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United Nations Environment Programme

**Open-ended Working Group of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer**
Forty-third meeting
Bangkok, 22 and 24 May and 14–17 July 2021

Draft report of the forty-third meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer: online session on the report on the replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol

Introduction

1. Owing to the continuing coronavirus disease (COVID-19) pandemic and related travel restrictions, the forty-third meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer could not be held in person in Bangkok as had been planned. Instead, a number of issues were selected from the provisional agenda for online work, including the replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol for the period 2021–2023.
2. Accordingly, an online session on the replenishment report was convened online on 22 and 24 May 2021, to consider guidance to the task force of the Technology and Economic Assessment Panel (replenishment task force) on further work on volume 3 of the report by the Panel, issued in May 2020, containing an assessment of the funding requirement for the replenishment of the Multilateral Fund for the period 2021–2023 (the replenishment report) and the related corrigendum.

I. Opening of the session

3. The session was co-chaired by Mr. Martin Sirois (Canada) and Ms. Vizmindia Osorio (Philippines).
4. The session was opened by Ms. Osorio at 2.05 p.m. (Nairobi time (UTC + 3))¹ on Saturday, 22 May 2021.
5. An opening statement was delivered by Ms. Megumi Seki, Executive Secretary of the Ozone Secretariat.
6. Ms. Osorio welcomed representatives to the online session and thanked them for the dedication and flexibility shown in attending meetings at the weekend.
7. In her statement, Ms. Seki expressed her appreciation to the parties for the decision taken by the Fourth Extraordinary Meeting of the Parties to the Montreal Protocol to facilitate the payment of 2021 contributions to the Multilateral Fund by many parties. As a result of the significant efforts of the

¹ All times mentioned are Nairobi time (UTC + 3).

proponents of the draft decision and the cooperation of the other donor parties and all the parties operating under paragraph 1 of Article 5 (Article 5 parties), it would now be possible to secure valuable contributions to the Multilateral Fund, ensuring a stronger position for making progress under the Protocol.

8. The main task at the current online session was to agree on whether a supplementary report or an update to the May 2020 report by the Technology and Economic Assessment Panel was required, and what kind of information any such work should cover. Comments posted in advance of the session by parties on the online forum on the issue had enabled all the parties to prepare for the discussion at the current session.

9. Reaching consensus on the issue was important because the further work by the Panel, together with the original report issued in May 2020, would form the basis of the negotiations on the replenishment for the period 2021–2023, due to take place at the combined twelfth meeting (part II) of the Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer and the Thirty-Third Meeting of the Parties to the Montreal Protocol. It was still not certain whether that meeting would be held in person or online; parties might therefore wish to consider other ways of negotiating to reach consensus and compromise should an in-person meeting not be possible.

II. Organizational matters

A. Attendance

10. The following parties to the Montreal Protocol were represented: [to be completed]

11. The following United Nations entities, organizations and specialized agencies were represented: [to be completed]

12. The following intergovernmental, non-governmental and industry bodies and organizations were represented as observers: [to be completed]

B. Adoption of the agenda

13. The Working Group adopted the following agenda for the online session on the basis of the full provisional agenda for the forty-third meeting of the Open-ended Working Group set out in document UNEP/OzL.Pro.WG.1/43/1 and the shortened provisional agenda specific to the online session on replenishment set out in document UNEP/OzL.Pro.WG.1/43/2/Add.1.

1. Opening of the session.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Replenishment of the Multilateral Fund: guidance to the task force of the Technology and Economic Assessment Panel on further work on the replenishment report.
4. Adoption of the report.
5. Closure of the session.

C. Organization of work

14. The Working Group agreed to the organization of work proposed by the Co-Chair, namely to focus exclusively on agenda item 3; to establish contact and informal groups, or hold informal or regional meetings, between the two meetings of the online session, if necessary, with technical support from the Secretariat; and to submit any proposed draft decisions to be considered at the online session in electronic form to the Secretariat, on the understanding that the translation of such texts would not be possible owing to time constraints. Plenary meetings would be held daily from 2 p.m. to 4 p.m. and from 4.30 p.m. to 6 p.m.

III. Replenishment of the Multilateral Fund: guidance to the task force of the Technology and Economic Assessment Panel on further work on the replenishment report

15. Introducing the item, the Co-Chair recalled that, pursuant to decision XXXI/1, the Technology and Economic Assessment Panel had established a task force to prepare a replenishment report on the appropriate level of funding for the Multilateral Fund for the period 2021–2023. The parties had reviewed and commented on the task group’s report through an online forum established in connection with the forty-second meeting of the Open-ended Working Group, held in late 2020. The Co-Chairs of the Working Group had provided the task force with a compilation of the parties’ comments and the task force had issued a response document in October 2020 entitled “TEAP Replenishment Task Force Responses to OEWG-42 Co-Chairs’ compilation of comments submitted by parties”, which was available as a background document for the current online session but was not intended for discussion.

16. Additional background information on the matter was set out in document UNEP/OL.Pro.WG.1/43/2/Add.1, including the following four possible options for further work on the replenishment report, formulated by the Secretariat to provide a basis for discussion by the parties:

(a) To prepare a supplementary report based on a list of issues agreed on by the parties. The list of issues could include one or more of the following:

- (i) Elements of additional scenarios and activities, selected from the task force response document;
- (ii) New elements of additional scenarios and activities not contained in the task force response document;
- (iii) Corrections and clarifications identified and addressed in the task force response document;
- (iv) Updates based on decisions, rules and guidelines agreed on by the Executive Committee at its eighty-sixth meeting;²

(b) To prepare a supplementary report without an agreed list of issues, but on the basis of a request to the replenishment task force to take into account, to the extent possible, the comments provided by the parties as compiled in the task force response document, with a view to refining the estimated funding range for the triennium 2021–2023;

(c) To prepare an updated report that would take into account the corrections and clarifications identified and addressed in the task force response document and/or take into account the decisions, rules and guidelines agreed by the Executive Committee at its eighty-sixth meeting;

(d) Not to prepare an additional report, if parties determine that there is already sufficient information available in the replenishment report.

17. An online forum had been opened from 12 April to 10 May 2021 for parties to comment on the options, and the comments received from parties in the online forum had been compiled in a document entitled “Compilation of comments posted by parties in the online forum for replenishment (OEWG43), on further work on the TEAP replenishment report”, which was available as a background document.

18. Prior to opening the floor for comments, the Co-Chair stressed the importance of limiting the discussion to the guidance to be provided to the Technology and Economic Assessment Panel and avoiding comments on the substantive issues in the Panel’s replenishment report or its October 2020 response document. He requested parties to link their interventions to the options outlined in the document wherever possible.

19. In the ensuing discussion, many representatives who took the floor began by thanking the Technology and Economic Assessment Panel and its replenishment task force for their work and the Secretariat for the preparations for the online session. Many also took the opportunity to congratulate Ms. Seki on her appointment as Executive Secretary.

20. During the discussion, varying degrees of support were expressed for options (a), (b) and (c), while option (d) was not mentioned. Option (c), which provided for an updated report with

² Pursuant to decision XXXI/1, the Panel is to take into account the decisions, rules and guidelines agreed on by the Executive Committee at all its meetings, up to and including its eighty-fifth meeting, in determining eligibility for the funding of investment projects and non-investment projects.

corrections, clarifications and the outcomes of Executive Committee meetings – the eighty-sixth meeting, held in March 2021, and the eighty-seventh meeting, to be held in June 2021 – garnered the most support, with many representatives expressing a clear preference for it and a few, including one speaking on behalf of a group of parties, indicating that they would be willing to consider it even though they preferred another option. The general rationale was that, given the time available and the logistical constraints imposed by the pandemic, option (c) was a pragmatic approach that would provide the parties with sufficient guidance for the replenishment discussions; one representative nevertheless specified that the update should reflect new hydrofluorocarbon (HFC) consumption data submitted by Article 5 parties, as well as data submitted under country programmes under the Multilateral Fund. Several representatives supported option (c), but in combination with another option: two suggested combining option (c) with option (b) so that parties' comments on the replenishment report would also be taken into account, with both also asking for an assessment of the pandemic's impact on compliance activities, while two others favoured combining option (c) with option (a), including one speaking on behalf of a group of parties who supported the supplementary report as provided for in option (a). The representative speaking on behalf of a group of parties said that they could consider reducing the scope of the supplementary report that they had suggested in the online forum. One representative selected option (b) as a more realistic alternative to option (a), which would normally be the preferred approach. One representative said that option (a) was not viable, as the circumstances of the meeting effectively prevented the Working Group from negotiating a list of key issues as it would normally have done.

21. There was substantial discussion on the extent to which the task force should address parties' written comments on the replenishment report. While many representatives acknowledged the importance of parties' comments, some argued that it was not practical to address them all. One representative noted that option (b) was problematic in that it essentially requested the replenishment task force to take the large number of comments into account "to the extent possible", which constituted insufficient guidance and could lead to comments being addressed regardless of whether they were pertinent or useful to the analysis. One representative, noting that the Working Group did not have the authority to amend the terms of reference for the replenishment study, said that the task force should limit itself to comments consistent with the terms of reference; several others subsequently echoed that position.

22. A representative of the Technology and Economic Assessment Panel responded to requests for clarification and concerns emerging from the discussion, notably regarding what additional work the replenishment task force was capable of doing and how it could incorporate into an updated report the salient aspects of the discussions of the Executive Committee of the Multilateral Fund at its eighty-seventh meeting, scheduled for late June 2021. She explained that the terms of reference for the replenishment study did not cover decisions beyond the eighty-fifth meeting of the Executive Committee, and instructions would therefore be needed to cover the additional meetings. Several projects approved by the Executive Committee intersessionally could also be taken into account in the updated report, as well as new party ratifications of the Kigali Amendment to the Montreal Protocol. In terms of the task force's capabilities, she noted that its two-year term was unusual and had created certain difficulties for the group's members, some of whom now had additional commitments not foreseen at the outset of the mandate. A full new report based on other scenarios would be a strain for the task force, as would consideration of the more than 200 comments on the replenishment report. Guidance would therefore be needed on which comments to consider.

23. The representative of Canada introduced draft text set out in a conference room paper on the possible guidance that could be given to the replenishment task force. He explained that, similar to option (c), the proposal provided for an updated report, but added consideration of the outcome of the eighty-seventh meeting of the Executive Committee and of new data on HFC consumption and production submitted by the parties. It also allowed for supplementary work providing alternative scenarios and additional analysis. He explained that the proposal was designed to allow the task force to exercise its best judgement in deciding which of the elements suggested by parties would strengthen the technical basis for the calculations in the report. A similar approach had been used for previous reports submitted to the Open-ended Working Group, whereby the Panel would take into consideration in providing updated reports all the comments expressed by the parties. He also noted that the report on the replenishment for the triennium 2021–2023 would be the first to deal with funding for HFC phase-down and would set a precedent; the parties should therefore strive for excellence.

24. Several representatives, including one speaking on behalf of a group of parties, welcomed the proposal as a good starting point for further discussions on the guidance to be given to the replenishment task force. The Co-Chair invited parties to examine the proposal thoroughly.

25. [to be completed]

IV. Adoption of the report

26. [to be completed]

V. Closure of the session

27. [to be completed]
