



**United Nations
Environment
Programme**

Distr.: General
8 October 2008

English only



**Twentieth Meeting of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**
Doha, 16–20 November 2008

Comments received on the proposal of the co-chairs of the contact group on destruction and banks

Note by the Secretariat

During the twenty-eighth meeting of the Open-ended Working Group, a contact group was established to consider proposals submitted on issues associated with the destruction of ozone-depleting substances and banks for such substances. After several days of discussion on related issues, the co-chairs of the contact group presented a report and proposal to the Working Group, which can be found in chapter III of document UNEP/OzL.Conv.8/3-UNEP/OzL.Pro.20/3. In the report, the co-chairs invited comments from the Parties. The annex to the present note includes submissions received by the Secretariat in that regard prior to 5 October 2008. The submissions are presented as received and have not been formally edited.

K0842185 171008

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to meetings and not to request additional copies.

Annex

Argentina - Comments on the Co-chairs Proposal on Destruction and Banks Management

Marco Gonzalez
Secretario Ejecutivo
Secretaría del Ozono:

Estimado señor:

Tengo el agrado de dirigirme a usted a fin de remitirle los comentarios argentinos al Informe y propuestas de los co-presidentes del grupo de contacto de producción unificada y usos esenciales, de la 28° Reunión de las Partes del Grupo de Trabajo de Composición Abierta del Protocolo de Montreal.

Punto A.3.57 ... to imported products". A continuación, debería incluirse el siguiente texto: "Several parties stressed that it was important to ensure that the criteria for Article 5 countries are no more stringent than what has been used up to date."

Sin otro particular, lo saludo atentamente.

Emb. María Esther Bondanza
Directora General
Dirección General de Asuntos Ambientales
Cancillería Argentina.

Unofficial translation of the second paragraph of the letter

Para: A.3.57 "..... to imported products". After the word "products." to include the following text : "Several parties stressed that it was important to ensure that the criteria for Article 5 countries are no more stringent than what has been used up to date."

Australia – Comments on the Co-chairs Proposal on Destruction and Banks Management

Mr. Marco Gonzalez
Executive Secretary, Ozone Secretariat
United Nations Environment Programme
P.O. Box 30552
Nairobi 00100, KENYA

Dear Mr. Gonzalez,

I am writing to provide you with comments on the issue of destruction of banks, as invited by the co-chairs of the contact group on destruction and banks in their report to the Open-Ended Working Group meeting held 7-11 July 2008.

Australia considers that Parties came to the OEWG with a variety of perspectives about what was meant by “destruction”, and that some of these perspectives were teased out during the course of the meeting. We consider it would be useful to further explore these different perspectives at the Meeting of the Parties in November.

It may be that some concerns can be addressed by the MOP directly. We heard some Parties talk about the need to ensure that unwanted ODS is collected and disposed of appropriately. This may be an area where the MOP can provide some guidance to countries in such a situation. One solution may be that Parties which would like the opportunity to re-use and recycle unwanted ODS are invited to coordinate directly with countries with unwanted ODS. This sort of approach would be consistent with the approach taken to date of encouraging the re-use and recycling of unwanted or used ODS.

It may be that other concerns need more exploration and information. Some Parties were talking about the need to destroy banks of ODS to ensure that maximum benefit can be derived to hasten the recovery of the ozone layer and to reduce greenhouse gas emissions. This is a complicated issue and its many uncertainties should be addressed logically. By this we mean that early action by Parties should be focused on obtaining more information about opportunities for beneficial and cost-effective destruction, before considering any significant changes to our mode of operation.

There are many uncertainties about the accessibility of the ODS bank for destruction, and even the timeframe available for meaningful action that gives rise to the benefits that some countries are claiming. An approach that is based on science and technical capability has value and the added benefit of ensuring that the MOP is informed about the important scientific, technical and economic issues before embarking on specific action. It may be that elements of the EC proposed decision (CRP.C in document UNEP/OzL.Pro.20/3) could be an appropriate starting point for negotiations.

In relation to the proposal put forward by the co-chairs for a cost-benefit study on issues surrounding the collection and disposal of different categories of ODS, Australia supports the need for such a proposal to inform Parties about the benefits that may accrue from destruction/disposal activities and whether the nature of these benefits are such that other forms of funding outside the Montreal Protocol might be leveraged. Australia would also want to ensure that any systems or approaches for disposal agreed to by Parties do not provide disincentives for recycling and recovery of ODS.

Another important consideration is ensuring that any action taken by the Montreal Protocol to derive climate benefits is undertaken in a way that adds to, or complements, UNFCCC activities. The UNFCCC is the treaty that provides the framework for global greenhouse gas reduction activities, and we in the Montreal Protocol framework need to have close cooperation with the UNFCCC to ensure our actions, at the very least, do not undermine UNFCCC policy and activities, and should, ideally, complement and support those activities.

Yours sincerely
Patrick McInerney
Director
Ozone and Synthetic Gas Team
September 2008

Brazil - Comments on the Co-chairs Proposal on Destruction and Banks Management

Brazil believes the issues of destruction and bank management are closely interlinked, and agrees with the co-chairs that a proposed decision should promote steps in the areas of policies, regulations and incentives, and embody an understanding that destruction encompasses actions related to recovery, collection, bank management (including storage) and transport.

Scope

Substances to be addressed: Brazil believes that any ozone-depleting substance (ODS) that is unwanted should be destroyed. For Brazil, the concept of unwanted ODS refers to contaminated and/or confiscated ODS, as well as to ODS that are collected, but are not worth recovering, or when their amount exceeds consumption needs in national markets. In Brazil, a national program is being organized with a view to replacing one million refrigerators per year. The reutilization of the corresponding CFC would cause a huge decline in CFC prices and, thus, would not be a good incentive for the market.

We support focusing, in the short term, on already assembled stocks of CFCs and halons that are either contaminated or are the result of confiscation. However, it is important that programs for the medium and long term are aimed at helping dispose other ODS, including HCFCs. As stated in the co-chairs' report, the facilities to destroy CFCs and halons would be the same for HCFCs.

Sectors or sources to be addressed: Brazil supports addressing the easiest sources first. Priority should be given to stocks of contaminated ODS which are readily available and have risk of venting, and to stocks that have resulted from confiscation. We do not support, however, incentives to reuse such stocks. Furthermore, from a legal standpoint, Brazil does not believe the redeployment of confiscated stocks should be supported. Brazilian legislation forbids exporting confiscated material to another country.

Although we support addressing the easiest sources first, and we agree that it is harder to address ODS banked in used equipment and in foam, we recall that the biggest amount of CFC, for instance, is specifically contained in foams. Hence, the environmental benefits deriving from its recovery and destruction justify investment in surveys to locate such banks and equipment, as well as in capacity-building to deal with them. We support the call for a study from the TEAP, with strong contributions from the Parties, that would inform a decision regarding actions to be taken in the medium and long terms.

Funding modalities

We cannot forget that the success and efficiency of the Montreal Protocol is directly linked with its Multilateral Fund. Therefore, to face this new and growing challenge of bank management and destruction of unwanted ODS, Brazil believes the Fund should be the mechanism used to provide financial, technical and policy support to A5 Parties. Furthermore, given that many of those banks would need to be dealt with in the near future, the funding currently provided under the replenishment task force report should be increased.

As a first step, the Multilateral Fund should support activities in A5 Parties related to the collection, containment, bank management, transport and disposal (destruction or redeployment) of already existing stocks of contaminated or confiscated CFCs and halons. In the medium term, the Fund's assistance should be extended to activities regarding used equipment and foams. In the long term, financial, technical and policy support should be provided for activities addressing HCFC collection and disposal. We support the suggestion mentioned in the co-chair's report of a step-by-step approach which could start with pilot projects in a geographically diverse set of countries, representing both small and large consumers.

Brazil is concerned with the proposals that focus on funding modalities such as voluntary carbon markets to finance bank management and destruction. As we had already stated when discussing the terms of reference for the World Bank study on financing destruction of ODS, we do not believe resources in voluntary carbon markets have the same predictability and availability of the Multilateral Fund.

Environmental benefits

In terms of environmental benefits, Brazil is of the view that a cost-benefit analysis regarding different collection and destruction activities would be useful to determine the appropriate level at which to set incentives. This analysis can also contribute to determine which level of support could generate perverse incentives or discourage redeployment.

We would strongly support a study from the Technology and Economic Assessment Panel on the costs and benefits of collection, storage, bank management, transportation and destruction of different categories of unwanted ODS, including ODS refrigerants in obsolete equipment, and ODS banks currently in foams, taking into account, on the benefit side, both climate and ozone benefits. Given the urgency of the issue, Brazil agrees it would be desirable to have that study, if possible, in time for consideration by the Twenty-First Meeting of the Parties.

Perverse incentives

Brazil agrees it is important to address the issue of perverse incentives, and find ways to avoid that substances be produced in the hope of securing future funding for its destruction. This issue will be automatically solved for CFCs and halons, since these substances must phase out by 2010. The issue becomes more difficult when it comes to HCFCs, whose recovery should be supported, to avoid production and trade. We suggest only contaminated HCFCs should be destroyed in a first step. In order to avoid perverse incentives related to its destruction, proposed actions should include control measures, like audits, to obtain secure information on the amount that is collected. This data should then be compared with the amount that is destroyed.

Policy options

Regarding policy options to deal with the issue of destruction and banks, Brazil does not agree destruction should be mandatory for ODS that have not completed their phase out schedule. Furthermore, this would discourage redeployment. However, since the Montreal Protocol has already approved destruction methodologies, we believe those should be able to be financed by the Multilateral Fund. For national efforts to be supported, the indicative list of incremental costs should be amended to include the destruction of ODS.

We are not ready to support the creation of destruction credits that could be marketed to enable new production, since that idea would have to be explored in much greater detail before it could be agreed on. In trying to stimulate recovery in non-A5 countries by offsetting against essential uses, we would be creating a potential trading scheme on ozone, the consequences of which seem to go against the Protocol's primary objective, which is to phase-out any ODS.

Finally, to facilitate a greater understanding of the legal and administrative issues that might be associated with the transport of ODS from the source country to the destroying country, Brazil supports a dialogue with the Basel Convention. The terms of reference of the dialogue would be determined by the Parties.

European Commission and France on behalf of the European Community and its 27 EU Member States - Comments on Co-Chairs' Proposal on Destruction & Banks

1. As reflected in its draft decision contained in UNEP/OzL.Conv.8/3—UNEP/OzL.Pro.20/3, the European Commission and France (EC/F) consider the issue of banks as one of the key outstanding challenges in protecting the ozone layer. In line with the views expressed in other Parties' proposals and Parties' interventions at the OEWG as well as recent reports from TEAP, the EC/F are of the opinion that urgent action is required also considering the substantive co-benefits that could be generated for tackling climate change.
2. The EC/F are grateful for the Parties' willingness to readily engage in discussions on this important topic with a view of agreeing on timely action as well as for Parties' concrete suggestions both ahead of and during the OEWG28. The EC/F also wish again to thank the co-chairs for guiding Parties' discussions and for allowing already good progress at the OEWG28 in this complex matter.
3. Pending the availability of further information, including from the Executive Committee and TEAP, and whilst analysis is ongoing, the EC/F are pleased to offer the following comments as called for by the OEWG co-chairs¹. The views expressed below may further evolve over the coming weeks also based on exchanges with other Parties and experts.

General Comments

4. The EC/F believe that the summary report of the co-chairs provides a fair overview of the many comments and suggestions that Parties' made during the past OEWG contact groups. The EC/F indeed support the general consensus reflected in the report on the simultaneous need for a holistic/longer time horizon approach and immediate/early action focusing on certain easier areas or activities that could be undertaken at the current stage. Any actions or approach should take into account that unwanted ODS need to be managed within a short period, in a cost effective and timely manner, to prevent damaging losses.
5. On the former (holistic approach), the EC/F agree on the importance of establishing a framework to enable a "step-by-step" development of further information and policy options which could inform or enable future actions and/or decisions on the matter. This has been the underlying idea in developing the operational paragraphs 1 through 5 in the EC draft decision (UNEP/OzL.Conv.8/1-UNEP/OzL.Pro.20/3). Hence these paragraphs could offer a source of inspiration for a possible draft decision to be adopted at MOP20.
6. On the latter (immediate action), the EC/F are supportive of the ongoing efforts to identify a first set of actions that could be pursued with a reasonable assurance that no perverse incentives are being created and the matter is solved in a cost efficient manner. To enable further progress, the EC/F offer some specific preliminary comments and suggestions below.

Specific comments/suggestions on the co-chairs' proposals

7. With reference to paragraph 14, where it is suggested to focus on CFCs and halons: Firstly, a *first* focus on a limited number of substances could be supported albeit the EC/F are not yet convinced of the benefits of including halons considering their continued critical uses (the final report on regional imbalances of halons due before MOP20 might provide further guidance). CTCs may also merit early consideration. Secondly, if the principle of a holistic approach is adhered to, then all (major) banked and stocked ODS, both at present and in future, should be kept under consideration when developing the step-by-step approach. To avoid a further build-up of both banks and stocks (hereafter referred to as 'banks'), it would indeed be meaningful to also consider future unwanted HCFCs. Likewise, national and/or international strategies to address the issue of ODS banks should also consider future banks of unwanted HCFCs which could potentially develop more quickly as a result of the accelerated HCFC phase-out, as such banks will be equally important to tackle (admittedly not for ozone purposes). In addition, and to avoid perverse incentives, attention is to be paid to the existence of swing plants and co-production capable of producing CFC, CTC and HCFCs as ODS will continue to be produced as feed stock.

¹ UNEP/OzL.Pro.WG.1/28/5 page 22 paragraph 2.

8. With reference to paragraph 14, where it says” with the understanding that consideration should be given to the redeployment of confiscated ozone-depleting substances (as opposed to destruction) if they can be redeployed in a manner that would obviate the need for new production mainly for essential or critical uses”: considering that most ODS are categorized as dangerous substances (ultimately also dangerous waste), Parties should ensure that in doing so, actions are compatible with already established international rules, e.g. in the context of the Basel and/or Rotterdam Conventions. Similarly, Parties should ensure that highly contaminated ODS recovered from equipment and stored for destruction are actually destroyed and not sold on the market or exported as virgin ODS. The polluter pays principle should also be borne in mind.

9. With reference to paragraph 15, the EC/F support this view also with the understanding (as referred too above in our paragraph 7 of this note) that the step-by-step approach can accommodate for example a gradual adding of targeted substances as information becomes available and analysis evolves.

10. With reference to paragraph 16, without prejudice to the outcome of ongoing work for the Executive Committee and not rejecting the possibility that the MLF could support pilot activities in AS countries as envisaged in the April TEAP RTF report (and currently being reviewed by TEAP for further consideration by Parties), there remains a number of issues to be clarified including whether such a request would be fully compatible with the Protocol and the current MLF mandate and its rules and procedures as established by the Parties/ExCom (see also paragraph 12 of this note below). In addition, there is a wider range of options or variants to finance the management/ destruction of ODS banks which should be explored, including options for involving the private sector. Parties need to carefully consider issues related to sustainability and additionality. To assist the Parties, the EC/F suggest that Fund Secretariat be requested to clarify to the forthcoming ExCom and Meeting of the Parties the possible financing mechanisms and/or options that it could accommodate individually and/or jointly with other institutions to enable the financing of management/destruction of banks through the MLF. Such options should include the funding of management/destruction of banks through conventional channels (i.e. where existing rules and procedures would apply fully or in part) and/or a special facility (including a revolving fund; i.e. where Parties and/or ExCom could, if necessary, agree to a dedicated set of rules and procedures that would govern the MLF secretariat acting as the host/manager of this facility, and of the specific facility features. Further clarifications could include the ability of the MLF and/or its secretariat to receive voluntary public and/or private contributions of various kinds (including grants and/or concessional or commercial loans) in order to facilitate and channel funding also targeted at the non-ozone benefits of tackling banks. Similar questions could also be addressed to other agencies such as the World Bank.

11. With reference to paragraph 17, in addition to benefits for the protection of the ozone layer, a study of the co-benefits should not necessarily be restricted to climate change, bearing in mind the need to apply fully the precautionary principle. Whilst climate change co-benefits are no doubt most important, other impacts might also be identified, for example in the area of sustainable management of dangerous substances and the transporting thereof (i.e. whilst reclamation or recycling of unwanted ODS could be considered before destructing them, Parties may want to reflect on whether this could generate an undesirable trade flow of dangerous substances). It is understood that a considerable percentage of ODS recovered from equipment are mixtures with an unknown composition or highly contaminated substances that for technical reasons cannot be recycled or reclaimed. Hence destruction would remain the only option.

12. In addition to what is covered in paragraphs 16-18 under section 2, and for the purpose of facilitating a greater understanding of the available policy options (as defined by the co-chairs), including the need for, and the possible implications of, an adjustment, or amendment to the Montreal Protocol to enable effective action on banks, the Ozone Secretariat should be requested to prepare a paper also outlining the pros and cons of an adjustment, amendment, or other available options, for consideration at the twenty-ninth meeting of the Open-ended Working Group of the Parties.

13. With reference to Section 4, “Proposal on synergies with other conventions”: it may be worthwhile extending the request to the Secretariat to include other Secretariats, notably the UNFCCC. At the August 2008 meetings in Accra (Ghana), the latter has been requested by the Parties to the UNFCCC/KP to provide technical information on stocks and potential emissions of CFCs and HCFC banks. Therefore, and in addition to Parties’ internal cooperation and consultation amongst ozone and climate teams, co-operation between these Secretariats should be encouraged.

14. In providing the above views and comments, and albeit these may further evolve, the EC/F hope to further contribute to the efforts of the co-chairs and the Parties in seeking clarifications and consensus on the nature and timing of further action on this very important yet complex issue.

15. The EC/F welcome comments or questions related to this submission and are prepared to engage with all interested Parties also ahead of the forthcoming meetings in view of reaching a possible agreement on a draft decision at MOP20. Comments or questions could be addressed to Marianne.Wenning@ec.europa.eu or Thomas.Verheye@ec.europa.eu with copy to Marie-Pienc.Meganck@developpementdurable.gouv.fr and Vincent.Szleper@developpement-durable.gouv.fr.

Ghana – Comments on Co-Chairs' Proposal on Destruction & Banks

On Institutional Strengthening

With the modification of the phase-out dates for HCFCs, the NOU needs to step up their awareness campaigns countrywide to re-educate the citizenry on the new phase-out dates and the impacts it would have on their businesses to enable them take informed decisions.

Visits to workshops countrywide where ODSs contained in ODS banks (Air-Conditioners, Refrigerators, Freezers etc.) are stocked to educate them on appropriate disposal modalities,

South Africa - Comments on Co-Chairs' Proposal on Destruction & Banks

1. South Africa welcomes the report, and are satisfied that it captures the key elements of the discussions in the group.
2. With respect to the Co-Chair's proposals, we would make the comments:

Paragraph 14:

 - (a) South Africa would consider a "phased" approach as sensible, starting with CFCs and halons. However 2010 marks the beginning of the process whereby ODS will be completely phased out, and the work programme should take this into account. Capacity to address ODS obsolete in the long run should be the objective, even while starting with CFCs and halons.
 - (b) While we understand that there are sound reasons to focus on "redeployment" wherever possible, this does have a downside: it increases the risk of circumvention of the Protocol's objectives, in particular where it pertains to transboundary movement of ODS. This should be recognised as an important component of this issue.

Paragraph 15:

 - (c) While we concede that in the contact group discussions in Bangkok the term "destruction" was used in a manner which also encompassed all relevant activities including recovery, storage and transport, we would note that it would not make sense to formalize such a generalization in documents, as this is bound to create confusion.

Paragraphs 16-18

 - (d) While including activities relating to re-use and recycling of ODS does make some sense, as noted above, there are risks involved. It would therefore make sense if TEAP's further work included a cost-benefit analysis in terms of the risks of circumvention, as well as the technology and "know-how" requirements for recycling in developing country parties.

Sultanate of Oman– Comments on Co-Chairs' Proposal on Destruction & Banks

Funding for the survey project for the other ODS which are to be phased out by the year 2010 shall be required as some of these ODS may not be used thereafter in Oman and as such their feasibility options for destruction could be perceived.

United States of America – Comments on Co-Chairs' Proposal on Destruction & Banks

We would like to thank the co-chairs of the contact group on destruction and banks, and the Ozone Secretariat, for their excellent, concise summary of the points raised by members of the contact group during the discussions at the 28th Open-Ended Working Group.

In accordance with the agreement at the 28th Open-Ended Working Group, the United States is submitting the following comments on the document titled, "Report of the Contact Group on Destruction and Banks" and, in particular, on Section 4. the Co-Chair's Proposals.

Comments

"4. Co-chairs' proposals"

(a) Proposal on scope

The U.S. supports the recommendation that Parties consider developing a proposed decision that promotes steps “in the areas of policies, regulations and incentives, and embody an understanding that destruction encompasses actions related to recovery, collection, bank management (including storage) and transport.” We see this as a potential opportunity for significant environmental benefits for both the ozone layer and climate.

The co-chairs suggest “that the Parties might agree in the short term to focus on already assembled stocks of CFCs and halons that are either contaminated or are the result of confiscations.” We see the parts of the co-chairs’ suggestion in paragraph 72, as being potentially represented as a decision tree.

First, the co-chairs’ suggest focusing on already assembled stocks of CFCs and halons. Based on the discussions within the contact group, we support this approach because it would allow Parties to take quick action and respond to the sense of urgency created by the imminent release of assembled stocks of CFCs and halons to the atmosphere.

Second, the co-chairs’ suggest limiting the focus to already assembled CFC and halons that are either: (1) contaminated, or (2) the result of confiscation. We support a short-term focus on CFCs and halons that are already assembled, and are contaminated or the result of confiscation, because they represent an opportunity for early action.

The final condition suggested by the co-chairs is that “consideration be given to the redeployment of confiscated ozone-depleting substances (as opposed to destruction) if they can be redeployed in a manner that would obviate the need for new production mainly for essential or critical uses.” We seek clarification about why redeployment is limited only to “confiscated” material because we believe contaminated material can often be reclaimed for redeployment. We believe the contact group did not engage in a discussion of what is meant by “contaminated” ODS and the Parties might benefit from further elaboration of the concept of contamination.

Based on the U.S. experience of regulating imports of previously used ozone-depleting substances -- a lot of which was contaminated when it was imported -- we believe that a quantity of CFCs or halons considered contaminated by one entity may be viewed as being quite valuable by another enterprise. The potential value of contaminated ODS is determined by the local demand (price) and the ability of the enterprise to reclaim the material so it can be redeployed (the technical capability and the cost of reclaiming).

The U.S. believes that the Parties might further discuss whether the condition of considering redeployment should be applied to already assembled CFCs and halons that fall into both categories of being either: (1) contaminated, or (2) the result of confiscation. We would further suggest that for redeployment, where reclamation is available to address contaminants, uses beyond those “that would obviate the need for new production mainly for essential or critical uses” must be properly considered and be consistent with the Protocol. It is likely that already assembled CFCs for example, that are not pharmaceutical grade, could be redeployed to meet a variety of servicing needs for existing air-conditioning and refrigeration equipment and thus permit a smooth and thoughtful transition from equipment that relies on CFCs.

(b) Proposal on funding modalities, environmental benefits, and policy options

The United States notes that for the past triennium (2006 through 2008), the Executive Committee of the Multilateral Fund has been considering possible support for activities in Article 5(1) Parties "related to the collection, containment, bank management, transport and disposal (destruction or redeployment) of ODS." Specifically, in 2006, the Secretariat of the Multilateral Fund sent a questionnaire to all Article 5(1) Parties to identify quantities of ODS that are unwanted, contaminated, or confiscated. At that time, and with assistance from Japan's independent survey, only 10 metric tonnes of unwanted, contaminated or confiscated ODS were identified as being held by Article 5(1) Parties. We note that since the 2006 surveys, it is possible that additional quantities of unwanted ODS have been assembled by Article 5(1) Parties.

The U.S. believes the Parties should consider asking the Ozone Secretariat to send a follow-up survey to all Article 5(1) Parties (following up the questionnaire sent in 2006) asking for each country to identify quantities of already assembled ODS that are unwanted, specifying the Annex and Group of the ODS and why it is unwanted (i.e., it is contaminated and cannot be reclaimed, or is confiscated).

TEAP's 2004 Supplement to the IPCC/TEAP Special Report Ozone and Climate (SROC) summarizes estimated mitigation costs on pages 35 – 39 and describe the costs of recovery/recycling, collection and destruction. The Executive Committee recently approved funding and terms of reference for the World Bank to study how to develop a strategy to obtain funding through voluntary carbon markets for the destruction of unwanted ozone-depleting substances (decision 55/34). The terms of reference for the World Bank study include case studies that will document costs of collection, transport to destruction facilities, and the ultimate destruction.

The U.S. believes that the Parties should consider the recommendation from the study prepared by ICF for the Executive Committee presented to the 28th Open-Ended Working Group meeting (UNEP/OzL.Pro.WG1/28/4). Under the section titled, "Program Funding and Economic Incentives" the ICF study recommends that, "a working group could be established to pursue these and other innovative [funding] ideas." The U.S. believes that establishing a working group would be a useful, positive next step in moving forward to address the issues of collection, containment, bank management, transport and destruction of ODS. The United States would be interested in discussing ideas for the proper composition of such a working group to ensure that relevant expertise is represented, including climate and funding expertise. We believe this would be the logical next step given the previous analyses of mitigation costs associated with collection, containment, bank management, transport and destruction of ODS, and that the World Bank is now working to characterize the costs and to analyze strategies for funding through voluntary carbon markets for destruction. This would allow for the Parties to pursue additional useful information that can contribute to the base of information without duplicating previous or ongoing work.

While we are open to further exploring options as suggested in the co-chair's proposal and described in this paper, efforts that would necessitate assistance from the Fund could only be considered should there be sufficient resources available to do so after other priorities, including HCFCs, are addressed in replenishment.

(c) Proposal on synergies with other conventions

The U.S. supports the idea of continued coordination between the Ozone Secretariat and the Secretariat of the Basel Convention, as well as the preparation by the Ozone Secretariat of a paper on the legal and administrative issues that might be associated with the transport of ODS from the source country to the destroying country for the 29th Open-Ended Working Group meeting.
