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**Implementation Committee under the  
Non-compliance procedure for the  
Montreal Protocol  
Thirty-seventh meeting**  
New Delhi, 25–27 and 30 October 2006

**Report of the Implementation Committee under the  
Non-Compliance Procedure for the Montreal Protocol on the  
work of its thirty-seventh meeting**

**I. Opening of the meeting**

1. The thirty-seventh meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol was held at the Vigyan Bhavan conference centre in New Delhi, India, from 25 to 27 and 30 October 2006.

**A. Opening statements**

2. The President of the Committee, Mr. Mikheil Tushishvili (Georgia), opened the meeting at 10.15 a.m. on 25 October. He welcomed members of the Committee and representatives of the Multilateral Fund for the Implementation of the Montreal Protocol and the implementing agencies and expressed gratitude to the Government of India for hosting the Eighteenth Meeting of the Parties to the Montreal Protocol and associated meetings. Noting that developing countries and countries with economies in transition faced particular challenges in implementing environmental agreements, he observed that the Committee should seek to collaborate closely with Parties considered to be non-compliant. Other work of the Committee at its current meeting would include consideration of the Implementation Committee primer and standardized recommendations for addressing non-compliance and of challenges facing the Montreal Protocol during the next decade. He closed by commending the Committee for its achievements and urged members to redouble their efforts to ensure effective implementation of the Protocol.

3. Mr. Marco González, Executive Secretary of the Ozone Secretariat, added his welcome to that of the President and thanked the Government of India for hosting the meeting. He congratulated the Committee on its achievements to date, stressing the value of its intersessional work, which had contributed to the production of the Implementation Committee primer and standardized recommendations and the compilation of documents submitted by Parties with respect to issues to be

considered by the Committee. All those documents were expected to facilitate and enhance the Committee's work. Two new issues that had arisen for consideration at the current meeting were a notification of anticipated non-compliance that had been submitted by Bangladesh and a paper produced by the Government of New Zealand on challenges to the non-compliance procedure and possible responses. In closing, he commended the Committee for its achievements and called on members to sustain their dynamism during the coming year.

## **B. Attendance**

4. Representatives of the following members of the Committee attended the meeting: Argentina, Cameroon, Georgia, Guatemala, Lebanon, Nepal, Netherlands, New Zealand and Poland.

5. The representatives of Bangladesh, Chile, Dominica, Kenya, Mexico and Pakistan also attended at the invitation of the Committee.

6. The meeting was also attended by representatives of the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, the Chair of the Executive Committee of the Multilateral Fund and representatives of the implementing agencies of the Multilateral Fund: the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO) and the World Bank. The full list of participants is contained in annex II to the present report.

## **II. Adoption of the agenda and organization of work**

7. The Committee adopted the following agenda, based on the provisional agenda contained in document UNEP/OzL.Pro/ImpCom/37/1:

1. Opening of the meeting.
2. Adoption of the agenda and organization of work.
3. Report of the Secretariat on data under Article 7 of the Montreal Protocol.
4. Information provided by the Fund Secretariat on relevant decisions of the Executive Committee and on activities carried out by implementing agencies (United Nations Development Programme, United Nations Environment Programme, United Nations Industrial Development Organization and the World Bank) to facilitate compliance by Parties.
5. Follow-up on previous decisions of the Parties and recommendations of the Implementation Committee on non-compliance-related issues:
  - (a) Data-reporting obligations:
    - (i) Canada (recommendation 36/50);
    - (ii) Eritrea (decision XVII/21 and recommendation 36/14);
    - (iii) Mozambique (decision XVII/20 and recommendation 36/31);
    - (iv) New Zealand (recommendation 36/50);
    - (v) Serbia (decision XVII/22 and recommendation 36/40);
    - (vi) Switzerland (recommendation 36/50);
  - (b) Existing plans of action to return to compliance:
    - (i) Armenia (decision XVII/25 and recommendation 36/2);
    - (ii) Azerbaijan (decision XVII/26 and recommendation 36/3);
    - (iii) Bangladesh (decision XVII/27 and recommendation 36/4);
    - (iv) Bolivia (decision XV/29 and recommendation 36/6);
    - (v) Bosnia and Herzegovina (decisions XV/30 and XVII/28 and recommendation 36/7);

- (vi) Botswana (decision XV/31 and recommendation 36/8);
  - (vii) Chile (decision XVII/29 and recommendation 36/9);
  - (viii) Ecuador (decision XVII/31 and recommendation 36/13)
  - (ix) Federated States of Micronesia (decision XVII/32 and recommendation 36/16);
  - (x) Guatemala (decision XV/34 and recommendation 36/19);
  - (xi) Guinea-Bissau (decision XVI/24 and recommendation 36/20);
  - (xii) Honduras (decision XVII/34 and recommendation 36/21);
  - (xiii) Libyan Arab Jamahiriya (decisions XV/36 and XVII/37 and recommendation 36/27);
  - (xiv) Nigeria (decision XIV/30 and recommendation 36/36);
  - (xv) Pakistan (decision XVI/29 and recommendation 36/37);
  - (xvi) Papua New Guinea (decision XV/40 and recommendation 36/38);
  - (xvii) Tajikistan (decision XIII/20 and recommendation 36/43);
  - (xviii) Uruguay (decision XVII/39 and recommendation 36/48);
- (c) Draft plans of action to return to compliance:
- (i) Dominica (recommendation 36/12);
  - (ii) Islamic Republic of Iran (decision XVI/20 and recommendation 36/22);
  - (iii) Zimbabwe (recommendation 36/49);
- (d) Other recommendations on compliance:
- (i) Greece (recommendation 36/18);
  - (ii) Kenya (recommendation 36/24);
  - (iii) Mexico (recommendation 36/30);
  - (iv) Niger (recommendation 36/35);
  - (v) Somalia (recommendation 36/42);
  - (vi) Turkey (recommendation 36/45).
6. Consideration of other non-compliance issues arising out of the data report.
  7. Information on compliance by Parties present at the invitation of the Implementation Committee.
  8. Consideration of the revised Implementation Committee draft primer (recommendation 36/51).
  9. Standardizing recommendations by the Implementation Committee for addressing routine procedural matters of non-compliance (recommendation 36/52).
  10. Consideration of the report of the Secretariat on Parties which have established licensing systems (Article 4B, paragraph 4, of the Montreal Protocol).
  11. Other matters.
  12. Adoption of the report of the meeting.
  13. Closure of the meeting.

### III. Report of the Secretariat on data under Article 7 of the Montreal Protocol

8. The representative of the Ozone Secretariat drew attention to the report of the Secretariat on information provided by Parties in accordance with Article 7 of the Protocol, contained in document UNEP/OzL.Pro/ImpCom/37/2 and its addendum. Commencing with consideration of the base year data requirements, he explained that no Parties were in breach of their obligation to report data under paragraphs 1 and 2 of Article 7 (relating to 1986 for Annex A substances, 1989 for Annexes B and C substances, and 1991 for the Annex E substance). Since such obligations normally fell upon newly ratifying Parties, however, there was a risk that Equatorial Guinea would soon be listed as non-compliant.

9. In the case of baseline data of Parties operating under Article 5 of the Protocol (defined as the average of the years 1995–1997 for Annex A substances, of 1998–2000 for Annex B substances and of 1995–1998 for the Annex E substance), all such Parties except the Lao People's Democratic Republic and Serbia had fully reported all their baseline data, as shown in annexes VIII and IX to document UNEP/OzL.Pro/ImpCom/37/2. In view of its recent ratification of the Protocol, Equatorial Guinea might also soon be listed as non-compliant.

10. Of the 189 countries required to report annual data, 179 (95%) had complied with all their obligations under paragraphs 3 and 4 of Article 7 of the Protocol during the period 1986 to 2005. The data reported by the Parties for consumption and production in 2005 were set out in annexes Ia, Ib and Ic of document UNEP/OzL.Pro/ImpCom/37/2 and annex I of document UNEP/OzL.Pro/ImpCom/37/2/Add.1. The ten Parties not in compliance with their data-reporting obligations were Côte d'Ivoire, Gambia, Latvia, Malta, Mauritania, Saudi Arabia, Solomon Islands, Somalia, Uzbekistan and Venezuela (Bolivarian Republic of). It was noted, however, that those Parties could still submit reports prior to the adoption of decisions at the Eighteenth Meeting of the Parties to the Montreal Protocol.

11. The cases of possible non-compliance with the control measures of the Protocol by Parties not operating under Article 5 were listed in table 8 (relating to consumption) and table 9 (relating to production) of document UNEP/OzL.Pro/ImpCom/37/2 and Add.1. For consumption, taking into account allowances and exemptions, only Azerbaijan remained in non-compliance, while the Russian Federation presented a case of possible non-compliance. For production, taking into account allowances and exemptions, including permitted production for basic domestic needs of Parties operating under Article 5, only Greece remained in possible non-compliance. Clarifications and corrections of consumption data had been received from the European Community that confirmed the Party's compliance status.

12. The cases of potential non-compliance with the control measures by Parties operating under Article 5 for 2005 were listed in table 11 (relating to consumption) and table 12 (relating to production) of document UNEP/OzL.Pro/ImpCom/37/2. With respect to consumption, 16 Article 5 Parties remained in non-compliance or possible non-compliance (Bolivia, Chile, Democratic Republic of the Congo, Dominica, Ecuador, Eritrea, Guatemala, Iran (Islamic Republic of), Kenya, Mexico, Pakistan, Paraguay, South Africa, Turkey, United Arab Emirates and United Republic of Tanzania). Clarifications and corrections of consumption data had been received from Zimbabwe that confirmed the Party's compliance status.

13. During the ensuing discussion, the Secretariat agreed to investigate some inconsistencies in the data that appeared in annexes 3 and 4 of document UNEP/OzL.Pro/ImpCom/37/2, including imbalances between the figures for global imports and exports of ozone-depleting substances. The representative of the World Bank said the revision of China's baseline data for production of carbon tetrachloride to zero for 1999 might put at risk implementation of the process agent sector plan that the Bank was undertaking with the Party. The World Bank had therefore notified the Chinese government and recommended that it contact the Secretariat.

#### **IV. Information provided by the Fund Secretariat on relevant decisions of the Executive Committee and on activities carried out by the implementing agencies (United Nations Development Programme, United Nations Environment Programme, United Nations Industrial Development Organization and the World Bank) to facilitate compliance by Parties**

14. The representative of the Multilateral Fund secretariat gave a report on the agenda item, explaining that it covered three topics: the relevance of country programme data and its difference from data collected pursuant to Article 7 of the Protocol; the current status of and future prospects for the compliance of Article 5 Parties with the control measures of the Montreal Protocol; and a summary of recent decisions on compliance and related actions relevant to the thirty-seventh meeting of the Implementation Committee.

15. On country programme data, the representative of the Multilateral Fund secretariat recalled that a new reporting format had been established, which provided for the collection of more data. Of those countries using the new format, 80 percent had operational licensing systems and 65 percent had quota systems in place. An analysis of the cost of ozone-depleting substances and their substitutes had also been produced, which suggested a very large range in the prices of both in different countries but also indicated that average prices for the substitutes were no longer much higher than for the substances they aimed to replace. Country programme data could be relevant to the Implementation Committee by providing an early warning of cases of non-compliance, identifying discrepancies between country programme and Article 7 data, and supporting sectoral analyses and the evaluation of future prospects for compliance. Article 7 data, meanwhile, was valuable to the Multilateral Fund secretariat since it helped in the review of multi-year agreements.

16. Moving on to the Multilateral Fund secretariat's evaluation of Article 5 Parties' prospects for compliance with control measures, the country programme data suggested that actions were needed by Tanzania to ensure compliance with the carbon tetrachloride and methyl chloroform controls. Other Parties had been identified as potentially non-compliant in the secretariat's report for the current meeting (UNEP/OzL.Pro/ImpCom/37/INF/4). Further clarification of the situation in those Parties had demonstrated, however, that measures were already in place to address the concerns.

17. The representative of the secretariat noted that the country programme data provided information that could help evaluate the likelihood of future compliance in Article 5 Parties and could help identify Parties that exceeded control measures where Article 7 data were unavailable. On the basis of such information, it appeared that Somalia was non-compliant with the halon controls. More broadly, the Fund estimated that installed capacity of halons had fallen by 16 percent but remained substantial.

18. With respect to CFCs, 13 Parties were non-compliant with the relevant controls and had all received all the assistance available from the Multilateral Fund, except Eritrea. Analysis of future compliance suggested that there would be a need for concerted efforts to prevent a large rise in non-compliance figures during 2007, given the new phase-out targets that would need to be met from 1 January of that year. Regarding methyl bromide, all countries that had exceeded allowable limits had agreements in place with the Executive Committee of the Multilateral Fund that should enable them at least to meet the 2005 control measures. The fact that the country programme data suggested a higher number of countries to be in non-compliance than did Article 7 data testified to the value of the former as a tool for early warning of non-compliance.

19. Turning to the issue of decisions on compliance, the representative of the Fund secretariat noted that in the case of countries in non-compliance the Executive Committee offered only one year renewals of institutional strengthening support, rather than two. On that basis, it had been recommended that two countries, the Islamic Republic of Iran and Kenya, be granted one year renewals. She concluded by observing that it had been decided that terminal phase-out management plans should cover ozone-depleting substances, not just CFCs but also carbon tetrachloride and methyl chloroform in particular, where data indicated recent consumption of an ozone-depleting substance in a country with a zero baseline for a given controlled substance. That would provide a useful way of addressing the issue of consumption in low-volume consuming countries.

20. During the ensuing discussion, representatives welcomed the new country programme reporting format and the cost evaluation of ozone-depleting substances and their substitutes. In response to

queries on those topics, the representative of the Multilateral Fund Secretariat said that efforts were underway to encourage more Parties to use the new reporting format and that UNEP had been asked to include the issue on the agenda of all ozone network meetings in 2006. The representative of the Fund secretariat agreed with the observation of a number of members that the scale of variations in the cost of substitutes suggested a need to scrutinize the estimates that had been submitted.

**V. Follow-up on previous decisions of the Parties and recommendations of the Implementation Committee on non-compliance-related issues**

**VI. Consideration of other non-compliance issues arising out of the data report**

**VII. Information on compliance by Parties present at the invitation of the Implementation Committee**

21. The Committee decided to consider agenda items 5, 6 and 7 together and agreed to adopt the associated recommendations by Party, in alphabetical order.

**A. Armenia**

22. Armenia had been listed for consideration with regard to its implementation of recommendation 36/2.

23. Recommendation 36/2 had noted that Armenia had reported consumption of zero ODP-tonnes of methyl bromide in 2005 and had thereby returned to compliance with the Protocol's methyl bromide control measures in that year. The recommendation had acknowledged, however, that Armenia had expressed concern about its ability to remain in compliance in 2006 in the absence of supporting regulatory measures and therefore noted with appreciation the Party's submission of a plan of action for doing so commencing in 2007. The recommendation had also recorded the agreement of the Committee to forward a draft decision containing the plan of action to the Eighteenth Meeting of the Parties and had requested Armenia to submit to the Secretariat by 30 September 2006 an update on the expected date by which it would introduce an ozone-depleting substance licensing and quota system.

24. By the time of the current meeting, the Party had reported that its general law on substances that deplete the ozone layer had been approved by its national assembly on 2 October 2006 and that it could agree to the date of 1 July 2007 in subparagraph 4 (b) of the draft decision as the date by which it would introduce its licensing and quota system. In earlier correspondence, it had submitted to UNEP and the Secretariat for comment the sub-legislative acts that would identify the ozone-depleting substances to be controlled under the new licensing and quota system and prescribe the procedures for establishing import quotas and issuing import and export licences and had reported that the general law and sub-legislative acts had been the subject of public consultation. As an interim measure, the Ministry of Agriculture had agreed to prohibit imports of methyl bromide from its list of pesticides which were permitted for import, and she was optimistic that awareness-raising and other activities which were under way had persuaded users to switch to alternatives.

25. The Committee therefore *agreed*:

(a) To note with appreciation that, in accordance with recommendation 36/2, Armenia had identified the date by which it committed to introduce a system for licensing the import and export of ozone-depleting substances that would include import quotas, and also to note with appreciation the report submitted by the Party on its progress in establishing that system;

(b) To forward to the Eighteenth Meeting of the Parties for its consideration the draft decision incorporating the plan of action contained in the annex (section A) to the present report.

**Recommendation 37/1**

**B. Azerbaijan**

26. Azerbaijan had been listed for consideration with regard to its implementation of decision XVII/26 and recommendation 36/3.

27. Decision XVII/26 had noted that Azerbaijan had introduced a ban on the import of CFCs in accordance with decision XVI/21, but had also noted with concern that the Party had not achieved total phase-out of CFCs by 1 January 2005 as required by that decision. The decision had also, however, requested Azerbaijan to report to the Secretariat on the status of its efforts, in cooperation with UNEP, to seek assistance from the Global Environment Facility (GEF) to develop the expertise in tracking ozone-depleting substances necessary to enforce its import ban. It had also requested exporting Parties to cease exporting CFCs to the Party and stated that the Eighteenth Meeting of the Parties would consider steps to cease the supply of CFCs to Azerbaijan and other measures in the event that the Party did not achieve total phase-out of CFCs by 1 January 2006.

28. The Party's representative to the thirty-fifth meeting of the Committee had stressed that the success of the CFC import ban would depend upon the training of customs and other officials with respect to customs codes and other matters pertinent to the identification of ozone-depleting substances and had said that Azerbaijan required assistance with such training as well as funding assistance in connection with the recycling and reprocessing of ozone-depleting substances and compliance with the Protocol in general. In response, UNEP had proposed to the GEF secretariat a three-year institutional strengthening and capacity-building assistance project to complete the phase-out of ozone-depleting substances in Azerbaijan, Tajikistan, Uzbekistan and Kazakhstan, a summary of which had been prepared for the Committee's consideration at the current meeting. The GEF secretariat had advised the Secretariat that the project had been technically cleared and considered by the GEF Council and was ready for approval by the Chief Executive Officer of GEF, who has prioritized it for approval once funds became available following the recently approved replenishment of GEF.

29. Recommendation 36/3 had noted that while Azerbaijan had not submitted the report requested in decision XVII/26, information provided by UNEP and the GEF secretariat had confirmed that the request for further assistance was under review for GEF Council approval. The recommendation had also requested Azerbaijan to report to the Secretariat on the status of its ban on the import of CFCs and its commitment to achieve total phase-out of CFCs by 1 January 2006.

30. In response to recommendation 36/3, the Party had confirmed that its CFC import ban was still in place and that a presidential decree had been issued on 29 March 2006 aimed at enhancing the authority of relevant public agencies to implement the Party's obligations under the Protocol. The Party had also accepted an offer of assistance from UNEP, specifying that it wanted help to reinvigorate its national ozone unit, examine the success of a recovery and recycling project implemented under GEF, improve data reporting and consider the role that an institutional strengthening project could play in assisting the national institutional structure under the Party's national climate centre further to implement and coordinate ozone-depleting substance phase-out activities. UNEP had subsequently submitted to the GEF secretariat prior to the last meeting of the Committee a request for additional institutional strengthening and capacity-building assistance.

31. The Secretariat at the current meeting noted that the Eighteenth Meeting of the Parties would meet prior to the end of 2006 and therefore would not be in a position to review Azerbaijan's commitment to phase out CFCs completely by 1 January 2006.

32. During the current meeting one representative stressed the importance of the request in decision XVII/26 that exporting Parties not export CFCs to the Party in the event that the Party did not achieve total phase-out of CFCs by 1 January 2006. It was agreed that the recommendation agreed by the Committee should reflect that concern. It was also suggested that Parties could prevent such exports by not issuing export licenses and that the recommendation should include language requesting UNEP to increase capacity-building activities for customs officers in the Party to enhance its ability to enforce its import ban.

33. The Committee therefore *agreed*:

(a) To note with appreciation that Azerbaijan had responded to recommendation 36/3 of the thirty-sixth meeting of the Implementation Committee, confirming that the Party had continued to implement the ban on the import of Annex A, group I, controlled substances (CFCs) that it had introduced in November 2005 and that it was pursuing the approval of further measures to enhance the implementation and enforcement of that ban;

(b) To recall paragraph 5 of decision XVII/26, which stated that in the event that Azerbaijan did not achieve total phase-out of CFCs by 1 January 2006, the Eighteenth Meeting of the Parties would consider implementation of item C of the indicative measures listed in the non-compliance procedure of the Montreal Protocol, which could include action available under Article 4 to cease the supply of CFCs to Azerbaijan;

(c) To note that the Eighteenth Meeting of the Parties was scheduled to take place prior to the end of 2006 and that, until Azerbaijan had submitted its CFC consumption data for 2006, implementation of the Party's commitment contained in decision XVII/26 to achieve total phase-out of CFCs by 1 January 2006 could not be reviewed;

(d) To request the Secretariat, in the interest of supporting Azerbaijan's compliance with the Montreal Protocol, to remind the Parties, through a formal communication, that paragraph 5 of decision XVII/26 also requested exporting Parties to assist Azerbaijan implement its commitment by ceasing export of CFCs to that Party, and to note that that request could be implemented by not issuing licences to export CFCs to Azerbaijan;

(e) To request UNEP to expedite the implementation in Azerbaijan of the additional institutional strengthening and customs officer training components of the capacity-building assistance project submitted to the Global Environment Facility (GEF), in the event that that project was approved by the GEF.

#### **Recommendation 37/2**

### **C. Bangladesh**

34. Bangladesh had been listed for consideration with regard to its implementation of decision XVII/27 and recommendation 36/4.

35. Decision XVII/27 had congratulated the Party on its return to compliance with the Protocol's methyl chloroform control measures in 2004 in accordance with its previously submitted plan of action, which had committed it to limiting 2005 consumption of methyl chloroform to its 2004 level of 0.550 ODP-tonnes.

36. Recommendation 36/4 had noted that the Party had submitted a progress report which suggested that the Party had successfully limited its 2005 consumption of methyl chloroform to 0.550 ODP-tonnes and was in advance of its methyl chloroform phase-out obligations under the Montreal Protocol for 2005.

37. By the time of the current meeting, the Party had submitted its ozone-depleting substances data for the year 2005, reporting methyl chloroform consumption of 0.500 ODP-tonnes, which was in advance of its commitment contained in decision XVII/27 and in advance of its methyl chloroform phase-out obligations under the Protocol.

38. The Committee therefore *agreed*:

(a) To congratulate Bangladesh on its reported data for the consumption of the Annex B, group III, controlled substance (methyl chloroform) in 2005, which showed that it was in advance of its commitment contained in decision XVII/27 to maintain its 2005 consumption of methyl chloroform at no more than 0.550 ODP-tonnes in that year;

(b) To congratulate Bangladesh further on remaining in advance of the methyl chloroform control measures of the Montreal Protocol for 2005.

#### **Recommendation 37/3**

### **D. Bolivia**

39. Bolivia had been listed for consideration with regard to its implementation of decision XV/29 and recommendation 36/6, as well as with regard to agenda item 6 on other non-compliance issues arising out of the data report.

40. Decision XV/29 had noted that Bolivia had submitted a plan of action committing the Party to reducing its consumption of CFCs from 65.5 ODP-tonnes in 2002 to 37.84 ODP-tonnes in 2005. Recommendation 36/6 had urged Bolivia to submit to the Secretariat by 30 September 2006 its ozone-depleting substances data for the year 2005.

41. Bolivia had subsequently reported consumption of 26.730 ODP-tonnes of CFCs in 2005, which was in advance of its commitment contained in decision XV/29 and its CFC consumption phase-out obligations under the Protocol. Bolivia had also, however, reported consumption of 0.11 ODP-tonnes of carbon tetrachloride in 2005, an amount exceeding its 2004 consumption of zero ODP-tonnes and in excess of its maximum allowable 2005 consumption of 0.045 ODP-tonnes.



42. In correspondence dated 19 September 2006, the Secretariat had invited Bolivia to submit an explanation for its carbon tetrachloride consumption. The Party had responded in correspondence dated 18 October 2006, explaining that the excess carbon tetrachloride had been consumed for laboratory and analytical uses and suggesting that therefore the provisions of decision XVII/13 should apply. That decision provided that the Committee would defer consideration of any deviation by a Party operating under paragraph 1 of Article 5 of the Protocol attributable to the use of carbon tetrachloride for analytical and laboratory processes and that the deferral would be reviewed by the Nineteenth Meeting of the Parties in order to address the period 2007–2009. It had been noted by the secretariat in its report prepared for the current meeting that two of the uses – asphaltic cement extraction tests of pavement blends and laboratory analysis for hydrocarbons – that the Party had identified as analytical and laboratory uses had, in accordance with decision XI/15, been removed from the list of uses covered by the global laboratory and analytical use exemption from 2002. During the discussion at the current meeting, it was suggested that that fact indicated that it was unnecessary to use ozone-depleting substances for those processes.

43. During the current meeting, one member of the Committee noted that the amounts at issue were quite small and that it might therefore be wise to defer consideration of the Party's situation until the Parties had settled the issue of how to treat cases of non-compliance with respect to de minimis amounts of controlled substances.

44. The Committee therefore *agreed*:

(a) To congratulate Bolivia on its reported data for the consumption of the Annex A, group I, controlled substances (CFCs) in 2005, which showed that it was in advance of its commitment contained in decision XV/29 to reduce its 2005 consumption of CFCs to 37.84 ODP-tonnes in that year;

(b) To congratulate Bolivia further on remaining in advance of the CFC control measures of the Montreal Protocol for 2005;

(c) To note, however, that Bolivia had reported consumption of 0.11 ODP-tonnes of the controlled substance in Annex B, group II, (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce consumption to a level no greater than 15 percent of the Party's carbon tetrachloride consumption baseline in that year, namely, 0.045 ODP-tonnes;

(d) To agree that decision XVII/13 on the use of carbon tetrachloride for laboratory and analytical uses in Parties operating under Article 5 of the Protocol was applicable to Bolivia's excess consumption of carbon tetrachloride in that year, in the light of its analysis of the particular circumstances relating to the carbon tetrachloride consumption of Bolivia in 2005;

(e) To defer until 2007 consideration of the compliance status of Bolivia in relation to the Protocol's control measures for carbon tetrachloride, in accordance with the provisions of decision XVII/13, while urging the Party to continue its carbon tetrachloride phase-out efforts in the interim, particularly in the light of the fact that the Eleventh Meeting of the Parties in 1999 had recorded in decision XI/15 its agreement to remove from the global exemption for laboratory and analytical uses of ozone-depleting substances from 2002 the testing of tar in road-paving and the testing of total petroleum hydrocarbon in water, suggesting that it should be possible to perform two of the laboratory applications of carbon tetrachloride cited by the Party without the use of that ozone-depleting substance.

**Recommendation 37/4**

## **E. Bosnia and Herzegovina**

45. Bosnia and Herzegovina had been listed for consideration with regard to its implementation of decision XV/30, decision XVII/28 and recommendation 36/7.

46. Decision XV/30 had noted that the Party had submitted a plan of action committing it to reducing its consumption of CFCs from 243.6 ODP-tonnes in 2002 to 102.1 ODP-tonnes in 2005 and its consumption of methyl bromide from 11.8 ODP-tonnes in 2002 to 5.61 ODP-tonnes in 2005.

47. Decision XVII/28 had noted that the Party had submitted a plan of action committing it to reducing its consumption of methyl chloroform from 2.44 ODP-tonnes in 2004 to 1.3 ODP-tonnes in 2005 and to establishing an ozone-depleting substance licensing and quota system by the end of January 2006.

48. Recommendation 36/7 had noted that the Party had not submitted a report on its commitment to establish an ozone-depleting substance licensing and quota system by the end of January 2006 in

accordance with decision XVII/28 and requested the Party to submit such a report to the Secretariat as a matter of urgency for consideration at the current meeting.

49. The Party had submitted its ozone-depleting substances data for the year 2005, which placed it in advance of its CFC, methyl bromide and methyl chloroform consumption reduction commitments contained in decision XV/30 and decision XVII/28. The methyl chloroform consumption data report by the Party for 2005 also revealed that the Party had returned to compliance with the Protocol's 2005 methyl chloroform control measures.

50. The Party had not, however, submitted a report on its commitment to establish an ozone-depleting substance licensing and quota system by the end of January 2006. At its thirty-sixth meeting the Committee had been informed that the Party had received two of the three ministerial approvals required prior to submission to the legislature of the law establishing its ozone-depleting substance licensing and quota system and that the United Nations Industrial Development Organization (UNIDO) and UNEP had undertaken a high-level mission to the country in July 2006 to facilitate timely adoption of the relevant regulations and other necessary steps, including in particular submission of the proposed licensing and quota system legislation, during which the Party had expressed willingness to adopt those agencies' recommendations. The national ozone unit had later informed UNEP that approval of the regulatory measures was awaiting final adoption by the Cabinet.

51. The Committee therefore *agreed*:

(a) To congratulate Bosnia and Herzegovina on its reported data for the consumption of the controlled substances in Annex A, group I (CFCs), Annex B, group III (methyl chloroform), and Annex E (methyl bromide) in 2005, which showed that it was in advance of its commitment contained in decision XV/30 and decision XVII/28 to reduce its consumption of CFCs to 102.1 ODP-tonnes, to reduce its consumption of methyl bromide to 5.61 ODP-tonnes and to reduce its consumption of methyl chloroform to 1.3 ODP-tonnes in 2005;

(b) To congratulate Bosnia and Herzegovina on returning to compliance in 2005 with the methyl chloroform control measures of the Montreal Protocol;

(c) To note with great concern, however, that Bosnia and Herzegovina had not submitted a report on its commitment contained in decision XVII/28 to establish, by the end of January 2006, a system for licensing imports and exports of ozone-depleting substances that included import quotas in accordance with recommendation 36/7;

(d) To note that available information suggested that the Party had not yet established its licensing and quota system and therefore strongly to urge Bosnia and Herzegovina to make every effort in cooperation with relevant implementing agencies to fulfil its commitment to do so, noting the importance of sound regulatory measures to the achievement and maintenance of a Party's compliance with the Protocol's control measures;

(e) To request Bosnia and Herzegovina to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, the report referred to in subparagraph (c) for the consideration of the Implementation Committee at its thirty-eighth meeting.

#### **Recommendation 37/5**

### **F. Botswana**

52. Botswana had been listed for consideration with regard to its implementation of decision XV/31 and recommendation 36/8.

53. Decision XV/31 had noted that Botswana had submitted a plan of action committing it to reducing its methyl bromide consumption from 0.6 ODP-tonnes in 2002 to zero in 2005 and to establishing a methyl bromide licensing and quota system.

54. Recommendation 36/8 had urged Botswana to submit to the Secretariat no later than 30 September 2006 its ozone-depleting substance data for the year 2005. It had also noted that the Party had reported that it had not yet established its ozone-depleting substance licensing and quota system but intended to initiate the process for doing so upon receipt of institutional strengthening funds. The recommendation had therefore requested Botswana to continue to work with relevant implementing agencies as a matter of urgency to establish its licensing and quota system and to submit a report to the Secretariat no later than 16 August 2006 on the status of that work.

55. Botswana had subsequently submitted its ozone-depleting substances data for the year 2005, reporting zero methyl bromide consumption. By the time of the current meeting, however, Botswana had not submitted the requested status report on its work with the implementing agencies to fulfil its commitment to establish an ozone-depleting substance licensing and quota system; in its note for the November 2006 meeting of the Executive Committee, however, the Multilateral Fund secretariat had reported that the Party had informed it that its licensing and quota system was not yet operational.

56. The Committee therefore *agreed*:

(a) To congratulate Botswana on its completion of all time-specific consumption reduction commitments contained in decision XV/31 for the Annex E controlled substance (methyl bromide) and achieving total phase-out of methyl bromide consumption in 2005, in advance of its methyl bromide phase-out obligations under the Montreal Protocol;

(b) To note with regret that Botswana had not submitted in accordance with recommendation 36/8 a status report on its work with the implementing agencies to fulfil its commitment contained in decision XV/31 to establish a system for licensing imports and exports of methyl bromide that included quotas;

(c) To request Botswana to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, the report referred to in subparagraph (b) for the consideration of the Implementation Committee at its thirty-eighth meeting, noting the importance of sound regulatory measures to the achievement and maintenance of a Party's compliance with the Protocol's control measures.

#### **Recommendation 37/6**

### **G. Canada**

57. Canada had been listed for consideration with regard to its implementation of recommendation 36/50, which had Canada to submit to the Secretariat as a matter of urgency, and no later than 16 August 2006, its reporting accounts for the methyl bromide critical use exemptions that were granted for 2005.

58. In correspondence dated 20 July 2006, Canada had submitted the outstanding reporting accounts.

59. The Committee therefore *agreed* to note with appreciation Canada's submission, in accordance with recommendation 36/50, of its reporting accounts for the methyl bromide critical use exemptions granted to the Party for 2005.

#### **Recommendation 37/7**

### **H. Chile**

60. Chile had been listed for consideration with regard to its implementation of decision XVII/29 and recommendation 36/9.

61. Decision XVII/29 had noted that Chile had submitted a plan of action committing it to consumption of no more than 4.152 ODP-tonnes of methyl chloroform in 2005, to reducing its methyl bromide consumption from 262.776 ODP-tonnes in 2004 to 170 ODP-tonnes in 2005, to introducing an enhanced ozone-depleting substance licensing and quota system from the moment the bill to establish such a system was approved by its legislature, and to ensuring compliance in the interim period by adopting regulatory measures that the Government was entitled to apply. The decision had also congratulated the Party on the fact that the measures contained in the plan had already secured the Party's return to compliance with the Protocol's methyl chloroform consumption control measures in 2004.

62. Recommendation 36/9 had noted that Chile had reported data showing that it was in advance of its commitment to reduce its 2005 consumption of methyl bromide to 170 ODP-tonnes and had also reported that it had introduced an enhanced ozone-depleting substance licensing and quota system. The recommendation had noted with concern, however, that Chile had also reported 2005 consumption of 5.225 ODP-tonnes of methyl chloroform, which was an increase over the previous year and inconsistent with decision XVII/29, and that the Party expected continued excess methyl chloroform consumption in 2006 owing to delays in the introduction and implementation of the Party's enhanced licensing and quota system. The recommendation had therefore invited Chile to send a representative to the current

meeting of the Committee to discuss the matter, in particular the measures it was taking or planned to take to return to compliance in 2006 with its methyl chloroform phase-out commitments, in accordance with decision XVII/29, and the status of a technical assistance project it was implementing in cooperation with UNDP to phase out methyl chloroform.

63. At the invitation of the Committee, a representative of the Party attended and responded to questions. After noting the Party's successes to date with respect to the phase-out of carbon tetrachloride, she said that since the beginning of 2006 the Party had been engaged in a voluntary process of awareness raising involving all interested government departments and importers regarding the importance of compliance with the Protocol's methyl bromide and methyl chloroform control measures. As a result, the Party's consumption data for the first 10 months of 2006 suggested that it would be in compliance with its 2006 obligations for those substances and the Party expected to remain in compliance in 2007. Noting, however, that the process the Party had employed to secure that achievement was voluntary and therefore fragile, she said that an effective legislative and regulatory framework was necessary for the long term and that she expected that framework to be put in place in the near future.

64. In response to questions, she said that the legislative and regulatory framework was currently being presented for review by the six ministers whose approval was necessary to its final adoption and implementation and would then be signed by the country's president and subject to a review with regard to its constitutionality. She could not give an exact date when it would be finalized, but stressed that the Party recognized the importance of putting it into effect by 2007 in the light of the more challenging control measures that would come on line then; the Party would therefore strive to finalize the law by the end of the current year.

65. She also gave an update on the status of the technical assistance project the Party was engaged in with UNDP to enable manufacturers to produce products using non ozone-depleting solvents. Laboratory trials of substitutes had been successful and the manufacturers, after some administrative delays, had been provided with sufficient supplies of substitutes to allow them to conduct industrial trials; those trials were underway and the Party expected positive results based on the outcome of the laboratory tests.

66. The Committee therefore *agreed*:

(a) To note with appreciation the information provided by Chile's representative to the Committee at its thirty-seventh meeting, in particular the Party's:

- (i) Expectation that it would return to compliance with the Montreal Protocol's control measures for methyl chloroform in 2006;
- (ii) Efforts to introduce the administrative and regulatory arrangements necessary to set import quotas for methyl chloroform and, until such time as those quotas were in place, its commitment to strive to maintain compliance through voluntary agreement with methyl chloroform importers;
- (iii) Advice that, while the technical assistance project implemented by the United Nations Development Programme was not intended to achieve phase-out of a precise quantity of methyl chloroform, it would provide the enterprises involved with the technical expertise to achieve a transition to non-ozone-depleting alternatives;

(b) To request Chile to submit to the Secretariat by 31 March 2007 an update on the Party's efforts to introduce its import quota system and its progress in implementing alternatives to methyl chloroform in the solvent sector;

(c) To invite Chile, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter.

## Recommendation 37/8

### I. Democratic Republic of the Congo

67. The Democratic Republic of the Congo had been listed for consideration under agenda item 6 on other non-compliance issues arising out of the data report.

68. The Party had reported 2005 consumption of 16.500 ODP-tonnes of carbon tetrachloride, in excess of its maximum allowable consumption of 2.288 ODP-tonnes and an increase over its 2004

consumption of 11.000 ODP-tonnes. The Party had also reported 2005 methyl chloroform consumption of 4.000 ODP-tonnes, in excess of its maximum allowable consumption of 3.300 ODP-tonnes and an increase over its 2004 consumption of 0.400 ODP-tonnes.

69. In response to a request from the Secretariat, the Party had explained that its excess consumption in 2005 of carbon tetrachloride and methyl chloroform was attributable to consumption in the eastern part of the country, where civil unrest had prevented data collection, as a result of which consumption of those substances in that region had not been included in the Party's data reports to the Secretariat for the years 2001–2004. Since 2005, however, the region had been accessible to the Government and data from the region had accordingly been included in the Party's data report for 2005.

70. In a letter dated 20 September 2006, the Secretariat had then invited the Party to submit a plan of action with time-specific benchmarks for returning it to compliance with the Protocol's carbon tetrachloride and methyl chloroform consumption control measures.

71. The Party had responded, explaining that finalization of a solvent sector project proposal intended to support its return to compliance had been delayed owing to insecurity but that it nevertheless expected to return to compliance with the Protocol's methyl chloroform and carbon tetrachloride control measures in 2007 and achieve total phase-out of both substances in 2008, in advance of its obligations under the Protocol, provided that the Executive Committee of the Multilateral Fund approved the solvent sector project at its first meeting in 2007. On that basis, the Party had committed itself to the following time-specific benchmarks for the phase-out of methyl chloroform and carbon tetrachloride:

Year	Methyl chloroform (ODP-tonnes)	Carbon tetrachloride (ODP-tonnes)
2006	4.0	16.5
2007	3.3	2.2
2008	0	0

72. In the light of the Party's response, the Secretariat had then asked the Party to comment on a draft decision that incorporated the above consumption reduction benchmarks and to confirm that the Party would set its annual import quotas at levels that would support the benchmarks. It also reiterated its earlier request for more information regarding measures the Party would take to improve the operation of its licensing system and invited the Party to send a representative to the current meeting. By the time of the current meeting, however, the Party had not responded.

73. By the time of the current meeting, however, the Party had not responded. The Committee therefore agreed to place in square brackets the text contained in paragraph 4 (c) of the draft decision, regarding the commitment of the Democratic Republic of Congo to monitor its licensing and quota system, and requested the President in cooperation with the Secretariat to confirm with the Party's representative to the Eighteenth Meeting of the Parties that the text was acceptable. In the event that the text was not acceptable, the Committee agreed to remove the text and include a new paragraph in the draft decision that would urge the Democratic Republic of Congo to monitor its licensing and quota system.

74. The Committee therefore *agreed*:

(a) To note with appreciation the Democratic Republic of Congo's explanation for its reported consumption of 16.500 ODP-tonnes of the controlled substance in Annex B, group II, (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce consumption to a level no greater than 15 percent of the Party's carbon tetrachloride consumption baseline in that year, namely, 2.288 ODP-tonnes;

(b) To note with appreciation the Democratic Republic of Congo's explanation for its reported consumption of 4.000 ODP-tonnes of the controlled substance in Annex B, group III, (methyl chloroform) in 2005, in excess of the Protocol's requirement to reduce consumption to a level no greater than 70 percent of the Party's methyl chloroform consumption baseline in that year, namely, 3.330 ODP-tonnes;

(c) To note further with appreciation the submission by the Democratic Republic of Congo of a plan of action with time-specific benchmarks for ensuring the Party's return to compliance in 2007;

(d) To note with concern, however, that available information suggested that the system of the Democratic Republic of Congo for licensing the import and export of ozone-depleting substances was not operating well and therefore strongly to urge the Party to make every effort in cooperation with relevant implementing agencies to ensure the effective operation of its licensing and import quota system, noting the importance of sound regulatory measures to enabling the Party to return to compliance with the Protocol's control measures;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision incorporating the plan of action contained in the annex (section B) to the present report.

**Recommendation 37/9**

## **J. Dominica**

75. Dominica had been listed for consideration with regard to its implementation of recommendation 36/12.

76. Recommendation 36/12 had noted Dominica's explanation for its reported 2005 consumption of 1.388 ODP-tonnes of CFCs, an amount exceeding its maximum allowable consumption of 0.740 ODP-tonnes, and had requested the Party to submit by 16 August 2006 a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance.

77. In a letter dated 2 August 2006 Dominica had submitted a plan of action and in response to subsequent queries from the Secretariat had submitted a letter dated 4 September 2006 providing further information on that plan. The plan would return Dominica to compliance with the Protocol's CFC consumption control measures in 2006.

78. In response to a later request for clarification by the Secretariat the Party had explained that its plan of action was intended to cover all CFCs, including CFC115, and that, while the plan provided for relaxation of its time-specific benchmarks in the event of national disaster, it would nevertheless ensure that the Party's annual quota would not exceed its maximum allowable level of consumption as prescribed by the Protocol or otherwise allowed by the Parties.

79. At the invitation of the Committee, a representative of the Party attended and responded to questions. He said that his Government was taking the necessary steps to bring the country back into compliance with its obligations. The Party's non-compliance was the result of the failure to introduce legislation for a licensing system. Such legislation was expected to be approved, however, during the fourth quarter of 2006. The representative confirmed that the date of 31 December 2006 could be included in the Party's draft decision as the date by which Dominica committed to introduce its licensing and quota system. The Ministry of Agriculture planned to implement the legislation in cooperation with various governmental and non-governmental bodies, including the customs and standards authorities and organizations representing industry and commerce. Importers and exporters would be required to report data, which would be compared with the figures compiled by customs authorities.

80. The Committee therefore *agreed*:

(a) To note with appreciation Dominica's submission, in accordance with recommendation 36/12, of a plan of action for ensuring the Party's return to compliance in 2006 with the Protocol's control measures for the Annex A, group I, controlled substances (CFCs);

(b) To forward to the Eighteenth Meeting of the Parties for its consideration the draft decision contained in the annex (section C) to the present report.

**Recommendation 37/10**

## **K. Ecuador**

81. Ecuador had been listed for consideration with regard to its implementation of decision XVII/31 and recommendation 36/13, as well as agenda item 6 on other non-compliance issues arising out of the data report.

82. Decision XVII/31 had noted with appreciation that Ecuador had submitted a plan of action committing it to reducing methyl chloroform consumption from 2.50 ODP-tonnes in 2004 to 1.3979 ODP-tonnes in 2005. Recommendation 36/13 had noted that Ecuador had submitted a progress report

suggesting that the Party was in advance of its commitment in decision XVII/31 and its methyl chloroform phase-out obligations under the Montreal Protocol for that year.

83. By the time of the current meeting, Ecuador had submitted its ozone-depleting substances data for the year 2005, reporting methyl chloroform consumption of 0.817 ODP-tonnes, which was in advance of its consumption reduction commitment contained in its plan of action and placed Ecuador in advance of its phase-out obligations under the Protocol.

84. The Party had also, however, reported 2005 consumption of methyl bromide of 153.000 ODP-tonnes, exceeding its maximum allowable consumption of 52.982 ODP-tonnes and an increase over its reported 2004 consumption of zero ODP-tonnes. The Party had explained that its deviation had arisen because the importer of the 153.000 ODP-tonnes of methyl bromide had registered them under an incorrect customs code and that they had consequently not been detected in 2005 by the Government agency responsible for the Party's ozone-depleting substance licensing and quota system. As the result of a subsequent survey, the Party had discovered the error, submitted corrected data and indicated its commitment to return to compliance with the methyl bromide control measures of the Montreal Protocol.

85. In a response to the Party's data reporting, the Secretariat had invited it to submit a plan of action with time-specific benchmarks for returning to compliance and to explain its significant increase in methyl bromide consumption between 2004 and 2005 from zero to 153.000 ODP-tonnes. By the time of the current meeting, no response had been received.

86. One member of the Committee observed that the problem of incorrect customs codes was likely to be a common one, probably applying to other Parties. Methyl bromide could often be coded according to its application, despite the adoption by the Fourteenth Meeting of the Parties of decision XIV/7, which stated that all ozone-depleting substances should be recorded under the codes for substances rather than functions. He further wondered whether the same miscoding might be responsible for the apparent zero consumption in 2004.

87. The representative of the World Bank reported that the Government of Ecuador believed that in fact zero consumption in 2003 and 2004 was probably the result of the use of methyl bromide imported in 2001 and stockpiled for use in subsequent years. He further reported that the Government was in the process of finalising its plan of action.

88. The Committee therefore *agreed*:

(a) To congratulate Ecuador on its reported data for the consumption of the Annex B, group III, controlled substance (methyl chloroform) in 2005, which showed that it was in advance of its commitment contained in decision XVII/31 to reduce its consumption of methyl chloroform to 1.3979 ODP-tonnes in that year;

(b) To congratulate Ecuador further on not only returning to compliance with the control measures of the Montreal Protocol for that controlled substance in 2005, but also on being in advance of those control measures in that year;

(c) To note with appreciation Ecuador's explanation for its reported consumption of 153.000 ODP-tonnes of the controlled substance in Annex E (methyl bromide) in 2005, in excess of the Protocol's requirement to reduce consumption to a level no greater than 80 percent of the Party's methyl bromide consumption baseline in that year, namely, 52.982 ODP-tonnes;

(d) To request Ecuador to submit to the Secretariat as soon as possible, and no later than 31 March 2007, a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance, for the consideration of the Committee at its thirty-eighth meeting;

(e) To invite Ecuador, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter;

(f) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section D) to the present report, which would request the Party to act in accordance with subparagraph (d) above.

**Recommendation 37/11**

## L. Eritrea

89. Eritrea had been listed for consideration with regard to its implementation of decision XVII/21 and recommendation 36/14, as well as agenda item 6 on other non-compliance issues arising out of the data report.

90. Decision XVII/21 had noted that the Party had not reported any consumption or production data to the Secretariat, while acknowledging that it had only recently ratified the Protocol and received approval for data collection assistance from the Multilateral Fund. The decision had also requested the Implementation Committee to review the Party's situation at the current meeting.

91. Recommendation 36/14 had noted with regret that Eritrea had not submitted to the Secretariat any consumption or production data in accordance with decision XVII/21 and had therefore requested Eritrea to submit the outstanding data for the consideration of the Committee at the current meeting.

92. By the time of the current meeting, Eritrea had submitted all outstanding data, confirming that it was a Party operating under paragraph 1 of Article 5 of the Protocol and returning it to compliance with its data reporting obligations under the Protocol. For the year 2005, however, Eritrea had reported consumption of 30.220 ODP-tonnes of CFCs, an amount exceeding its maximum allowable consumption of 20.574 ODP-tonnes.

93. In correspondence dated 22 August 2006, the Secretariat had invited Eritrea to submit an explanation for this apparent deviation. The Party had not responded by the time of the current meeting.

94. The Committee therefore *agreed*:

(a) To note with appreciation Eritrea's submission of all outstanding data in accordance with its data-reporting obligations under the Protocol, decision XVII/21 and recommendation 36/14 and that that data confirmed the Party's status as a Party operating under Article 5, paragraph 1, of the Montreal Protocol;

(b) To note with concern, however, that Eritrea reported consumption of 30.220 ODP-tonnes of the Annex A, group I, controlled substances (chlorofluorocarbons) in 2005, in excess of the Protocol's requirement to reduce consumption of those substances in that year to no greater than 50 percent of the Party's baseline;

(c) To request Eritrea to submit to the Secretariat as soon as possible, and no later than 31 March 2007, an explanation for that deviation and, if relevant, a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance;

(d) To invite Eritrea, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section E) to the present report, which would request the Party to act in accordance with subparagraph (c) above.

### Recommendation 37/12

## M. European Community

95. The European Community had been listed for consideration under agenda item 6 on other non-compliance issues arising out of the data report.

96. The Party had reported consumption of 1,544.520 ODP-tonnes of methyl bromide in 2005. As a Party not operating under Article 5 of the Protocol, the European Community was required to maintain total phase-out of methyl bromide consumption except for consumption for quarantine and pre-shipment applications or consumption in accordance with critical use exemptions granted by the Parties.

97. Decisions Ex.1/3 and XVI/2 had granted the European Community an exemption to consume up to 2,575.658 ODP-tonnes of methyl bromide for critical uses in 2005. The reporting accounts for the methyl bromide critical use exemptions granted to the Party for 2005 show consumption of 1,457.8 ODP-tonnes, leaving consumption of 86.7 ODP-tonnes to be accounted for.

98. In response to a request by the Secretariat for an explanation, the Party had written on 17 October 2006 explaining that it had completed a review of the records of all of its member States and had cross-checked them against its own ozone-depleting substance licensing database, which tracked all



ozone-depleting substances controlled under the legislative framework established by the Party to implement the Protocol. Based on its review, the Party had concluded that its previously submitted methyl bromide critical use exemption accounting framework report for 2005 and its 2005 Article 7 data report had contained a number of errors. The Party had therefore submitted revised reports in which it revised downward its 2005 methyl bromide controlled consumption from 1,544.520 ODP-tonnes to 1,404.724 ODP-tonnes.

99. The Committee therefore *agreed* to note with appreciation that the European Community had submitted revised methyl bromide import data for 2005 to correct errors arising from internal data entry processes, which had confirmed that the Party was in compliance with the Protocol's control measures in 2005.

#### Recommendation 37/13

### N. Federated States of Micronesia

100. The Federated States of Micronesia had been listed for consideration with regard to its implementation of decision XVII/32 and recommendation 36/16.

101. Decision XVII/32 had noted with appreciation that the Party had submitted a plan of action committing it to reducing CFC consumption from 1.451 ODP-tonnes in 2004 to 1.351 ODP-tonnes in 2005 and to introducing an ozone-depleting substance licensing system by 1 January 2006.

102. Recommendation 36/16 had noted with regret that the Federated States of Micronesia had not introduced an ozone-depleting substance licensing system by 1 January 2006 and had therefore requested the Party to submit to the Secretariat a report on its implementation of such a system for the consideration of the Committee at the current meeting.

103. By the time of the current meeting, the Federated States of Micronesia had submitted its ozone-depleting substances data for the year 2005, reporting CFC consumption of 0.380 ODP-tonnes, in advance of its commitment contained in decision XVII/32 and returning the Party to compliance with its CFC phase-out obligations under the Protocol. The Party had not, however, submitted the requested report on its commitment to introduce an ozone-depleting substance licensing and quota system. UNEP had informed the Secretariat that passage of the draft regulations required for the system through the Attorney-General's office has been protracted due to interdepartmental disputes between the department of justice and the national ozone unit.

104. The Committee therefore *agreed*:

(a) To congratulate the Federated States of Micronesia on its reported data for the consumption of the Annex A, group I, controlled substances (CFCs) in 2005, which show that it was in advance of its commitment contained in decision XVII/32 to reduce its 2005 consumption of CFCs to no more than 1.351.0 ODP-tonnes in that year;

(b) To congratulate the Federated States of Micronesia further on returning to compliance with the CFC consumption control measures of the Montreal Protocol;

(c) To note with concern, however, that the Federated States of Micronesia had not submitted a report on its commitment contained in decision XVII/32 to introduce by 1 January 2006 a system for licensing imports and exports of ozone-depleting substances which included import quotas in accordance with recommendation 36/16;

(d) To request the Federated States of Micronesia to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, the report referred to in subparagraph (c) for the consideration of the Implementation Committee at its thirty-eighth meeting, noting the importance of sound regulatory measures to enabling the Federated States of Micronesia to maintain its return to compliance with the Protocol's control measures.

#### Recommendation 37/14

### O. Greece

105. Greece had been listed for consideration with regard to its implementation of recommendation 36/18, which had noted that the Party had not submitted clarifications regarding its production of CFCs in 2004 to meet the basic domestic needs of Parties operating under Article 5 of the Protocol, in accordance with recommendation 35/15, or clarifications regarding a transfer of CFCs to a CFC

production plant in Greece from a production plant in the United Kingdom. That recommendation had sought further clarification regarding the Party's compliance with paragraph 7 of Article 2 of the Protocol, which prescribes the conditions for the transfer between Parties of allowances to produce controlled substances, including the requirement that the Parties concerned notify the Secretariat of any such transfer no later than the time of the transfer.

106. The recommendation had also noted with concern that the Party had reported production of 2,142.000 ODP-tonnes of CFCs in 2005, which was inconsistent with the Protocol's requirement that it maintain total phase-out of production of CFCs in that year except for approved essential uses and as allowed by the basic domestic needs provisions of the Protocol. Greece's maximum allowable CFC production for the basic domestic needs of Article 5 Parties in 2005 was 730.000 ODP-tonnes. The recommendation had further requested the Party to submit an explanation for the apparent deviation and, if relevant, a plan of action with time-specific benchmarks for ensuring its prompt return to compliance, and had invited it to send a representative to the current meeting to discuss the matter.

107. In its response to recommendation 36/18, the Party had advised that the transfer of CFC production allowances from the United Kingdom had amounted to 1,786 ODP-tonnes in 2004 and 1,374 ODP-tonnes in 2005. Both had been agreed by the competent authorities of the two countries and approved by the European Commission. Greece had acknowledged that it had not notified the Secretariat prior to either transfer taking place, contrary to the requirements of Article 2 of the Protocol, and had offered its apologies for the delay in transmitting the notifications, stating that it would try to ensure prompt notification with regard to possible future transfers.

108. In response, with respect to the 2004 CFC production rights transfer, the Secretariat had noted that the figure of 1,786 ODP-tonnes differed from the figure of 1,503 ODP-tonnes contained in the letter attached to Greece's 2005 Article 7 data report, dated 29 March 2005, and also differed from the figure of 1,641 ODP-tonnes contained in a letter of clarification from Greece dated 2 December 2005. The Secretariat had therefore invited Greece to submit an explanation for that data variation and to provide some form of reassurance that the figure of 1,786 ODP-tonnes was the official figure. In subsequent correspondence in September 2006, the Party had confirmed that the figure of 1,786 ODP-tonnes was correct.

109. With respect to the 2005 CFC production rights transfer, the Secretariat had noted that the transfer of 1,374 ODP-tonnes, when added to the Party's maximum allowable CFC production level for basic domestic needs of 730 ODP-tonnes in that year, resulted in a maximum allowable CFC production level for basic domestic needs of 2,104 ODP-tonnes, which did not fully account for the Party's reported production of 2,142 ODP-tonnes in 2005. Consequently, the Secretariat then requested Greece to provide an explanation for its apparent excess production of 38 ODP-tonnes.

110. In response to a request for information by the Secretariat, the United Kingdom had confirmed the transfer of 1,786 ODP-tonnes of CFC production rights to Greece in 2004 and apologized for failing to notify the Secretariat in accordance with Article 2 of the Protocol. It observed that it had notified the European Commission prior to the transfer. It had also noted, however, that in correspondence dated 28 June 2006 it had notified the Secretariat of the transfer to Greece of 1,374 ODP-tonnes of CFC production rights in 2005.

111. With the agreement of the Governments of Greece and the United Kingdom, the European Commission had submitted to the Secretariat copies of its decisions, which were consistent with the information submitted by both Parties. The Commission had requested the Secretariat not to disclose the text of the decisions for reasons of commercial confidentiality.

112. In correspondence dated 12 October 2006, Greece had advised that it could not send a representative to the current meeting owing to limited resources. With regard to the 38 ODP-tonnes of excess CFC production in 2005, it had expressed the view that its CFC production baseline should be 1,536 ODP-tonnes, rather than the 1,460 ODP-tonnes calculated by the Secretariat, which would increase its allowable CFC production level in 2005 for the basic domestic needs of Article 5 Parties to a level that would account for all the Party's reported CFC production in that year. The Party had stated that it had used the baseline figure of 1,536 ODP-tonnes in accordance with a request from the European Commission, dated 26 November 2003, to revise the annual CFC production entitlements that it had issued to its domestic producers. The Commission had arrived at that baseline figure through a review of the Party's CFC production for basic domestic needs in the baseline years of 1995, 1996 and 1997. Greece had further stated that it was under the impression that the Commission had submitted the revised data for the baseline years to the Secretariat and that no further action by it was therefore required to revise its CFC production baseline from 1,460 ODP-tonnes to 1,536 ODP-tonnes. The Party

and the Secretariat had asked the European Commission to provide the Secretariat with a copy of the 26 November 2003 correspondence. The Secretariat had also requested the Commission to forward a copy of the submission that Greece advised had been sent by the Commission to revise the Party's CFC production baseline period data.

113. Greece's submission of 12 October 2006 also contained information on action that the Party had taken to accelerate its CFC production phase-out, including an agreement with its sole CFC producer to limit 2006 CFC production to 690 ODP-tonnes, which was less than the Party's 2006 permissible limit for the basic domestic needs of Article 5 Parties. The Party noted that this agreement would ensure that, excluding the 2005 production attributed to the transfer of CFC production rights from the United Kingdom, the maximum possible CFC production by Greece over 2005 and 2006 would be less than the Party's combined CFC production allowance as calculated by the Secretariat for those two years.

114. The Committee therefore *agreed*:

(a) To note with appreciation the additional clarification submitted by Greece in response to recommendation 36/18;

(b) To note that the additional information confirmed the quantities of Annex A, group I, controlled substances (CFCs) transferred from the United Kingdom of Great Britain and Northern Ireland to Greece in 2004 in order to allow production to meet the basic domestic needs of Parties operating under Article 5 of the Montreal Protocol such that it could be determined that all CFC production by Greece in 2004 had been consistent with the CFC control measures of the Protocol contained in Article 2A;

(c) To note with appreciation the additional information submitted by Greece to explain the Party's apparent excess production of 38 ODP-tonnes of CFCs in 2005 and to request Greece to make the necessary arrangements for the submission to the Secretariat, as a matter of urgency and no later than 31 March 2007, of the documentation cited by the Party in support of its explanation for consideration by the Committee at its next meeting, namely the correspondence dated 26 November 2003 from the European Commission in which it requested Greece to revise its annual CFC production entitlements, as well as the submission that Greece had advised had been sent by the Commission to the Secretariat with the intention of revising the Party's CFC production baseline period data;

(d) To recall that Article 2 of the Protocol prescribes the procedure for the transfer from one Party to another of the right to produce ozone-depleting substances and that that procedure requires, among other things, that each Party to such transfers notify the Secretariat of the terms of any such transfer and the period for which it is to apply, no later than the time of the transfer;

(e) To note with concern that the additional information submitted by Greece and the United Kingdom of Great Britain and Northern Ireland confirmed that the Parties had not met the requirements prescribed by Article 2 of the Protocol for the transfer of CFC production rights, specifically the requirement to notify the Secretariat no later than the time of each transfer, but also to note the sincere apologies of both Parties in that regard and their undertaking to ensure that they would observe the requirement with regard to any future transfers;

(f) To forward to the Eighteenth Meeting of the Parties for its consideration the draft decision contained in the annex (section F) to the present report.

#### **Recommendation 37/15**

### **P. Guatemala**

115. Guatemala had been listed for consideration with regard to its implementation of decision XV/34 and recommendation 36/19.

116. Decision XV/34 had noted that the Party had submitted a plan of action in which it committed to reducing 2005 CFC consumption from 239.6 ODP-tonnes in 2002 to 85 ODP-tonnes in 2005, to reducing 2005 methyl bromide consumption from 709.4 ODP-tonnes in 2002 to 360 ODP-tonnes in 2005 and to banning imports of equipment using ozone-depleting substances by 2005.

117. Recommendation 36/19 had urged the Party to submit to the Secretariat, as soon as possible and no later than 30 September 2006, its ozone-depleting substance data for the year 2005 and to report to the Secretariat no later than 16 August 2006 on the status of its commitment to ban imports of equipment using ozone-depleting substances by 2005. By the time of the current meeting, the Party had not submitted an update on the status of its commitment, but the report of the Multilateral Fund

Secretariat for the forty-seventh meeting of the Executive Committee, held in November 2005, had noted that a law to ban the import of CFC-based technology and equipment had been approved and would enter into force once customs identification codes and other administrative arrangements had been established.

118. The Party had, however, submitted its ozone-depleting substances data for the year 2005, reporting CFC consumption of 57.5 ODP-tonnes, which revealed that the Party remained in advance of both its CFC consumption reduction commitments contained in decision XV/34 and the Protocol's control measures for those substances. The Party had also reported, however, methyl bromide consumption of 522.792 ODP-tonnes in 2005, representing a deviation from the time-specific benchmark for 2005 contained in decision XV/34, which committed the Party to reduce methyl bromide consumption to no more than 360 ODP-tonnes in that year.

119. With regard to that deviation, the Party had submitted a request to revise the time-specific benchmarks contained in decision XV/34. The request had been supplemented by a further document, submitted at the beginning of the current meeting, which was intended to replace the previously submitted schedule of revised time-specific methyl bromide consumption reduction benchmarks. The representative of the Party (a member of the Committee) provided further supplementary information.

120. The information submitted by the Party illuminated the background to its efforts to reduce the consumption of methyl bromide. Phase-out in the small farms sector, which accounted for five per cent of total use, had proceeded relatively satisfactorily, with total phase-out achieved in the tomato, ornamental plant and strawberry sub-sectors, though progress in the flower and ornamental plant sub-sectors had been slow.

121. The melon-growing sector, which accounted for the remaining ninety-five per cent of methyl bromide use, was an important contributor to economic growth and export earnings. The quotas set for the sector by the Ministry of Environment and Natural Resources had been exceeded in every year from 2003 to 2006, which the Government attributed to the expansion of the area cultivated for melons, the high cost of some experimental alternatives and resistance to phase-out owing to the approval of critical-use exemptions for the Party's primary export market.

122. It was also observed that previous phase-out targets had not been reached by consensus and that the melon-growers had felt little commitment to targets. The representative of the Party stressed that the proposed new methyl bromide consumption reduction benchmarks represented, for the first time, the product of a consensus-building exercise involving all stakeholders, including the Government and the private sector, to which all were fully committed. The proposed new benchmarks were considered to be realistic and achievable by the Party and would return it to compliance in the year 2008, as opposed to 2007 in the earlier plan of action contained in decision XV/34.

123. Responding to questions, the representative of the Party confirmed that the agreement had been reached with all relevant stakeholders and contained specific quotas for both the country's importers and all companies using methyl bromide. The Minister of Environment and Natural Resources had been instrumental in the process of reaching agreement and the Ministry was in the process of publishing it in the official journal to accord it formal status.

124. With regard to the ban on imports of equipment using ozone-depleting substances, the Party's representative confirmed that the relevant laws existed, but were in the process of consolidation and rationalization. The relevant institutions were also in the process of reform, with the aim of improving cooperation between the customs authorities and the national ozone unit and putting in place an electronic licensing system.

125. The representative of the Multilateral Fund secretariat clarified that financial support for the phase-out plan for methyl bromide had only initially been approved for partial phase-out and that the Executive Committee had deferred consideration of further assistance for total phase-out until it could evaluate the outcome of the initial phase. The Executive Committee would consider the issue in the light of any decision the meeting of the Parties took on a possible revision of the Party's phase-out plan of action.

126. Members of the Committee expressed their support for the submission of the revised benchmarks to the Eighteenth Meeting of the Parties, which would help to consolidate the consensus agreement reached between the stakeholders. They also noted, however, the difficulties of giving proper consideration to new documents submitted at a very late stage and hoped that it would be possible to resolve at the current meeting the question of late submissions.

127. The Committee therefore *agreed*:

(a) To note that Guatemala had presented in accordance with recommendation 36/19 a report on its commitment contained in decision XV/34 to ban by 2005 imports of equipment that uses ozone-depleting substances and to note the Party's advice that although the law introducing the ban had been approved it could not enter into force until customs identification codes and other administrative arrangements were established;

(b) To request Guatemala to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, an update on the report referred to in subparagraph (a) for the consideration of the Implementation Committee at its thirty-eighth meeting and to include in that report information on the date by which the ban was expected to become operational, noting the importance of sound regulatory measures to the achievement and maintenance of a Party's compliance with the Protocol's control measures;

(c) To congratulate Guatemala on its reported data for the consumption of the Annex A, group I, controlled substances (CFCs) in 2005, which showed that it was in advance of its commitment contained in decision XV/34 to reduce its 2005 consumption of CFCs to no more than 85 ODP-tonnes in that year;

(d) To congratulate Guatemala further on remaining in advance of the CFC control measures of the Montreal Protocol for 2005;

(e) To note with concern, however, that Guatemala had reported consumption of 522.792 ODP-tonnes of the Annex E controlled substance (methyl bromide) in 2005, in excess of its commitment contained in decision XV/34 to reduce its 2005 consumption of methyl bromide to no more than 360 ODP-tonnes in that year;

(f) To note Guatemala's request to revise the time-specific benchmarks contained in decision XV/34 to return the Party to compliance in 2007 with the Protocol's methyl bromide control measures and to note with appreciation the information submitted by the Party in support of that request, which explained among other things that the Party was unable to comply with the existing methyl bromide benchmarks owing to increased pest and pathogen pressure, which had required more frequent fumigation of cultivated areas, the need for alternatives to accommodate the tight harvesting schedule associated with Guatemala's two growing seasons, recent expansion of land under melon cultivation, the cost of alternatives and resistance to phase-out owing to awareness in the Party's melon grower sector of the fact that the Party's primary export market had been granted critical use exemptions for methyl bromide;

(g) To further note with appreciation that the revised time-specific benchmarks and the activities to meet those benchmarks had been agreed with all relevant stakeholders;

(h) To forward to the Eighteenth Meeting of the Parties for its consideration the draft decision containing the time-specific benchmarks, which is contained in the annex (section G) to the present report.

#### **Recommendation 37/16**

### **Q. Guinea-Bissau**

128. Guinea-Bissau had been listed for consideration with regard to its implementation of decision XVI/24 and recommendation 36/20.

129. Decision XVI/24 had noted with appreciation that the Party had submitted a plan of action committing it to reducing CFC consumption from 29.446 ODP-tonnes in 2003 to 13.137 ODP-tonnes in 2005 and to introducing an ozone-depleting substance licensing and quota system by the end of 2004.

130. Recommendation 36/20 had noted that the Party had enacted legislation providing for an ozone-depleting substance quota system and had requested it to report to the Secretariat by 16 August 2006 on whether the quota system had commenced operation. At its thirty-fourth meeting, in July 2005, the Committee had noted with appreciation that the Party had established a licensing system.

131. By the time of the current meeting, the Party had submitted its ozone-depleting substances data for the year 2005, reporting CFC consumption of 12.5 ODP-tonnes, maintaining its status in advance of both its CFC consumption reduction commitments contained in decision XVI/24 and the Protocol's CFC control measures.

132. The Party had also submitted an update on the introduction of its ozone-depleting substances quota system, reporting that the legislation establishing the system had entered into force on 1 January 2006 and that the Ministry of Natural Resources had set a 2006 CFC consumption quota of 13.13 ODP-tonnes, a level consistent with the Party's plan of action in decision XVI/24.

133. The Committee therefore *agreed*:

(a) To congratulate Guinea Bissau on its reported data for the consumption of the Annex A, group I, controlled substances (CFCs) in 2005, which showed that it was in advance of its commitment contained in decision XVI/24 to reduce its 2005 consumption of CFCs to no more than 13.137 ODP-tonnes in that year;

(b) To congratulate Guinea Bissau further on remaining in advance of the CFC control measures of the Montreal Protocol for 2005;

(c) To note with appreciation that Guinea Bissau had completed implementation in 2006 of the commitment contained in decision XVI/24 to introduce an ozone-depleting substances quota system.

#### **Recommendation 37/17**

### **R. Honduras**

134. Honduras had been listed for consideration with regard to its implementation of decision XVII/34 and recommendation 36/21.

135. Decision XVII/34 had noted that Honduras had submitted a revised plan of action committing it to reducing methyl bromide consumption from 340.80 ODP-tonnes in 2004 to 327.6000 ODP-tonnes in 2005. Recommendation 36/21 had urged Honduras to submit its 2005 ozone-depleting substance data by 30 September 2006.

136. By the time of the current meeting, Honduras had submitted its ozone-depleting substances data for the year 2005, reporting methyl bromide consumption of 315.6 ODP-tonnes.

137. The Committee therefore *agreed* to congratulate Honduras on its reported data for the consumption of the Annex E substance (methyl bromide) in 2005, which showed that it was in advance of its commitment contained in decision XVII/34 to reduce its consumption of methyl bromide to no greater than 327.600 ODP-tonnes in that year and had progressed towards compliance with the Protocol's methyl bromide control measures.

#### **Recommendation 37/18**

### **S. Islamic Republic of Iran**

138. The Islamic Republic of Iran had been listed for consideration with regard to its implementation of decision XVI/20 and recommendation 36/22, as well as agenda item 6 on other non-compliance issues arising out of the data report.

139. Decision XVI/20 had noted that the Party had reported 2003 methyl chloroform consumption that exceeded its obligation to freeze consumption in that year at its baseline level and requested it to submit an explanation for its excess consumption and a plan of action for returning to compliance. The decision had also noted that the Party had submitted a request for a change in its baseline data for methyl chloroform and carbon tetrachloride.

140. Recommendation 36/22 had noted that the Party had withdrawn its request to revise its baseline data for methyl chloroform and carbon tetrachloride, had recalled that the Party had reported 2004 methyl chloroform consumption of 386.8 ODP-tonnes, noting the Party's advice that it was seeking to achieve complete phase-out of methyl chloroform consumption by January 2007, and had invited the Party to send a representative to the current meeting.

141. By the time of the current meeting, the Party had submitted its 2005 ozone-depleting substances data, reporting methyl chloroform consumption of 4.290 ODP-tonnes and carbon tetrachloride consumption of 13.640 ODP-tonnes, the latter figure, although less than the Party's 2004 consumption of 2,169.200 ODP-tonnes, exceeding its maximum allowable 2005 consumption of 11.550 ODP-tonnes.

142. By the time of the current meeting, the Party had not responded to a request from the Secretariat for an explanation.

143. The Committee therefore *agreed*:

(a) To congratulate the Islamic Republic of Iran on its return to compliance in 2005 with the consumption control measures of the Montreal Protocol for the controlled substance in Annex B, group III, (methyl chloroform) for that year;

(b) To note with concern, however, that the Islamic Republic of Iran had reported consumption of the Annex B, group II, controlled substance (carbon tetrachloride) in 2005 that was in excess of the Protocol's requirement to reduce consumption in that year to a level no greater than 15 percent of the Party's base line level;

(c) To request the Islamic Republic of Iran to submit to the Secretariat as soon as possible, and no later than 31 March 2007, an explanation for that deviation and, if relevant, a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance;

(d) To invite the Islamic Republic of Iran, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section H) to the present report, which would request the Party to act in accordance with subparagraph (c) above.

#### **Recommendation 37/19**

### **T. Kenya**

144. Kenya had been listed for consideration with regard to recommendation 36/24, which had recorded the agreement of the Committee to defer consideration of the Party's compliance with the Protocol's control measures in 2005 until the current meeting, in the light of the limited time which it had had to review the data reports generated by the Secretariat from its 2005 data submission and to respond to the Secretariat's request for information on an apparent deviation from its requirement to reduce its 2005 consumption of CFCs to no greater than 50 per cent of its baseline of 239.456 ODP-tonnes.

145. The Party had subsequently reported 2005 CFC consumption of 162.210 ODP-tonnes, an amount greater than both its 2004 consumption of 131.072 ODP-tonnes and its maximum allowable consumption of 119.728 ODP-tonnes.

146. In response to a request from the Secretariat, the Party had attributed its non-compliance to a delay in the implementation of its terminal CFC phase-out plan, being implemented by Germany on behalf of France, which it said had resulted from a decision of the Executive Committee of the Multilateral Fund that had made disbursement of project funding conditional upon the adoption of ozone-depleting substances regulations. It had also advised that the process for adopting those regulations, though it had been unavoidably delayed, was then at an advanced stage.

147. At the invitation of the Committee, a representative of Kenya attended and responded to questions. He emphasized that his Government was fully committed to meeting its obligations under the Montreal Protocol. He explained that it had taken a considerable time to finalize the new regulation, owing to the consultation process with stakeholders and the need for careful legal drafting, but that it had been signed by the responsible minister in late August 2006 and was now awaiting publication in the Government's official gazette. He was unable to give a precise deadline for the publication, as that depended on how much other material was also awaiting publication, but he expected it to be no later than mid-November 2006.

148. Responding to questions, he explained that Kenya already had a system for monitoring imports and use of ozone-depleting substances, involving customs officials, the national ozone unit and various standards bodies, depending on the substance. Kenya had not been able to control imports in 2005 because of the suspension of the terminal CFC phase-out management plan and substantial volumes of CFCs had then been imported and stockpiled for future use. Even in advance of the entry into force of the new regulation, however, the customs authorities had been able successfully to control imports in 2006 and had already refused entry to one significant consignment.

149. He anticipated Kenya's consumption of CFCs in 2006 to be no more than 60 ODP-tonnes, which would return the Party to compliance, and he set out a series of further CFC consumption targets, consistent with the terminal CFC phase-out management plan, which would lead to total phase-out, apart from any volumes authorized for essential uses, by 2009. The representative of the

Multilateral Fund secretariat confirmed that the terminal CFC phase-out management plan included provision for financial penalties of \$10,000 per ODP-tonne consumed in excess of the annual targets.

150. The Committee therefore *agreed*:

(a) To note with appreciation Kenya's explanation for its reported consumption of 162.210 ODP-tonnes of the Annex A, group I, controlled substances (CFCs) in 2005, in excess of the Protocol's requirement to reduce its consumption in that year to no greater than 50 percent of the Party's baseline level, including its efforts to adopt a system for licensing imports and exports of ozone-depleting substances that included import quotas;

(b) To note further with appreciation that Kenya had notified the Ozone Secretariat of its establishment and implementation of ozone-depleting substances regulations in accordance with its obligations as a Party to the Montreal Amendment to the Protocol;

(c) To forward to the Eighteenth Meeting of the Parties for its consideration the draft decision contained in the annex (section I) to the present report, which contains a plan of action for returning the Party to compliance with the Protocol's CFC consumption controls.

**Recommendation 37/20**

## **U. Lao People's Democratic Republic**

151. The Lao People's Democratic Republic had been listed for consideration with regard to the fulfilment of its data reporting obligations for the purpose of establishing baselines under Article 5, paragraphs 3 and 8 ter (d).

152. Having ratified the Copenhagen Amendment on 28 June 2006, the obligations of the Party under that instrument came into force on 7 September 2006. The Party had not reported the data for the years 1995 and 1996 required for the establishment of its baseline for Annex E substances.

153. The Committee concluded that the Party's compliance with the requirement to report baseline data would only become ripe for consideration by the Committee at the time it considered the Party's compliance with the control measures for the Annex E substance, which would not occur until 2007 with respect to the Party's 2006 data.

## **V. Libyan Arab Jamahiriya**

154. The Libyan Arab Jamahiriya had been listed for consideration with regard to its implementation of decision XV/36, decision XVII/37 and recommendation 36/27.

155. Decision XV/36 had noted with appreciation that the Party had submitted a plan of action committing it to reducing its CFC consumption from 985 ODP-tonnes in 2001 to 303.0 ODP-tonnes in 2005 and to establishing by 2004 an ozone-depleting substances licensing and quota system.

156. Decision XVII/37 had noted with appreciation that the Party had submitted a plan of action committing it to maintaining its 2005 halon consumption at a level no greater than 714.500 ODP-tonnes and its 2005 methyl bromide consumption at a level no greater than 96.000 ODP-tonnes and reiterating its commitment to establish an ozone-depleting substance licensing and quota system.

157. Recommendation 36/27 had urged the Party to submit by 30 September 2006 its 2005 ozone-depleting substance data and had reiterated an earlier request that the Party report on the status of its ozone-depleting substance licensing and quota system, recalling the Party's expectation that the legislation providing for the system would be enacted no later than 31 January 2006.

158. By the time of the current meeting, the Libyan Arab Jamahiriya had submitted its 2005 ozone-depleting substances data, reporting CFC consumption of 252.000 ODP-tonnes, halon consumption of 714.500 ODP-tonnes and methyl bromide consumption of 96.000 ODP-tonnes, which were consistent with the Party's commitments contained in decisions XV/36 and XVII/37 and, in the case of CFCs, in advance of its commitment contained in decision XV/36.

159. The Party had not yet, however, reported on the status of its commitment to establish an ozone-depleting substances licensing and quota system. The Party had previously reported at the thirty-fifth meeting of the Committee that the legislation required to introduce such a system was expected to be enacted at the latest by the end of January 2006 and that in the meantime the Party was implementing an interim import permit arrangement. The Multilateral Fund secretariat's report for the November 2006



meeting of the Executive Committee indicated that the situation of the Party's ozone unit was unclear. The ozone officer had recently resigned as a civil servant but claimed that he was still acting as the ozone unit manager. At the time of the current meeting, UNIDO was therefore planning to contact the Libyan authorities to seek clarification regarding the set up of the ozone unit in general and its staffing in particular. In its report for the November 2006 meeting of the Executive Committee on projects with implementation delays, the Fund Secretariat had recommended that the Committee request UNIDO to submit a status report on the institutional strengthening project that it was implementing in the Party.

160. The Committee therefore *agreed*:

(a) To note with appreciation that the Libyan Arab Jamahiriya had completed implementation in 2005 of the commitments contained in decision XVII/37 to maintain its 2005 consumption of the Annex A, group II, controlled substances (halons) at a level no greater than 714.500 ODP-tonnes and its 2005 consumption of the Annex E controlled substance (methyl bromide) at a level no greater than 96.000 ODP-tonnes;

(b) To congratulate the Libyan Arab Jamahiriya on its reported data for the consumption of Annex A, group I, controlled substances (CFCs) in 2005, which showed that it was in advance of its commitment contained in decision XVII/37 and prescribed under the Protocol, to reduce its CFC consumption to 303.0 ODP-tonnes in that year;

(c) To note with great concern that the Libyan Arab Jamahiriya had not submitted, in accordance with recommendation 36/27, a report on the status of its commitment contained in decision XV/36 to establish a system for licensing imports and exports of ozone-depleting substances that included a quota system, recalling the Party's expectation that such a system would be established no later than 31 January 2006;

(d) To request the Libyan Arab Jamahiriya to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, the report referred to in subparagraph (c) above for the consideration of the Implementation Committee at its thirty-eighth meeting, noting the importance of sound regulatory measures to the achievement and maintenance of a Party's compliance with the Protocol's control measures.

#### **Recommendation 37/21**

### **W. Mexico**

161. Mexico had been listed for consideration with regard to its implementation of recommendation 36/30.

162. Recommendation 36/30 had noted that Mexico had not submitted information in accordance with decision XV/19 and recommendation 35/25 to enable the Committee to review the Party's previous request to revise its 1998 carbon tetrachloride baseline data. While it had originally requested that its baseline be revised from zero to 184.32 metric tonnes, equivalent to 202.752 ODP-tonnes, in later correspondence it had amended its request to seek a revision to 187.517 ODP-tonnes.

163. In July 2006, the Party had provided further information in response to recommendation 36/30 and later correspondence from the secretariat, describing its methodology for collecting and verifying its carbon tetrachloride consumption baseline data and explaining that its failure to detect consumption of 170.470 metric tonnes of carbon tetrachloride in 1998, on which its request to revise its baseline for that year had been based, was wholly attributable to the national ozone unit mistakenly classifying a reported use of imported carbon tetrachloride as a feedstock use, exempted from the calculation of controlled consumption, rather than a controlled process agent use.

164. In response to a further request for information from the secretariat regarding the methodology that Mexico had used to collect and verify its proposed new 1998 baseline data, the Party had advised that it had collected and verified the data through written correspondence with the company that had reported the misclassified consumption and through subsequent site visits at the company's facilities. Mexico had further explained that one of the company's chlorine production plants was the only plant in the country that produced chlorine at levels requiring the use of carbon tetrachloride as a process agent, on the basis of which the Party's national ozone unit had concluded that no other company would have imported carbon tetrachloride for a non-feedstock use during the baseline period.

165. In response to a request that it explain any regulatory or other measures that it had in place to verify that it had not produced carbon tetrachloride in the baseline period and that it provide details on annual reporting by the chemical industry, Mexico had explained that its petrochemical industry was

wholly owned by the Government and that all information on the operation of the industry was publicly available. It had also stated that its petrochemical industry had ceased carbon tetrachloride production in 1997 and that the company importing carbon tetrachloride in 1998 had made no such imports in 1999 and 2000, as it had already possessed sufficient stocks to meet its needs during that period. By the time of the current meeting, however, Mexico had not provided information requested by the Secretariat to clarify whether it issued import licences on an annual basis, on a per-shipment basis or both.

166. Recommendation 36/30 had also noted that the Party had reported 2005 carbon tetrachloride consumption of 89.540 ODP-tonnes, in excess of its maximum allowable consumption of zero ODP-tonnes in that year, had requested the Party to submit the outstanding information to the Secretariat by 16 August 2006, along with an explanation for its deviation in 2005 and, if relevant, a plan of action for returning to compliance with the Protocol's carbon tetrachloride consumption control measures and had invited the Party to send a representative to the current meeting.

167. Mexico had subsequently explained that the consumption of carbon tetrachloride in 2005 had been for process agent applications and had suggested that the total phase-out of carbon tetrachloride would require complete plant conversion in order to avoid severe economic and environmental consequences. To that end, UNIDO had undertaken a mission to Mexico in September 2006 to discuss a conversion project for submission to the Executive Committee of the Multilateral Fund in the event that Implementation Committee and the Meeting of the Parties approved the requested revision to the carbon tetrachloride baseline. Mexico had indicated that the project would enable it to return to compliance with the Protocol's carbon tetrachloride control measures in 2008 and to achieve total phase-out of carbon tetrachloride consumption by the end of that year.

168. With the exception of the reported consumption of carbon tetrachloride in 2005, the Party had last reported controlled carbon tetrachloride consumption in 2002. Approval of the requested revision to the Party's 1998 carbon tetrachloride baseline data would change its carbon tetrachloride consumption baseline from zero ODP tonnes to 62.506 ODP tonnes. The Party's maximum allowable carbon tetrachloride consumption for 2005 would then be 9.376 ODP-tonnes. Consequently, approval of the Party's requested baseline data revision would not place it in compliance with the Protocol's requirement to reduce consumption of carbon tetrachloride to no more than 15 per cent of its baseline level in 2005.

169. At the invitation of the Committee, a representative of Mexico attended and responded to questions. He confirmed that immediate phase-out of carbon tetrachloride consumption in Mexico would require the complete closure of the factory that accounted for almost all of the country's consumption. With assistance from the Multilateral Fund, however, it would be possible to introduce a different process that did not require carbon tetrachloride, with the result that phase-out should be achievable by 2009. Remaining uses would amount only to a few kilograms for laboratory and analytical uses.

170. He further confirmed that Mexico's import licensing and quota system did cover carbon tetrachloride and that licenses were issued on an annual basis for each company rather than per shipment. The time-specific benchmarks contained in the draft decision sent to his Government for comment were entirely acceptable. Finally, he clarified that the term "peso" used on some of the invoices presented to the Committee meant "weight" and was not intended to be understood as a unit of currency.

171. The Committee therefore *agreed*:

(a) To note with appreciation the information submitted by Mexico in response to recommendation 36/30 with regard to its request to revise its carbon tetrachloride consumption data for the year 1998 from zero ODP-tonnes to 187.517 ODP-tonnes and to conclude that the Party had now presented sufficient information, in accordance with decision XV/19, to justify its request;

(b) To note also with appreciation Mexico's explanation for its reported consumption of 89.540 ODP-tonnes of the Annex B, group II, controlled substance (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce consumption in that year to no greater than 15 percent of the Party's baseline level;

(c) To note further with appreciation the information submitted by the Party with regard to the measures that it planned to take to return to compliance with the Protocol's carbon tetrachloride consumption control measures should its request to revise its carbon tetrachloride consumption data for the year 1998 be approved;

(d) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section J) to the present report, which accepts the request from Mexico to revise its 1998 carbon tetrachloride baseline data;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section K) to the present report, which contains a plan of action for returning the Party to compliance with the Protocol's carbon tetrachloride consumption controls.

**Recommendation 37/22**

**X. Mozambique**

172. Mozambique had been listed for consideration with regard to its implementation of decision XVII/20 and recommendation 36/31.

173. Decision XVII/20 had noted that the Party had not reported data in accordance with Article 7 of the Montreal Protocol for the year 2004 and had urged it to do so as a matter of urgency. Recommendation 36/31 had noted that the Party had not submitted its ozone-depleting substance data for the year 2004 in accordance with decision XVII/20 and had requested the Party to do so by 16 August 2006.

174. By the time of the current meeting, however, the Party had submitted its outstanding data for the year 2004, as well as its ozone-depleting substances data for the year 2005, which showed it to be in compliance with the control measures of the Protocol in both years.

175. The Committee therefore *agreed* to note with appreciation Mozambique's submission of all outstanding data in accordance with its data-reporting obligations under the Protocol and recommendation 36/31, which indicated that it was in compliance with the control measures of the Protocol in the years 2004 and 2005.

**Recommendation 37/23**

**Y. New Zealand**

176. New Zealand had been listed for consideration with regard to its implementation of recommendation 36/50, which had requested the Party to submit to the Secretariat by 16 August 2006 its reporting accounts for the methyl bromide critical use exemptions granted to the Party for 2005.

177. In correspondence submitted to the Secretariat on 1 July 2006, New Zealand had submitted the outstanding reporting accounts.

178. The Committee therefore *agreed* to note with appreciation New Zealand's submission in accordance with recommendation 36/50 of its reporting accounts for the methyl bromide critical use exemptions granted to the Party for 2005.

**Recommendation 37/24**

**Z. Niger**

179. Niger had been listed for consideration with regard to its implementation of recommendation 36/35, which had recorded the agreement of the Committee to defer consideration of the Party's compliance with the Protocol's control measures in 2005 until its thirty-seventh meeting in the light of the limited time which the Party had had to review the data reports generated by the Secretariat from its 2005 data submission and to respond to the Secretariat's request for information on its apparent deviation from its obligation to reduce its 2005 consumption of CFCs to no greater than 50 per cent of its baseline.

180. Prior to the thirty-sixth meeting of the Committee, the Party had reported consumption of 22.680 ODP-tonnes of CFCs in 2005, an amount that, while less than its 2004 consumption of 22.986 ODP-tonnes, exceeded its maximum allowable 2005 consumption of 16.011 ODP-tonnes. The Party had then resubmitted its 2005 ozone-depleting substances data on 7 August 2006, advising that, owing to the absence of its national ozone officer, the data submitted prior to the last meeting of the Committee had not been processed through the usual verification channels and had therefore contained errors. The resubmitted data reported by the Party revealed the Party to be compliance with the control measures of the Protocol in the year 2005.

181. The Committee therefore *agreed* to note with appreciation Niger's resubmission of its ozone-depleting substances data for the year 2005, which indicated that it was in compliance with the Protocol's control measures in that year.

#### Recommendation 37/25

### AA. Nigeria

182. Nigeria had been listed for consideration with regard to its implementation of decision XIV/30 and recommendation 36/36.

183. Decision XIV/30 had noted that the Party had submitted a plan of action committing it to reduce its consumption of CFCs from 3,666 ODP-tonnes in 2001 to 1,800.0 ODP-tonnes in 2005.

Recommendation 36/36 had noted with appreciation the Party's efforts to introduce an enhanced ozone-depleting substances licensing system, including a ban on the import of equipment containing ozone-depleting substances and penalties for contravention of the system, and had urged it to submit its 2005 ozone-depleting substances data by 30 September 2006.

184. The Party had subsequently submitted its 2005 ozone-depleting substances data, which revealed that it was in advance of both its commitment contained in decision XIV/30 and its CFC phase-out obligations under the Protocol.

185. The Committee therefore *agreed*:

(a) To congratulate Nigeria on its reported data for the consumption of the Annex A, group I, controlled substances (CFCs) in 2005, which showed that it was in advance of its commitment contained in decision XIV/30 to reduce its 2005 consumption of CFC to no more than 1800.0 ODP-tonnes in that year;

(b) To congratulate Nigeria further on remaining in advance of the CFC consumption control measures of the Montreal Protocol for 2005.

#### Recommendation 37/26

### BB. Pakistan

186. Pakistan had been listed for consideration with regard to its implementation of decision XVI/29 and recommendation 36/37, as well as agenda item 6 on other non-compliance issues arising out of the data report.

187. Decision XVI/29 had noted that the Party had submitted a plan of action committing it to reducing its halon consumption from 15.0 ODP-tonnes in 2003 to 7.1 ODP-tonnes in 2005. Recommendation 36/37 had urged Pakistan to submit its 2005 ozone-depleting substances data by 30 September 2006.

188. Pakistan had subsequently submitted its 2005 data, reporting halon consumption of zero ODP-tonnes, an amount in advance of both its reduction commitments contained in decision XVI/29 and its obligations under the Protocol.

189. Pakistan had also, however, reported consumption of 148.500 ODP-tonnes of carbon tetrachloride in 2005, an amount that, while less than its 2004 consumption of 752.400 ODP-tonnes, exceeded its maximum allowable consumption of 61.930 ODP-tonnes. The Party had attributed its excess consumption to the practical problems of achieving a large reduction quickly, difficulties in customs enforcement and delays in the implementation of its carbon tetrachloride phase-out project. The Party had also noted that its 2006 carbon tetrachloride consumption was within the limits prescribed by the Protocol for the year.

190. The Party had subsequently informed the Secretariat that it had adopted time-specific benchmarks for the phase-out of carbon tetrachloride as part of a carbon tetrachloride sector phase-out plan agreed with the Executive Committee of the Multilateral Fund, which it said would enable it to maintain compliance with the Protocol's control measures and achieve total phase-out by 1 January 2009. It had also detailed the steps that it had taken and planned to take to return to compliance. It had noted, however, that due to the volatile situation on the country's border with Afghanistan, it might not be feasible to exercise sufficient control over the movement of goods to prevent illegal trade in ozone-depleting substances, and suggested that further assistance from the Multilateral Fund to address that situation should be considered.

191. At the invitation of the Committee, a representative of Pakistan attended and responded to questions. He said that the necessary regulations were in place to control imports but their effectiveness had been undermined by weak enforcement, which was attributable above all to a lack of training and coordination of customs personnel, exacerbated by the country's porous borders. Despite exceeding its carbon tetrachloride consumption limits in 2005, the Party had nevertheless achieved a substantial reduction on the preceding year as improved training and coordination of customs officials had begun to take effect. Imports had been restricted to a single entry point and stern disciplinary measures had been established for officials exercising lax control. Further measures included awareness-raising projects targeted at all stakeholders and the media and the promotion of dialogue between customs authorities in Pakistan and its neighbours, in collaboration with UNEP. The continuing success of all such measures would depend upon the provision of sufficient financial support from the Multilateral Fund. He concluded by calling for measures to impose responsibility upon Parties that exported controlled substances.

192. During the ensuing discussion the Party was praised for the introduction of useful measures to control illegal imports. The Committee stressed, however, that the absence of an export license system would undermine efforts to control of illegal trade, noting that although the Party was not a manufacturer the possibility of future re-exports could not be discounted. Responding, the representative of Pakistan acknowledged the absence of controls on exports but said that the level of re-exports was thought to be small. The Committee also noted that the designation of a single port of entry could be counter-productive if it simply encouraged illegal importers to transfer goods using false customs codes via other entry points.

193. The Committee therefore *agreed*:

(a) To congratulate Pakistan on its reported data for the consumption of the Annex A, group II, controlled substances (halons) in 2005, which showed that it was in advance of its commitments contained in decision XVI/29 and prescribed under the Protocol to reduce its 2005 consumption of halons to no more than 7.1 ODP-tonnes in that year;

(b) To note with appreciation Pakistan's explanation for its reported consumption of 148.500 ODP tonnes of the controlled substance in Annex B, group II, (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce its consumption in that year to no greater than 15 percent of the Party's baseline level;

(c) To note also with appreciation Pakistan's submission of information detailing the time-specific benchmarks to which the Party had committed to achieve accelerated phase-out of carbon tetrachloride consumption, as well as the measures that Pakistan had already taken and planned to take to return to compliance with those benchmarks and the Protocol's carbon tetrachloride control measures by 2006;

(d) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section L) to the present report, which incorporates those benchmarks and supporting measures.

#### **Recommendation 37/27**

### **CC. Papua New Guinea**

194. Papua New Guinea had been listed for consideration with regard to its implementation of decision XV/40 and recommendation 36/38.

195. Decision XV/40 had noted with appreciation that the Party had submitted a plan of action committing it to reduce its CFC consumption from 35.0 ODP-tonnes in 2002 to 17.0 ODP-tonnes in 2005 and to ban, on or before 31 December 2004, imports of equipment that used ozone-depleting substances.

196. Recommendation 36/38 had noted that the Party had reported 2005 CFC consumption that revealed it to be in advance of both its commitment in decision XV/40 and its CFC phase-out obligations under the Montreal Protocol for 2005. The recommendation had also, however, noted that the Party had not instituted its ban on imports of equipment that used ozone-depleting substances by 31 December 2004, although it had reported that the regulations required to establish the ban had been submitted for Cabinet endorsement by the end of March 2006. The recommendation had therefore requested the Party to submit a report on its implementation of the ban for the consideration of the Implementation Committee at the current meeting.

197. By the time of current meeting, the Party had not responded to recommendation 36/38.

198. The Committee therefore *agreed*:

(a) To note with regret that Papua New Guinea had not submitted in accordance with recommendation 36/38 a report on the implementation of its commitment contained in decision XV/40 to ban, on or before 31 December 2004, imports of equipment using ozone-depleting substances, recalling that the Party had reported to the Committee at its thirty-sixth meeting that the regulations required to establish the ban had been submitted for Cabinet endorsement by the end of March 2006;

(b) To request Papua New Guinea to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, the report referred to in subparagraph (a) above for the consideration of the Implementation Committee at its thirty-eighth meeting, noting the importance of sound regulatory measures to the achievement and maintenance of a Party's compliance with the Protocol's control measures.

#### Recommendation 37/28

### DD. Paraguay

199. Paraguay had been listed for consideration under agenda item 6, on other non-compliance issues arising out of the data report.

200. The Party had reported 2005 consumption of 250.748 ODP-tonnes of CFCs, an amount in excess of its maximum allowable consumption of 105.280 ODP-tonnes and an increase from its 2004 consumption of 141.030 ODP-tonnes. It had also reported 2005 consumption of 6.842 ODP-tonnes of carbon tetrachloride, an amount in excess of its maximum allowable consumption of 0.090 ODP-tonnes and an increase from its 2004 consumption of 1.155 ODP-tonnes.

201. Responding to a request from the Secretariat that it submit an explanation for its apparent deviations from its obligations, the Party had explained that it had been experiencing difficulties with its control structure. Its excess consumption of CFCs had been due to the lack of a computerized monitoring system cross-referencing imports, licenses and consumption and the lack of a manual of procedures and duties for the relevant personnel combined with the constant turnover in the posts involved. Corrective action was under way, resulting in limiting imports of CFCs in 2006 to no more than 69 tonnes and returning the Party to compliance by the end of the year.

202. The Party had also clarified that the figure reported for carbon tetrachloride consumption in 2005 had been an error and should have been 0.684 ODP-tonnes. The Committee noted, however, that that was still in excess of its allowed consumption level.

203. Responding to questions from members of the Committee, the representative of the Multilateral Fund secretariat indicated that the Party appeared to be genuinely concerned about its state of non-compliance and committed to taking appropriate action to return to compliance as soon as possible.

204. The Committee therefore *agreed*:

(a) To note with concern that Paraguay had reported consumption of 250.748 ODP-tonnes of the Annex A, group I, controlled substances (CFCs) in 2005, in excess of the Protocol's requirement to reduce its consumption of CFCs to no greater than 105.280 ODP-tonnes in that year;

(b) To note further with concern that Paraguay had reported consumption of 0.6842 ODP-tonnes of the Annex B, group II, controlled substance (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce its consumption of carbon tetrachloride to no greater than 0.090 ODP-tonnes in that year;

(c) To request Paraguay to submit to the Secretariat as soon as possible and no later than 31 March 2007 a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance, for consideration by the Committee at its thirty-eighth meeting;

(d) To invite the Party, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section M) to the present report, which would request the Party to act in accordance with subparagraph (c) above.

#### Recommendation 37/29

## EE. Russian Federation

205. The Russian Federation had been listed for consideration under agenda item 6, on other non-compliance issues arising out of the data report.

206. The Party had reported consumption of 349.000 ODP-tonnes of CFCs in 2005, an amount in excess of its allowable consumption for approved essential uses, as set out in decision XV/42, which had approved 336 ODP-tonnes of CFCs for consumption by the Russian Federation for essential uses in 2005.

207. The Party had submitted correspondence dated 19 September 2006, the English translated version of which had indicated that the Party's deviation had been a consequence of one of its pharmaceutical companies importing 18.26 ODP-tonnes of CFCs at the end of 2005 which had been intended for the manufacture of metered-dose inhalers in the first quarter of 2006 but had in fact been used for that purpose in 2005. The correspondence as translated had also indicated that the Party wished to recategorize the 18.26 metric tonnes as on-hand at the end of 2005 rather than as available for use in 2005 and that it also wished to remove the 18.26 metric tonnes from its reported CFC consumption for 2005. Following the close of the current meeting, it was discovered that the translated version of the Party's 19 September 2006 correspondence contained a substantial error.

208. In a response dated 26 September 2006, the Secretariat, without realizing that the translation of the Party's 19 September correspondence contained an error, had observed that, as the Russian Federation had imported the 18.26 metric tonnes in 2005, the amount had been appropriately included in the calculation of the Party's controlled consumption for that year and the Party had therefore correctly recorded the quantity in the Article 7 import data form for 2005. The Secretariat had also suggested that, as the Russian Federation had used the quantity in 2005 in the manufacture of metered-dose inhalers, the Party had correctly recorded the 18.26 metric tonnes in its 2005 essential-use reporting accounting framework.

209. The Secretariat had therefore encouraged the Party to submit further information in support of its request to recategorize the amount in question and to resubmit its Article 7 data report to reflect that request. It had also encouraged the Party to elaborate on the circumstances that had resulted in its excess CFC consumption in 2005, in particular why the importing company had not delayed import of the 18.26 metric tonnes until 2006 and how import in excess of its 2005 essential use authorization had been possible, given that the Party had notified the Secretariat that it had established an import and export licensing and quota system for ozone-depleting substances. By the time of the current meeting, the Party had not responded to the Secretariat's request.

210. The Committee reconvened briefly in the Vigyan Bhawan conference centre on the afternoon of 30 October 2006 to consider what steps to take in the light of the error contained in the English translation of the Party's 19 September 2006 correspondence.

211. The Committee therefore *agreed*:

(a) To note with appreciation the Russian Federation's submission of an explanation for its reported consumption of 349.000 ODP-tonnes of the controlled substance in Annex A, group I, (CFCs) in 2005, which was in excess of the Protocol's requirement to maintain total phase-out of those controlled substances in that year and in excess of the essential uses authorization granted to the Party for that year;

(b) To defer assessment of the Russian Federation's compliance in 2005 with the Protocol's CFC consumption control measures until its next meeting owing to the error in translation of the explanation submitted by the Party, as a result of which the Committee had not had adequate time to consider the Party's situation at the current meeting.

**Recommendation 37/30**

## FF. Serbia<sup>1</sup>

212. Serbia had been listed for consideration with regard to its implementation of decision XVII/22 and recommendation 36/40.

213. Decision XVII/22 had noted that the former Serbia and Montenegro had not reported data for one or more of the years which are used for the establishment of baselines for the controlled substances in Annexes B (other CFCs, carbon tetrachloride and methyl chloroform) and E (methyl bromide) to the Protocol; had acknowledged that Serbia and Montenegro had only recently ratified the amendments to the Protocol obliging it to report data on the Annex B and Annex E substances, while noting too that it had received data collection assistance from the Multilateral Fund; and had urged Serbia and Montenegro to work together with UNEP and other implementing agencies of the Multilateral Fund to report the data as a matter of urgency.

214. Recommendation 36/40 had noted that Serbia had not submitted its outstanding baseline data for the controlled substances in Annex B and Annex E in accordance with decision XVII/22 but had submitted an explanation for not doing so. It had also requested the Party to submit the outstanding data by 16 August 2006.

215. Serbia had subsequently responded to recommendation 36/40, stating to the Secretariat that data collection assistance it had received from the Multilateral Fund should enable it to report by the end of September 2006 information on its methyl bromide consumption for all years, including the baseline years, up to and including 2005, that a study to collect outstanding baseline data for Annex B controlled substances would be completed within three months and that it would report on the results of its efforts as soon as they were complete. Serbia had subsequently informed the Multilateral Fund Secretariat that the Annex E data would be available by the end of October 2006 and the Annex B data by the end of November 2006, but the Party had not communicated that information to the Ozone Secretariat. In any case, by the time of the current meeting, the Party had not reported baseline data for the controlled substances in Annex B for the years 1998 and 1999 or for methyl bromide for the years 1995 to 1998.

216. In an earlier response to decision XVII/22, the Party had outlined the historical context for its ozone protection efforts and had explained that its data collection efforts had been hampered by a delay in receiving assistance attributable to the numerous political and institutional changes that had occurred in the country over the preceding decade, by a lack of coordination between the national ozone unit and relevant ministries, as well as the fact that carbon tetrachloride and methyl chloroform had not been subject to Government control prior to Serbia's ratification of the relevant amendment to the Protocol. The Party had also outlined steps it was taking to achieve compliance and had pledged that it would do its best to submit the outstanding data. Before its split, Serbia and Montenegro had reported 2005 data that placed it in compliance with the Protocol's control measures for those ozone-depleting substances for which the Party had reported baseline data.

217. Responding to questions from members of the Committee, the representative of the Secretariat clarified that, in accordance with the paragraph (d) of the draft recommendation, if all the outstanding data was submitted prior to the adoption of the draft decision by the Meeting of the Parties, then the decision would no longer be necessary and would be withdrawn. It was not possible to specify a precise deadline for the submission of the data, due to uncertainties over the time required to edit and translate the documents.

218. The Committee therefore *agreed*:

(a) To note the information submitted by Serbia on the status of its efforts to collect the outstanding baseline data for the controlled substances in Annex B (other CFCs, carbon tetrachloride and methyl chloroform) for the years 1998 and 1999 and Annex E (methyl bromide) for the years 1995 to 1998 in accordance with decision XVII/22 and recommendation 36/40;

(b) To note with regret, however, that while the Party had indicated that a report on its outstanding methyl bromide consumption data would be completed by the end of September, it had not

<sup>1</sup> On 30 June 2006, the President of Serbia wrote to the United Nations Secretary General, in his capacity as depositary of the ozone treaties, advising that "all treaty actions undertaken by Serbia and Montenegro will continue in force with respect to the Republic of Serbia with effect from 3 June 2006" and that the Republic of Serbia "continues to exercise its rights and commitments deriving from international treaties concluded by Serbia and Montenegro". The United Nations Secretary General, acting on Serbia's communication, accepted the undertaking and consequently removed Montenegro from the list of Parties to the ozone treaties, leaving the name of Serbia only.



yet submitted to the Secretariat either those data or the outstanding Annex B baseline data for the years 1998 and 1999;

(c) To acknowledge that the Party had only recently assumed the obligation to report data on the Annex B and Annex E substances and had also recently experienced significant changes in its national circumstances pursuant to which it had undertaken to continue the legal personality of the former Serbia and Montenegro in respect of the Montreal Protocol for the territory under its control effective 3 June 2006 and acknowledging further that those factors may have affected the Party's ability to comply with its reporting obligations under the Protocol in a timely manner;

(d) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section N) to the present report, in the event that the Party did not report the data for the controlled substances in Annex B (other CFCs, carbon tetrachloride and methyl chloroform) for the years 1998 and 1999 and Annex E (methyl bromide) for the years 1995 to 1998 to the Secretariat prior to the adoption of the draft decision by the Eighteenth Meeting of the Parties.

### Recommendation 37/31

## GG. Somalia

219. Somalia had been listed for consideration with regard to its implementation of recommendation 36/42. That recommendation, while acknowledging the challenges the Party faced, including the fact that institutional changes had necessitated a review of its previously submitted halon plan of action, had noted that the Party had not yet clarified the status of that plan of action, as it had been asked to do in recommendation 35/36, and had urged it to submit by 30 September 2006 its 2005 ozone-depleting substance data and an update on its plan of action, including information on whether the Secretariat had correctly calculated the benchmarks contained in the Party's plan of action, which would return the Party to compliance in 2007, and whether the Party's legislature had taken the steps necessary to permit the introduction of a previously proposed ban on the import of halon-dependent equipment, an interim quota system and the establishment of a system for licensing the import and export of ozone-depleting substances.

220. By the time of the current meeting, the Party had not reported its 2005 ozone-depleting substances data nor otherwise responded to recommendation 36/42. In a report submitted to the Multilateral Fund Secretariat in May 2006, UNEP had confirmed that there had been a complete change in the staff of Somalia's national ozone unit, had reported that the new staff were based outside Somalia and appeared to have little or no expertise or experience in national ozone unit responsibilities, and had suggested that it was uncertain whether, in the light of the absence or weakness of state institutions, political unrest and the existence of different administrations controlling various regions and cities, an ozone-depleting substance licensing system could be established by the Party in the near future.

221. In its report for the November 2006 meeting of the Executive Committee on projects with implementation delays, the Fund Secretariat had recommended that the Committee request the Secretariat to send a letter of possible cancellation to the Government of Somalia with regard to the technical assistance project to formulate a national phase-out strategy for Somalia that had been approved for implementation by UNEP at the thirty-fifth meeting of the Executive Committee.

222. The Committee therefore *agreed*:

(a) To note with regret that Somalia had not responded to the request contained in recommendation 36/42 to submit to the Secretariat, as soon as possible and no later than 30 September 2006, its ozone-depleting substance data for the year 2005 and an update on its plan for returning to compliance with the Protocol's halon control measures, including regulatory measures to support and sustain planned phase-out activities;

(b) To note, however, the challenges faced by Somalia in implementing its obligations under the Montreal Protocol, including the fact that institutional changes had necessitated a review of the Party's previously submitted plan of action and that recent changes to the cabinet of the transitional Government of Somalia might be expected to delay the introduction of regulatory measures to support the Party's compliance with the Protocol;

(c) To urge Somalia to submit to the Secretariat, as soon as possible and no later than 31 March 2007, an update on its plan for returning to compliance with the Protocol's halon control measures, including regulatory measures to support and sustain planned phase-out activities, for consideration by the Committee at its next meeting;

(d) To include Somalia in the draft decision contained in the annex (section P) to the present report, which lists those Parties that have not yet submitted their ozone-depleting substances data for 2005 in accordance with Article 7 of the Montreal Protocol prior to the adoption of the draft decision by the Eighteenth Meeting of the Parties and are therefore in non-compliance with their data-reporting obligations under the Montreal Protocol until such time as the Secretariat receives their outstanding data.

**Recommendation 37/32**

## **HH. South Africa**

223. South Africa had been listed for consideration under agenda item 6, on other non-compliance issues arising out of the data report.

224. The Party had reported consumption of bromochloromethane of 20.784 ODP-tonnes in 2005, an amount that, while less than its 2004 consumption of 36.000 ODP-tonnes, nevertheless exceeded its allowed limit of zero.

225. In the light of South Africa's reported consumption of 36.000 ODP-tonnes of bromochloromethane in 2004, the Secretariat had sought the advice of the Party's national ozone unit on the steps being taken to ensure compliance in 2005. The national ozone unit had advised that there was one known importer of the substance and that the importer and the user, which was in the telecommunications sector, had been informed that no further imports would be allowed. The national ozone unit had undertaken to consult the consumer to confirm that it had identified an alternative to bromochloromethane. No further advice had since been received from the Party on the issue.

226. In correspondence dated 17 October 2006, the Secretariat had requested the Party to submit an explanation for its apparent deviation in 2005. The Party had not responded to that request by the time of the current meeting. The Committee had noted, however, that the Party had had only three weeks to respond to the Secretariat's request prior to the current meeting.

227. The Committee therefore *agreed* to defer consideration of South Africa's compliance with the Protocol's control measures in 2005 until its thirty-eighth meeting, in the light of the limited time which South Africa had had to respond to the Secretariat's request for information on its apparent deviation from the requirement to maintain total phase out of the consumption of the Annex C, group III controlled substance (bromochloromethane).

**Recommendation 37/33**

## **II. Switzerland**

228. Switzerland had been listed for consideration with regard to its implementation of recommendation 36/50, which, in accordance with decision Ex.1/4, had requested the Party to submit by 16 August 2006 its reporting accounts for the methyl bromide critical use exemptions that it had been granted for 2005. By the time of the current meeting, the Party had not responded to recommendation 36/50.

229. Decision Ex.1/4 of the first extraordinary Meeting of the Parties had requested each Party which had been granted a critical-use exemption for methyl bromide to submit after the end of 2005 information on its exemption together with any new nomination for exemption using an accounting framework recommended by the Technology and Economic Assessment Panel of the Montreal Protocol. Decision XVI/6 had approved the accounting framework recommended by the Panel.

230. In its report prepared for the current meeting, the Secretariat had noted that the data derived from accounting frameworks for critical use exemptions could assist the Parties to monitor such uses, just as the data contained in the accounting frameworks for essential use authorizations had assisted them in tracking the phase-out of CFCs in metered-dose inhalers. The Secretariat had also noted, however, that while the Parties were the ultimate authority on the interpretation of decisions of the Meeting of the Parties, the operative text of decisions Ex.1/4 and XVI/6 did not appear to require Switzerland to submit its accounting framework for the critical use exemptions it had been granted in 2005 until and unless it submitted a new nomination for exemption, which it had not done for either 2006 or 2007.

231. Responding to questions from members of the Committee, the representative of the Secretariat clarified that the issue had been discussed with Switzerland in a telephone conversation. The Committee

was also informed that all Parties which had put forward critical-use nominations for 2006 or 2007 had submitted the required information on their critical-use exemptions in 2005.

232. The Committee therefore *agreed*:

(a) To recall that, in accordance with decision Ex.1/4, after the end of 2005 each Party which had been granted a critical-use exemption for methyl bromide was to submit information on its exemption together with any new nomination for exemption using the accounting framework adopted by the Sixteenth Meeting of the Parties in decision XVI/6;

(b) To note that Switzerland had not submitted its accounting framework for the methyl bromide critical use exemptions that the Party had been granted for 2005, but also to note that the Party had to date not submitted any new nominations for exemption;

(c) To note therefore that unless and until Switzerland did submit a new nomination for exemption, the Party would not be required to submit to the Ozone Secretariat its accounting framework for the methyl bromide critical use exemptions granted to the Party for 2005.

#### Recommendation 37/34

### JJ. Tajikistan

233. Tajikistan had been listed for consideration with regard to its implementation of decision XIII/20 and recommendation 36/43.

234. Decision XIII/20 had noted that the Party had reported data for 1999 that had placed it in non-compliance with the Protocol's control measures and its previous commitment to phase out completely its consumption of methyl bromide by 1 January 2005. Recommendation 36/43 had urged it to submit to the Secretariat its 2005 ozone-depleting substance data by 30 September 2006.

235. The Party had subsequently submitted its ozone-depleting substances data for the year 2005, reporting zero consumption of methyl bromide, consistent with its commitment contained in decision XIII/20 and, as the Party had not yet ratified the Copenhagen Amendment to the Protocol, in advance of its methyl bromide consumption obligations.

236. The Committee therefore *agreed* to congratulate Tajikistan on its reported ozone-depleting substances data for 2005, which showed that the Party had achieved total phase-out of the Annex E controlled substance (methyl bromide) in that year, thereby completing implementation of all of its commitments contained in decision XIII/20 to return to compliance with the Protocol and placing Tajikistan in advance of its obligations under the Protocol with respect to methyl bromide phase-out.

#### Recommendation 37/35

### KK. Turkey

237. Turkey had been listed for consideration with regard to its implementation of recommendation 36/45, which had recorded the agreement of the Committee to defer assessment of the Party's compliance in the year 2004 with the Protocol's bromochloromethane consumption control measures until it could review the Party's situation in the light of guidance provided by the Meeting of the Parties following consideration of the latest assessment by the Technology and Economic Assessment Panel of the Party's use of bromochloromethane in the production of sultamicillin. The recommendation had also recorded the agreement of the Committee to defer assessment of Turkey's compliance with the Protocol's consumption control measures for bromochloromethane in the year 2005 until the current meeting, in the light of the limited time which the Party had had to review the data reports generated by the Secretariat from its 2005 data submission and to respond to the Secretariat's request for information on its apparent deviation from the requirement to maintain total phase-out of bromochloromethane consumption in that year.

238. In its 2005 progress report, the Technology and Economic Assessment Panel had not recognized bromochloromethane as a process agent in the production of sultamicillin. In its 2006 progress report, however, the Panel had revised its findings, based on the role that bromochloromethane played as a chloromethylating agent, and concluded that the majority of the bromochloromethane used by Turkey in the production of sultamicillin had been used as a process agent, while a small part had been used as a feedstock. The 2006 report had also noted that emissions from the process agent component ranged from 30 to almost 200 tonnes over the period 1999–2002 and an average of 110.2 tonnes over the period 2002–2004, and that sultamicillin was being produced in two Parties without the use of

bromochloromethane or other ozone-depleting substances, while other Parties had reduced emissions of bromochloromethane in the sultamicillin production process to very low levels.

239. The Panel's conclusions had later been presented at the twenty-sixth meeting of the Open-ended Working Group, in July 2006, at which the Working Group had agreed that they could be taken up by the Eighteenth Meeting of the Parties or considered in 2007 in the context of the biennial review by TEAP of the list of approved process agent uses.

240. By the time of the current meeting, Turkey had not responded to an invitation by the Secretariat to submit any additional information relevant to the Committee's consideration of its situation.

241. The Committee therefore *agreed*:

(a) To note with concern that Turkey had reported consumption of 18.480 ODP-tonnes of the Annex C, group III, controlled substance (bromochloromethane) in 2005, in excess of the Protocol's requirement to maintain zero consumption in that year;

(b) To note with appreciation, however, that Turkey had submitted an explanation for its excess consumption, explaining that the consumption had been for the production of sultamicillin;

(c) To recall that the Parties at the twenty-sixth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol had taken note of the conclusions in the 2006 progress report of the Technology and Economic Assessment Panel that the majority of the bromochloromethane used in the production of sultamicillin had been used as a process agent, while a small part had been used as a feedstock, on the understanding that those conclusions could be taken up by the Eighteenth Meeting of the Parties or, if not taken up at that Meeting, could be considered in 2007 in the context of the biennial review by the Technology and Economic Assessment Panel of the list of approved process agent uses;

(d) To therefore defer assessment of Turkey's compliance with the Protocol's consumption control measures for the controlled substance in Annex C, group III, (bromochloromethane) in the year 2005 until it could review the Party's situation in the light of guidance provided by the Meeting of the Parties.

#### **Recommendation 37/36**

### **LL. United Arab Emirates**

242. The United Arab Emirates had been listed for consideration with regard to agenda item 6 on other non-compliance issues arising out of the data report.

243. The Party had reported 2005 consumption of 264.760 ODP-tonnes of CFCs, an amount that, while less than its 2004 consumption of 291.040 ODP-tonnes, nevertheless exceeded its maximum allowable consumption of 264.630 ODP-tonnes. The Party had also reported 2005 consumption of 0.385 ODP-tonnes of carbon tetrachloride, an amount exceeding its 2004 consumption of zero ODP-tonnes and its maximum allowable consumption of zero ODP-tonnes. In a letter dated 20 October 2006, the Secretariat had invited the United Arab Emirates to submit an explanation for those apparent deviations.

244. The Secretariat had also responded to correspondence from the Party dated 19 October 2006 in which the Party had stated that, contrary to the data reports published by the Secretariat, it had never submitted data on carbon tetrachloride for the baseline years of 1998, 1999 and 2000 and had requested the Secretariat to include in its records the carbon tetrachloride import figures of 6.7, 0.3 and zero metric tonnes for the years 1998, 1999 and 2000, respectively, and to revise its carbon tetrachloride consumption baseline figures accordingly.

245. Approval of the revisions requested by the Party would change its baseline figure for carbon tetrachloride consumption from zero to 2.567 ODP-tonnes and its maximum allowable carbon tetrachloride consumption level for that year to 0.385 ODP-tonnes, and would place the Party in compliance with the Protocol's control measures for that year.

246. In its response, the Secretariat had enclosed a copy of the data report for the year 1998 submitted by the Party in correspondence dated 25 November 1999, which had recorded zero carbon tetrachloride imports for the year 1998 and observed that if the Party wished to revise its baseline data for that year it would need to submit a request in accordance with decision XV/19, which sets out the methodology for the submission of requests to revise baseline data, including information and documentation requirements. As for 1999 and 2000, the Secretariat had noted in its correspondence that its records showed that the Party had left the data fields for carbon tetrachloride in its data reports for

those years blank and had presumed that those blank fields had been intended to indicate zero consumption. It had accordingly entered zero in the appropriate places in the data reports and had sent those reports to the Party for its confirmation of their correctness. The Party had not responded, however, and prior to the Party's letter of 19 October 2006, the Secretariat had not been notified that its presumption had been incorrect.

247. The Secretariat had subsequently invited the Party to submit any additional information or comments that it might wish to provide for the consideration of the Committee at the current meeting. The Party, however, had had less than three weeks to prepare and submit the requested explanation and by the time of the meeting had not responded.

248. The Committee therefore *agreed*:

(a) To defer consideration of the United Arab Emirates' compliance with the Protocol's control measures in 2005 until the thirty-eighth meeting of the Committee, in the light of the limited time which the United Arab Emirates had had to respond to the Secretariat's request for information on the Party's apparent deviations from the Protocol's requirement that the United Arab Emirates reduce its consumption of the Annex A, group I, controlled substances (CFCs) to no greater than 50 percent of its baseline for those substances, namely, 264.630 ODP-tonnes, and reduce its consumption of the Annex B, group II, controlled substance (carbon tetrachloride) to no greater than 15 percent of its baseline for that substance, namely, zero ODP-tonnes;

(b) To note the request of the United Arab Emirates to revise its carbon tetrachloride data for the baseline years 1998 to 2000 inclusive and to invite the Party to submit to the Secretariat by 31 March 2007 information in accordance with decision XV/19 which sets out the methodology for the submission of requests to revise baseline data for consideration by the Committee at its thirty-eighth meeting.

#### Recommendation 37/37

### MM. United Republic of Tanzania

249. The United Republic of Tanzania had been listed for consideration under agenda item 6 on other non-compliance issues arising out of the data report.

250. The Party had reported 2005 carbon tetrachloride consumption of 4.785 ODP-tonnes, an increase over its 2004 consumption of zero ODP-tonnes and in excess of its maximum allowable consumption of 0.018 ODP-tonnes. It had also reported 2005 methyl chloroform consumption of 0.994 ODP-tonnes, its first ever reported consumption of the controlled substance and in excess of its maximum allowable consumption of zero ODP-tonnes.

251. By the time of the current meeting, the Party had not responded to a request by the Secretariat that it provide an explanation for its apparent deviations. The note by the Multilateral Fund Secretariat for the November 2006 meeting of the Executive Committee, however, had indicated that the Party had informed UNEP that it would withdraw its 2005 data. By the time of the current meeting, however, the Ozone Secretariat had not been contacted by the Party on that issue.

252. The Committee therefore *agreed*:

(a) To note with concern that the United Republic of Tanzania had reported consumption of 4.785 ODP-tonnes of the Annex B, group II, controlled substance (carbon tetrachloride) in 2005, in excess of the Protocol's requirement to reduce its consumption of carbon tetrachloride to no greater than 0.018 ODP-tonnes in that year;

(b) To note further with concern that the Party had reported consumption of 0.994 ODP-tonnes of the Annex B group III, controlled substance (methyl chloroform) in 2005, in excess of the Protocol's requirement to reduce its consumption of carbon tetrachloride to no greater than zero ODP-tonnes in that year;

(c) To request the United Republic of Tanzania to submit to the Secretariat as soon as possible and no later than 31 March 2007 an explanation for those deviations and, if relevant, a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance, for consideration by the Committee at its thirty-eighth meeting;

(d) To invite the Party, if necessary, to send a representative to the thirty-eighth meeting of the Committee to discuss the matter;

(e) To forward for consideration by the Eighteenth Meeting of the Parties the draft decision contained in the annex (section O) to the present report, which would request the Party to act in accordance with subparagraph (c) above.

#### Recommendation 37/38

### NN. Uruguay

253. Uruguay had been listed for consideration with regard to its implementation of decision XVII/39 and recommendation 36/48.

254. Decision XVII/39 had noted with appreciation that, after deviating in 2004 from its original plan of action to return to compliance with the Protocol's methyl bromide control measures, the Party had submitted a revised plan of action committing it to reduce its methyl bromide consumption from 11.1 ODP-tonnes in 2004 to 8.9 ODP-tonnes in 2005.

255. Recommendation 36/48 had noted with appreciation that Uruguay had submitted a progress report on its implementation of the plan of action contained in decision XVII/39 which suggested that it was in advance of both its commitment contained in that decision and its methyl bromide phase-out obligations under the Montreal Protocol for 2005 and had urged it to submit its 2005 ozone-depleting substances data by 30 September 2006.

256. Following the thirty-sixth meeting of the Committee, it had become apparent that Uruguay had submitted its 2005 data prior to the meeting's conclusion. Owing to the time required to process the data, however, it could not be presented at that meeting. The data had indicated that the Party had consumed 8.640 ODP-tonnes of methyl bromide in 2005, showing it be in advance of both its commitment contained in decision XVII/39 and its methyl bromide phase-out obligations under the Protocol.

257. The Committee therefore *agreed*:

(a) To congratulate Uruguay on its reported data on the consumption of the Annex E controlled substance (methyl bromide) in 2005, which showed that it was in advance of its commitment contained in decision XVII/39 to reduce its methyl bromide consumption to 8.9 ODP-tonnes in that year;

(b) To congratulate Uruguay further on remaining in advance of the methyl bromide control measures of the Montreal Protocol for 2005;

(c) To note that Uruguay had submitted its data for 2005 to the Secretariat prior to completion of the thirty-sixth meeting of the Implementation Committee, but that the data could not be processed in time for consideration at that meeting.

#### Recommendation 37/39

### OO. Zimbabwe

258. Zimbabwe had been listed for consideration with regard to its implementation of recommendation 36/49, which had noted the Party's explanation for its excess consumption of carbon tetrachloride and methyl chloroform in 2005 and requested it to submit by 16 August 2006 a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance.

259. The Party had subsequently submitted a plan of action that would return it to compliance with the Protocol's methyl chloroform and carbon tetrachloride control measures in 2006 and maintain it in compliance in the future. The plan would feature an ozone-depleting substance licensing and quota system, a ban on the import of carbon tetrachloride in 2010 and a ban on the import of methyl chloroform in 2015.

260. In response to a later request by the Secretariat, the Party had indicated its agreement with a draft decision prepared by the Secretariat incorporating the plan of action and had accepted the invitation of the Committee to send a representative to the current meeting.

261. In subsequent correspondence dated 12 October 2006 the Party had submitted revised ozone-depleting substances data for 2005, indicating that it had consumed zero ODP-tonnes of carbon

tetrachloride and methyl chloroform, placing it in compliance with the Protocol's control measures for those substances in 2005. The Party had explained that its earlier reported consumption of the two substances had resulted from its customs officers mistakenly identifying non-ozone-depleting solvents, including perchloroethylene and trichloroethylene, as carbon tetrachloride and methyl chloroform, an error that it had verified through visits to the premises of the companies that had imported the non-ozone-depleting solvents. The Party had also noted that the revised data was consistent with a survey and workshop conducted by the Government in 2006 in cooperation with UNDP, under the auspices of the Multilateral Fund, which had concluded that there were no importers of carbon tetrachloride or methyl chloroform in the country and that use of these substances was limited to laboratories that sourced the chemicals from a company that had last imported them in 2004. In addition, a workshop held in August 2006 for end users in the solvent sector and public awareness-raising activities conducted through the media on the potential assistance available to companies to phase out carbon tetrachloride and methyl chloroform had not prompted any enterprises to identify themselves as users or importers of carbon tetrachloride or methyl chloroform.

262. The Committee therefore *agreed* to note with appreciation that Zimbabwe had submitted revised ozone-depleting substances data for 2005 to correct a misclassification of imports of non-ozone-depleting solvents as the controlled substance in Annex B, group II, (carbon tetrachloride) and Annex B, group III, (methyl chloroform), which confirmed that the Party had been in compliance with the Protocol's control measures in 2005.

**Recommendation 37/40**

**PP. Consideration of other non-compliance issues arising out of the data report: failure to report data for 2005**

263. Recalling the data report contained in documents UNEP/OzL.Pro/18/9 UNEP/OzL.Pro/ImpCom/37/2 and Add.1, the Committee *agreed* to include in the draft decision contained in section P of annex I to the present report those Parties that had not submitted their ozone-depleting substances data for 2005 in accordance with Article 7 of the Montreal Protocol prior to the adoption of the draft decision by the Eighteenth Meeting of the Parties.

**Recommendation 37/41**

**VIII. Consideration of the revised Implementation Committee draft primer (recommendation 36/51)**

264. The representative of the Secretariat introduced the draft Implementation Committee primer, which had been revised to reflect discussion of the primer at the thirty-sixth meeting of the Committee and additional comments received subsequently. She explained that two documents intended to accompany the primer, the compilation of recommendations adopted by the Implementation Committee and the compilation of relevant decisions adopted by Meetings of the Parties, would be finalized following the current meeting and that a draft table of contents for the former had been circulated for information.

265. Members thanked and congratulated the Secretariat for its hard work in preparing the primer, observing that it would prove immensely helpful to the future work of members of the Committee, particularly new ones. Two minor corrections to the text were suggested and it was clarified that while the compilations of recommendations and decisions would be posted on the public website of the Secretariat, the third accompanying document, a list of contact details, would be restricted to the secure Implementation Committee website in order to avoid problems with unsolicited emails.

266. The Committee therefore *agreed* to request the Secretariat to post the Implementation Committee primer and the related documents on the public and secure websites of the Secretariat, as appropriate, and as amended by the comments of the members at the thirty-seventh meeting of the Committee.

**Recommendation 37/42**

## **IX. Standardizing recommendations by the Implementation Committee for addressing routine procedural matters of non-compliance (recommendation 36/52)**

267. The representative of the Secretariat introduced the standardized recommendations, which had been revised to reflect the discussion at the thirty-sixth meeting of the Committee, recalling that the Committee had recognized that while the individual circumstances of each Party would of course continue to be considered, the sixteen standardized recommendations listed in the document contained useful text that could be used as appropriate. She explained that when finalized, they would be included in the primer and made publicly available.

268. In line with additional comments received subsequently, the formatting of recommendations of the Committee would be revised to mirror that of decisions of the Meeting of the Parties and the numbering of each would be revised to avoid confusion between the two. In response to a question about the wording of draft decisions requesting responses from Parties, she clarified that the phrase “as soon as possible” was used in the first request to a particular Party, while “as a matter of urgency” was used in the second.

269. The Committee therefore *agreed* to note that the text of the standardized recommendations, as amended by any revisions agreed at the present meeting, would be incorporated into the revised Implementation Committee Primer, which would be posted on the Secretariat’s website.

**Recommendation 37/43**

## **X. Consideration of the report of the Secretariat on Parties which have established licensing systems (Article 4B, paragraph 4, of the Montreal Protocol).**

270. The representative of the Secretariat introduced the item, reviewing the Secretariat’s note on Parties that had established licensing systems and noting that the item was discussed at each Meeting of the Parties in accordance with paragraph 4 of Article 4B of the Protocol, which required the Secretariat to provide Parties and the Committee with a list of the Parties that had reported to it on the status of their licensing systems for the import and export of ozone-depleting substances. Annex I of the document contained a list of the Parties to the Montreal Amendment to the Protocol, together with an indication of whether they had established licensing systems; 120 had done so and 23 had not. Annex II contained a list of the 34 non-parties to the amendment that had established such systems. Subsequent to the preparation and distribution of the document, Viet Nam, a Party to the Montreal Amendment, had reported that it had established a licensing system.

271. Members of the Committee indicated their concern that several Parties to the Montreal Amendment had still not established licensing systems as long as seven years after ratifying the Amendment. Since that meant that they were in a state of non-compliance with Article 4B of the Protocol, the Committee ought to treat them in the same way as it considered other cases of non-compliance. The issue was important; without licensing systems, Parties had no way of controlling imports and exports and could contribute to the problem of illegal trade. The Committee agreed that the draft decision would be strengthened to point out that a failure to implement licensing systems by Parties to the Montreal Amendment represented non-compliance that could trigger the non-compliance procedure.

272. Responding to a request for information, the representative of the Multilateral Fund Secretariat explained that the establishment of licensing systems had been a major concern of the Executive Committee of the Fund since 2000. Assistance had been provided in particular to low-volume-consuming countries and to new Parties, and the Executive Committee was increasingly requiring Parties to have licensing systems in place before it was prepared to release funding for phase-out projects. Members of the Committee suggested that it would be useful for the Fund Secretariat to present, at future meetings of the Committee, information on those Parties to the Montreal Amendment which had not established licensing systems, which should help the Committee to identify any practical difficulties that those Parties were facing.

273. The Committee therefore *agreed* to forward to the Eighteenth Meeting of the Parties for its consideration the draft decision on this matter contained in the annex (section Q) to the present report.



## XI. Other matters

### A. Potential non-compliance by Bangladesh during the period 2007–2009

274. The representative of the Secretariat introduced a note (UNEP/OzL.Pro/ImpCom/37/Inf/3) it had prepared on the notification of potential non-compliance by the Government of Bangladesh. The note summarized the circumstances that the Party had identified as the cause of its anticipated non-compliance with the Protocol's CFC control measures in the years from 2007 to 2009, information on the Party's CFC consumption sector, its CFC phase-out efforts to date and related information presented by the secretariat of the Multilateral Fund to the forty-ninth meeting of the Executive Committee, in July 2006.

275. The Party attributed its anticipated future non-compliance to three primary causes. First, that the Party had only become aware of CFC consumption in its pharmaceutical metered-dose inhaler manufacturing sector in 2004, which had restricted the time available to achieve the CFC phase-out required to meet the Protocol's 2007 deadline for an 85 per cent reduction in CFC consumption. Second, the party had not received assistance to phase out CFC consumption in its metered-dose inhaler manufacturing sector. Third, the Party expected its estimated CFC requirements for metered-dose inhaler manufacture in 2007, 2008 and 2009 to result in total annual CFC consumption that was greater than the maximum levels prescribed by the Protocol for Bangladesh.

276. Since 2002 Bangladesh had been ahead of its CFC phase-out commitments, after successful efforts to limit consumption in the refrigeration and aerosol sectors. The discovery of the CFC consumption arising from metered-dose inhaler manufacture had meant a substantial rise in estimated annual consumption, however. Metered-dose inhalers were manufactured by four companies, with one accounting for 75 percent of the sector.

277. Bangladesh had been assisted with institutional strengthening by UNDP and the World Bank was due to provide further assistance in the chiller sector, under the auspices of the Multilateral Fund. UNEP had also submitted a request for the November 2006 meeting of the Executive Committee for funding to develop with UNDP a transition strategy aimed at addressing consumption in the metered-dose inhaler sector. The Fund Secretariat had recommended approval of the request. While a national ozone-depleting substances phase-out plan had been approved in 2004 and was due to be implemented in cooperation with UNDP and UNEP, implementation had not yet commenced as the Party had not signed the agreement.

278. At the invitation of the Committee, representatives of the Party attended and responded to questions. One of the representatives noted the success of efforts to reduce CFC consumption outside the substantial metered-dose inhaler sector. Growing demand for inhalers, however, suggested that in the absence of measures to curtail growth, CFC consumption arising from the sector could continue to rise in coming years from the current level of 70–75 metric tonnes. At the same time, the Party's allowance for consumption would decline to 53 metric tonnes in 2009. Shifting from the use of CFCs to HFC-134a in the manufacture of metered-dose inhalers was an expensive and time-consuming process. In addition, while confirming that the largest manufacturer of CFC metered-dose inhalers had converted plant to enable production of HFC-134a inhalers, uptake of those inhalers had been slow because doctors and patients were unfamiliar with them. Consequently, the firm intended to continue manufacturing the CFC versions of the products.

279. Responding to questions from the Committee, the representative of Bangladesh said that the Government was not able to determine the extent to which it would exceed its CFC consumption limits in 2007–2009 because it had not calculated expected consumption outside the metered-dose inhaler sector. It anticipated, however, that the introduction of HFC-134a products already undertaken might reduce consumption by 17 metric tonnes. In the context of discussions on the reluctance of patients to use the converted products, it was noted that the labeling of non-CFC metered-dose inhalers indicated the type of propellant used but that those using CFCs did not.

280. The representative of the Secretariat circulated a press release obtained from the secretariat of the Multilateral Fund, which had been issued by the Party's largest manufacturer of metered-dose inhalers in September 2006. The press release confirmed that the manufacturer had begun to market two non-CFC metered-dose inhalers. The Secretariat pointed out that they would utilize the two most popular active ingredients, salbutamol and beclomethasone, and that, as metered-dose inhalers

containing those ingredients accounted for 80 percent of CFC consumption in the metered-dose inhaler sector, the conversion to non-CFC metered-dose inhalers created the potential for a significant reduction in CFC consumption. The Committee members agreed, however, that the extent of the excess consumption that the Party might experience was still unclear.

281. The Committee therefore *agreed*:

(a) To note that Bangladesh had notified the Secretariat in accordance with paragraph 4 of the Non-compliance Procedure of the Montreal Protocol on Substances that Deplete the Ozone Layer that, despite having made its best bona fide efforts, the Party anticipated that it would be unable to comply fully with the Protocol's consumption control measures for the ozone-depleting substances in Annex A, group I, (CFCs) as prescribed by Articles 2A and 5 of the Protocol for the years 2007, 2008 and 2009;

(b) To note with appreciation the information provided by Bangladesh in relation to the circumstances that the Party believed to be the cause of its imminent non-compliance;

(c) To note the decision of the Executive Committee taken at its forty-ninth meeting, which requested the Government of Bangladesh to include the following in the 2007 and 2008 annual implementation programmes of that Party's national CFC phase-out plans:

- (i) Specific technically viable and economically feasible activities that could be implemented in the shortest possible period of time to achieve the greatest reduction in consumption of CFCs, such as the introduction of non-CFC drop-in refrigerants for servicing refrigeration equipment or cost-effective equipment retrofits;
- (ii) Assessment of the feasibility of importing recovered and recycled CFCs for servicing existing refrigeration equipment;
- (iii) Within the flexibility for reallocating approved funds provided in the agreements between the Governments concerned and the Executive Committee, consideration of the establishment of stockpiles of pharmaceutical-grade CFCs for use in metered-dose-inhaler production facilities, if technically feasible and economically viable;

(d) To request Bangladesh to submit to the Secretariat, as soon as possible and no later than 31 March 2007, a copy of the annual programmes mentioned in paragraph (c), as well as estimates of the total amount by which the Party expected to exceed its annual maximum allowable consumption of CFC in each of the years from 2007 to 2009, for consideration by the Implementation Committee at its thirty-eighth meeting;

(e) Further to request Bangladesh to submit to the Secretariat its transition strategy for the phase-out of CFC metered-dose inhalers for consideration by the Implementation Committee;

(f) To request the Secretariat to circulate the information document on the Party's potential non-compliance prepared for the Committee's thirty-seventh meeting (UNEP/OzL.Pro/ImpCom/INF/3), [and the related correspondence dated 19 October 2006 from the Government of Bangladesh], to the Eighteenth Meeting of the Parties to facilitate that meeting's consideration of Bangladesh's situation;

(g) To invite Bangladesh, if necessary, to send a representative to the thirty-eighth meeting of the Committee to further discuss the matter.

#### **Recommendation 37/45**

### **B. Submission by New Zealand on challenges facing the non-compliance procedure**

282. The representative of New Zealand introduced a document outlining a series of challenges to the non-compliance procedure. Apologizing for its late circulation, she explained that the intent of the document was to suggest ideas for improving the procedures and effectiveness of the Implementation Committee, particularly given its increasing workload, while ensuring that the operation of the non-compliance procedure remained flexible, transparent and equitable. The suggestions dealt with three issues: setting deadlines for the submission of data and information for the Committee's consideration; the requirement, included in the non-compliance procedure but not currently adhered to, that the Committee provide the reports of its meetings to the Parties six weeks before any meeting of the Parties; and the format of those reports.

283. Members of the Committee thanked the representative of New Zealand for raising the issues and putting forward the positive suggestions contained in the document. While supporting the concept of a

deadline for the submission of information to the Committee, it was felt that the ten week deadline suggested in the document was too long and that in any case sufficient flexibility should be retained to enable the Committee to consider important information even when it was submitted just before the meeting. On the six week deadline for the circulation of the Committee report, members felt that it was more practical to retain the current procedure of holding meetings back to back with meetings of the parties, but that the issues raised by New Zealand should be brought to the attention of the meeting of the parties. Use could be made of summary tables in the Committee's report, as suggested in New Zealand's document, but care needed to be taken to ensure that the individual circumstances of each case were still made evident.

284. The Committee therefore agreed:

(a) To note with appreciation the paper submitted by New Zealand on the challenges associated with the future implementation of the non-compliance procedure of the Montreal Protocol and possible options for addressing those challenges;

(b) To continue dialogue on the issue intersessionally and to place the issue on the agenda of the thirty-eighth meeting of the Committee.

**Recommendation 37/46**

## **XII. Adoption of the report of the meeting**

285. The Committee considered and approved the text of the draft recommendations. It agreed to entrust the finalization of the report of the meeting to the Secretariat, working in consultation with the Vice-President, serving also as Rapporteur, and with the President.

## **XIII. Closure of the meeting**

286. Following the customary exchange of courtesies, the President declared the meeting closed at 6.25p.m. on Friday, 27 October 2006.

## Annex I

### Draft decisions

#### A. Draft decision XVIII/-: Non-compliance with the Montreal Protocol by Armenia

1. To note that Armenia ratified the Montreal Protocol on 1 October 1999 and the London and Copenhagen Amendments to the Protocol on 26 November 2003 and is classified as a Party operating under paragraph 1 of Article 5 of the Protocol;

2. To note also that the Council of the Global Environment Facility has approved \$2,090,000 to enable Armenia's compliance with the Montreal Protocol;

3. To note further that Armenia has reported annual consumption for the Annex E controlled substance (methyl bromide) for 2004 of 1.020 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of zero ODP-tonnes for that controlled substance for that year, and that Armenia is therefore in non-compliance with the control measures for methyl bromide under the Protocol;

4. To note with appreciation Armenia's submission of a plan of action to ensure its prompt return to compliance with the Protocol's methyl bromide control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, Armenia specifically commits itself:

(a) To maintain methyl bromide consumption at no more than zero ODP-tonnes from 2007, save for critical uses that may be authorized by the Parties after 1 January 2015;

(b) To introduce by 1 July 2007 a system for licensing the import and export of ozone-depleting substances that includes import quotas;

5. To note that Armenia has reported methyl bromide consumption for 2005 that demonstrates its return to compliance in that year and to congratulate the Party on that achievement, but also to note the Party's concern that, until the measures contained in subparagraph 4 (b) of the present decision come into force, the Party cannot be confident of its ability to sustain its return to compliance, and therefore to urge Armenia to work with the relevant implementing agencies to implement the remainder of the plan of action to sustain its phase-out of consumption of methyl bromide;

6. To monitor closely the progress of Armenia with regard to the implementation of its plan of action and the phase-out of methyl bromide. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Armenia should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Parties caution Armenia, in accordance with item B of the indicative list of measures, that in the event that it fails to remain in compliance, the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of methyl bromide that is the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance;

#### B. Draft decision XVIII/-: Non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex B, group II, (carbon tetrachloride) and Annex B, group III, (methyl chloroform) by the Democratic Republic of Congo

1. To note that the Democratic Republic of Congo ratified the Montreal Protocol and the London and Copenhagen Amendments on 30 November 1994 and the Montreal and Beijing Amendments on 23 March 2005, is classified as a Party operating under paragraph 1 of Article 5 of the

Protocol and had its country programme approved by the Executive Committee in March 1999. The Executive Committee has approved \$2,974,819.30 from the Multilateral Fund to enable the Party's compliance in accordance with Article 10 of the Protocol;

2. To note also that the Democratic Republic of Congo has reported annual consumption for the controlled substance in Annex B, group II, (carbon tetrachloride) for 2005 of 16.500 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 2.288 ODP-tonnes for that controlled substance for that year, and that the Party is therefore in non-compliance with the carbon tetrachloride control measures under the Protocol;

3. To note further that the Democratic Republic of Congo has reported annual consumption for the controlled substance in Annex B, group III, (methyl chloroform) for 2005 of 4.000 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 3.330 ODP-tonnes for that controlled substance for that year, and that the Democratic Republic of Congo is therefore in non-compliance with the methyl chloroform control measures under the Protocol;

4. To note with appreciation the Democratic Republic of Congo's submission of a plan of action to ensure its prompt return to compliance with the Protocol's carbon tetrachloride and methyl chloroform control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, the Party specifically commits itself:

(a) To maintain carbon tetrachloride consumption in 2006 at no more than 16.500 ODP-tonnes and then to reduce it as follows:

(i) To 2.2 ODP-tonnes in 2007;

(ii) To zero in 2008;

(b) To maintain methyl chloroform consumption in 2006 at no more than 4.000 ODP-tonnes and then to reduce it as follows:

(i) To 3.3 ODP-tonnes in 2007;

(ii) To zero in 2008;

(c) To monitor its system for licensing the import and export of ozone-depleting substances, which includes import quotas;

5. To note that the measures listed in paragraph 4 above should enable the Democratic Republic of Congo to return to compliance with the Protocol in 2007 and to urge the Party to work with the relevant implementing agencies to implement the plan of action to phase out consumption of carbon tetrachloride and methyl chloroform;

6. To monitor closely the progress of the Democratic Republic of Congo with regard to the phase-out of carbon tetrachloride and methyl chloroform. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, the Party should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions the Democratic Republic of Congo, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride and methyl chloroform that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

### **C. Draft decision XVIII/–: Non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex A, group I, (CFCs) by Dominica**

1. To note that Dominica ratified the Montreal Protocol and the London Amendment on 31 March 1993 and the Copenhagen, Montreal and Beijing Amendments on 7 March 2006, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in November 1998. The Executive Committee has approved \$232,320 from the Multilateral Fund to enable Dominica's compliance in accordance with Article 10 of

the Protocol;

2. To note further that Dominica has reported annual consumption for the Annex A, group I, controlled substances (CFCs) for 2005 of 1.388 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 0.740 ODP-tonnes for those controlled substances for that year, and that Dominica is therefore in non-compliance with the control measures for CFCs under the Protocol;

3. To note with appreciation Dominica's submission of a plan of action to ensure a prompt return to compliance with the Protocol's CFC control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, Dominica specifically commits itself:

(a) To reduce CFC consumption from 1.388 ODP-tonnes in 2005 as follows:

(i) To 0.45 ODP-tonnes in 2006;

(ii) To zero ODP-tonnes from 2007, save for essential uses that may be authorized by the Parties after 1 January 2010;

(b) To introduce by 31 December 2006, a system for licensing the import and export of ozone-depleting substances that includes import quotas for all ozone-depleting substances listed under the Montreal Protocol. With regard to CFCs, Dominica would set annual quotas consistent with the levels stated in paragraph 3 (a) of the present decision, except to meet the needs of any national disasters and resulting emergencies, in which case Dominica will ensure that the annual quotas do not exceed its maximum allowable levels of consumption as prescribed by Article 2A of the Protocol or such levels as may be otherwise authorized by the Parties;

(c) To monitor its ban on the import of equipment requiring the supply of ozone-depleting substances, noting that the ban excludes equipment for medical purposes;

4. To note that the measures listed in paragraph 3 above should enable Dominica to return to compliance in 2006 and to urge Dominica to work with the relevant implementing agencies to implement the plan of action to phase out consumption of CFCs;

5. To monitor closely the progress of Dominica with regard to the implementation of its plan of action and the phase-out of CFCs. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Dominica should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Parties caution Dominica, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of CFCs that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

#### **D. Draft decision XVIII/–: Non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex E (methyl bromide) by Ecuador and request for a plan of action**

1. To note that Ecuador ratified the Montreal Protocol on 10 April 1990, the London Amendment on 30 April 1990 and the Copenhagen Amendment on 24 November 1993, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in February 1992. The Executive Committee has approved \$5,737,500 from the Multilateral Fund to enable Ecuador's compliance in accordance with Article 10 of the Protocol;

2. To note further that Ecuador has reported annual consumption for the controlled substance in Annex E (methyl bromide) for 2005 of 153.000 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 52.892 ODP-tonnes for that controlled substance for that year, and that Ecuador is therefore in non-compliance with the methyl bromide control measures under the Protocol;

3. To request Ecuador, as a matter of urgency and no later than 31 March 2007, to submit to the Secretariat, for consideration by the Implementation Committee at its next meeting, a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Ecuador may wish to

consider including in its plan of action the establishment of policy and regulatory instruments that will ensure progress in achieving the phase-out;

4. To monitor closely the progress of Ecuador with regard to the phase-out of methyl bromide. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Ecuador should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Ecuador, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of methyl bromide that is the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

**E. Draft decision XVIII/-: Potential non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex A, group I, (CFCs) by Eritrea and request for a plan of action**

1. To note that Eritrea ratified the Montreal Protocol on 10 March 2005 and the London, Copenhagen, Montreal and Beijing Amendments on 5 July 2005 and is classified as a Party operating under paragraph 1 of Article 5 of the Protocol. The Executive Committee has approved \$106,700 from the Multilateral Fund to enable the Party's compliance in accordance with Article 10 of the Protocol;

2. To note that Eritrea has reported annual consumption for the controlled substances in Annex A, group I, (CFCs) for 2005 of 30.220 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 20.574 ODP-tonnes for those controlled substances for that year, and that in the absence of further clarification Eritrea is therefore presumed to be in non-compliance with the control measures under the Protocol;

3. To request Eritrea to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, for consideration by the Implementation Committee at its next meeting, an explanation for its excess consumption, together with a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Eritrea may wish to consider including in its plan of action the establishment of import quotas to support the phase-out schedule, a ban on imports of ozone-depleting-substance-using equipment and policy and regulatory instruments that will ensure progress in achieving the phase-out;

4. To monitor closely the progress of Eritrea with regard to the phase-out of CFCs. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Eritrea should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Eritrea, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of CFCs that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance;

**F. Draft decision XVIII/-: Non-compliance with regard to the transfer of CFC production rights by Greece**

1. To note that Greece ratified the Montreal Protocol on 29 December 1988, the London Amendment on 11 May 1993, the Copenhagen Amendment on 30 January 1995, the Montreal Amendment on 27 January 2006 and the Beijing Amendment on 27 January 2006 and is classified as a Party not operating under paragraph 1 of Article 5 of the Protocol;

2. To note further that Greece has reported annual production for the Annex A, group I, controlled substances (CFCs) of 2,793.000 ODP-tonnes to meet the basic domestic needs of Parties

operating under Article 5 of the Protocol, which exceeds the Party's maximum allowable production level for those controlled substances of 1,168 ODP-tonnes;

3. To note with appreciation the explanation submitted by the Party that it received a transfer of CFC production rights from the United Kingdom of Great Britain and Northern Ireland of 1,786 ODP-tonnes in 2004 such that its maximum allowable level of CFC production in that year increased to 2,954 ODP-tonnes, an amount greater than the total CFC production reported by Greece for 2004;

4. To note with concern, however, that Greece did not notify the Secretariat prior to the date of the transfer and that it is therefore in non-compliance with the provisions of Article 2 of the Protocol that prescribe the procedure for the transfer of production rights, while acknowledging the Party's regret at its failure to comply with the notification requirement of Article 2 and its undertaking to ensure that any future transfers are conducted in accordance with that Article;

## **G. Decision XVIII/-: Revised plan of action to return Guatemala to compliance with the control measures in Article 2H of the Montreal Protocol**

1. To note that Guatemala ratified the Montreal Protocol on 7 November 1989 and the London, Copenhagen, Montreal and Beijing Amendments on 21 January 2002. Guatemala is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1993. Since approval of the country programme, the Executive Committee has approved \$6,366,065 from the Multilateral Fund to enable compliance in accordance with Article 10 of the Protocol;

2. To recall decision XV/34, which noted that Guatemala was in non-compliance in 2002 with its obligations under Article 2H of the Montreal Protocol to freeze its consumption of the controlled substance in Annex E (methyl bromide) at its baseline level of 400.7 ODP-tonnes, but also noted with appreciation the plan of action submitted by Guatemala to ensure its prompt return to compliance in 2007 with the Protocol's methyl bromide consumption control measures;

3. To note with concern, however, that Guatemala has reported consumption of methyl bromide for 2005 of 522.792 ODP-tonnes, which is inconsistent with the Party's commitment contained in decision XV/34 to reduce its methyl bromide consumption to 360 ODP-tonnes in 2005;

4. To note further the advice of Guatemala that all relevant stakeholders have committed to phase out methyl bromide in accordance with the revised time-specific consumption reduction benchmarks contained in paragraph 5 of the present decision, which provide the Party with one additional year to overcome the technical, economic and political challenges that were the cause of the Party's deviation from its commitments contained in decision XV/34;

5. To note also with appreciation that Guatemala has submitted a revised plan of action for methyl bromide phase-out in controlled uses and to note, without prejudice to the operation of the financial mechanism of the Protocol, that under the revised plan Guatemala specifically commits itself:

(a) To reduce methyl bromide consumption from 709.4 ODP-tonnes in 2002, as follows:

(i) To 400.70 ODP-tonnes in 2006;

(ii) To 361 ODP-tonnes in 2007;

(iii) To 320.56 ODP-tonnes in 2008;

(iv) To phase out methyl bromide consumption by 1 January 2015, as required under the Montreal Protocol, save for critical uses that may be authorized by the Parties;

(b) To monitor its system for licensing imports and exports of ozone-depleting substances, including quotas;

6. To note that the measures listed in paragraph 5 above should enable Guatemala to return to compliance with the Protocol's methyl bromide control measures in 2008 and to urge Guatemala to work with the relevant implementing agencies to implement the plan of action and phase out consumption of methyl bromide;

7. To monitor closely the progress of Guatemala with regard to the implementation of its plan of action and the phase-out of methyl bromide. To the degree that Guatemala is working towards



and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Guatemala should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Parties caution Guatemala, in accordance with item B of the indicative list of measures, that in the event that it fails to return to compliance in a timely manner the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of methyl bromide that is the subject of non-compliance is ceased and that exporting Parties are not contributing to a continuing situation of non-compliance;

#### **H. Draft decision XVIII/-: Potential non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substance in Annex B group II, (carbon tetrachloride) by the Islamic Republic of Iran and request for a plan of action**

1. To note that the Islamic Republic of Iran ratified the Montreal Protocol on 3 October 1990, the London and Copenhagen Amendments on 4 August 1997 and the Montreal Amendment on 17 October 2001, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol in June 1993. The Executive Committee has approved \$59,507,714 from the Multilateral Fund to enable the Party's compliance in accordance with Article 10 of the Protocol;

2. To note that the Islamic Republic of Iran has reported annual consumption for the controlled substance in Annex B, group II, (carbon tetrachloride) for 2005 of 13.640 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 11.550 ODP-tonnes for that controlled substance for that year, and that in the absence of further clarification the Islamic Republic of Iran is therefore presumed to be in non-compliance with the control measures under the Protocol;

3. To request the Islamic Republic of Iran to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, for consideration by the Implementation Committee at its next meeting, an explanation for its excess consumption, together with a plan of action with time-specific benchmarks to ensure a prompt return to compliance. The Islamic Republic of Iran may wish to consider including in its plan of action the establishment of import quotas to support the phase-out schedule, a ban on imports of ozone-depleting-substance-using equipment and policy and regulatory instruments that will ensure progress in achieving the phase-out;

4. To monitor closely the progress of the Islamic Republic of Iran with regard to the phase-out of carbon tetrachloride. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, the Islamic Republic of Iran should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions the Islamic Republic of Iran, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride that is the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance;

#### **I. Draft decision XVIII/-: Non-compliance with the Montreal Protocol by Kenya**

1. To note that Kenya ratified the Montreal Protocol on 9 November 1988, the London and Copenhagen Amendments on 27 September 1994 and the Montreal Amendment on 12 July 2000, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in July 1994. The Executive Committee has approved \$4,579,057 from the Multilateral Fund to enable Kenya's compliance in accordance with Article 10 of the Protocol;

2. To note also that Kenya has reported annual consumption for the controlled substances in Annex A, group I, (CFCs) for 2005 of 162.210 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 119.728 ODP-tonnes for those controlled substances for that year, and that Kenya is therefore in non-compliance with the control measures for CFCs under the Protocol;

3. To note with appreciation Kenya's submission of a plan of action to ensure a prompt return to compliance with the Protocol's CFC control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, Kenya specifically commits itself:

(a) To reduce CFC consumption from 162.210 ODP-tonnes in 2005 to 60.00 ODP-tonnes in 2006;

(b) To further reduce CFC consumption from 60.00 ODP-tonnes in 2006 to 30.00 ODP-tonnes in 2007;

(c) To further reduce CFC consumption from 30.00 ODP-tonnes in 2007 to 10.00 ODP-tonnes in 2008;

(d) To further reduce CFC consumption from 10.00 ODP-tonnes in 2008 to zero (0.00) ODP-tonnes in 2009, save for essential uses that may be authorized by the Parties after 1 January 2010;

(e) To monitor its system for licensing the import and export of ozone-depleting substances, which includes import quotas;

4. To urge Kenya to gazette the ozone-depleting substances regulations required to establish and implement its system for licensing the import and export of ozone-depleting substances, which includes import quotas, as soon as possible and preferably no later than 31 December 2006;

5. To note that the measures listed in paragraph 3 above should enable Kenya to return to compliance with the Protocol in 2006 and to urge Kenya to work with the relevant implementing agencies to implement the plan of action to phase out consumption of CFCs;

6. To monitor closely the progress of Kenya with regard to the implementation of its plan of action and the phase-out of CFCs. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Kenya should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Parties caution Kenya, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of CFCs that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

#### **J. Draft decision XVIII/-: Request for change in baseline data by Mexico**

1. To note that the Mexico has presented sufficient information, in accordance with decision XV/19 of the Fifteenth Meeting of the Parties, to justify its request to change its baseline data for the year 1998 for the consumption of the controlled substance in Annex B, group II, (carbon tetrachloride) from zero ODP-tonnes to 187.517 ODP-tonnes;

2. To therefore accept the Party's request to change its baseline data;

3. To note that the revised baseline data will be used to calculate the Party's consumption baseline for carbon tetrachloride for the year 2005 and beyond.

#### **K. Draft decision XVIII/-: Non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex B, group II, (carbon tetrachloride) by Mexico**

1. To note that Mexico ratified the Montreal Protocol on 31 March 1988, the London Amendment on 11 October 1991 and the Copenhagen Amendment on 16 September 1994, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in February 1992. The Executive Committee has approved \$83,209,107 from the Multilateral Fund to enable Mexico's compliance in accordance with Article 10

of the Protocol;

2. To note further that Mexico has reported annual consumption for the Annex B, group II, controlled substance (carbon tetrachloride) for 2005 of 89.540 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 9.376 ODP-tonnes for that controlled substance for that year, and that Mexico is therefore in non-compliance with the carbon tetrachloride control measures under the Protocol;

3. To note with appreciation Mexico's submission of a plan of action to ensure a prompt return to compliance with the Protocol's carbon tetrachloride control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, Mexico specifically commits itself:

(a) To reduce carbon tetrachloride consumption from 89.540 ODP-tonnes in 2005 as follows:

(i) To 9.376 ODP-tonnes in 2008;

(ii) To zero ODP-tonnes in 2009;

(b) To monitor its system for licensing the import and export of ozone-depleting substances, which includes import quotas;

4. To note that the measures listed in paragraph 3 above should enable Mexico to return to compliance with the Protocol in 2008 and to urge Mexico to work with the relevant implementing agencies to implement the plan of action to phase out consumption of carbon tetrachloride;

5. To monitor closely the progress of Mexico with regard to the phase-out of carbon tetrachloride. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Mexico should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Mexico, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride that is the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance;

## **L. Draft decision XVIII-/-: Non-compliance with the Montreal Protocol by Pakistan**

1. To note that Pakistan ratified the Montreal Protocol and the London Amendment on 18 December 1992, the Copenhagen Amendment on 17 February 1995 and the Montreal and Beijing Amendments on 2 September 2005, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in 1996. The Executive Committee has approved \$20,827,626 from the Multilateral Fund to enable Pakistan's compliance in accordance with Article 10 of the Protocol;

2. To note further that Pakistan has reported annual consumption for the Annex B, group II, controlled substance (carbon tetrachloride) for 2005 of 148.500 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 61.930 ODP-tonnes for that controlled substance for that year, and that Pakistan is therefore in non-compliance with the control measures for carbon tetrachloride under the Protocol;

3. To note with appreciation Pakistan's submission of a plan of action to ensure a prompt return to compliance with the Protocol's carbon tetrachloride control measures and to note that, under the plan, without prejudice to the operation of the financial mechanism of the Protocol, Pakistan specifically commits itself:

(a) To reduce carbon tetrachloride consumption from 148.500 ODP-tonnes in 2005 to 41.800 ODP-tonnes in 2006;

(b) To monitor its system for licensing the import and export of ozone-depleting substances, which includes import quotas;

4. To note that the measures listed in paragraph 3 above should enable Pakistan to return to

compliance with the Protocol in 2006 and to urge Pakistan to work with the relevant implementing agencies to implement its plan of action to phase out consumption of carbon tetrachloride;

5. To monitor closely the progress of Pakistan with regard to the implementation of its plan of action and the phase-out of carbon tetrachloride. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Pakistan should continue to receive international assistance to enable it to meet those commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Parties caution Pakistan, in accordance with item B of the indicative list of measures, that, in the event that it fails to remain in compliance, the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride that is the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

**M. Draft decision XVIII/–: Non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex A, group I, (CFCs) and Annex B, group II, (carbon tetrachloride) by Paraguay and request for a plan of action**

1. To note that Paraguay ratified the Montreal Protocol and its London Amendment on 3 December 1992, the Copenhagen and Montreal Amendments on 27 April 2001 and the Beijing Amendment on 18 July 2006, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in February 1997. The Executive Committee has approved \$1,768,840 from the Multilateral Fund to enable Paraguay's compliance in accordance with Article 10 of the Protocol;

2. To note further that Paraguay has reported annual consumption for the controlled substance in Annex A, group I, (CFCs) for 2005 of 250.748 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 105.280 ODP-tonnes for that controlled substance for that year, and that Paraguay is therefore in non-compliance with the CFC control measures under the Protocol;

3. To note also that Paraguay has reported annual consumption for the controlled substance in Annex B, group II, (carbon tetrachloride) for 2005 of 6.842 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 0.090 ODP-tonnes for that controlled substance for that year, and that Paraguay is therefore in non-compliance with the carbon tetrachloride control measures under the Protocol;

4. To request Paraguay to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, for consideration by the Implementation Committee at its next meeting, a plan of action with time-specific benchmarks to ensure a prompt return to compliance. Paraguay may wish to consider including in its plan of action the establishment of import quotas to support the phase-out schedule included in its plan of action and policy and regulatory instruments that will ensure progress in achieving phase-out;

5. To monitor closely the progress of Paraguay with regard to the phase-out of carbon tetrachloride and CFCs. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, Paraguay should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions Paraguay, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride and CFCs that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

**N. Draft decision XVIII/–: Non-compliance with data-reporting requirements for the purpose of establishing baselines under paragraphs 3 and 8 ter (d) of Article 5 by Serbia**

1. To note that Serbia has not reported the data required for the establishment of baselines for the controlled substances in Annex B (other CFCs, carbon tetrachloride and methyl chloroform) for the years 1998 and 1999, as provided for by paragraphs 3 and 8 ter (d) of Article 5,;

2. To note that the failure to report such data places Serbia in non-compliance with its data-reporting obligations under the Montreal Protocol until such time as the Secretariat receives the outstanding data;

3. To stress that compliance by Serbia with the Montreal Protocol cannot be evaluated without the outstanding data;

4. To acknowledge that Serbia has only recently ratified the amendments to the Protocol that require it to report data on the controlled substances indicated in paragraph 1 of the present decision and also that Serbia has recently experienced a considerable change in its national circumstances in connection with which it has undertaken to continue the legal personality of the former Serbia and Montenegro in respect of the Montreal Protocol for the territory under its control effective 3 June 2006, but also to note that the Party has received assistance with data collection from the Multilateral Fund through the implementing agencies;

5. To urge Serbia to work together with the United Nations Environment Programme under that agency's Compliance Assistance Programme and with other implementing agencies of the Multilateral Fund to report the data, as a matter of urgency, to the Secretariat;

6. To request the Implementation Committee to review the situation of Serbia with respect to data reporting at its next meeting;

**O. Draft decision XVIII/–: Potential non-compliance in 2005 with the control measures of the Montreal Protocol governing consumption of the controlled substances in Annex B, group II, (carbon tetrachloride) and Annex B, group III, (methyl chloroform) by the United Republic of Tanzania and request for a plan of action**

1. To note that the United Republic of Tanzania ratified the Montreal Protocol and its London Amendment on 16 April 1993 and the Copenhagen, Montreal and Beijing Amendments on 6 December 2002, is classified as a Party operating under paragraph 1 of Article 5 of the Protocol and had its country programme approved by the Executive Committee in October 1996. The Executive Committee has approved \$2.145.198 from the Multilateral Fund to enable Turkey's compliance in accordance with Article 10 of the Protocol;

2. To note further that the United Republic of Tanzania has reported annual consumption for the controlled substance in Annex B, group II, (carbon tetrachloride) for 2005 of 4.785 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of 0.018 ODP-tonnes for that controlled substance for that year, and that in the absence of further clarification the United Republic of Tanzania is therefore presumed to be in non-compliance with the control measures under the Protocol;

3. To note also that the United Republic of Tanzania has reported annual consumption for the controlled substance in Annex B, group III, (methyl chloroform) for 2005 of 0.994 ODP-tonnes, which exceeds the Party's maximum allowable consumption level of zero ODP-tonnes for that controlled substance for that year, and that in the absence of further clarification the United Republic of Tanzania is therefore presumed to be in non-compliance with the control measures under the Protocol;

4. To request the United Republic of Tanzania to submit to the Secretariat, as a matter of urgency and no later than 31 March 2007, for consideration by the Implementation Committee at its next meeting, an explanation for its excess consumption, together with a plan of action with time-specific benchmarks to ensure a prompt return to compliance. The United Republic of Tanzania may wish to consider including in its plan of action the establishment of import quotas to support the phase-out schedule and policy and regulatory instruments that will ensure progress in achieving the phase-out;

5. To monitor closely the progress of the United Republic of Tanzania with regard to the phase-out of carbon tetrachloride and methyl chloroform. To the degree that the Party is working towards and meeting the specific Protocol control measures, it should continue to be treated in the same manner as a Party in good standing. In that regard, the United Republic of Tanzania should continue to receive international assistance to enable it to meet its commitments in accordance with item A of the indicative list of measures that may be taken by a Meeting of the Parties in respect of non-compliance. Through the present decision, however, the Meeting of the Parties cautions the United Republic of Tanzania, in accordance with item B of the indicative list of measures, that, in the event that it fails to return to compliance in a timely manner, the Meeting of the Parties will consider measures consistent with item C of the indicative list of measures. Those measures may include the possibility of actions available under Article 4, such as ensuring that the supply of carbon tetrachloride and methyl chloroform that are the subject of non-compliance is ceased so that exporting Parties are not contributing to a continuing situation of non-compliance.

**P. Draft decision XVIII/-: Data and information provided by the Parties in accordance with Article 7 of the Montreal Protocol**

1. To note with appreciation that [170] Parties out of the 189 that should have reported data for 2005 in accordance with Article 7 of the Montreal Protocol have done so and that 104 of those Parties reported their data by 30 June 2006 in accordance with decision XV/15;

2. To note, however, that the following Parties have still not reported their 2005 data: [Côte d'Ivoire, Gambia, Latvia, Malta, Saudi Arabia, Solomon Islands, Somalia, Uzbekistan, Venezuela (Bolivarian Republic of)];

3. To note that their failure to report their 2005 data in accordance with Article 7 places the Parties listed in paragraph 2 in non-compliance with their data-reporting obligations under the Montreal Protocol until such time as the Secretariat receives their outstanding data;

4. To note also that lack of timely data reporting by Parties impedes effective monitoring and assessment of Parties' compliance with their obligations under the Montreal Protocol;

5. To note further that reporting by 30 June each year greatly facilitates the work of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol in assisting Parties operating under paragraph 1 of Article 5 of the Protocol to comply with the Protocol's control measures;

6. To urge the Parties listed in the present decision, as appropriate, to work closely with the implementing agencies to report the required data to the Secretariat as a matter of urgency;

7. To request the Implementation Committee to review the situation of the Parties listed in paragraph 2 at its next meeting;

8. To encourage Parties to continue to report consumption and production data as soon as figures are available, and preferably by 30 June each year, as agreed in decision XV/15;

**Q. Draft decision XVIII/-: Report on the establishment of licensing systems under Article 4B of the Montreal Protocol**

1. To note that paragraph 3 of Article 4B of the Montreal Protocol requires each Party, within three months of the date of introducing its system for licensing the import and export of new, used, recycled and reclaimed substances in Annexes A, B, C and E of the Protocol, to report to the Secretariat on the establishment and operation of that system;

2. To note with appreciation that 124 Parties to the Montreal Amendment to the Montreal Protocol have established import and export licensing systems as required under the terms of the Amendment;

3. To note also with appreciation that 30 Parties to the Montreal Protocol that have not yet ratified the Montreal Amendment have also established import and export licensing systems;

4. To recognize that licensing systems bring the following benefits: monitoring of imports and exports of ozone-depleting substances; prevention of illegal trade; and enabling of data collection;

5. To note that Parties to the Montreal Amendment to the Protocol that have not yet established licensing systems are in non-compliance with Article 4B of the Protocol and can be subject to the non-compliance procedure under the Protocol;

6. To urge all the remaining 23 Parties to the Montreal Amendment to provide information to the Secretariat on the establishment of import and export licensing systems and to urge those that have not yet established such systems to do so as a matter of urgency;

7. To encourage all the remaining Parties to the Montreal Protocol that have not yet ratified the Montreal Amendment to ratify it and to establish import and export licensing systems if they have not yet done so;

8. To urge all Parties that already operate licensing systems to ensure that they are implemented and enforced effectively;

9. To review periodically the status of the establishment of licensing systems by all Parties to the Montreal Protocol, as called for in Article 4B of the Protocol.

## Annex II

### List of participants

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