Issues for discussion by and information for the attention of the Twenty-Fifth Meeting of the Parties to the Montreal Protocol

Note by the Secretariat

I. Introduction

1. Sections II and III of the present note provide an overview of the items on the agenda for the Twenty-Fifth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer. For most items there is a brief summary of their background and of the related discussion that took place during the thirty-third meeting of the Open-ended Working Group of the Parties to the Montreal Protocol. Some items covered may be reviewed further in supplemental reports issued by the Technology and Economic Assessment Panel. In such instances the Secretariat will prepare an addendum to the present note in which it will summarize the Panel’s findings on those items.

2. Section IV provides information on matters that the Secretariat would like to bring to the attention of the parties.

II. Overview of items on the provisional agenda for the preparatory segment (21–23 October 2013)

A. Opening of the preparatory segment (item 1 of the provisional agenda for the preparatory segment)

3. The preparatory segment of the Twenty-Fifth Meeting of the Parties is scheduled to be opened at 10 a.m. on Monday, 21 October 2013, at the United Nations Conference Centre in Bangkok. On-site registration of participants for the meeting will begin on Sunday, 20 October, at 9 a.m., and will continue from 8 a.m. each morning during the course of the meeting. Participants are encouraged to pre-register well in advance of the meeting on the Secretariat websites (http://montreal-protocol.org or http://viennaconvention.org). In addition, as this will be a virtually paperless meeting, delegates are urged to bring their own laptops.

1. Statement(s) by representative(s) of the Government of Thailand

2. Statement(s) by representative(s) of the United Nations Environment Programme

4. Under items 1 (a) and (b) of the provisional agenda, welcoming statements will be made by representatives of Thailand and the United Nations Environment Programme (UNEP). The opening of the meeting may include ceremonial activities.
B. Organizational matters (item 2 of the provisional agenda for the preparatory segment)

1. Adoption of the agenda of the preparatory segment

5. The provisional agenda for the preparatory segment is set forth in document UNEP/OzL.Pro.25/1 and will be before the parties for adoption. The parties may wish to adopt the agenda, including any items that they may agree to raise under item 12, “Other matters”.

2. Organization of work

6. As is the custom of the parties to the Montreal Protocol, the preparatory segment of the meeting will be co-chaired by the co-chairs of the Open-ended Working Group, currently Mr. Patrick McInerney (Australia) and Mr. Javier Camargo (Colombia). Under item 2 (b) of the provisional agenda, the co-chairs are expected to present a proposal to the parties on how they wish to proceed with the items on the agenda.

C. Administrative matters (item 3 of the provisional agenda for the preparatory segment)


(a) Members of the Implementation Committee

7. Each year the Meeting of the Parties considers the membership of the Implementation Committee. In accordance with the non-compliance procedure adopted by the parties, the Committee consists of 10 parties, each of which selects an individual to represent it. These parties are elected for two years on the basis of equitable geographical distribution, that is, two are elected to represent each of the regional groupings of Africa, Asia and the Pacific, Eastern Europe, Latin America and the Caribbean, and Western Europe and others. Committee members may serve two consecutive two-year terms.

8. The current members of the Committee are Bangladesh, Bosnia and Herzegovina, Cuba, Italy, Lebanon, Morocco, Poland, Saint Lucia, the United States of America and Zambia. Saint Lucia and the United States of America will conclude the second year of their second two-year terms in 2013 and will therefore have to be replaced, as will Lebanon, Poland and Zambia, which are completing the second year of their first two-year terms in 2013 and may be replaced or re-elected.

9. In accordance with decision XII/13, the Committee selects its President and Vice-President from among its members. The selection process usually takes place through consultations among the Committee members during the Meeting of the Parties to ensure the continuity of the two offices. The Secretariat has prepared a draft decision on membership of the Implementation Committee under item 3 (a) of the provisional agenda for the consideration of the parties, set forth as draft decision XXV/[BB] in section III of the compilation of draft decisions for consideration by the Twenty-Fifth Meeting of the Parties (UNEP/OzL.Pro.25/3).

10. During the preparatory segment the parties may wish to consider nominating new Committee members to enable the Secretariat to include the nominated individuals in the draft decision for possible adoption during the high-level segment.

(b) Members of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

11. The Twenty-Fifth Meeting of the Parties will also consider the membership of the Executive Committee of the Multilateral Fund. In accordance with its terms of reference, the Executive Committee consists of seven members from parties operating under paragraph 1 of Article 5 of the Montreal Protocol and seven members from parties not so operating. Each of the two groups of parties elects its Executive Committee members and reports their names to the Secretariat for endorsement by the Meeting of the Parties. In addition, the terms of reference of the Executive Committee call for the election from among the members of the Committee of a chair and vice-chair, who alternate each year between parties operating under paragraph 1 of Article 5 and parties not so operating. As representatives of the United Kingdom of Great Britain and Northern Ireland and Serbia served as chair and vice-chair, respectively, during 2013, the parties operating under paragraph 1 of Article 5 will be expected to nominate the chair for 2013 and the parties not so operating will be expected to nominate the vice-chair.

12. The Twenty-Fifth Meeting of the Parties will be asked to adopt a decision in which it endorses the selection of the new Committee members and takes note of the selection of the Committee chair
and vice-chair for 2014. The Secretariat has prepared a draft decision on the matter for the consideration of the parties (UNEP/OzL.Pro.25/3 section III, draft decision XXV/[CC]).

13. During the preparatory segment the parties may wish to discuss the draft decision further and consider whether to submit it, and any other related draft decisions, for possible adoption during the high-level segment.

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

14. Each year the Meeting of the Parties selects one representative from among the parties operating under paragraph 1 of Article 5 and one representative from among the parties not so operating to serve as co-chairs of the Open-ended Working Group in the subsequent year. In accordance with decision XXIV/23, Mr. Patrick McInerney (Australia) and Mr. Javier Camargo (Colombia) have served as co-chairs of the Open-ended Working Group in 2013. The Twenty-Fifth Meeting of the Parties is expected to take a decision naming the co-chairs of the Open-ended Working Group for 2014. The Secretariat has prepared a draft decision on the matter for the consideration of the parties (UNEP/OzL.Pro.25/3, section III, draft decision XXV/[DD]).

15. The Twenty-Fifth Meeting of the Parties may wish to consider the draft decision during the preparatory segment for possible adoption during the high-level segment.

2. Financial reports of the trust funds and budgets for the Montreal Protocol

16. The financial reports and budgets for the Montreal Protocol are considered annually by the Meeting of the Parties. The budget documents and the financial report for the current meeting bear the symbols UNEP/OzL.Pro.25/4 and Add.1, respectively. Under item 3 (b) of the provisional agenda, the parties are expected to establish a budget committee during the preparatory segment to deliberate on and recommend a draft budget decision for formal adoption, as appropriate, during the high-level segment.

D. Issues related to exemptions from Articles 2A–2I of the Montreal Protocol (item 4 of the provisional agenda for the preparatory segment)

1. Nominations for essential-use exemptions for 2014 and 2015

17. During the thirty-third meeting of the Open-ended Working Group, the Technology and Economic Assessment Panel reported that it had received a nomination of 85 tonnes for an essential-use exemption for CFC-113 from the Russian Federation, for aerospace uses. The detailed review of that nomination may be found in section 3.7 of volume 1 of the Panel’s 2013 progress report. Following the Panel’s presentation of its recommendation on the nomination, the Russian Federation submitted a draft decision that called for approval of the nominated amount that was recommended by the Panel (UNEP.OzL.Pro.25/3, section II, draft decision XXV/[A]). In addition to the nomination for aerospace applications, the Panel reported that it had received two nominations for essential-use exemptions for chlorofluorocarbons (CFCs) for the manufacture of metered-dose inhalers in 2014; a nomination for 212 tonnes from the Russian Federation; and a nomination of 235.05 tonnes from China. The Panel’s detailed review of the metered-dose-inhaler nominations may be found in section 1.2 of volume 1 of the Panel’s 2013 progress report. Following the Panel’s presentation of its recommendation to the Open-ended Working Group, China and the Russian Federation put forward a draft decision that called for the approval of the 212 tonnes nominated by the Russian Federation and 235.05 tonnes of the nomination by China. In subsequent discussions, the parties agreed that a version of the proposal that also included the amount for the Russian Federation that had been recommended by the Panel (106 tonnes) should be put forward to the Meeting of the Parties for further consideration and the Secretariat has included the Panel’s recommended amount of 106 tonnes in the draft decision for the consideration of the parties (UNEP.OzL.Pro.25/3, section II, draft decision XXV/[B]).

18. Additional information submitted by the relevant Parties on their nominations is being assessed by the Panel, and its final recommendations will be included in the addendum to the present note. Meanwhile, table 1 below shows the current nominations and recommendations.
Table 1

Essential-use nominations for CFCs submitted in 2013 for 2014 and 2015 (in metric tonnes)

<table>
<thead>
<tr>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian Federation (metered-dose inhalers)</td>
<td>212</td>
<td>212</td>
<td>106(^1)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Russian Federation (aerospace)</td>
<td>95</td>
<td>85</td>
<td>85</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subtotal: parties not operating under paragraph 1 of Article 5</td>
<td>307</td>
<td>297</td>
<td>191</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Parties operating under paragraph 1 of Article 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China (metered-dose inhalers)</td>
<td>388.82</td>
<td>236.6</td>
<td>235.05(^2)</td>
<td>221.59</td>
<td>Unable to recommend</td>
</tr>
<tr>
<td>Subtotal: parties operating under paragraph 1 of Article 5</td>
<td>388.82</td>
<td>236.6</td>
<td>235.05</td>
<td>221.59</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>695.82</td>
<td>533.6</td>
<td>426.05</td>
<td>221.59</td>
<td>[0]</td>
</tr>
</tbody>
</table>

\(^1\) The Panel has recommended this amount in the light of the delay in the completion of the non-CFC metered-dose inhaler production facilities and the associated market transition to non-CFC metered-dose inhalers that constrained the Russian Federation to submit a nomination despite having declared that an exemption would not be required in 2014.

\(^2\) The Panel was unable to recommend 1.55 tonnes of CFCs for the manufacture of metered-dose inhalers for the active ingredients isoprenaline and salbutamol.

2. Nominations for critical-use exemptions for 2014 and 2015

19. At its thirty-third meeting, the Open-ended Working Group heard a presentation from the Methyl Bromide Technical Options Committee on its initial recommendations on the nominations for methyl bromide critical-use exemptions from Australia, Canada and the United States of America. The Committee’s evaluation of the critical-use nominations submitted by the three parties, and its interim recommendation on each nomination, may be found in chapter 9 of the Panel’s 2013 progress report, volume 1. In its presentation, the Panel also noted that it would enter into bilateral discussions with related nominating parties to obtain further information and to formulate final recommendations for consideration by the Twenty-Fifth Meeting of the Parties. Table 2 sets out the initial recommendations made by the Panel to the Open-ended Working Group at its thirty-third meeting.

Table 2

Summary of the nominations for 2015 critical-use exemptions for methyl bromide submitted in 2013 and interim recommendations of the Methyl Bromide Technical Options Committee (in metric tonnes)

<table>
<thead>
<tr>
<th>Nominating party and sector</th>
<th>Nomination</th>
<th>Interim recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Australia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strawberry runners</td>
<td>29.76</td>
<td>[0]</td>
</tr>
<tr>
<td>2. Canada</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strawberry runners</td>
<td>5.261</td>
<td>[5.050]</td>
</tr>
<tr>
<td>3. United States of America</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strawberry fruit</td>
<td>373.66</td>
<td>[224.196]</td>
</tr>
<tr>
<td>Dates</td>
<td>0.31</td>
<td>[0]</td>
</tr>
<tr>
<td>Cured pork</td>
<td>3.24</td>
<td>[3.24]</td>
</tr>
<tr>
<td>Total</td>
<td>412.231</td>
<td>232.486</td>
</tr>
</tbody>
</table>

20. The Twenty-Fifth Meeting of the Parties may wish to consider the Panel’s final recommendations taking into account any further information and bilateral discussions with the nominating parties. The meeting may further consider any draft decision during the preparatory segment for possible adoption during the high-level segment.
3. **Handbook on critical-use nominations for methyl bromide**

21. The Technology and Economic Assessment Panel presented an updated version (draft version 7.1) of the handbook on critical-use nominations for methyl bromide to the Open-ended Working Group at its thirty-third meeting. Draft version 7.1 of the handbook incorporates the comments and concerns expressed by a number of parties at the Twenty-Fourth Meeting of the Parties on the decision-making process of the Methyl Bromide Technical Options Committee and the economic guidelines. The changes made to the handbook since draft version 7 was presented to the parties in 2012 are tracked in draft version 7.1, which is available from the Ozone Secretariat meeting portal at http://ozone.unep.org/Assessment_Panels/TEAP/Reports/MBTOC/Handbook_CUN-version7-1-April_2013.pdf.

22. The Open-ended Working Group invited interested parties to obtain clarifications as required and to discuss modifications to the handbook. The issue will be discussed further at the Twenty-Fifth Meeting of the Parties with a view to the possible approval of the revised handbook.

4. **Uses of controlled substances as process agents**

23. In a number of decisions the Meeting of the Parties has requested the Technology and Economic Assessment Panel to periodically review process-agent uses, including progress made in reducing such uses and related emissions, emissions-reducing techniques and make-up quantities, together with the development and adoption of alternatives. In paragraph 6 of decision XXIII/7, the most recent decision on process-agent uses, the Meeting of the Parties requested the Panel to provide to the Open-ended Working Group, at its thirty-second meeting, a summary report updating the Panel’s findings on the remaining 14 process-agent uses listed in table A of decision X/14 and, taking into account relevant information from previous investigations, to estimate emissions from process-agent uses and their impact on the ozone layer and the climate. In response to that request, the Panel reviewed five of the 14 remaining uses – Nos. 1, 2, 6, 9 and 14 – and identified that three of those uses – Nos. 10, 11 and 12 – were no longer being applied. In its 2012 report, the Panel indicated that it would review the remaining uses in future progress reports.

24. In 2013, the Panel received further specific information from relevant parties and concluded their review of an additional three uses – Nos. 5, 7 and 8 – in table A of decision X/14. During the thirty-third meeting of the Open-ended Working Group, the Technology and Economic Assessment Panel presented a progress report on process-agent uses. The Executive Committee of the Multilateral Fund also reported on the progress made in reducing emissions of controlled substances from process-agent uses over the biennium 2011–2012, and it was stated that that report would be the last to be provided by the Committee under decision XXII/8 since the process agent activities under the Multilateral Fund had been operationally completed. Pending a further update by the Panel in its 2014 progress report on the use of process agents, the Panel was requested to clarify certain issues for consideration at the Twenty-Fifth Meeting of the Parties in relation to a particular case in which carbon tetrachloride was involved in the manufacture of vinyl chloride monomer. The results of the Panel’s work on that issue will be included in an addendum to the present note.

25. The Twenty-Fifth Meeting of the Parties may wish to consider the clarification by the Technology and Economic Assessment Panel of the issues raised during the meeting of the Open-ended Working Group in preparing any possible decision.

E. **Final report by the Technology and Economic Assessment Panel on additional information on alternatives to ozone-depleting substances (item 5 of the provisional agenda for the preparatory segment)**

26. In response to decision XXIV/7, the Technology and Economic Assessment Panel established a task force to prepare a draft report on alternatives to ozone-depleting substances, updating information on alternatives and technologies in various sectors. In that decision, the Panel was also invited to take into account any information relevant to its report provided by parties to the Secretariat. The report of the task force was presented to the Open-ended Working Group at its thirty-third meeting. Following the Panel’s presentation and a question-and-answer segment, an informal discussion group was established to discuss the content of the draft report in more detail, with a view to providing guidance to the Panel for the preparation of the final report for the Twenty-Fifth Meeting of the Parties. A summary of the Panel’s final report will be included in an addendum to the present note.

27. A draft decision was put forward by Canada, Mexico, Morocco, Switzerland and United States of America for consideration by the Twenty-Fifth Meeting of the Parties. The decision requests the Panel to undertake an assessment of the technical and economic considerations involved in
implementing a global phase-down of hydrofluorocarbons (HFCs) and an assessment of HFC-23 by-product control measures, including associated environmental impacts and costs. The decision also invites parties to provide information on reporting systems, policies and initiatives promoting alternatives to ozone-depleting substances that minimize impacts on the environment. It was noted that the draft decision had relevance to several other items on the agenda of the thirty-third meeting of the Open-ended Working Group, including items 6, 10 (a) and 12. The draft decision was to be considered further in the light of possible comments that were to be sent to the Secretariat by 19 July 2013 and after the Technology and Economic Assessment Panel had issued its final report to the Twenty-Fifth Meeting of the Parties. The draft decision is set forth as decision XXV/[C] in section II of document UNEP.OzL.Pro.25/3.

F. Organizational issues related to the Technology and Economic Assessment Panel (item 6 of the provisional agenda for the preparatory segment)

1. Operation and organization of the Panel

28. By decision XXIV/8, the parties had requested the Technology and Economic Assessment Panel to make recommendations to the Open-ended Working Group at its thirty-third meeting on the future configuration of its technical options committees, bearing in mind anticipated workloads. The decision also requested the Panel and its technical options committees to make available to the parties their standard operating procedures. The Panel had set up a task force to carry out the work whose findings are produced in volume 3 of the Panel’s 2013 progress report.

29. A summary of the key issues contained in the report was presented to the Open-ended Working Group at its thirty-third meeting. Following consideration of the report by the meeting, Australia and the United States of America proposed a draft decision that would, among other things, encourage the Technology and Economic Assessment Panel to continue its implementation of the revised terms of reference as approved by the parties in decision XXIV/8 and provide information on its proposed configuration and processes for the nomination of members to its technical options committees.

30. The Working Group agreed to forward draft decision XXV/[D] set forth in section II of document UNEP/OzL.Pro.25/3, revised to incorporate the comments of interested parties, to the Twenty-Fifth Meeting of the Parties for further consideration.

2. Status of membership of the Panel and its technical options committees

31. The new terms of reference of the Technology and Economic Assessment Panel, approved under decision XXIV/8, provide that the Meeting of the Parties will appoint the members of the Panel and its technical options committees for a period of no more than four years, with the possibility of reappointment for further four-year terms (sections 2.3 and 2.5). In paragraph 9 of decision XXIII/10, the parties agreed that the terms of all the members of the Panel and its technical options committees would expire at the end of 2013 and 2014, respectively, in the absence of reappointment by the parties prior to that time, except for those experts that had already been nominated for four-year terms in previous decisions. In the same decision, the parties agreed that they might revisit the status of Panel and technical options committee membership at its twenty-fifth and twenty-sixth meetings, respectively, if more time was needed by parties to submit nominations. At its thirty-third meeting, the Open-ended Working considered the membership and reappointment status of the Panel and the committees and a number of parties – Australia, Brazil, Colombia, Morocco and the Russian Federation – put forward proposals for the renomination of members to serve on the technical options committees.

32. The Working Group agreed to request the Secretariat to merge two draft decisions that had been put forward under the present item, along with other renominations received from the parties, into a single draft decision and to submit it together with an updated list of nominations to the Twenty-Fifth Meeting of the Parties for further consideration. Accordingly, all the nominations that have been proposed for further consideration by the Twenty-Fifth Meeting of the Parties have been consolidated into a single decision XXV/[E], as set forth in section II of document UNEP/OzL.Pro.25/3. An updated list of the nominations will be included in an addendum to the present note.
G. Issues related to funding (item 7 of the provisional agenda for the preparatory segment)

1. Additional funding for the Multilateral Fund for the Implementation of the Montreal Protocol to maximize the climate benefit of the accelerated phase-out of hydrochlorofluorocarbons

33. At its thirty-third meeting, the Open-ended Working Group considered a draft decision on additional funding for the Multilateral Fund to maximize the climate benefit of the accelerated phase-out of hydrochlorofluorocarbons (HCFCs). Among other things, the decision requested the Executive Committee of the Multilateral Fund to assess options for a funding window to maximize climate co-benefits of the phase-out of HCFCs and to agree on a set of appropriate procedures and terms of reference. The text had been considered in a contact group at the Twenty-Fourth Meeting of the Parties which, in the absence of sufficient time to finalize the text, had agreed that further discussion should be deferred to the thirty-third meeting of the Working Group.

34. Following the deliberations in a contact group, the Working Group agreed to forward draft decision XXV/[F] set forth in section II of document UNEP.OzL.Pro.25/3, with certain elements enclosed in square brackets, to the Twenty-Fifth Meeting of the Parties for further consideration.

2. Funding of production facilities for hydrochlorofluorocarbons

35. At its thirty-third meeting the Open-ended Working Group agreed to set up a contact group to consider the revised draft decision submitted by Argentina and India, which, among other things, urged the Executive Committee of the Multilateral Fund to finalize discussions on relevant policy guidelines for funding production facilities for HCFCs and requested it to take into consideration the proactive regulatory actions that some parties had taken to limit production often with considerable adverse implications for their economies and industrial sectors, without the promised funding by Multilateral Fund. It was further pointed out that certain parties operating under paragraph 1 of article 5 of the Protocol that had HCFC production facilities might be at risk of being in non-compliance with the accelerated phase-out obligations if adequate assistance was not provided through the Multilateral Fund. The operative paragraphs of the draft decision suggested measures which could resolve the long-standing issue. In its subsequent discussions the contact group made limited progress on the draft decision during the time available.

36. The Working Group agreed to forward draft decision XXV/[G] set forth in section II of document UNEP/OzL.Pro.25/3 to the Twenty-Fifth Meeting of the Parties for further consideration.


37. At its thirty-third meeting, the Open-ended Working Group considered the terms of reference for the upcoming study on the 2015–2017 replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol. The terms of reference of the previous replenishment study, set out in annex II to the note by the Secretariat on issues for discussion by and information for the attention of the Open-ended Working Group of the Parties to the Montreal Protocol at its thirty-third meeting (UNEPOzL.Pro.WG.1/33/2), served as the reference source for a draft decision that was put forward by Australia, Canada and Norway, with two new elements presented in subparagraphs 2 (c) and (d) of the decision.

38. Subsequent deliberations were held in a contact group and agreement was reached on several parts of the text, although a number of operative sub-paragraphs remained in brackets. Following those deliberations, the Working Group agreed to forward draft decision XXV/[H] set forth in section II of document UNEP/OzL.Pro.25/3 to the Twenty-Fifth Meeting of the Parties for further consideration.

H. Implementation of the Montreal Protocol with regard to small island developing States (item 8 of the provisional agenda for the preparatory segment)

39. At its thirty-third meeting, the Open-ended Working Group considered a proposal set out in section E of annex I to document UNEP/OzL.Pro.WG.1/33/2, which had been submitted by Saint Lucia to the Working Group at its thirty-second meeting. The proposal had been discussed and forwarded to the Twenty-Fourth Meeting of the Parties for further consideration. The parties had been unable to discuss the proposal, however, as its proponents, Saint Lucia and Trinidad and Tobago, had not attended the Meeting of the Parties. The Meeting had instead agreed to defer the matter to the Working Group at it thirty-third meeting.
40. A proposed draft decision introduced by Saint Lucia and setting out the implications of the outcome document of the 2012 United Nations Conference on Sustainable Development, “The future we want”, for the implementation of the Montreal Protocol by small island developing States was subsequently discussed in a contact group at the thirty-third meeting of the Working Group. The contact group amended the operative paragraphs and title of the proposed draft decision and agreed that it should be forwarded to the Twenty-Fifth Meeting of the Parties for further consideration.

41. The Working Group agreed to forward draft decision XXV/[I] set forth in section II of document UNEP/OzL.Pro.25/3 to the Twenty-Fifth Meeting of the Parties for further consideration.

I. Harmonization and validation of the Multilateral Fund climate impact indicator (item 9 of the provisional agenda for the preparatory segment)

42. At the thirty-third meeting of the Open-ended Working Group, the representative of Uruguay introduced a draft decision on the modalities for moving forward with the discussions on the Multilateral Fund climate impact indicator. In the ensuing discussion, a number of representatives expressed interest in the provisions of the proposed draft decision, but requested clarity regarding the scope and intention of the proposal, the processes involved and how it would relate to the work of other bodies, including those of the United Nations Framework Convention on Climate Change. It was recalled that the climate impact indicator had been the subject of several discussions in meetings of the Executive Committee and that information on the matter would be included in the report of the Chair of the Executive Committee to the Twenty-Fifth Meeting of the Parties.

43. Subsequently, the informal discussions resulted in agreement on the text of the draft decision XXV/[K] set forth in section II of document UNEP/OzL.Pro.25/3, which the Working Group agreed to forward to the Twenty-Fifth Meeting of the Parties for further consideration.

J. Proposed amendments to the Montreal Protocol (item 10 of the provisional agenda for the preparatory segment)

1. Proposed amendment by the Federated States of Micronesia

2. Proposed amendment by Canada, Mexico and the United States of America

44. In April 2013, two proposals for amendments to the Montreal Protocol were received by the Secretariat. One was a proposal by the Federated States of Micronesia, which was subsequently co-sponsored by Morocco, and the other a joint proposal by Canada, Mexico and the United States of America. Both proposals seek to amend the Montreal Protocol by phasing down hydrofluorocarbons (HFCs), which are used predominantly as replacements for ozone-depleting substances currently being phased out under the Montreal Protocol. The proposals were submitted pursuant to Article 9 of the Vienna Convention for the Protection of the Ozone Layer and paragraph 10 of Article 2 of the Protocol. Both proposals seek to amend the Protocol to include within its provisions controls leading to a phase-down of HFCs.

45. The amendment proposals were discussed in plenary session during the thirty-third meeting of the Open-ended Working Group. While some parties voiced support for the proposed amendments, some other parties expressed opposition to the amendments. After informal discussions with a number of parties on the appropriate forum for further discussion, it was agreed to establish a discussion group, rather than a contact group, which would report back to the meeting on issues relating to the management of HFCs through the mechanisms of the Montreal Protocol. The discussion would also include financial, technical and legal aspects, and the appropriate processes to deal with them, including options for establishing a mechanism to deal with the linkages between the Montreal Protocol and the United Nations Framework Convention on Climate Change.

46. The discussion group, which was jointly convened by Ms. Gudi Alkemade (Netherlands) and Mr. Leslie Smith (Grenada), duly reported back to the Working Group and its report is reflected in the annex to the present note. The co-conveners stated that their report would not prejudge any decisions on the proposed amendment, or any discussions held in other forums, including those dealing with climate change.

47. Regarding the proposed amendments to the Montreal Protocol, the Working Group agreed to forward a separate draft decision XXV/[J], which had been put forward by Canada, Mexico and the United States of America and is set out in section II of document UNEP/OzL.Pro.25/3, and which was enclosed in its entirety in square brackets, to the Twenty-Fifth Meeting of the Parties for further consideration along with details of the proposed amendments submitted by the Federated States of Micronesia and by Canada, Mexico and the United States of America, set out in documents UNEP/OzL.Pro.25/5 and UNEP/OzL.Pro.25/6, respectively.
K. Compliance and data reporting issues (item 11 of the provisional agenda for the preparatory segment)

Presentation on and consideration of the work and recommended decisions forwarded by the Implementation Committee

48. The President of the Implementation Committee is expected to report on the work of the Committee and to present recommendations and draft decisions proposed by the Committee for consideration and approval by the Twenty-Fifth Meeting of the Parties. The issues addressed in draft decisions will include the status of ratification of the amendments to the Montreal Protocol, in addition to issues considered at the fiftieth and fifty-first meetings of the Committee.

49. A draft decision recording the status of ratification is included as draft decision XXV/[AA] in section III of document UNEP/OzL.Pro.25/3. It is planned that any compliance-related proposals for draft decisions emanating from the Implementation Committee’s meetings will be distributed to the parties by the second day of the preparatory segment. The parties are expected to consider the related issues and make recommendations for the high-level segment, as appropriate.

L. Other matters (item 12 of the provisional agenda for the preparatory segment)

50. Under item 12 of the provisional agenda, the parties will consider other matters agreed at the time of the adoption of the agenda.

III. Overview of items on the provisional agenda for the high-level segment (24 and 25 October 2013)

A. Opening of the high-level segment (item 1 of the provisional agenda for the high-level segment)

51. The high-level segment of the Twenty-Fifth Meeting of the Parties is scheduled to be opened at 10 a.m. on Thursday, 24 October 2013.

1. Statement(s) by representative(s) of the Government of Thailand

2. Statement(s) by representative(s) of the United Nations Environment Programme

3. Statement by the President of the Twenty-Fourth Meeting of the Parties to the Montreal Protocol

52. Opening statements will be made by representatives of Thailand and of UNEP, the President of the Twenty-Fourth Meeting of the Parties to the Montreal Protocol and others.

B. Organizational matters (item 2 of the provisional agenda for the high-level segment)

1. Election of officers for the Twenty-Fifth Meeting of the Parties to the Montreal Protocol

53. In accordance with the rules of procedure, the Twenty-Fifth Meeting of the Parties must elect a president, three vice-presidents and a rapporteur. A representative of a party from the group of Asian and Pacific States presided over the Twenty-Fourth Meeting of the Parties, while a representative of a party from the group of African States served as rapporteur. On the basis of regional rotation agreed by the parties, the parties may wish to elect a party from the group of Latin American and Caribbean States to preside over the Twenty-Fifth Meeting of the Parties and to elect a party from the group of Asian and Pacific States as rapporteur. The parties may also wish to elect three additional vice-presidents, one each from the group of African States, the group of Eastern European States, and the group of Western European and other States.

2. Adoption of the agenda of the high-level segment of the Twenty-Fifth Meeting of the Parties to the Montreal Protocol

54. The provisional agenda for the high-level segment is set forth in section II of document UNEP/OzL.Pro.25/1 and will be before the parties for adoption. The parties may wish to adopt that agenda, including any items that they may agree to include under item 9, “Other matters”.

3. Organization of work

55. The President of the Twenty-Fifth Meeting of the Parties is expected to outline a plan of work for discussing the items on the agenda.
4. **Credentials of representatives**

56. In accordance with rule 18 of the rules of procedure for meetings of the parties to the Montreal Protocol, the credentials of representatives of parties attending a meeting of the parties must be submitted to the Executive Secretary of the meeting, if possible not later than 24 hours after the opening of the meeting. Representatives are urged to come to the meeting with duly signed credentials and to submit them to the Secretariat as soon as possible after the start of the meeting. Under this agenda item, and in accordance with rule 19 of the rules of procedure, the elected officers of the meeting will examine the credentials and submit their report thereon to the parties.

C. **Status of ratification of the Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol and the amendments to the Montreal Protocol (item 3 of the provisional agenda for the high-level segment)**

57. Under item 3 of the provisional agenda, the parties will review the status of ratification of the instruments agreed under the ozone regime. A draft decision recording the status of ratification can be found as draft decision XXV/[AA] in section III of document UNEP/OzL.Pro.25/3.

D. **Presentations by the assessment panels on the status of their work, including the latest developments (item 4 of the provisional agenda for the high-level segment)**

58. Under item 4 of the provisional agenda, the Meeting of the Parties will hear a brief report from the assessment panels on their work and the latest developments in their areas of expertise.

E. **Presentation by the Chair of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol on the work of the Executive Committee, the Multilateral Fund secretariat and the Fund’s implementing agencies (item 5 of the provisional agenda for the high-level segment)**

59. Under item 5 of the provisional agenda, the Chair of the Executive Committee of the Multilateral Fund will present a report by the Executive Committee. The report will be issued as document UNEP/OzL.Pro.25/8.

F. **Statements by heads of delegation (item 6 of the provisional agenda for the high-level segment)**

60. Under item 6 of the provisional agenda, heads of delegation will be invited to make statements. Commencing on the first day of the preparatory segment of the meeting, the Secretariat will begin accepting requests to speak and compiling a list of speakers based on those requests. In the interests of fairness to all delegations and to ensure that all who wish to speak have an opportunity to do so it will be important for heads of delegations to limit their statements to four or five minutes. Statements from heads of delegation will be delivered in the order in which their requests to speak are received, subject to the understanding that ministers will be accorded priority, and further to customary practice whereby representatives of observer delegations speak after parties.

G. **Report by the co-chairs of the preparatory segment and consideration of the decisions recommended for adoption by the Twenty-Fifth Meeting of the Parties to the Montreal Protocol (item 7 of the provisional agenda for the high-level segment)**

61. Under agenda item 7 of the provisional agenda, the co-chairs of the preparatory segment will be invited to report to the parties on the progress made in reaching consensus on the substantive issues on the agenda.

H. **Dates and venue for the Twenty-Sixth Meeting of the Parties to the Montreal Protocol (item 8 of the provisional agenda for the high-level segment)**

62. The parties will be advised of any information regarding the potential venue for the Twenty-Sixth Meeting of the Parties and may then wish to take a decision on this matter. A draft decision in this regard can be found as draft decision XXV/[FF] in section III of document UNEP/OzL.Pro.24/8.
I. Other matters (item 9 of the provisional agenda for the high-level segment)

63. Any additional substantive issues agreed for inclusion on the agenda under item 2 (b) of the provisional agenda, “Adoption of the agenda”, will be taken up under item 9 of the provisional agenda.

J. Adoption of decisions by the Twenty-Fifth Meeting of the Parties to the Montreal Protocol (item 10 of the provisional agenda for the high-level segment)

64. Under item 10 of the provisional agenda, the parties will adopt the decisions of the Twenty-Fifth Meeting of the Parties.

K. Adoption of the report of the Twenty-Fifth Meeting of the Parties to the Montreal Protocol (item 11 of the provisional agenda for the high-level segment)

65. Under item 11 of the provisional agenda, the parties will adopt the report of the Twenty-Fifth Meeting of the Parties to the Montreal Protocol.

L. Closure of the meeting (item 12 of the provisional agenda for the high-level segment)

66. The Twenty-Fifth Meeting of the Parties to the Montreal Protocol is expected to be closed by 6 p.m. on Friday, 25 October 2013.

IV. Matters that the Secretariat would like to bring to the parties’ attention Secretariat missions

67. In accordance with the parties’ directives on participation in or monitoring of activities in other forums, the Secretariat has participated in and contributed to several meetings since it last reported to the Open-ended Working Group, at its thirty-third meeting. Specifically, the Secretariat attended the 2013 meeting of the Advisory Group of the UNEP Compliance Assistance Programme, and regional network meetings under the Compliance Assistance Programme in Cape Verde, China, Ghana, Jamaica and Kuwait. The Secretariat is also planning to have consultations with the Governments of Kazakhstan, Libya and Mauritania to explore processes that would enable expedited ratification of the pending amendments to the Montreal Protocol by those parties and to assist them in that effort.
Annex

Report of the discussion group on issues on the management of HFCs using the Montreal Protocol and its mechanisms

1. Before starting the discussions the co-conveners clarified that the mandate provided by the OEWG was to discuss without prejudging any decisions under the UNFCCC on the following:

- Issues on management of HFCs using the Montreal Protocol and its mechanisms, including legal, technical and financial aspects;
- Possible processes to address the legal, technical and financial aspects;
- Identifying options to establish a relationship between the UNFCCC and the Montreal Protocol;

and report back to plenary.

2. Without coming to any agreement, the discussion group first addressed the legal aspects of management of HFCs using the Montreal Protocol and its mechanisms, possible processes to address the legal aspects and some options to establish a relationship between the UNFCCC and the Montreal Protocol were identified.

3. On the legal aspects, the group started discussing the following issues:

- Questions and issues related to the possible need of a mandate of the Montreal Protocol and its mechanisms provided in articles 1, 2 and 9 of the Vienna Convention to address the consumption and production of HFCs, and its linkages to the jurisdiction of the UNFCCC and the Kyoto Protocol, provided in articles 4,12 of the UNFCCC and articles 2,5,7,10 of the Kyoto Protocol;
- Issues related to the jurisdictions of the UNFCCC, Kyoto Protocol and the Montreal Protocol and its mechanisms to manage HFCs;
- Issues related to the possibilities of the UNFCCC and the Kyoto Protocol and the Montreal Protocol to mutually support each other;
- Possibilities to avoiding legal uncertainty on the mandate of the Montreal Protocol and its mechanisms to manage HFCs;
- The differences between legal interpretations and the necessity to consider all legal implications before managing HFCs;
- The importance of political willingness;
- The history of the Montreal Protocol and its mechanisms to address issues related to the management of HFCs.

4. On possible processes to address the legal aspects and options to establish a relationship between UNFCCC/KP and MP, the following processes and options were mentioned:

- To provide a signal to the UNFCCC and the KP on the instruments available to address production and consumption of HFCs under the Montreal Protocol;
- To explore under the Montreal Protocol and its mechanisms a series of approaches to address the management of HFCs that have no legal uncertainties;
- To explicitly address the relationship with the UNFCCC and the Kyoto Protocol in a possible amendment of the Montreal Protocol to control the production and consumption of HFCs;
- The policy options to address production and consumption of HFCs need to be considered:
  - To build a new production and consumption instrument under UNFCCC providing compliance based funding;

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1 The text in the annex is reproduced as submitted, without formal editing by the Secretariat.
To follow the principle of mutual supportiveness of institutional treaties and use the existing instrument provided by the Montreal Protocol and its mechanisms;

- Or a combination of both, using the institutional arrangements of the Montreal Protocol;

- To take a three-staged approach, without prejudging the outcome: 1) requesting TEAP to provide a report on alternatives, focusing on the need for financing to test and demonstrate suitable alternatives, 2) exploring the abovementioned policy options and 3) to negotiate their implementation;

- To start taking measures to manage HFCs in domestic regulations.

- Secondly, the discussion group started discussing the technical aspects of management of HFCs using the Montreal Protocol and its mechanisms and possible processes to address those aspects. On the technical aspects different questions and issues were discussed:

  - Questions and issues related to the availability of alternatives, especially for the RAC sectors and the need to have definitive solutions for sectors before the management of HFCs can be addressed;

  - Questions and issues related to the extent to which environmentally sound, economically viable and technically proven alternatives are available, the time necessary for alternative technologies to be introduced in the market, their costs and on technology transfer;

  - The suitability of a gradual consumption and production phase down schedule to address the technical challenges and the MLF to assist A5 parties with technology transition;

  - The suitability of a phase down schedule to provide signals to the market and the readiness to provide these signals;

  - Reports and conferences on information on the availability and development of alternative technologies for A5 parties

  - Issues related to safety, flammability, toxicity, energy-efficiency, costs, supply of climate friendly alternatives to A5 parties, training of technicians, high ambient temperature, high density urban cities and SMEs;

  - Questions on what is meant by low GWP and the appropriateness of that indicator to address the climate impact of alternative technologies

  - The importance of the compliance obligations under the Montreal Protocol, the climate conditions and the availability of alternative technologies in the relevant sectors to be able to manage HFCs;

  - Issues related to what extent the Montreal Protocol can address the management of HFCs and contribute to closing the ambition gap in 2020;

5. Furthermore several processes and options were discussed to address those technical aspects related to the management of HFCs:

- To establish a gradual production and consumption phase down schedule in the short or longer term;

- To consider options to use the Montreal Protocol and the Multilateral Fund to assist A5 parties in the transition to lower GWP alternatives;

- To request a follow-up study by TEAP that could address elements such as mentioned:

  - The extent to which alternatives are available, the time period necessary to become available for the relevant sectors and markets

  - A comprehensive analysis of environmental and safety considerations for all countries;

  - Feasibility of management of HFCs using the Montreal Protocol and its mechanisms;

- To start addressing broader aspects such as social and economic development considerations;

- To focus in the short term on:
Follow-up study by TEAP
- Strengthening coordination between TEAP and IPCC;
- To communicate domestic actions of non-A5 parties to the UNFCCC;
- To continue international cooperation and initiatives on management of HFCs

- A trial phase of implementation before deciding to manage HFCs using the Montreal Protocol and its mechanisms;
- To take voluntary domestic actions to drive technological development, prevent leakages and provide technical assistance;
- To continue discussions and using TEAP studies in order to understand the concerns and the options to address those better.

6. In the last session the discussion group started to discuss the financial aspects of management of HFCs using the Montreal Protocol and its mechanisms and possible processes to address those issues. The group also started to discuss in a more integrated manner issues related to the management of HFCs, processes to address them and options to establish a relationship between the UNFCCC and the Montreal Protocol in further detail.

7. On the financial aspects, the group discussed issues related to:

- Trade barriers between parties and non-parties to the Montreal Protocol and its amendments;
- The climate contribution of HFCs;
- The need to evaluate the financial mechanisms, including the MLF, on the appropriateness to manage HFCs;
- Concerns on technology transfer and patents and the assurance that the best technologies are transferred to A5 parties in line with article 10A of the Montreal Protocol and on the effectiveness of the MLF with regard to technology transfer in practice;
- The investment costs for industry and the need to cover those;
- The possibility to provide assurance on new and additional funding in the absence of information on costs;
- Difficulties for some A5 parties to access the MLF.

8. The group also discussed issues related to the various aspects on management of HFCs in an integrated manner, addressing the following issues:

- The importance of political will and understanding of mutual supportiveness of actions under the MP and UNFCCC and ways to provide political assurance for all parties involved;
- The key role of ensuring political assurance with respect to the provision of means of implementation for Article 5 parties by Article 2 parties;
- The importance and concerns on the certainty on the finance related to the compliance needs under the MP;
- The difficulties for parties to discuss the management of HFCs in the absence of clarity on technology pathways and on new and additional funding through the MLF;
- The potential need for a decision under UNFCCC to address the management of HFCs using the Montreal Protocol and its mechanisms and the need for assurance of new and additional funding form Article 2 parties;
- The need for actions that can be immediately operationalized;
- The risk of taking more time when the approach taken, prejudices an amendment to the MP.

9. On the possible processes to address those issues in an integrated manner and options to establish a relationship between the UNFCCC and the Montreal Protocol, the following processes and options were mentioned:
• To start addressing what the MP could be doing and if a phase down is an option for comprehensive approach to manage HFCs;

• To take the initiative to provide the MOP with a mandate to engage in a joint working process together with the COP/MOP under UNFCCC;

• To prioritize for discussing in the MOP in 2013:
  o Using the MLF to develop rules to promote, demonstrate and select climate friendly alternatives to ODS;
  o To build political will that would lead to more ambitious action;
  o To develop a trial period to demonstrate the feasibility to manage HFCs using the MP and its mechanisms and facilitate further discussions;

• To request TEAP to provide a report that could address element such as mentioned:
  o Options to control HFCs and the technical feasibility to ensure compliance of all parties, including a combined schedule to leapfrog HFCs;
  o Estimated costs of options to manage HFCs;

• To develop a staged approach to build political will, respecting the legal autonomy of international bodies, and to take mutual supportive actions to inform each other on the best option to manage HFCs in recognition of the broader context of the UNFCCC:
  o To provide clarity on possible technologies and technology pathways and on financing;
  o To develop a trial phase to demonstrate the usefulness of a phase down approach;
  o To invite UNFCCC to consider the work the Montreal Protocol is undertaking to manage HFCs.