$63 million was the sum required for servicing during the triennium 2009–2011 to realize the first 10 per cent reduction step in 2015. For countries with a large use of HCFCs for purposes other than servicing, the Task Force used various assumptions to assess which technologies might be used. It also used two alternative assumptions for operational costs (no year's and two years' compensation) and two alternatives for starting points for funding reductions (baseline levels and 2012 levels).

14. In conclusion, the Panel presented two ranges for the overall funding requirement for the triennium 2009–2011: a low range of between \$342.8 million and \$392.3 million (assuming only that baseline consumption would be funded and no operational cost would be funded) and a high range of between \$518.3 million and \$639.8 million (assuming that the Fund would finance reductions from 2012 levels and would pay project beneficiaries using two years of operational cost). It also reported on the indicative funding requirement ranges for the trienniums 2012–2014 (\$421 million–\$636 million) and 2015–2017 (\$536 million–\$658 million).

(a) Item 4 (a) (i): Presentation and consideration of the supplemental report of the Technology and Economic Assessment Panel Replenishment Task Force

15. During the twenty-eighth meeting of the Open-ended Working Group and in related contact group discussions on replenishment, it was agreed that the Replenishment Task Force would be requested to prepare a supplemental report to the Parties covering a number of specific issues. The list of agreed issues for further consideration by the Task Force can be found in the report of the contact group to the Open-ended Working Group (chapter III of document UNEP/OzL.Pro.WG.1/28/5). Specifically, in response to the concerns of many Parties operating under paragraph 1 of Article 5 that the initial Task Force report had not taken into account inflation, the recent significant rises in the price of crude oil and transport costs and changes in the value of the United States dollar, it was agreed that the Task Force would be requested to consider the implications of variations in inflation rates. In terms of funding issues, many Parties operating under paragraph 1 of Article 5 expressed concern at the Panel's assumption that institutional strengthening funding would remain level and not increase over the course of the triennium. Accordingly, the Panel was requested to consider various funding scenarios.

16. Another issue raised was related to destruction of ozone-depleting substances, and in that regard, Parties operating under paragraph 1 of Article 5 were requested to provide the Task Force with information on the amount of stocks of contaminated or confiscated ozone-depleting substances that they had ready and waiting for destruction. In terms of assumptions in the study, the Task Force was requested to consider the implications for the replenishment of using alternative cut-off dates for funding and to consider the possible funding elements that might be involved in second-stage conversions (i.e., converting plants that had previously been converted by the Fund from CFCs to HCFCs). The Task Force was also requested to consider the issues of HCFC production and climate impacts. Lastly, as regards the servicing sector and cost-effectiveness, the Task Force was requested to provide an explanation of how the cost-effectiveness factors that it had used had been constructed, the related effects and the extent to which paying to convert equipment at the end of its useful life would effect the cost-effectiveness figures for the consumption sector and the funding requirement.

17. Under this agenda item, the Parties are expected to hear a presentation on the Panel's supplemental report on replenishment and to establish a contact group to work towards achieving consensus on the replenishment of the Multilateral Fund. As agreed during the discussions on replenishment at the twenty-eighth meeting of the Open-ended Working Group, this contact group should comprise four representatives from each of the three regional groups of Parties operating under paragraph 1 of Article 5 and 12 representatives from Parties not so operating, thereby ensuring balanced regional representation. Parties have been requested to have selected their representatives before the commencement of the meetings in Doha. The Secretariat's addendum to the present note will include a summary of the Panel's key findings and recommendations on related issues.

(b) Item 4 (a) (ii): Proposal on extension of the fixed-exchange-rate mechanism

18. In the context of replenishment, the Open-ended Working Group discussed the issue of the fixed-exchange-rate mechanism. The mechanism was first introduced at the Eleventh Meeting of the Parties and has since been used by many countries contributing to the Multilateral Fund to ease administrative difficulties related to making commitments in moneys other than their national currencies and to promote timely payments. One of the stated objectives of the mechanism is to ensure that there is no adverse impact on the level of resources available to the Multilateral Fund, and, in that regard, calculations by the treasurer have made it clear that the use of the mechanism has, to date, resulted in increased contributions. Since agreement on the mechanism for the third replenishment, it has included a provision to determine the average exchange rate to be applied to the use of the mechanism in the next replenishment. This six-month provision ensures that the selection of the time period for averaging exchange rates is not deliberately used to bias future decisions on the mechanism.

19. The main issue discussed regarding the mechanism concerned whether it should be extended permanently or for the current replenishment only. On that matter, the Secretariat was requested to prepare alternative proposals to extend the mechanism for making contributions to the Fund on a one-time and permanent basis. Alternative draft decisions on this matter can be found in section G in chapter I of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3. Under this agenda item, the Parties are expected to consider and make recommendations, as appropriate, on the application of the fixed-exchange-rate mechanism.

2. Item 4 (b): Environmentally sound disposal of ozone-depleting substances (proposals by Argentina, the European Community, the Federated States of Micronesia and Mauritius)

20. During the twenty-eighth meeting of the Open-ended Working Group, the Parties considered four items related to destruction. First, the Working Group considered a report commissioned by the Executive Committee of the Multilateral Fund on destruction case studies that examined the operation of destruction activities in a number of Parties and made recommendations on how further activities might be undertaken (the report will be made available as a background document). The next two items, proposals from the Federated States of Micronesia and Mauritius, and Argentina, had several factors in common related to destruction of ozone-depleting-substance banks, including a request to amend the indicative list of incremental costs to enable the Fund to begin funding destruction-related activities, and a suggestion that Parties not operating under paragraph 1 of Article 5 with exemptions should offset them by destroying ozone-depleting substances. The proposal by Argentina also suggested that this offset could, after a time, apply to Parties operating under paragraph 1 of Article 5 that received exemptions and makes clear that ozone-depleting substances produced for essential uses, but not used for that purpose, should be destroyed.

21. Lastly, a proposal by the European Community suggested actions that could be taken immediately including, for Parties not operating under paragraph 1 of Article 5, further improvement in the implementation of legislation and other measures that prevented the venting, leakage or emission of ozone-depleting substances. In addition, it called for all Parties to develop strategies for the management of banks, for the Technology and Economic Assessment Panel to undertake more work to identify the sectors in which recovery of ozone-depleting substances was technically and economically feasible (taking into account both ozone and climate cost-benefit considerations) and for a workshop be held in 2009 to analyse that work and consider further action.

22. Given the significant interest in this matter, the Open-ended Working Group established an open-ended contact group that considered key issues related to destruction and banks, including the scope of action (e.g., the substances that should be addressed, the sectors to be covered and the definitions of unwanted material and banks); options for financing action; linkages that the issue of destruction might have with other agreements such as the United Nations Framework Convention on

Climate Change and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; and the short and long-term policy options that were needed to deal with the issue.

23. On the basis of the large number of issues addressed and ideas put forward, the co-chairs of the contact group put forward a proposal which, together with the report of the contact group, can be found in section B of chapter III of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3. That proposal suggested that, in the short term, the Parties might agree to focus on dealing with already assembled stocks of CFCs and halons that either were contaminated or were the result of confiscations. They also suggested that management of this issue should encompass actions related to recovery, collection, bank management (including storage) and transport. In terms of funding, the co-chairs proposed that consideration should be given to requesting the Multilateral Fund, as a first step, to support activities in Parties operating under paragraph 1 of Article 5 related to the collection, containment, bank management, transport and disposal (destruction or redeployment) of already existing stocks of contaminated or confiscated CFCs and halons. Lastly, the co-chairs' proposal suggested investigations of and discussions with other potential sources of funding that might be available to provide complementary funding for climate co-benefits and that a study should be initiated on the costs and benefits of collection, storage, bank management, transportation and destruction of different categories of unwanted ozone-depleting substances, taking into account the climate and ozone benefits resulting from their suppressed release.

24. The proposals of Argentina, the European Community, the Federated States of Micronesia and Mauritius and the co-chairs of the contact group on destruction can be found in sections A, C and E of chapter I of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3. The Parties are expected to consider these proposals and related issues and work toward a consensus recommendation for consideration by the Twentieth Meeting of the Parties to the Montreal Protocol.

3. Item 4 (c): Issues related to essential uses

25. In accordance with decision IV/25, three Parties – the European Community, the Russian Federation and the United States of America – submitted requests for essential-use exemptions for CFCs for metered-dose inhalers applicable to the years 2009 and 2010. The Russian Federation also requested an exemption for the use of 130 tonnes of CFC-113 for 2010 for certain aerospace applications. This latter request had been authorized by decision XIX/14, provided that the Technology and Economic Assessment Panel did not identify any alternatives that could be implemented by 2009.

(a) Item 4 (c) (i): Use of CFC-113 in the aerospace industry in the Russian Federation

26. At the twenty-eighth meeting of the Open-ended Working Group, the Parties heard that until now, the Technology and Economic Assessment Panel had not been able to visit the Russian Federation to assist the Party in evaluating possible alternatives that might obviate the need for an exemption for its aerospace uses. It was therefore agreed that the Panel would undertake a site visit to investigate the matter further before the Twentieth Meeting of the Parties and would present any relevant information on this matter at that Meeting. Any further information received will be included in the addendum to the present note.

(b) Item 4 (c) (ii): Nominations for 2009 and 2010 for essential-use exemptions

27. At the twenty-eighth meeting of the Open-ended Working Group, Parties heard a presentation from the Technology and Economic Assessment Panel on their initial review of the nominations put forward by Parties for essential-use exemptions. Specifically, Parties heard from the Panel on its recommended approval of 248 tonnes of CFCs for 2009 for metered-dose inhalers in the Russian Federation and the reasons why it was not recommending approval of the nomination by the European Union for 38 tonnes for CFC metered-dose inhalers and the 2010 request by the United States for 182 tonnes. Its stated reasons for not recommending the latter two nominations included the belief that those needs should be covered from existing stocks, and that one drug, epinephrine, was not an essential medicine, as its use could be avoided by using other CFC-free drugs. The Working Group understood that the proponents of the exemptions would engage in further discussion with the Panel on their requests and the Twentieth Meeting of the Parties is expected to deliberate and take a final decision on the outstanding nomination requests.

(c) **Item 4 (c) (iii): Essential uses and campaign production of CFCs for metered-dose inhalers**

28. Decision XVIII/16 requested the Technology and Economic Assessment Panel to report to the Open-ended Working Group at its twenty-seventh meeting on its progress in assessing the need for, feasibility of, optimal timing of and recommended quantities for a limited campaign production of CFCs exclusively for metered-dose inhalers both in Parties operating under paragraph 1 of Article 5 and in Parties not so operating. The Panel initially examined those issues in its 2007 progress report and reviewed them again in its 2008 progress report.

29. In the latter report, the Panel examined three options for the production of CFCs to meet requirements for metered-dose inhaler manufacture after 2009 in the light of such issues as security of CFC supply, predicted volume requirements and relative costs for production, storage and destruction. Specifically, the Panel considered the option of open-ended annual production after 2009 (not recommended because it does not provide a clear target for ending CFC production, predictability for CFC producers, or incentives for companies to switch to CFC-free alternatives); extensive final campaign production in late 2009 (which it deemed impractical for a variety of reasons); and final campaign production in 2011. The Committee recommended the latter option, believing that it could be feasible, would provide a clear target for ending CFC production, predictability for CFC producers, lower storage costs than those associated with a 2009 campaign production run and because it would serve as an incentive for those companies currently manufacturing CFC metered-dose inhalers to switch to CFC-free alternatives.

30. In terms of the quantity of CFCs that would have to be produced, the Panel said that a campaign production run of some 1,000 tonnes (excluding amounts that might be required by China) could, under specific conditions, be sufficient for all countries needing to rely on that production. Lastly, to facilitate the possible essential-use process for Parties operating under paragraph 1 of Article 5 and campaign production in 2011, the Panel suggested numerous adjustments to the essential-use process and related decisions.

31. After hearing a presentation by the Panel on this issue, the Working Group established a contact group, which identified important elements for further consideration. In that context, there appeared to be general agreement that there was currently insufficient data and information to determine clearly whether there was a genuine need for a final campaign production run and whether such a campaign would be feasible. The group identified areas where more thinking was needed, including ways to detect the need for a production campaign, estimation of amounts of CFCs necessary to be produced, strategies to avoid overproduction or insufficient production and policy options. In that regard, it was suggested that the Panel be requested to assess the amount of CFCs required, taking into account possible essential-use applications to be submitted by Parties operating under paragraph 1 of Article 5. Other issues noted included the need to address who would own material produced in a campaign and how storage and the logistical problems of supply would be tackled.

32. The group also discussed the essential-use process and raised several issues, including adequacy of the current regime, guidance for essential-use applications for Parties operating under paragraph 1 of Article 5, time frame for applications and awareness-raising. Because Parties operating under paragraph 1 of Article 5 and producing metered-dose inhalers needed to submit exemption requests by January 2009, the urgency of informing such Parties of the related requirements was noted, as was a need to review the handbook on essential uses to ensure it met the requirements of such Parties. The group also suggested that the Medical Technical Options Committee should take into account the short time available for Parties operating under paragraph 1 of Article 5 to make essential-use nominations and bear in mind unforeseeable circumstances when considering countries' phase-out strategies. Lastly, it suggested that the Medical Technical Options Committee, and perhaps Parties not operating under paragraph 1 of Article 5, might be able to provide short-term technical support for those submissions.

33. In terms of the way forward, the group suggested that the Secretariat should review all relevant decisions on essential uses to extend their applicability to essential-use nominations submitted by Parties operating under paragraph 1 of Article 5. The co-chairs also noted their intent to enable Parties to provide their comments to the Secretariat by 15 September 2008 and suggested that they would use any input provided in an effort to prepare a draft decision regarding essential-use applications for Parties operating under paragraph 1 of Article 5. The Secretariat will include in its addendum to the present note a summary of any further information or proposals that it receives on this issue.

4. Item 4 (d): Consideration of methyl bromide-related issues

(a) Item 4 (d) (i): Nominations for 2009 and 2010 for critical-use exemptions

34. Pursuant to paragraph 2 of decision IX/6 and decision XIII/11, the Methyl Bromide Technical Options Committee met from 14 to 18 April 2008 in Tel Aviv, Israel, to evaluate new 2009 and 2010 nominations for critical-use exemptions for methyl bromide. The Open-ended Working Group heard a presentation by the Committee on these nominations and engaged in an initial discussion on the understanding that the Committee would consider further information on outstanding issues and present a final set of recommendations for consideration at the Twentieth Meeting of the Parties. The Soils Sub-Committee and the Quarantine, Structures and Commodities Sub-Committee of the Methyl Bromide Technical Options Committee will hold their second meetings in Alassio, Italy, from 31 August to 3 September 2008 and in Chengdu, China, on 21 September 2008, respectively. The Secretariat will include in its addendum to the present note a summary of the final Committee recommendations on this issue.

(b) Item 4 (d) (ii): Adjustment to the Montreal Protocol on allowances for production of methyl bromide to meet basic domestic needs of Parties operating under paragraph 1 of Article 5 (proposal by Kenya and Mauritius)

35. Pursuant to paragraph 9 of Article 2 of the Montreal Protocol, Kenya and Mauritius have proposed an adjustment to the Montreal Protocol to reduce the allowance of methyl bromide produced for the basic domestic needs of Parties operating under paragraph 1 of Article 5. In presenting their proposal at the twenty-eighth meeting of the Open-ended Working Group, the proponents noted that the maximum basic domestic needs production allowance for Parties not operating under paragraph 1 of Article 5 significantly exceeded the current consumption of methyl bromide by Parties that were so operating and that their proposal would reduce the maximum production allowance for methyl bromide to ensure that supply was not substantially greater than demand. They expressed the belief that their proposal could stop potentially excessive methyl bromide production that could delay the adoption of alternatives and undermine Multilateral Fund projects.

36. While there appeared to be significant support for the proposal, a number of representatives suggested that more detailed discussion on the issue would be needed and some expressed the view that the issue could be addressed through effective licensing systems or supplemented with the addition of a new reduction step in the country consumption control provision governing Parties operating under paragraph 1 of Article 5. The Parties are expected to discuss the proposed adjustment and forward any agreed recommendations for consideration by the Meeting of the Parties.

(c) Item 4 (d) (iii): Quarantine and pre-shipment uses of methyl bromide (proposal by the European Community)

37. At the twenty-eighth meeting of the Open-ended Working Group, the European Community put forward a draft proposal on the use of methyl bromide for quarantine and pre-shipment. Noting that such uses represented a major uncontrolled use of ozone-depleting substances, the proponent explained that the aim of the proposal was to improve the knowledge base and information flow on quarantine and pre-shipment applications; to develop and implement national strategies to reduce the use of methyl bromide for such uses, and at the Twenty-First Meeting of the Parties to consider options for reducing methyl bromide quarantine and pre-shipment uses and related emissions. Among other things, the proposal calls for the Ozone Secretariat to publish quarantine and pre-shipment data submitted by the Parties, for further assessment and updating of quarantine and pre-shipment information by the Technology and Economic Assessment Panel and for the holding of a workshop in 2009 on quarantine and pre-shipment alternatives. Many Parties noted that they needed more time to review the proposal and the Open-ended Working Group agreed to forward it to the Meeting of the Parties for further consideration.

5. Item 4 (e): Application of trade provisions to HCFCs (proposal by Australia)

38. At the twenty-eighth meeting of the Open-ended Working Group, the representative of Australia introduced a draft decision that would amend decision XV/3 on the application of the Protocol's trade provisions to HCFCs. The original decision XV/3 called for the initiation of trade controls on HCFCs in 2015, when the control on HCFCs was to start in Parties operating under paragraph 1 of Article 5. Noting that the date for the initiation of HCFC controls in Parties operating under paragraph 1 of Article 5 had, by the adjustment agreed at the Nineteenth Meeting of the Parties, been moved up to 2013, the proposal by Australia sought to amend the past decision to harmonize the date for the initiation of trade

controls at 2013. The Working Group decided to forward the draft decision for consideration by the Twentieth Meeting of the Parties.

6. Item 4 (f): Process agents

39. By decision XVII/6, the Parties requested the Technology and Economic Assessment Panel to report on and make recommendations to the Twentieth Meeting of the Parties, and every other year thereafter, on process-agent use exemptions, on insignificant emission associated with use, and on process-agent uses that could be added to or deleted from table A of decision X/14. Based on a detailed consideration of related issues set out in the Panel's 2007 progress report, the Nineteenth Meeting of the Parties, by decision XIX/15, made extensive changes to table A of the above decision. During the discussion on this issue at the twenty-eighth meeting of the Open-ended Working Group, several Parties supported amending the table included in the decision to include those new applications which the Panel found met the technical requirements for being considered as process agents. On the other hand, some Parties suggested that, since the list of process agent uses was amended in 2007, it would be inconsistent with the mandate under the earlier decisions for consideration every other year to discuss amending the list in 2008. Lastly, some Parties noted the importance of full reporting by all Parties utilizing the process-agent provision. The Parties are expected to consider these matters further and forward recommendations as appropriate for consideration by the Twentieth Meeting of the Parties.

7. Item 4 (g): Update reports by the Technology and Economic Assessment Panel

(a) Item 4 (g) (i): Carbon tetrachloride emissions and opportunities for reduction (final report)

40. Decision XVI/14 requested the Technology and Economic Assessment Panel to assess global emissions of carbon tetrachloride from certain specific-use categories and potential methods for achieving reductions in emissions. After consideration of the Panel's initial report, the Eighteenth Meeting of the Parties requested that a final report be prepared on this matter, with particular attention to obtaining better data on industrial emissions, investigating further issues related to the production of carbon tetrachloride and estimating emissions from other sources such as landfills. The Open-ended Working Group heard a brief report from the Panel on this matter at its twenty-eighth meeting and some Parties expressed the hope that more information would be available by the time of the Twentieth Meeting of the Parties. The Secretariat will include in its addendum to the present note a summary of any new information that it receives.

(b) Item 4 (g) (ii): Regional imbalances in respect of halons

41. In its 2007 progress report, the Technology and Economic Assessment Panel noted that there could be regional imbalances in the availability of halons, which could lead to countries being unable to obtain stocks for important uses. By decision XIX/16, the Parties requested the Panel to examine such projected regional imbalances and to discuss potential mechanisms that could be used to predict and mitigate them in the future. At the twenty-eighth meeting of the Open-ended Working Group, the Panel presented its interim conclusions, which, it noted, were the result of limited input from the Parties. Specifically, its interim review concluded that, with the exception of the availability of halon 2402 to meet military needs in India, it did not perceive any imbalances in regional halon supply. Given the importance of the broad issue of halon availability, all Parties were urged to submit information on their halon needs to the Panel to enable it to carry out more work on this topic. The Secretariat's addendum to the present note will include a brief summary of any new findings and recommendations on related issues.

(c) Item 4 (g) (iii): Scoping study on alternatives to HCFCs for mines and in very high temperature conditions

42. By decision XIX/8, the Parties requested the Technology and Economic Assessment Panel to undertake a scoping study to assess alternatives to HCFCs in the refrigeration and air-conditioning sectors in Parties operating under paragraph 1 of Article 5 with specific reference to specific climatic conditions and unique operating conditions, such as those in mines that were not open pit mines, in some Parties operating under paragraph 1 of Article 5. In the process, the Panel was requested to identify areas requiring more detailed study of applicable alternatives.

43. At the twenty-eighth meeting of the Open-ended Working Group, the Panel gave a preliminary review of its work to date and expressed the hope that it would be able to deliver a more complete report to the Twentieth Meeting of the Parties. The Secretariat's addendum to the present note will include a brief summary of the Panel's findings and recommendations on related issues, if any.

8. Item 4 (h): Technology and Economic Assessment Panel administrative issues

44. Under this agenda item, the Parties are expected to consider, among other things, the nomination of a new co-chair for the Halons Technical Options Committee

9. Item 4 (i): Compliance and reporting issues considered by the Implementation Committee, including non-compliance with the Montreal Protocol that may be attributable to CFC consumption for production of metered-dose inhalers in certain Parties operating under paragraph 1 of Article 5 (decision XVIII/16, paragraphs 3–5)

45. Parties will hear a presentation by the President of the Implementation Committee and consider the recommendations of that body for decisions on issues relating to compliance with the Montreal Protocol.

10. Item 4 (j): Consideration of membership of Montreal Protocol bodies for 2009

(a) Item 4 (j) (i): Members of the Implementation Committee

46. The Twentieth Meeting of the Parties will consider the issue of membership of the Implementation Committee. In accordance with the non-compliance procedure adopted by the Parties, the Implementation Committee is to consist of representatives of 10 Parties who are elected for two years on the basis of equitable geographical representation. Outgoing Parties may be re-elected for one consecutive term. Given this term of office, the following Parties are expected to continue to serve on the Committee in 2009: Jordan, Mauritius, Mexico, New Zealand and the Russian Federation. In addition, the following regions are expected to nominate one member each for their next term: Africa, Asia and the Pacific, Eastern Europe, Latin America and the Caribbean, and Western Europe and others. Draft decision XX/BB on this item is included in chapter II of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3.

(b) Item 4 (j) (ii): Members of the Executive Committee of the Multilateral Fund

47. The Twentieth Meeting of the Parties will consider the issue of membership of the Executive Committee. In accordance with the terms of reference of the Executive Committee approved by the Fourth Meeting of the Parties, the Executive Committee consists of 14 members: seven from the group of Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and seven from the group of Parties not so operating. Each group selects its Executive Committee members, who are then formally endorsed by the Meeting of the Parties. In addition, the group of Parties operating under paragraph 1 of Article 5 may wish to select a member of the Committee to serve as the Vice-Chair of the Committee for 2009, and the group of Parties not so operating may wish to select a member of the Committee to serve as Chair for 2009. Under this agenda item, the Twentieth Meeting of the Parties will be expected to endorse the selections of the new representatives and note the selection of the Chair and Vice-Chair of the Committee for 2009. Draft decision XX/CC on this item is included in chapter II of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3.

(c) Item 4 (j) (iii): Co-Chairs of the Open-ended Working Group

48. In accordance with decision XIX/4 of the Nineteenth Meeting of the Parties, Mr. Mikkel Sorensen (Denmark) and Ms. Judy Francis Beaumont (South Africa) have served as co-chairs of the Open-ended Working Group of the Parties to the Montreal Protocol for 2008. The Twentieth Meeting of the Parties may wish to consider the chairmanship of the Open-ended Working Group for 2009. Draft decision XX/DD on this item is included in chapter II of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3.

11. Agenda item 5: Other matters

49. The Parties may wish to discuss other matters that are identified and agreed for consideration during the adoption of the agenda.

II. Matters that the Secretariat would like to bring to the attention of the Parties

A. Secretariat missions

50. In accordance with the directives of the Parties for the participation in or monitoring of activities in other forums, the Secretariat has participated in and contributed to several meetings since the completion of its report to the Open-ended Working Group: the fifty-fifth and fifty-sixth meetings of the Executive Committee of the Multilateral Fund; the meeting of the Compliance Assistance Advisory Committee; and meetings of the ozone regional networks of French-speaking and English-speaking

Africa, Europe and Central Asia, South Asia, South-East Asia and the Pacific, West Asia and Latin America and the Caribbean. In addition, the Secretariat attended the meeting on essential-use nominations for CFCs for metered-dose inhalers organized by the UNEP OzonAction Branch.

51. Lastly, the Secretariat wishes to inform the Parties that the Executive Director of UNEP has formed a multilateral environmental agreement management team to enable heads of secretariats to discuss issues of mutual interest, and, in mid-August, the Executive Secretary participated in the latest meeting of that group.

B. Observations related to reporting

52. *Requests for chemical-specific HCFC data:* Both before and after the 2007 discussion on adjusting the HCFC provisions of the Protocol, there have been increasing numbers of requests from various Protocol bodies and some Parties for information on the breakdown of countries' HCFC production and consumption by chemical. This information could be particularly important to the analysis performed by the Technology and Economic Assessment Panel and efforts by the Multilateral Fund and its implementing and bilateral agencies to verify reduction estimates in projects against reported data. Given this situation, the Parties may wish to clarify the status of related data and whether, and under what terms, they can be generally disseminated.

53. *Decimal points:* In 2006, the Secretariat brought to the attention of the Implementation Committee the issue of treatment of data in respect of very small (*de minimis*) quantities of ozone-depleting substances, relative to compliance with the Montreal Protocol. At that time and at the Committee's request, the Secretariat circulated a paper requesting guidance from the Parties regarding the number of decimal points that should be used in assessing compliance. During discussion of this issue at the Eighteenth Meeting of the Parties, the Parties discarded a proposal for further study on this issue and concluded that the Secretariat should revert to its method of rounding to one decimal place only (see paragraph 147 of the report of the Eighteenth Meeting of the Parties, document UNEP/OzL.Pro.18/10).

54. The Secretariat will again raise this issue before the Implementation Committee owing to its implications for HCFCs and for the integrity of past compliance-related decisions of the Meeting of the Parties.

55. As the Parties are aware, HCFCs have a significantly lower ozone-depleting potential than CFCs. As a consequence, by rounding to one decimal place, the Secretariat data provided on the internet and to the Implementation Committee will show zero consumption for the many Parties whose consumption of HCFCs is lower than 0.5 ODP tonnes. These countries may therefore be considered to be in compliance with the HCFC phase-out even though their consumption may be several metric tonnes or more. If this situation were to occur, it would contradict the letter and spirit of Articles 2 and 5 of the Montreal Protocol, which foresee zero production and consumption phase-out as a measure of full compliance with ODS phase-out by each Party. Furthermore, and given the mandate of the Multilateral Fund to enable compliance, a question may arise as to whether these Parties are eligible for assistance from the Fund to eliminate this use of HCFCs.

56. As the issue concerns past decisions of the Meeting of the Parties related to compliance by individual countries, it is important to note that some of those decisions included agreements for reductions to a fraction of a tonne denoted to as many as three decimal places. While the specificity in those decisions might appear to control any potential concern, that the Parties' direction on the use of decimal places came later in time could lead to some confusion over the mandate for related compliance.

57. Given the factors noted above, the Secretariat is raising this issue before the Implementation Committee and taking this opportunity to notify the Parties that it may be brought forward for their consideration at the Meeting of the Parties.

C. "Centrum": new Ozone Secretariat newsletter on interlinkages between multilateral environmental agreements

58. The Montreal Protocol and all multilateral environmental agreements have an effect that extends well beyond their expected environmental target. As experience has shown, those effects often collide in unexpected ways. On Ozone Day 2008, the Secretariat inaugurated its new electronic newsletter, which it has chosen to call "Centrum" because this term defines a point of common ground from which a series of concentric circles emanate and expand outwards. The initial edition includes articles from some Parties, implementing agencies, other secretariats and civil society. The Secretariat currently

expects to issue this newsletter twice a year, but welcomes feedback and ideas from all sources in terms of how the first edition has been received and the potential content of future editions.

D. Reducing the use of paper for Montreal Protocol meetings

59. The Secretariat conveys its appreciation to those delegates and Parties that have taken the step of requesting that all future documentation for meetings come to them in electronic rather than paper form, a measure which the Secretariat believes will contribute to more sustainable meetings. To date, the Secretariat has received requests from over 85 Parties to be part of this effort. Another pilot initiative in this area, which is supported by the generous assistance of the Government of Qatar, is to work towards holding a virtually paperless Meeting of the Parties in Doha. The Secretariat will soon be issuing an information document to enable participants to be fully prepared to use this system during the Meeting.

E. Continuing changes in the Ozone Secretariat

60. The Secretariat is pleased to announce that, with the arrival of its new Information and Communications Officer and Monitoring and Compliance Officer, the Ozone Secretariat is back to full strength. In that regard, the Secretariat is pleased to introduce Ms. Maria Saldanha, responsible for communications, and Ms. Sophia Mylona, responsible for monitoring and compliance. Ms. Saldanha has previously worked for over four years in the field of information with the United Nations World Food Programme, serving in Italy, Mozambique and Zimbabwe. In the short time since her arrival, the Secretariat has already benefited from her experience and initiative and is confident that she will make an outstanding contribution to the team. Ms. Mylona joins the Secretariat from Norway, bringing with her a wealth of experience in the Montreal Protocol and on issues related to science, data and regulation. The new team looks forward to supporting the Ozone Secretariat and the Parties in all shared efforts.

61. Ms. Mylona's appointment fills out the recently formed Legal Affairs and Compliance Unit. The Unit, headed by the Senior Legal Officer (now designated as Chief for Legal Affairs and Compliance), includes the Database Manager and the Monitoring and Compliance Officer. This Unit has been set up to provide increased focus and continuity to the Secretariat's significantly increased work in the monitoring and compliance area of the Montreal Protocol. This initiative, which complements the strengthened focus on regional support and our new electronic newsletter, is the Secretariat's first effort to adjust to the new challenges presented by the Parties' historic decision on HCFCs. As always, the Secretariat welcomes suggestions and feedback from the Parties on these and other initiatives that it may take to position it better to support Parties' efforts in implementing the Vienna Convention and the Montreal Protocol in relevant areas.

F. Request from the Conference of the Parties to the Rotterdam Convention

62. The Secretariat is conveying to the Parties a request by the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, contained in decision RC-3/5 on a sustainable financial mechanism. In the decision, which was adopted by the Parties to the Rotterdam Convention in October 2006 and brought to the attention of the Ozone Secretariat at the end of 2007, the Secretariat of the Rotterdam Convention is requested to consult with the Parties to the Montreal Protocol to identify areas within its mandate that can support implementation of appropriate and relevant objectives of the Rotterdam Convention such as foundational chemical management. Any advice on this matter by the Parties will subsequently be communicated to the Secretariat of the Rotterdam Convention. A short information note including the full text of decision RC-35/5 and a response by the Multilateral Fund Secretariat on experiences relevant to the Rotterdam Convention is contained in document UNEP/OzL.Pro.20/INF/5.