



Distr.: General
5 August 2016

Original: English



United Nations
Environment
Programme

**Open-ended Working Group of the Parties to
the Montreal Protocol on Substances that
Deplete the Ozone Layer
Resumed thirty-seventh meeting
Vienna, 15 and 16 July 2016**

Report of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer on the work of its resumed thirty-seventh meeting

I. Opening of the meeting

1. The resumed thirty-seventh meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer was held at the Vienna International Centre, Vienna, on 15 and 16 July 2016. The meeting was co-chaired by Mr. Paul Krajnik (Austria) and Mr. Leslie Smith (Grenada).
2. The meeting was opened at 10.10 a.m. on Friday, 15 July 2016, by Mr. Krajnik.
3. At the invitation of the Executive Secretary of the Ozone Secretariat, Ms. Tina Birnpili, the meeting participants stood and observed a moment of silence in remembrance of those that had lost their lives in a terrorist attack in Nice, France, the previous day, as well as to mark the recent passing of several members of the ozone family. The latter included Mr. Jan van der Leun, former co-chair of the Environmental Effects Assessment Panel; Mr. Johann Steindl, a long-serving legal expert in Austria; Mr. Buri Mohamed Hamza, Minister of Environment and Coordinator of the National Ozone Unit in Somalia; and Mr. Domépha Kossi Amona, Coordinator of the National Ozone Unit in Togo.
4. The Executive Secretary then made an opening statement, addressing first the challenge facing the Working Group: to conclude the work that it had begun at its thirty-seventh meeting, in Geneva in April 2016, to implement the Dubai pathway, which had been agreed by all Parties, and thereby to agree on an amendment to the Montreal Protocol on hydrofluorocarbons (HFCs) in 2016 by generating solutions to the challenges that such an amendment posed. The current meeting, she said, afforded the parties ample time to discuss, negotiate, find solutions, reach agreement and draft an amendment, but only if they made the most of it.
5. The purpose of the meeting was to focus on the remaining challenges and to find solutions that worked for all, bearing in mind in particular the perspectives and concerns of parties operating under paragraph 1 of Article 5 of the Montreal Protocol (Article 5 parties). The parties had made good progress on some of those challenges at the thirty-seventh meeting of the Open-ended Working Group and at the Twenty-Seventh Meeting of the Parties in 2015, and it was important that that momentum be maintained so that views converged instead of diverging.
6. The contact group at its previous meetings had reviewed all of the challenges and had made progress on an exemption for high-ambient temperature countries and on a number of issues related to funding and flexibility in implementation. Solving the funding challenge should be regarded as a matter of priority, and doing so would require reaching agreement on the level of assistance that Article 5 parties would need to offset the costs of HFC management; the guidance that the Meeting of

the Parties would need to provide to the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol; the flexibility that should be accorded to Article 5 parties in choosing appropriate technologies, setting priorities and defining the sectors in which to implement conversions; the enabling activities that would need to be supported by the Multilateral Fund; and the costs of conversion, technology transfer and intellectual property rights.

7. Success in finding a solution to the funding challenge would facilitate resolution of the remaining challenges, which included non-party trade provisions, exemption mechanisms (going beyond exemptions for high-ambient-temperature countries), the safety and energy efficiency of alternatives, patents on production and use, the relationship between HFC phase-down and HCFC phase-out and the special situation of developing countries.

8. She drew attention to a briefing note prepared by the Secretariat that outlined the development of baselines for the phase-out of ozone-depleting substances under the Montreal Protocol over the years. She observed that the baselines for the various groups of ozone-depleting substances had been defined differently, based on environmental, technical, policy, financial and other factors. The initial baselines had been adopted – often in the absence of reliable data – through amendments, and in some cases had been later revised through adjustments. Furthermore, while baselines for non-Article 5 parties had in most cases been set at historic consumption or production levels, baselines for Article 5 parties had in most cases been set at future consumption or production levels. Finally, while for most substances baselines were based only on the consumption or production of the substances themselves, non-Article 5 party baselines for hydrochlorofluorocarbons (HCFCs) had been based on both HCFCs and chlorofluorocarbons. In general, then, baselines had not been set in accordance with a single formula but rather to fit specific substances and prevailing circumstances.

9. She concluded by observing that parties had been working under the Montreal Protocol for thirty years with a sense of urgency and a willingness to cooperate across national borders, applying principles and methods that the parties to other treaties were beginning to adopt. The parties had had the privilege of working together for many years and could demonstrate real success. At the current juncture the parties had the opportunity to adopt an amendment to the Montreal Protocol to phase down HFCs, which could avoid estimated emissions of up to 105 gigatonnes of carbon dioxide equivalent by 2050 and up to 0.4°C of global warming by the end of the century. The end point of the process would be a gain for both the environment and the climate and, she said, should result in gains for all parties, Article 5 and non-Article 5 alike.

II. Organizational matters

A. Attendance

10. The resumed thirty-seventh meeting of the Open-ended Working Group was attended by representatives of the following parties: Afghanistan, Albania, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Belarus, Belgium, Belize, Benin, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Canada, Chad, Chile, China, Colombia, Comoros, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czechia, Democratic People's Republic of Korea, Democratic Republic of the Congo, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, European Union, Fiji, Finland, France, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Holy See, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Libya, Lithuania, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Palau, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Russian Federation, Rwanda, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Serbia, Singapore, Slovakia, Somalia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Togo, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Venezuela (Bolivarian Republic of), Viet Nam and Zimbabwe.

11. Representatives of the following United Nations bodies and specialized agencies also attended: International Maritime Organization, secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, secretariat of the United Nations Framework Convention on Climate Change,

Secretariat of the United Nations, United Nations Development Programme, United Nations Environment Programme, United Nations Industrial Development Organization and World Bank.

12. The following intergovernmental, non-governmental, industry, academic and other bodies and individuals were also represented or present: ADC3R, Air-conditioning, Heating and Refrigeration Institute, Alliance for Responsible Atmospheric Policy, Arkema, American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), Bitzer SE, California Citrus Quality Council, Center for Climate and Energy Solutions, Centre for Science and Environment, the Chemours Company, China Association of Fluorine and Silicone Material Industry, China Household Electrical Appliances Association, China National Petroleum and Chemical Planning Institute, Christian Aid, Climate Action Network International, Climalife, Climate Advisers, Climate and Clean Air Coalition, Council on Energy, Environment and Water, CYDSA Corporativo, S.A. de C.V., Daikin Europe N.V., Daikin Industries, Ltd., Daikin U.S. Corporation, Danfoss A/S (Denmark), Dongyang Chemical Co. Ltd., Embraco Europe S.r.l., Emergent Ventures India, Environmental Investigation Agency, European Air-conditioning and Refrigeration Association, European Chemical Industry Council, European Partnership for Energy and the Environment, GIZ GmbH, GIZ Proklima, Gluckman Consulting, Gujarat Fluorochemicals Limited, HEAT International, Honeywell, Hudson Technologies, ICF International, IN Consult (Pvt.) Ltd., India Habitat Centre, Ingersoll Rand Inc., Institute for Governance and Sustainable Development, International Institute of Refrigeration, International Pharmaceutical Aerosol Consortium, Institute of Energy and Environment, Japan Fluorocarbon Manufacturers Association, Japan Refrigeration and Air Conditioning Industry Association, Jiangsu Blue Star Co., Ltd., Johnson Controls, Kulthorn Group, Lawrence Berkeley National Laboratory, League of Arab States, Lennox International Inc., Mahle Behr Troy Inc., Mebrom, Matthias Meier Technical Consulting, Mexichem (UK) Limited, Mitsubishi Electric Europe B.V., Natural Resources Defense Council, Nolan Sherry and Associates Ltd., Northwest Horticultural Council, Oak Ridge National Laboratory, Oeko-Recherche GmbH, Pyc Edition, Quimobásicos S.A. de C.V., Refrigeration and Air-Conditioning Manufacturers Association of India, Refrigerants Australia, Shecco, Sinochem Lantian Co., Ltd., SRF Limited, Sun Yat Sen University School of Engineering, Tata Motors Limited, TERRE Policy Centre, TICA Air-conditioning, Transfrig, Trans-Mond Environment Ltd., United Technologies Corporation, Victorian Strawberry Industry Certification Authority, Westfalen France S.a.r.l., Xi'an Jiaotong University, Zhejiang Sanmei Chemical Industry Co., Ltd., Zhejiang Yonghe Refrigerant Co. Ltd. and independent consultants.

B. Adoption of the agenda

13. The Working Group adopted the following agenda on the basis of the provisional agenda set out in document UNEP/OzL.Pro.WG.1/resumed.37/1:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;¹
 - (b) Organization of work.
3. Continuation of the discussion under item 4 of the agenda of the thirty-seventh meeting of the Open-ended Working Group, “Dubai pathway on hydrofluorocarbons” (HFCs) (decision XXVII/1):²
 - (a) Resolving challenges by generating solutions on the feasibility of managing HFCs;
 - (b) Ways of managing HFCs, including the amendment proposals submitted by parties;³

¹ UNEP/OzL.Pro.WG.1/37/7, paras. 43 and 47.

² *Ibid*, para. 17.

³ UNEP/OzL.Pro.WG.1/resumed.37/3/Add.1–UNEP/OzL.Pro.WG.1/38/3/Add.1–UNEP/OzL.Pro.ExMOP/3/3/Add.1–UNEP/OzL.Pro.28/5/Add.1,

UNEP/OzL.Pro.WG.1/resumed.37/3–UNEP/OzL.Pro.WG.1/38/3–UNEP/OzL.Pro.ExMOP/3/3–UNEP/OzL.Pro.28/5,

UNEP/OzL.Pro.WG.1/resumed.37/4–UNEP/OzL.Pro.WG.1/38/4–UNEP/OzL.Pro.ExMOP/3/4–UNEP/OzL.Pro.28/6,

UNEP/OzL.Pro.WG.1/resumed.37/5–UNEP/OzL.Pro.WG.1/38/5–UNEP/OzL.Pro.ExMOP/3/5–UNEP/OzL.Pro.28/7,

- (c) Work within the Montreal Protocol to an HFC amendment in 2016 under decision XXVII/1: process for moving forward.
- 4. Adoption of the report of the meeting.
- 5. Closure of the meeting.

C. Organization of work

14. The Working Group decided that it would conduct the bulk of its discussions during the current meeting in the contact group on the feasibility and ways of managing HFCs, co-chaired by Mr. Patrick McInerney (Australia) and Mr. Xia Yingxian (China), which had been established at the resumed thirty-sixth meeting of the Open-ended Working Group and continued at the Twenty-Seventh Meeting of the Parties and the thirty-seventh meeting of the Open-ended Working Group. Informal discussions would also take place as needed. It was acknowledged that in accordance with decision XXVII/1 the focus of the discussions would be the feasibility and ways of managing HFCs, and it was agreed that the discussions would be taken up where they had been suspended at the thirty-seventh meeting of the Open-ended Working Group. It was also agreed that interpretation in the six official languages of the United Nations would be provided for two plenary and contact group sessions per day and that any additional sessions would be conducted in English only. It was further agreed that the provision of interpretation for the contact group would not set a precedent for future meetings.

III. Continuation of the discussion under item 4 of the agenda of the thirty-seventh meeting of the Open-ended Working Group

15. In accordance with the agreed arrangements on the organization of work during the current meeting (see section II. C. above), the Open-ended Working Group decided that the discussions on agenda item 3 should take place in the contact group on the feasibility and ways of managing HFCs.

16. At the final plenary session, on the morning of Sunday, 17 July 2016, the co-chair of the contact group reported that the group had reached agreement on solutions to the challenges set out in the Dubai Pathway, including agreement that some solutions to some of the challenges would be discussed during the negotiation of the HFC amendment proposals and would be concluded prior to the adoption of any such amendment. In his report, the co-chair detailed the solutions agreed by the contact group.

17. The Open-ended Working Group then adopted the solutions agreed to by the contact group as described in the co-chair's report, and the Co-Chair of the Working Group concluded that, having achieved an agreed set of solutions, the Working Group could move on to discuss the proposals to amend the Montreal Protocol in respect of HFCs at its thirty-eighth meeting. A summary of the contact group co-chair's report, along with the solutions as agreed by the Working Group, is set out in a document prepared for the thirty-eighth meeting of the Open-ended Working Group (UNEP/OzL.Pro.WG.1/38/7 and Corr.1).

IV. Adoption of the report of the meeting

18. The Working Group adopted the present report on the morning of Sunday, 17 July 2016, on the basis of the draft report (UNEP/OzL.Pro.WG.1/resumed.37/L.1). The Ozone Secretariat was entrusted with the finalization of the report following the closure of the meeting.

V. Closure of the meeting

19. The resumed thirty-seventh meeting of the Open-ended Working Group of the Parties to the Montreal Protocol was declared closed at 3.15 a.m. on Sunday, 17 July 2016.
