



**United Nations  
Environment  
Programme**

Distr.: General  
17 April 2008

Original: English



**Open-ended Working Group of the Parties to  
the Montreal Protocol on Substances that  
Deplete the Ozone Layer**  
Twenty-eighth meeting  
Bangkok, 7–11 July 2008  
Items 3 (a)–9 of the provisional agenda\*

**Issues for discussion by and information for the attention of the  
Open-ended Working Group of the Parties to the Montreal  
Protocol at its twenty-eighth meeting**

**Note by the Secretariat**

**Introduction**

1. The present note provides, in chapter I below, a summary of substantive issues for discussion by the Open-ended Working Group at its twenty-eighth meeting. Several of the issues are awaiting the finalization of the 2008 progress report of the Technology and Economic Assessment Panel. The Secretariat will subsequently prepare an addendum to the present note that will summarize its findings on the matters under agenda items 3 and 5 contained in that report.

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.

**I. Summary of issues for discussion by the Open-ended Working  
Group at its twenty-eighth meeting**

**Agenda item 3: Issues arising out of the 2008 progress report of the Technology and Economic  
Assessment Panel or related matters held over from 2007**

**Item 3 (a): 2008 progress report of the Technology and Economic Assessment Panel**

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\* UNEP/OzL.Pro.WG.1/28/1.

**Item 3 (b): Review of nominations for essential-use exemptions for 2009 and 2010**

3. 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 chlorofluorocarbons (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.

4. The Medical Technical Options Committee and the Chemicals Technical Options Committee of the Technology and Economic Assessment Panel have met and the Panel reviewed their recommendations on the nominations at its April meeting. The recommendations are as follows:

Table 1

**Essential-use nominations in metric tonnes submitted in 2008 for 2009 and 2010**

<i>Party</i>	<i>Nominated in 2008 for 2009</i>	<i>Nominated in 2008 for 2010</i>	<i>Recommendation of the Technology and Economic Assessment Panel</i>
European Community (metered-dose inhalers)	38		Unable to recommend
United States of America (metered-dose inhalers)		182	Unable to recommend
Russian Federation (metered-dose inhalers)	248		Recommend
Russian Federation (aerospace)		130	Authorized by decision XIX/14

**Item 3 (c): Summary of the scoping study addressing alternatives to hydrochlorofluorocarbons in the refrigeration and air-conditioning sectors in Parties operating under paragraph 1 of Article 5 (decision XIX/8)**

5. 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 are 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. The results of the Panel's assessment are expected to be included in the 2008 progress report. The Secretariat's addendum to the present note will include a brief summary of the Panel's findings and recommendations on related issues.

**Item 3 (d): Study on projected regional imbalances in the availability of halon 1211, halon 1301 and halon 2402 and potential mechanisms for the improved prediction and mitigation of such imbalances in the future (decision XIX/16)**

6. 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. The results of the Panel's assessment are expected to be included in the 2008 progress report. The Secretariat's addendum to the present note will include a brief summary of the Panel's findings and recommendations on related issues.

**Item 3 (e): Review of and recommendations on process-agent use exemptions; on insignificant emission associated with a use and on process-agent uses that could be added to or deleted from table A of decision X/14 (decision XVII/6)**

7. 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 a 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. The Working Group will be expected to consider the Panel's report on these matters and make recommendations as appropriate for consideration by the Twentieth Meeting of the Parties.

**Item 3 (f): Final report on carbon tetrachloride emissions and opportunities for reductions (decision XVIII/10)**

8. Decision XVI/14 requested the Technology and Economic Assessment Panel to assess global emissions of carbon tetrachloride from certain specific-use categories and to report to the Eighteenth Meeting of the Parties with an assessment of potential methods for achieving reductions of emissions. The Open-ended Working Group at its twenty-sixth meeting and the Eighteenth Meeting of the Parties considered the Panel's report and decided to request it to prepare a final report 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.

9. When considering this issue in 2007 the Panel noted that its work was not yet complete owing to a shortage of time and difficulties in accessing relevant data. Accordingly, the Panel proposed that its final report be included in its 2008 progress report. The Working Group may wish to consider the status of the Panel's consideration of related issues and make recommendations, as appropriate, to the Nineteenth Meeting of the Parties.

**Item 3 (g): Report on n-propyl bromide emissions, alternatives available, and opportunities for reductions (decision XVIII/11)**

10. Decision XVIII/11 requested the Scientific Assessment Panel to update existing information on the ozone-depletion potential (ODP) of n-propyl bromide and requested the Technology and Economic Assessment Panel to continue its assessment of global emissions with particular attention to obtaining more complete data and information on production, uses and emissions, the technological and economical availability of alternatives for different use categories and the toxicity of and regulations on the substitutes for this chemical. In its 2007 report, the Panel noted that it was not possible to obtain highly accurate production and emissions data owing to the absence of required yearly reporting, but that estimated annual global production capacity exceeded 20,000 metric tonnes, with global consumption estimated at 10,000–20,000 metric tonnes per year and global emissions estimated at 5,000–10,000 tonnes per year.

11. In terms of uses, the Panel noted that about 5,000 metric tonnes of n-propyl bromide were probably used as an intermediate for the synthesis of pharmaceutical and other organic compounds, while the remainder were likely used as a solvent for industrial and aerospace and aviation cleaning, as an aerosol and carrier solvent for adhesives, inks and coatings and in the manufacture of medical and optical devices. In that regard, vendors had promoted it as a substitute for trichloroethylene, perchloroethylene, HCFC-141b and ozone-depleting CFCs in many applications.

12. In terms of toxicity and regulations, the Panel noted that long-term testing in animals had shown toxicity to the reproductive system of both males and females and that neurotoxicity to animals and humans had been found. Consequently, several Governments or health-related authorities had strictly limited worker exposure and in the European Union the use of n-propyl bromide had been progressively phased out. In terms of latitude-specific ODP, the Panel noted that the Scientific Assessment Panel had confirmed that its latest estimates, which were included in its 2006 report, were 0.1 for tropical emissions, and 0.02–0.03 for emissions from the northern mid latitudes. The Technology and Economic Assessment Panel report also noted that the global warming potential of n-propyl bromide was 0.31.

13. During discussions on the issue in 2007, the European Community put forward a proposal included as annex I to the present note.<sup>1</sup> Owing to lack of time at the Nineteenth Meeting of the Parties, however, it was agreed that the matter would be considered at a later date. The Working Group may wish to reconsider the Panel's report and the outstanding proposal on the issue and make recommendations, as appropriate, to the Twentieth Meeting of the Parties.

**Item 3 (h): Review of nominations for critical-use exemptions for 2009 and 2010**

14. 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. An overview of the nominations received is set out below. Of particular note is the fact that only four Parties are now requesting critical-use exemptions, and, for the first time, the European Community is not requesting any critical-use exemptions for methyl bromide for 2009 or 2010.

15. The specific first round recommendations of the Technology and Economic Assessment Panel will be summarized in the Secretariat's addendum to the present note, which will be sent to the Parties prior to the twenty-eighth meeting of the Open-ended Working Group.

Table 2

**Critical use nominations in metric tonnes submitted in 2008 for 2009 and 2010**

<i>Party</i>	<i>Nominated in 2008 for 2009</i>	<i>Nominated in 2008 for 2010</i>	<i>Recommendation of the Technology and Economic Assessment Panel</i>
Australia		37.610	Pending further information
Canada		36.410	Pending further information
Israel	716.887		Pending further information
Japan		288.500	Pending further information
United States of America		3999.473	Pending further information

**Item 3 (i): Other issues arising out of the Technology and Economic Assessment Panel reports**

16. The Working Group will discuss the issue of campaign production of CFCs for production of metered-dose inhalers (decision XVIII/16) that was left open from the 2007 discussions and whose consideration was requested by Bangladesh and the Islamic Republic of Iran. 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 operating under that provision. The Panel examined those issues in chapter 2 of its 2007 progress report.

17. Specifically, the Panel found that the feasibility of production after 2009 for bulk pharmaceutical-grade CFCs was extremely limited because of a range of factors, including national restrictions and the fact that producing pharmaceutical-grade CFCs would generate 25–50 per cent non-pharmaceutical-grade CFCs that would need to be destroyed. In terms of campaign production in 2009 for that year and subsequent years, the Panel noted the benefits of this modality of providing supply over continued annual production or a post-2010 campaign, suggesting that campaign production in 2009 was technically feasible without harm to patient health. The quantities required for such a campaign in 2009, it suggested, would be modest, of the order of 4,000 tonnes in total. The Panel noted, however, that those estimates should be defined more precisely during 2008 to ensure a sufficient quantity for patient health and at the same time avoiding excess production of CFCs that would later need to be destroyed.

18. Under this agenda item the Parties also typically consider any administrative, organizational or funding issues raised in the Technology and Economic Assessment Panel's progress report.

<sup>1</sup> The annex has not been formally edited.

**Agenda item 4: Report from the Executive Committee on case studies called for under decision XVII/17 on environmentally sound destruction of ozone-depleting substances (decision XVIII/9)**

19. Decisions XVII/17 and XVIII/9 requested the Executive Committee of the Multilateral Fund to finalize terms of reference and conduct a study relating to the environmentally sound destruction of ozone-depleting substances (ODS) and to submit a final report on the matter to the Open-ended Working Group at its twenty-eighth meeting. The consultant's study on the collection and treatment of unwanted ODS in Parties operating under paragraph 1 of Article 5 and Parties not operating under that provision was presented to the Executive Committee at its fifty-fourth meeting. At that time, it was agreed that the members of the Executive Committee would have until the end of April 2008 to submit any suggestions for technical corrections to the study. The following is a brief summary of the draft report.

20. The study's stated objective is to obtain comprehensive knowledge from Parties not operating under paragraph 1 of Article 5 to be used as a guide by Parties operating under that provision in establishing appropriate management systems for the treatment of unwanted ODS. To support this objective, the study assessed ODS management programmes in place in Australia, Canada, the Czech Republic, Colombia, Germany, India, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

21. The study considered lessons learned and key factors that may be important for Governments operating under paragraph 1 of Article 5 to consider when forging a strategy for the management of unwanted ODS. In that regard, the study suggested that: while regulations are necessary for ODS management schemes, they are not sufficient – industry outreach, education, training and enforcement are also key elements; the scope of the programme and which sectors to include must be considered up front and, as funding is essential, creating cash flow through economic incentives for recovery, reclamation and destruction will be vital to the success of related programmes. The study further suggested that as transportation of ODS from the user to the site intended for final disposal will be a large-cost item, a country's geography and infrastructure are key considerations to take into account when developing the programme and that export requirements for ODS waste should be clarified and streamlined to reduce impediments to exporting waste for destruction.

22. The Secretariat will make the study available to all Parties once it is finalized and communicated by the Fund Secretariat. It is expected to be available by the end of May 2008. The Ozone Secretariat will include an update on the status of and further information on the study when it prepares an addendum to the present note next month.

**Item 5: Report of the Technology and Economic Assessment Panel on the replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol (decision XIX/10)**

23. The full report of the Replenishment Task Force will be distributed as volume 2 of the Technology and Economic Assessment Panel's 2008 report. The following is the edited version of the executive summary of the report.

**(a) Overview**

24. Pursuant to decision XIX/10, the Replenishment Task Force has estimated the total funding required for the period 2009–2011 to enable Parties operating under paragraph 1 of Article 5 to comply with all relevant control schedules under the Montreal Protocol to be between \$342.8 million and \$639.8 million. This estimate can be broken down into non-HCFC activities and HCFC activities. The broad range reflects uncertainties in the funding for phasing out HCFCs.

25. It is expected that in the near future both the Executive Committee and the Parties can narrow down this broad range to estimates that are more precise by taking the relevant decisions. As has been the case in past replenishment studies, the Task Force will take on board any additional guidance from Parties with a view to reducing uncertainties further.

26. The non-HCFC funding estimate includes:

(a) Forward commitments for approved multi-year agreements in the consumption and production sectors (some \$45 million);

(b) The standard recurring costs, such as institutional strengthening, the United Nations Environment Programme (UNEP) Compliance Assistance Programme, the budget of the Multilateral Fund Secretariat and Executive Committee meetings, the Treasurer's fees and core funding for the implementing agencies (some \$92 million);

(c) New activities from the approved Multilateral Fund consolidated business plan, including phase-out activities in the metered-dose inhaler sector (some \$38.7 million);

(d) Waste disposal and destruction as estimated by the Task Force (some \$27 million) – this area is less clear owing to the current lack of guidance from the Executive Committee.

27. Funding for these non-HCFC activities totals some \$202.7 million.

28. The estimated required funding for HCFC activities includes preparing HCFC phase-out management plans and a number of demonstration projects. The Task Force estimated the cost to be between \$140.1 million and \$437.1 million.

29. This broad range results from uncertainty about the cost-effectiveness of HCFC projects (the cost per kg of HCFC phased out), which varies by scale and application, and the total quantities to be phased out. The lower value assumes high cost-effectiveness and modest quantities phased out during the triennium. The higher value assumes low cost-effectiveness and larger quantities to be phased out. Using mid-range assumptions for both factors puts the estimate for all HCFC activities at between \$227.9 and \$313.4 million.

30. Based on the mid-range assumptions for HCFC phase-out cost, the total estimated funding required for the triennium 2009–2011 is between \$430.6 million and \$516.1 million.

**(b) Mandate and consultations**

31. The Nineteenth Meeting of the Parties 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). The Panel constituted a replenishment task force comprising members of the Panel and the Technical Options Committees from China, Colombia, Denmark, India, the Netherlands and the Bolivarian Republic of Venezuela. The Task Force consulted a wide range of financial and technical experts. Questionnaires were sent to all Parties, implementing agencies and network coordinators and the responses were analysed carefully. Interviews related to HCFC funding levels were conducted during the Executive Committee meeting held in Montreal, Canada, in April 2008. The Task Force consulted the Multilateral Fund Secretariat, the Ozone Secretariat and the implementing agencies. The report was drafted in several rounds during the period February–April 2008 and reviewed by a number of experts in consultation with the Panel. The final review was undertaken by the Panel at its April 2008 meeting.

**(c) Reduction schedules**

32. The following ODS reduction schedules apply to Parties operating under paragraph 1 of Article 5:

(a) CFCs, halons and carbon tetrachloride: phase-out by 1 January 2010;

(b) Methyl chloroform and methyl bromide: complete phase-out by 1 January 2015;

(c) HCFCs: freeze by 1 January 2013, followed by 10 per cent reduction by 1 January 2015, 35 per cent reduction by 2020, further steps by 2025 and 2030 and complete phase-out by 2040.

**(d) Funding needed for non-HCFC phase-out projects**

33. The Replenishment Task Force based its assessment for non-HCFC requirements on the compliance-oriented model, which was developed and used by the Multilateral Fund to produce funding estimates for the last six years. The model includes:

(a) All ODS reduction targets and phase-out schedules under the Montreal Protocol;

(b) The latest reported level of the consumption of all types of ODS (excluding HCFCs) in all Parties operating under paragraph 1 of Article 5;

(c) All phase-out investment projects approved by the Executive Committee, as well as their forward financial and ODP phase-out commitments;

(d) The remaining consumption levels of the various ODS considered eligible for funding

(e) The average timeframe for project implementation.

34. In addition to the factors from the model, the Task Force considered:

- (a) The total reduction in ODS consumption needed to achieve compliance and, where relevant, cost-effectiveness values;
- (b) Financial commitments for activities already approved for the next triennium totalling \$44.97 million;
- (c) New activities (activities not yet approved but required for compliance) at \$38.7 million (this includes an estimated \$25.75 million for funding tranches for a small number of metered-dose inhaler projects yet to be approved);
- (d) Agency support costs of some \$7.2 million.

35. Based on these factors, the Task Force estimates the total funding required for the phase-out of all non-HCFC controlled substances for the triennium 2009–2011 to be some \$83.67 million.

**(e) Funding for supporting activities**

36. Such activities include the UNEP Compliance Assistance Programme, institutional strengthening, core unit funding for the implementing agencies, costs for the Treasurer, funding for the operation of the Multilateral Fund Secretariat and the costs of holding Executive Committee meetings. Funding for institutional strengthening remains at the level of previous years and funding for technical assistance has been added at \$2 million per year (including agency support costs). Most funding lines increase because of inflation at a rate of 3 per cent per year. The total funding for supporting activities for the triennium 2009–2011 is estimated at \$92 million.

**(f) Funding for HCFC-related activities**

37. The cost of HCFC phase-out constitutes the most significant component of the funding requirement for the upcoming triennium and the most uncertain. This is due, in part, to the fact that Executive Committee rules and guidelines for the funding of HCFC activities have not been established. As a result, the Task Force produced its best estimate by developing key assumptions and compiling them into specific funding scenarios. The assumptions made and the scenarios developed now provide Parties with estimates on the funding requirement for HCFCs needed under a series of theoretically possible conditions. This means that the range of the funding requirement for the triennium 2009–2011 is extremely broad.

**(g) Assumptions and scenarios (1)**

38. The major assumptions used by the Task Force fall into three main categories: overarching funding principles, cost factors or cost-effectiveness factors and structural assumptions.

39. The first principle was to link funding to the control measures in the Protocol. This required estimating the quantity of reductions needed to meet the requirements of decision XIX/6. The Task Force extrapolated trends from HCFC data through 2006 submitted under Article 7 to the Ozone Secretariat by all Parties operating under paragraph 1 of Article 5. How much of this quantity is eligible for funding depends on the point in time from which reductions are assumed to begin. In the absence of guidance, the Task Force developed two scenarios. The first scenario assumes that only HCFC reductions from the baseline consumption level are eligible for funding for all Parties operating under paragraph 1 of Article 5. Since this level is likely to be lower than the countries' peak consumption (which could well occur after 2010, ultimately in 2012), this scenario represents the lower-end estimate. The second scenario assumes funding of reductions from the estimated 2012 consumption level for all Parties operating under paragraph 1 of Article 5. As this level is likely to be from 5 to 10 per cent higher than the baseline level, it will yield a higher funding estimate. The Task Force expects that the actual estimate will lie between the two boundary values, i.e., somewhere between the funding requirement determined for the baseline funding scenario and for the 2012 funding scenario.

**(h) Assumptions and scenarios (2)**

40. In addition to the above-mentioned funding principle, assumptions were made about the likely cost of HCFC reductions. Uncertainty exists regarding whether only the capital cost of conversion will be funded, whether both capital costs and differential operating costs will be funded, or whether the decision will be made on a case-by-case basis, i.e., it will vary by subsector (such as foams, refrigeration and air conditioning).

41. Consideration of the duration of funding of operating costs is important, since, in the past, some Multilateral Fund projects covered only the capital cost of conversion to the ODS alternative (such as

mobile air conditioning and compressor projects), while other projects covered, in addition to the capital costs, the difference in the cost of production faced by the company involved before and after the conversion project (from six months to four years of operating costs for various foam and refrigeration subsectors).

42. The Task Force ran two scenarios pending further guidance from the Executive Committee. The scenarios were:

- (a) The Fund pays no operational costs;
- (b) The Fund pays for two years of differential operating costs.

43. The duration of recoverable operating costs affects the total project costs significantly.

**(i) Cost-effectiveness, servicing sector and other issues**

44. The Task Force derived some cost estimates for specific types of activities that may be required to phase out HCFCs, known as cost-effectiveness factors. These are expressed in dollars per kilogram of substance. They are not expressed in dollars per ODP-kg, as has been the case for CFCs and other (non-HCFC) ODS, since the cost-effectiveness of HCFCs cannot be compared to the cost-effectiveness of other ODS on an ODP-weighted basis. This is because the cost of phasing out an HCFC quantity should not be appreciably different to phasing out an equal quantity of another ODS, but, where the ODP of that HCFC is only a fraction of that of other ODS, an ODP-weighted comparison would make it appear that the cost-effectiveness of an HCFC was many times greater than that of another ODS.

45. As a result, no cost-effectiveness thresholds have been applied to HCFC conversion projects, but cost-effectiveness factors were calculated. At this point, the Task Force has only considered three HCFCs (HCFC-22, HCFC-141b and HCFC-142b), which are by far the most important HCFCs consumed by Parties operating under paragraph 1 of Article 5.

46. Cost-effectiveness factors for these three HCFCs were based on additional assumptions, such as which technologies would be applied (for example, a certain percentage of the total of low global warming potential technologies in the foam and air-conditioning sectors). This provides an initial basis for the Executive Committee to prioritize cost-effective projects and programmes which focus, among other things, on substitutes and alternatives that minimize other impacts on the environment, including climate, as required by decision XIX/6.

47. There are two important assumptions the Task Force did not examine: the date after which capacity installed would not be funded (the Fund currently uses a cut-off date of 25 July 1995) and potential funding for the conversion of plants that have already been converted from CFCs to HCFCs with financial assistance from the Fund. This is because "second conversions" are not permitted under the current Multilateral Fund guidelines. Decision XIX/6 called for the Executive Committee to review these matters, but it has not yet provided any guidance.

48. Regarding the servicing sector, the Task Force made no assumptions in terms of cost-effectiveness, but based the estimates on a structural approach. This means that reductions are assumed to be tackled through the approval of plans that are similar in both substance and cost to the refrigerant management plans and terminal phase-out management plans for the ODS (non-HCFC) phase-out. For the triennium 2009–2011 the Task Force assumed that funding of \$63 million would be needed for the servicing sectors for all Parties operating under paragraph 1 of Article 5 to achieve certain reductions in HCFC consumption after the next triennium to meet the 2013 freeze and 10 per cent reduction by 2015.

**(j) Aggregation of country information**

49. Regarding aggregation of country information, the Task Force undertook the same type of effort for HCFCs that has been undertaken for other ODS chemicals in past replenishment studies. By this method, Parties operating under paragraph 1 of Article 5 have been grouped based on their HCFC consumption (as reported under Article 7) as follows:

- (a) Group 1: China, which accounts for nearly 75 per cent of the total HCFC consumption in Parties operating under paragraph 1 of Article 5 (reported or estimated for 2006–2010);
- (b) Group 2: 17 larger Parties operating under paragraph 1 of Article 5 with consumption of 120–1,200 ODP tonnes (2,000–14,000 ODS tonnes);

(c) Group 3: 34 Parties operating under paragraph 1 of Article 5 with a consumption of 6–100 ODP tonnes (100–1,000 ODS tonnes). The Parties in this group accounted for less than 5 per cent of the total HCFC consumption in Parties operating under paragraph 1 of Article 5 in 2006;

(d) Group 4: 83 Parties operating under paragraph 1 of Article 5 with consumption up to 6 ODP tonnes (where the only HCFC consumed is HCFC-22, used only for servicing). The aggregate consumption of these 83 Parties constituted less than 1 per cent of the total HCFC consumption in Parties operating under paragraph 1 of Article 5 in 2006.

**(k) Funding requirement for HCFC consumption**

50. Based on these assumptions, the estimated costs for achieving the required HCFC consumption reductions during the upcoming triennium range from \$67.9 million to \$364.9 million, excluding any funding required for servicing. If a medium “scenario year” were chosen (2010–2011), the funding requirement range determined for HCFC non-servicing projects for the triennium 2009–2011 would be between \$151.1 million and \$241.2 million. The variation in the funding is, under a medium scenario year, caused only by the difference in the cost-effectiveness factors assumed.

51. In addition to the funding requirements noted above, \$3.5 million (excluding agency support) was allocated for 2009 for the development of any HCFC phase-out management plans not funded during 2008. Another \$5 million was estimated to be required for demonstration projects during 2009–2011.

**(l) Funding requirement for HCFC production**

52. In addition to the funding needed to phase out HCFC consumption, the Task Force has considered the funds that might be necessary to enable phase-out in the production sector. It is important to note that HCFC consumption projects funded during 2009–2011 will likely not be implemented until after 2011. This is because the Fund is experiencing an implementation lag of some three years for all types of projects (the same is expected for HCFCs). As a result, no funding is estimated for the production sector in the triennium 2009–2011. Expenditures to tackle the production sector will have to be included in the funding for the next trienniums. If eligible Parties operating under paragraph 1 of Article 5 are willing to cap or reduce HCFC production amounts at an extremely early stage, certain funding may be required from the Multilateral Fund. Pending adoption of Executive Committee guidelines for the sector, the Task Force cannot provide any funding estimate at present.

**(m) Funding for destruction activities**

53. Information from national ozone units and implementing agencies, as well as from a report on this subject prepared for the forty-fifth meeting of the Executive Committee, gives some insight into the quantities of ODS that may be available for destruction in the triennium 2009–2011. At an average cost of \$6 per kg for collection, transport and disposal, the Task Force calculated a possible funding requirement of \$9 million per year, or \$27 million for the triennium 2009–2011, including agency support costs. The Task Force notes that, to date, there has been limited Executive Committee experience in funding this type of activity; however, the Task Force expects that this experience will increase rapidly in the upcoming triennium. In this context, Parties may wish to consider the climate relevance of the ODP emission reductions and their abatement costs in comparison to the current market prices for carbon dioxide emissions trading.

**(n) Summarizing funding requirement table for the triennium 2009–2011**

54. The Task Force has estimated the total funding required for the period 2009–2011 to enable Parties operating under paragraph 1 of Article 5 to comply with all relevant control schedules under the Montreal Protocol to be between \$342.8 million and \$639.8 million. The table below sets out all the components of this estimate.

Table 3

**Funding requirement table for the triennium 2009–2011**

(in millions of United States dollars)

<b>Funding requirement</b>	<i>2009–2011</i>	<i>2009–2011 agency support</i>
<b>All ODS-related activities</b>		
<b>ODS consumption</b>		
ODS phase-out plans, approved	10.731	1.025
ODS phase-out plans, new	1.750	0.131
Terminal phase-out management plans, new	4.896	0.595
Metered-dose inhalers	23.950	1.796
Methyl bromide, approved	5.926	0.500
Methyl bromide, new	6.280	0.544
<b>Carbon tetrachloride and halons</b>		
Carbon tetrachloride, approved	3.212	0.241
Process agents, approved	2.500	0.182
Carbon tetrachloride, methyl chloroform, assistance	0.220	0.020
Halons, assistance	0.075	0.006
<b>Production</b>		
CFC production phase-out (incl. acceleration)	15.800	1.158
Methyl bromide production phase-out	2.000	0.150
<b>HCFC-related activities</b>		
HCFC phase-out management plan preparation	3.500	0.360
HCFC demonstration projects	5.000	0.400
<b>HCFC phase-out activities</b>		
HCFC phase-out, non-servicing	67.88-364.88	(included)
HCFC phase-out, servicing	63.000	(included)
HCFC production phase-out	0.000	(included)
<b>Destruction, disposal</b>	25.116	1.884
<b>Supporting activities</b>		
Executive Committee, Secretariat	20.257	
Treasurer	1.500	
Core unit costs	16.624	
Compliance Assistance Programme	29.192	
Institutional strengthening	21.560	0.862
Technical assistance	1.820	0.180
<b>Total</b>	<b>332.8-629.8</b>	<b>10.03</b>

55. As mentioned above, it could be assumed that the HCFC non-servicing funding requirement would lie in the middle of the requirements for the two funding scenarios, i.e., between the baseline and 2012 HCFC consumption funding scenarios. This estimate yields a more narrow range for the funding requirement for 2009–2011 (based upon two cost-effectiveness factor combinations) of between \$151.1 million and \$241.2 million.

56. If carried forward to the total, this estimate would yield a range for the total 2009–2011 funding requirement of between \$430.6 and \$516.1 million.

**(o) Climate aspects**

57. The choice of particular alternatives and substitutes that minimize impact on the environment including climate (as explicitly mentioned in decision XIX/6) has been considered to varying degrees in calculating the cost-effectiveness factors. Quantifying and comparing the climate effects and costs of various alternatives to certain applications, however, is highly dependent on the choice of specific alternatives and substitutes. With the submission of HCFC phase-out management plans, the Task Force

expects that several specific climate aspects can be quantified further, also given the practical conditions outlined in the HCFC phase-out management plans and the necessary support of countries operating under paragraph 1 of Article 5 for the funding of certain technologies. It should be noted here that technological developments anticipated for the next two to three years, particularly in certain foam, refrigeration and air-conditioning products may give more insight into the cost of achieving climate benefits. Furthermore, several bodies under the Montreal Protocol, such as the Technology and Economic Assessment Panel and its Technical Options Committees, can and will continue to collect data on the costs and effects on the climate of alternatives as they are developed, in a constant effort to assess accurate information for the use by all Parties.

**(p) Funding requirement for trienniums subsequent to 2009–2011**

58. Decision XIX/10 requests the Task Force to analyse potential funding requirements for the trienniums 2012–2014 and 2015–2017.

59. The amount and types of supporting activities have been kept the same, but growing by 3 per cent annually for most activities. This produces a funding estimate of \$100.1 million and \$104.8 million for 2012–2014 and 2015–2017, respectively.

60. For the triennium 2012–2014, using the baseline funding scenario, the total funding requirement would be between \$420.6 million and \$542.1 million. Assuming funding using the 2012 funding scenario, it would be between \$513.7 million and \$635.2 million. In this case, the uncertainty in both consumption and production funding estimates plays a role.

61. A mid-range funding requirement estimate has been derived for the triennium 2009–2011, as could be done for the triennium thereafter. An indicative 2012–2014 mid-range funding estimate has been determined to be between \$467.2 million and \$588.7 million.

62. Dependent on the cost-effectiveness factor scenario considered, the funding requirements determined for the separate years 2012, 2013 and 2014 vary between \$115 million and \$145 million as minimum values per year, and \$180 million and \$210 million as maximum values per year. For each of the years 2012, 2013 or 2014, the average is between \$160 million and \$165 million.

63. Experience from reviewing and approving HCFC management plans will reduce funding uncertainty in the future.

64. The total indicative funding requirement for the period 2015–2017 is estimated at between \$536.4 million and \$657.9 million if agency support costs are included. The higher amount of funding compared to the earlier triennium results from an increase in production phase-out funding.

**(q) Overview of funding requirements for three trienniums**

65. The table below sets out the estimated funding requirements for the Multilateral Fund for the trienniums 2009–2011, 2012–2014 and 2015–2017. These consist of all funding elements for ODS (non-HCFC) phase-out plans and HCFC phase-out plans (in millions of United States dollars), for two HCFC cost-effectiveness factor combinations, the first based on zero years funding of operating costs, the second on two years funding of operating costs. The values for the trienniums 2009–2011 and 2012–2014 are also averaged from the two funding cases studied (the baseline and 2012 funding scenarios), so that two values (ranges) remain for the different trienniums that are related to the two cost-effectiveness factor scenarios (this refers to the lower two rows in the table).

Table 4

**Overview of funding requirements for three trienniums**

(in millions of United States dollars)

<i>Funding requirement triennium/assumptions</i>	<i>2009–2011</i>	<i>2012–2014</i>	<i>2015–2017</i>
Baseline funding, low cost	<b>342.8</b>	<b>420.6</b>	<b>536.4</b>
Baseline funding, high cost	<b>392.3</b>	<b>542.1</b>	<b>657.9</b>
2012 funding, low cost	<b>518.3</b>	<b>513.7</b>	<b>536.4</b>
2012 funding, high cost	<b>639.8</b>	<b>635.2</b>	<b>657.9</b>
<i>Average of baseline and 2012 HCFC consumption funding</i>	<i>2009–2011</i>	<i>2012–2014</i>	<i>2015–2017</i>
Low cost	<b>430.6</b>	<b>467.2</b>	<b>536.4</b>
High cost	<b>516.1</b>	<b>588.7</b>	<b>657.9</b>

*Note:* The Task Force understands that Parties may wish to have further elaboration on the approaches and assumptions made, as well as on the resulting funding requirement ranges. This could be provided in a future supplement to this report.

**Agenda item 6: Consideration of a multi-year agenda for the work of the Parties to the Protocol**

66. The Nineteenth Meeting of the Parties considered a draft proposal from Canada on a multi-year agenda of work that might be undertaken by future meetings of the Parties. Owing to time constraints, however, it was agreed that this issue should be deferred until a later date. A copy of the draft proposal is set out in annex II to the present note.<sup>2</sup> It is possible, however, that Canada will submit an updated version prior to the meeting of the Open-ended Working Group. The Working Group may wish to consider this matter and make recommendations, as appropriate, to the Twentieth Meeting of the Parties.

**Agenda item 7: Proposed adjustments to the Montreal Protocol**

67. 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 “basic domestic needs” by Parties not operating under paragraph 1 of Article 5 for export to Parties operating under that provision.

68. The proposal, set out in document UNEP/OzL.Pro.WG.1/28/3, emanates from the advice of a contact group that was established at the Nineteenth Meeting of the Parties in September 2007, which suggested that an adjustment to the Protocol could be made for a reduction in the production of methyl bromide for basic domestic needs. The salient points of the proposal, based on the summary by Kenya and Mauritius, are as follows:

(a) The Montreal Protocol’s maximum production allowance permitted for methyl bromide produced in Parties not operating under paragraph 1 of Article 5 for basic domestic needs is 10,076 metric tonnes per year, which is 80 per cent of the annual average of the production reported by eligible Parties not operating under paragraph 1 of Article 5 for the period 1995–1998 inclusive;

(b) The consumption of methyl bromide in Parties operating under paragraph 1 of Article 5 continues to decrease to a record low of 7,022 metric tonnes in 2006;

(c) It is proposed that there be a reduction of the maximum production allowance for basic domestic needs of methyl bromide from 10,076 metric tonnes per year to 5,038 metric tonnes per year (equivalent to 40 per cent of the maximum production allowance for basic domestic needs), to ensure that the supply is not substantially greater than the demand for methyl bromide from 1 January 2010;

(d) A review of production of methyl bromide for basic domestic needs not later than 2010 will permit the Parties to adjust the basic domestic needs to a level sufficient to meet the needs of Parties operating under paragraph 1 of Article 5 until 2015;

<sup>2</sup> The annex has not been formally edited.

(e) The proposal, if accepted, will avoid potentially excessive production of methyl bromide which, if left unaddressed, would delay the adoption of available alternatives in developing countries, undermine projects funded by Multilateral Fund on alternatives in Parties operating under paragraph 1 of Article 5 and further damage the ozone layer;

(f) Using the Protocol's adjustment procedure to reduce the maximum production allowance for basic domestic needs of methyl bromide is consistent with the suggestions of the contact group which met in 2007 to consider harmful trade in methyl bromide;

(g) The proposed adjustment does not affect the permitted uses of methyl bromide for quarantine and pre-shipment.

69. The Working Group may wish to consider this proposal and make recommendations, as appropriate, to the Twentieth Meeting of the Parties.

#### **Agenda item 8: Proposed amendments to the Montreal Protocol**

70. Article 9 of the Vienna Convention requires that any proposed amendment to the Montreal Protocol or the Convention be communicated to the Parties not less than six months before the meeting of the Parties at which it is to be considered. In an effort to ensure that documentation in languages is sent to the Parties within this timeframe, the Secretariat has for the last several years written to all Parties requesting them to submit any requests for amendments seven months in advance of the Meeting of the Parties. Under this agenda item, the Parties will consider any proposals for amendments that have been submitted pursuant to the requirements of the Convention.

#### **Agenda item 9: Other matters**

71. 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**

72. In accordance with the directives of the Parties for the participation in or monitoring of activities in other forums, the Secretariat has participated and contributed to several ozone-related meetings, including the UNEP Governing Council/Global Ministerial Environment Forum during the 2008 Council/Forum session, where the Executive Secretary held bilateral meetings with representatives of several Governments, including Argentina, Brazil, Costa Rica, Dominican Republic, Egypt, El Salvador, Finland, France, Holy See, Iraq, Norway and the United States of America, along with representatives of the European Union. The Executive Secretary also participated in a round table on multilateral environmental agreements and United Nations governance. The Secretariat attended the fifty-third and fifty-fourth meetings of the Executive Committee of the Multilateral Fund, the January 2008 Inter-agency Coordination Meeting of the Multilateral Fund in Montreal and 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 two most recent meetings of the Global Environmental Facility and the partners meeting of the Green Customs Initiative in Paris in January 2008. The latter meeting reviewed the activity report for 2007 and the workplan for 2008 and assessed successes and lessons learned for improving the delivery of the Green Customs Initiative and the guidelines for cooperation among partners. The meeting also explored various possibilities for fundraising including in-kind contribution by partners to the work of the Green Customs Initiative and observed that mobilizing resources for the Initiative remains a serious challenge since it lacks regular sources of funding.

73. The Secretariat also participated in the annual meeting of the World Customs Organization (WCO) Enforcement Committee in Brussels in February 2008, where the joint presentation by WCO and UNEP on environmental crime focused on the activities by the Green Customs Initiative to combat cross-border environmental offences. The meeting agreed, among other things, that WCO members should ensure that illegal trade in environmentally sensitive items remain one of the priorities of Customs Administrations and that environmental issues should henceforth be given a high profile and become a standard item on the Committee's agenda.

74. In addition, the Executive Secretary attended the United Nations Framework Convention on Climate Change meeting in Bali, Indonesia and participated in a round table discussion on ozone and climate and a seminar on the Indonesian national plan for the protection of the ozone layer. The Secretariat also participated in the thirteenth Inter-Agency and Expert Group Meeting on Millennium Development Goals Indicators in New York in March 2007 and undertook missions to the United Nations offices in Bangkok and Doha to discuss logistics and conference arrangements for the meetings of the Open-ended Working Group and the Parties in 2008. On 11 April 2008, the Secretariat participated in the “GEF Day at UNEP”, a one-day event in Nairobi that focused on the scientific vision of the Global Environment Facility and on the cooperation between the Scientific and Technical Advisory Panel, multilateral environmental agreements and implementing agencies following its fifth replenishment.

## **B. Montreal Protocol Photo Book**

75. The Secretariat is pleased to announce that after months of preparation and great efforts to verify accuracy, the Montreal Protocol Photo Book will be distributed to the Parties at the twenty-eighth meeting of the Open-ended Working Group. The task of compiling this book and checking and rechecking pictures and names has been difficult. In that regard, while the Secretariat has done its best, apologies are conveyed in advance for any mistakes and a web-based format will be made available to which individuals can submit any corrections. As regards the hard copies, owing to both cost and environmental considerations, the intention is to distribute a limited number of hard copies to all Parties and other interested individuals will be invited to download and print the web version as they wish.

## **C. Cooperation between the Montreal Protocol and the International Plant Protection Convention**

76. Cooperation between the Montreal Protocol and the International Plant Protection Convention continues. Parties may recall that one of the cooperative activities between the secretariats of the two treaties was to facilitate national coordination of comments on draft International Plant Protection Convention standards, particularly on the alternatives to methyl bromide (see paragraph 20 (d) of the report by the Secretariat on the quarantine and pre-shipment of methyl bromide, document UNEP/OzL.Pro.WG.1/27/5). The Parties to the Montreal Protocol were notified when the draft standard on replacement or reduction of the use of methyl bromide as a phytosanitary measure became available for the 100-day International Plant Protection Convention member comment period in June 2007.

77. The Parties were encouraged to submit comments on this draft standard through their national plant protection organizations. Members’ comments were considered by the International Plant Protection Convention Standards Committee and the revised draft standard was submitted to the third session of the Commission on Phytosanitary Measures of the International Plant Protection Convention, held in Rome from 7 to 11 April 2008. Many members supported the content of the draft, indicating that it was helpful for national plant protection organizations. The Commission on Phytosanitary Measures adopted the document as an “International Plant Protection Convention Recommendation” with a reference in the text to International Plant Protection Convention article XI.2 (g), which refers to the adoption of recommendations for the implementation of the Convention as necessary. It will be made available as an information document for the present Open-ended Working Group meeting.

## **D. Changes in the Ozone Secretariat**

78. During the period since the most recent meeting of the Parties, a number of changes have occurred in the Ozone Secretariat. First, Ms. Tamara Curll, who has served the Montreal Protocol tirelessly for several years as the Ozone Secretariat’s Compliance Officer, has returned to Australia to work on the issue of climate change. The Parties will undoubtedly wish to joint the Secretariat in thanking her and wishing her good luck. It is also hoped that she will be able to share with the climate community the lessons learned through the Montreal Protocol. Second, Ms. Martha Leyva, who for the last two years provided the Ozone Secretariat with her expertise and energy as Communication Officer, has returned to Montreal to support once again the important work of the Secretariat of the Multilateral Fund. The Ozone Secretariat benefited greatly from her excellent organizational skills and it is gratifying that the ozone community will continue to benefit from her expertise. The Secretariat has produced and interviewed a shortlist of the large number of applicants for these important posts and hopes to be in a position to introduce two new Secretariat staff members at the July meeting of the Open-ended Working Group.

79. The Secretariat is also making operational changes in an effort to serve the Parties better. First, as a result of its consideration of the Parties' discussions in 2007 on the future of the Montreal Protocol, changes have been made to deal more effectively with the issue of interlinkages between the Montreal Protocol and various other multilateral environmental agreements. While the Secretariat is of the view that specific work between agreements should only be undertaken at the direction of the Parties to the related agreements, it is its belief that it can monitor and provide useful information to the Parties to the Montreal Protocol on developments in other forums and that such information can provide a useful context for the Montreal Protocol deliberations.

80. In that regard, three initiatives are being launched. First, in an effort to enable more consistent coverage of developments in other forums that may be of interest to the Parties, and in furtherance of decision XVI/34 on cooperation between the Secretariat and other conventions, Secretariat staff are being assigned to track specific forums, such as the World Trade Organization, the World Customs Organization, the International Plant Protection Convention, the World Meteorological Organization, the International Civil Aviation Organization and the various chemicals conventions. Second, the Secretariat intends to initiate an electronic newsletter for the Parties to the Montreal Protocol that will highlight those activities in other forums that may be relevant to the work of the Protocol. It is hoped that the first edition of this newsletter will be available around the time of the meeting of the Open-ended Working Group. Lastly, if the agenda of the meetings provides sufficient time, it is intended to invite the heads of key secretariats to hold side events during ozone meetings, to talk to interested Parties about what they are doing that may be of mutual interest. It is the Secretariat's belief that these information-sharing initiatives will bolster the Parties' efforts to ensure that their work takes into account that being undertaken in other environmental forums.

81. Finally, in an effort to enhance support to Parties and to bring about improved coordination for both the Implementation Committee and the UNEP Compliance Assistance Programme's regional network meetings, the Secretariat has reorganized its work in a manner that has enabled a more formal regional distribution of responsibilities. Specifically, each staff member has been assigned one or more regions to support as follows:

- (a) English-speaking Africa and West Asia: Mr. Gilbert Bankobeza;
- (b) French-speaking Africa: Mr. Gerald Mutisya;
- (c) Western, Central and Eastern Europe: new compliance officer;
- (d) Asia and the Pacific: Ms. Megumi Seki;
- (e) North and South America and the Caribbean: Mr. Paul Horwitz.

82. Staff responsibilities for respective regions will include the review and continuous understanding of the status of each country in the region concerning each of their compliance obligations, liaising with any relevant UNEP Compliance Assistance Programme regional officers in regard of agendas for and participation in regional network meetings, attendance of at least one regional network meeting in the assigned region each year and, where relevant, to act as the Ozone Secretariat focal point to assist further each country of the region prior to any relevant ozone-related meeting. As part of this effort and to help in the support of the regions and to provide consistency in the Ozone Secretariat's historic participation in the meetings of the Executive Committee, Mr. Paul Horwitz has been reassigned on a trial basis to carry out his Ozone Secretariat work from the UNEP Regional Office for North America.

## **E. Offers to host the Twenty-first Meeting of the Parties to the Montreal Protocol**

83. In accordance with decision XVII/47, and in the light of the large number of meetings related to the international environmental agenda, the Ozone Secretariat has been communicating with Parties in an effort to make an early start on the planning of future meetings of the Parties. In that connection, the Secretariat would like to notify the Parties that it has received offers of interest in hosting the Twenty-first Meeting of the Parties from Egypt and the United Republic of Tanzania. The Parties may wish to discuss these offers among themselves and with the related Governments, while taking into consideration the fact that a formal decision on the venue for these meetings must be taken by the Twentieth Meeting of the Parties.

**F. Twentieth Meeting of the Parties to the Montreal Protocol and eighth meeting of the Conference of Parties to the Vienna Convention**

84. The Secretariat has been holding fruitful discussions with the Government of Qatar about the Twentieth Meeting of the Parties and will update the Open-ended Working Group at its twenty-eighth meeting on the activities and events planned for this meeting.

## Annex I

### **Proposal by the European Community for a decision on n-propyl bromide**

#### **Possible future amendment of the Protocol regarding n-propyl bromide**

*Noting* with appreciation the work done by the Technology and Economic Assessment Panel and its Chemicals Technical Options Committee in its 2007 progress report (decision XVIII/11),

*Recalling* that each Party has agreed under the Montreal Protocol to control the emissions of ozone-depleting substances with the objective of their phase-out,

*Recalling* that all Parties are encouraged under decision X/8 to discourage the production and marketing of new ozone-depleting substances,

*Recalling* that under decision X/8 Parties must take appropriate steps under the Protocol to ensure the control and phase-out of new substances that pose a significant threat to the ozone layer,

*Recalling* that decision XIII/7 requested Parties to urge industry and users to consider limiting the use of n-propyl bromide to applications for which more economically feasible and environmentally friendly alternatives were unavailable,

*Taking into account* that there is no yearly reporting by the Parties with respect to n-propyl bromide since it is not a controlled substance,

*Noting* that the Technology and Economic Assessment Panel estimated in its 2007 progress report that annual production and consumption of n-propyl bromide for solvent uses could reach 20,000 metric tonnes and related emissions 10,000 metric tonnes and that it expected consumption and emissions to increase significantly in the future,

*Noting further* that the Technology and Economic Assessment Panel reported in 2001 in its "Task Force Report on Geographical Market Potential and Estimated Emissions of n-Propyl Bromide" that n-propyl bromide was aggressively marketed for applications traditionally using ozone-depleting substances and non-ozone-depleting substances,

*Mindful* that the Scientific Assessment Panel believes from its recent findings that very short-lived brominated substances make a significant contribution to total stratospheric bromine and its effect on stratospheric ozone and that significant production of such substances could exacerbate ozone depletion,

*Bearing in mind* that the ozone-depletion potential of n-propyl bromide is within the range of other substances that are already controlled under the Montreal Protocol,

*Mindful* that including any new substance in the Protocol would require an amendment of the Protocol and that proposals to amend the Protocol must be communicated to the Parties by the Ozone Secretariat at least six months in advance of the meeting of the Parties at which any such proposal is to be considered,

*Considering* that past amendments of the Protocol have covered packages of subjects rather than single measures,

1. To consider the inclusion of n-propyl bromide as a controlled substance in connection with the next upcoming amendment of the Protocol, irrespective of its date and content, and in the meantime to take the steps outlined in the following paragraphs;

2. To request Parties, in line with decisions IX/24 and X/8, to discourage the production and marketing of n-propyl bromide and to restrict its use to those applications where other more environmentally suitable alternative substances or technologies are unavailable;

3. To request Parties to urge enterprises subject to their jurisdiction to apply responsible use practices as described by the n-propyl bromide task force in its 2001 report in cases where n-propyl bromide must be used, as far as technically and economically feasible,

4. To urge Parties to report on their production and consumption of n-propyl bromide to the secretariat, fully aware that n-propyl bromide is not now a controlled substance under the Protocol but might become one in the near future;

5. To ask the Scientific Assessment Panel the Technology and Economic Assessment Panel to update their findings regarding n-propyl bromide in case of any relevant new development.

## Annex II

### **Proposal by Canada for a decision on the establishment of a multi-year agenda for the Meeting of the Parties to the Montreal Protocol to address key policy issues identified by the Parties**

*Recalling that* the Eighteenth Meeting of the Parties to the Montreal Protocol, in its decision XVIII/36, recognized the need to address key issues related to the future of the Protocol and its institutions and that those key issues were subsequently more fully discussed by the Parties during a two-day dialogue held just prior to the twenty-seventh meeting of the Open-ended Working Group, in Nairobi, Kenya,

*Recalling* the initial results of the Parties' discussions on the future of the Montreal Protocol and recognizing the need to address the issues identified by the Parties to ensure the continued success of the Montreal Protocol and secure the future health of the ozone layer,

To establish the following work-plan:

- (a) Consider remaining production and consumption of ozone-depleting substances;
  - (b) Consider banks and stockpiles of ozone-depleting substances;
  - (c) Consider the resources and long-term stability necessary for a global programme of scientific observation and reporting on the status of the ozone layer;
  - (d) Consider the evolution of the work of the Multilateral Fund of the Montreal Protocol and its Secretariat;
  - (e) Consider the future need for and scope of the work of the subsidiary bodies of the Montreal Protocol, namely, the Technology and Economic Assessment Panel, the Scientific Assessment Panel and the Environmental Effects Assessment Panel;
  - (f) Consider the future management and [monitoring or oversight] of the Montreal Protocol and its key institutions including the Ozone Secretariat and the Implementation Committee;
  - (g) Consider ways to maintain compliance and combat illegal trade.
-