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**First Extraordinary Meeting of the Parties
to the Montreal Protocol on Substances
that Deplete the Ozone Layer**
Montreal, 24–26 March 2004

**Report of the First Extraordinary Meeting of the Parties to the
Montreal Protocol on Substances that Deplete the Ozone Layer**

I. Opening of the Meeting.

1. The Meeting was opened at 10.45 a.m. on Wednesday, 24 March 2004, by the President of the Fifteenth Meeting of the Parties, Mr. Jiri Hlavacek (Czech Republic).

**A. Statement by the Executive Director of the United Nations Environment
Programme**

2. Mr. Klaus Töpfer, Executive Director of the United Nations Environment Programme (UNEP), welcomed participants to the first Extraordinary Meeting of the Parties. It was a privilege to return to Montreal, the city that had given its name to the Protocol. Over the years the Parties had developed a decision-making process, marked by consensus, which ultimately accommodated all competing interests, an important reason for the success of the Montreal Protocol. The Montreal Protocol had been a successful environmental regime, and its success could not be overemphasized. In addition, the Multilateral Fund for the Implementation of the Montreal Protocol had been important in meeting the needs of Article 5 Parties; and in many respects the Multilateral Fund had been a pilot project for the Global Environment Facility. Another reason for the Protocol's success was the sound scientific basis laid down by its assessment panels.

3. He pointed out that, despite its success, the Montreal Protocol still faced a number of challenges, including compliance by developing countries, which had recently entered the compliance phase and required adequate technical and financial support. The production of new substances which had ozone-depleting potential but were not listed under the Protocol also had significant implications for human health, the environment and sustainable development. Those challenges were continuing and related to the work of the present Meeting, which had been called to deal specifically with the agenda items linked to methyl bromide that had not been concluded at the Fifteenth Meeting of the Parties. He emphasized that it was vital to resolve those issues as the effects of ozone-depleting substances were becoming very acute. In resolving those challenges it was important also to be aware of the interlinkages between the multilateral environmental agreements and also of the role of UNEP as the linking point between them. UNEP would help consolidate the work of the Meeting of the Parties to the Montreal Protocol and would also build on the work of the Technology and Economic Assessment Panel and the Methyl Bromide Technical Options Committee. In order to do so, however, a better understanding of the scientific issues was needed in the context of the methyl bromide phase-out.

B. Statement by the President of the Fifteenth Meeting of the Parties to the Montreal Protocol

4. Mr. Hlavacek, President of the Fifteenth Meeting of the Parties to the Montreal Protocol outlined the considerable work which had been accomplished since the Fifteenth Meeting of the Parties to build consensus at the current Extraordinary Meeting. Two informal consultation meetings had been held, in Buenos Aires on 4 and 5 March and in Montreal on 23 March. It was important to take advantage of the momentum created during those consultations to deal successfully with methyl bromide issues, in which critical-use exemptions were key, as were the implementation of existing decisions together with the adoption of further decisions to resolve outstanding matters and assist in the implementation of the Montreal Protocol. He expressed the hope that the outcome of the current Meeting would set a positive tone for the Sixteenth Meeting of the Parties, to be held in Prague in November.

C. Opening remarks by the Executive Secretary

5. Mr. Marco González, Executive Secretary of the Ozone Secretariat, welcomed participants and emphasized the importance of the issues to be discussed by the Extraordinary Meeting of the Parties.

D. Expression of condolences

6. The meeting received news of the death of Mr. Heinrich Kraus of Germany, former Chair of the Executive Committee of the Multilateral Fund and ODS Focal Point for Germany. Mr. Kraus was also Head of the Division of Chemical Safety, Environmental Effects and Protection of the Ozone Layer of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. Mr. Kraus had been an active member of the "Ozone Family" and his passing was greatly regretted.

II. Organizational matters

A. Attendance

7. The Extraordinary Meeting of the Parties was attended by representatives of the following Parties to the Montreal Protocol: Algeria, Argentina, Armenia, Australia, Austria, Bahamas, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Czech Republic, Denmark, Djibouti, Dominican Republic, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Gabon, Germany, Ghana, Greece, Guatemala, Guinea, Honduras, Hungary, India, Indonesia, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lebanon, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Qatar, Republic of Korea, Republic of Moldova, Russian Federation, Rwanda, Saint Lucia, Senegal, Serbia and Montenegro, Sierra Leone, Slovakia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Thailand, Togo, Tunisia, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam and Zambia.

8. The following non-Party was represented: Bhutan.

9. Representatives of the following United Nations bodies and specialized agencies also attended: secretariat of the Global Environment Facility (GEF), secretariat of the Basel Convention, secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, Ozone Secretariat, the United Nations Environment Programme (UNEP), the UNEP Division of Technology, Industry and Economics, the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO) and the World Bank.

10. The following non-governmental and industry bodies were also represented: Alliance for Responsible Atmospheric Policy, California Certified Organic Farmers, California Strawberry Commission, Crop Protection Coalition, Environmental Investigation Agency, Greenpeace, National Pest Management Association, Natural Resources Defense Council, North American Millers Association,

R&M Consultancy Inc., SAFE-European Soil Fumigators Association; Abell Pest Control, Albemarle Corporation, Arvesta Corporation, Champion Millennium Chemicals Inc., Dow Agrosiences LLC, Florida Fruit and Vegetable Association, Florida Tomato Exchange, Fumigation, Gardex Chemicals Ltd., Georgia Fruit and Vegetable Growers Association, Great Lakes Chemical Corporation, Hunton & Williams, Industrial Fumigant Company, Mellano and Company, Methyl Bromide Global Coalition, ODS Display, Reddick Fumigants Inc., Research and Development Center for Vegetable Crops, Structural Pest Management Industry, Sunshine State Carnations Inc. and Trical Inc.

11. Observers were present from Agroquímicos de Levante, American Farm Bureau Federation, Cal Bean and Grain Cooperative Inc., California Farm Bureau Federation, Canadian Atmosphere Protection Alliance, Florida Strawberry Growers Association, Free University of Berlin, Hendrix and Dail, ICF Consulting, McDermott, Mebrom NV, Turfgrass Producers International, United States Senate and Congress, University of California and University of Florida.

B. Adoption of the agenda

12. The provisional agenda set forth in document UNEP/OzL.Pro.ExMP/1/1 was adopted:

1. Opening of the meeting.
 - (a) Statement by the Executive Director of the United Nations Environment Programme;
 - (b) Statement by the President of the Fifteenth Meeting of the Parties to the Montreal Protocol;
 - (c) Opening remarks by the Executive Secretary.
2. Organizational matters:
 - (a) Adoption of the agenda;*
 - (b) Organization of work;
 - (c) Credentials of representatives.
3. Discussion on the issues and on draft decisions:
 - (a) Adjustment of the Montreal Protocol regarding further specific interim reductions of methyl bromide for the period beyond 2005, applicable to Article 5 Parties;
 - (b) Nominations for critical-use exemptions for methyl bromide;
 - (c) Conditions for granting and reporting critical-use exemptions for methyl bromide;
 - (d) Consideration of the working procedures of the Methyl Bromide Technical Options Committee as they relate to the evaluation of nominations for critical use exemptions.
4. Adoption of the report of the Extraordinary Meeting of the Parties.
5. Closure of the meeting.

* See annex to decision XV/56.

C. Organization of work

13. It was decided that item 3 of the agenda would be discussed in the order 3 (c), 3 (b), 3 (d) and 3 (a), and that under agenda item 3 the co-chairs of the informal consultation held on 23 March would present a summary of the consultation and the Co-Chair of the Methyl Bromide Technical Options Committee would give a presentation on the 14 February 2004 supplementary report on critical-use nominations of the Technology and Economic Assessment Panel.

D. Credentials of representatives

14. The representative of the Secretariat, speaking on behalf of the Bureau, reported that the Bureau of the Fifteenth Meeting of the Parties to the Montreal Protocol had approved the credentials of the representatives of 74 Parties out of the 113 represented at the First Extraordinary Meeting of the Parties. The Bureau had also provisionally approved the representation of 39 Parties on the understanding that they would forward their credentials to the Secretariat as soon as possible. The Bureau urged all Parties attending future meetings of the Parties to make their best efforts to submit credentials to the Secretariat, as required under rule 18 of the rules of procedure.

III. Discussion on the issues and on draft decisions

A. Presentation by the co-chairs of the open-ended informal consultation held in Montreal on 23 March 2004

15. Mr. Jukka Uosukainen (Finland) and Mr. Oladapo Afolabi (Nigeria), co-chairs of the open-ended informal consultation on methyl bromide held on 23 March in Montreal, presented a summary of the consultation. The one-day informal consultation had been arranged by the Secretariat on the recommendation of the informal consultation held on 4 and 5 March in Buenos Aires.

16. Mr. Uosukainen informed the Meeting that the co-chairs' summary would attempt to capture the key points of the consultation but was not intended to be an exhaustive account. Four issues had been considered: the conditions for granting and reporting critical-use exemptions for methyl bromide; nominations for critical-use exemptions for methyl bromide; consideration of the working procedures of the Methyl Bromide Technical Options Committee as they related to the evaluation of nominations for critical-use exemptions; and adjustment of the Montreal Protocol regarding further specific interim reductions of methyl bromide for the period beyond 2005, applicable to Article 5 Parties.

17. The principles to be considered in the granting of critical-use exemptions had been discussed, as had the list of elements contained in paragraph 13 of the Buenos Aires meeting report (UNEP/OzL.Pro.ExMP/1/INF/1) by the chair of the informal consultation on methyl bromide, held in Buenos Aires on 4 and 5 March, and there had been agreement to forward to the Extraordinary Meeting the principles of fairness, certainty and confidence, practicality and flexibility, and transparency governing the critical-use nomination process identified in paragraph 10 of the Buenos Aires report, together with the recommendation, contained in paragraph 13 of the same report, on the study by the Technology and Economic Assessment Panel study of potential for harmful trade in surplus methyl bromide. A number of Parties had signalled their intention to produce draft decisions on various issues and there had been general agreement that it would be important to prioritize items so that those issues which must be decided by the Extraordinary Meeting were clearly identified.

18. Mr. Afolabi observed that there had been general support during the informal consultation for multi-year exemptions of three years. Ensuring reduction in critical-use exemptions over the multi-year period would bring certainty to both manufacturers and consumers of methyl bromide. Several non-Article 5 Parties, however, had expressed the view that a scientifically based management strategy was required so that any flexibility under the multi-year approach would be properly justified. In addition, the United States of America had explained the so-called "double cap" concept for critical-use exemptions within the multi-year framework and the Parties had been encouraged to work with the United States of America to prepare a draft proposal on the multi-year exemption process.

19. Mr. Uosukainen reported that the enormous work undertaken by the Methyl Bromide Technical Options Committee in evaluating critical-use nominations had been recognized. A need to improve the critical-use exemption process had been identified, however, including a need for further guidance to the Methyl Bromide Technical Options Committee. To improve the critical-use nomination process, the Methyl Bromide Technical Options Committee should be reconstituted in accordance with paragraph 18 of the report by the Chair of the Buenos Aires informal consultation on methyl bromide. As a minimum, the Extraordinary Meeting of the Parties should agree on a process and a timetable for the revitalization and reconstitution of the Methyl Bromide Technical Options Committee. The possibility of streamlining the critical-use exemption process also needed to be considered.

20. Mr. Afolabi reported that a proposal for introducing further interim reductions in the control measures for methyl bromide applicable to Article 5 parties had been discussed. Although there had been no agreement on the timing or the scale of the interim reduction steps, several Parties had been of the opinion that they could support some interim reductions. There had also been considerable support for the proposal to keep the issue under review and reconsider it at the Seventeenth Meeting of the Parties.

B. Presentation by the Co-Chair of the Methyl Bromide Technical Options Committee

21. Mr. Jonathan Banks introduced the 14 February 2004 supplementary report of the Technology and Economic Assessment Panel on critical-use nominations. He explained that the Methyl Bromide Technical Options Committee was a subsidiary body of the Panel and as currently constituted had 35 members and two co-chairs, one from an Article 5 Party and the other from a non-Article 5 Party.

22. In its October 2003 supplementary report on critical-use nominations, the Technology and Economic Assessment Panel had reclassified critical-use nominations into four categories based on its view of their technical and economic feasibility under decision IX/6. The category of “noted” had been introduced to cover those situations where the Methyl Bromide Technical Options Committee had been unable to determine why an alternative was not feasible in the specific circumstances of the nomination, but had accepted the statement in the nomination that alternatives had not been appropriate.

23. Subsequently the Panel had been mandated by paragraph 3 of decision XV/54 to evaluate the critical-use nominations for methyl bromide that had been categorized as “noted” and to recategorize them as “recommended”, “not recommended” or “unable to assess”.

24. Nine Parties had submitted critical-use nominations that had been categorized as “noted” in the Panel’s supplementary report of October 2003. The category had included 47 critical-use nominations for a total of 10,514 tonnes of methyl bromide. At the time of speaking, 44 of those nominations had been recategorized as recommended, either wholly or in part, for a total of 8,511 tonnes of methyl bromide. The remainder had either not been recommended or had been cut by the nominating Party.

25. Nevertheless, the Methyl Bromide Technical Options Committee sought further guidance in interpreting decision IX/6 with respect to the issues of economic feasibility, the evaluation of multi-year nominations, the assessment of nominations for increases in methyl bromide use and critical-use nominations for equal amounts of methyl bromide over several years; it needed guidance also on how to deal with nominations for small quantities of methyl bromide, on the requirements for phase-out plans and on what level of effort to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes should be deemed “appropriate” in the terms of decision IX/6.

26. The Technology and Economic Assessment Panel had also noted that approval of critical-use nominations for more than one year at a time might discourage further development and adoption of alternatives to methyl bromide. In addition, a substantial number of critical-use nominations had had to be classified as “recommended” because national and local regulations did not permit the use of alternatives even when they were available.

27. He provided a summary of critical-use nominations for 2005: total initial nominations for the 2003 round had been 15,838 tonnes; 13,158 tonnes had been recommended by the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel for 2005; and 2004 critical-use nominations for 2005 had totalled 2,584 tonnes.

C. General discussion

28. Several representatives expressed thanks to the Ozone Secretariat for organizing the Extraordinary Meeting and the two informal consultations and appreciation for the work of the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel. Representatives also highlighted the usefulness of the informal consultations on methyl bromide which had been held in Buenos Aires on 4 and 5 March and in Montreal on 23 March.

29. Several representatives voiced the opinion that the large quantities of methyl bromide nominated for critical-use exemptions, and recommended by the Technology and Economic Assessment Panel, were cause for concern in that they placed certain Article 5 Parties that were making efforts to achieve accelerated phase-out, and were managing to reach targets ahead of schedule, at a disadvantage in terms of market competitiveness. They also had the effect of encouraging a cautious approach on the part of those countries, and could even undermine existing methyl bromide phase-out efforts, whether undertaken voluntarily or under agreements with the Multilateral Fund. The political and financial costs borne by Article 5 Parties to achieve phase-out should not be underestimated. According to some representatives, the success of Article 5 Parties in that respect was proof that the adjustment of the schedule for the introduction of interim methyl bromide reductions which was being proposed by the European Community could work for all Parties.

30. Some representatives expressed concern that the continued granting of high levels of critical-use exemptions would affect the integrity of the Montreal Protocol by taking it in a very different direction from the course plotted when the methyl bromide phase-out schedule was originally set. One representative expressed the view that Parties intending to submit nominations for critical-use exemptions in the future should be asked to make a formal commitment to reduce methyl bromide amounts for critical uses in subsequent years, and submit a methyl bromide reduction plan. Steps should also be taken by the Technology and Economic Assessment Panel to verify the implementation of such reduction plans on site.

31. The view was also expressed, however, that too little flexibility could block consensus on the issue of methyl bromide phase-out and could obstruct the achievement of Montreal Protocol objectives. The matter of making commitments to future reductions in nominated amounts for critical uses could be problematic for Parties that were already making enormous efforts to phase out methyl bromide and had very little room for manoeuvre. A few representatives took the view that critical-use exemptions were potentially very important to Article 5 Parties with agriculture-dependent economies, and that consideration should be given to granting such exemptions to those countries to put them on a par with non-Article 5 Parties.

32. There was general recognition that the issue of critical-use exemptions in the context of methyl bromide phase-out was technically complex, and that many interests were at stake. A factor in that complexity was the availability of technically and economically viable alternatives. A few representatives pointed to the need for additional funds to help Article 5 Parties find such alternatives. One representative of an Article 5 Party called for the registration of new and existing alternatives and their dissemination, to promote awareness among potential users. The view was also expressed that it was necessary to give Parties enough time to test alternatives, since they were often dependent on specific conditions and were therefore not always equally applicable from country to country. Nevertheless, several countries supported the recommendation by the Technology and Economic Assessment Panel to grant critical-use exemptions exclusively on a yearly basis, in order to create an incentive for Parties to develop and apply alternatives more quickly.

33. Several representatives were of the opinion that the Technology and Economic Assessment Panel required more precise guidelines and more accurate tools to carry out its assessment of critical-use nominations. One representative stressed that consideration must be given to restructuring the Methyl Bromide Technical Options Committee in order to enhance its performance. Another representative drew attention to the principles of fairness, certainty and confidence, practicality, flexibility and transparency as essential to developing further guidance on the conditions for granting and reporting critical-use exemptions for methyl bromide. In addition, creative, constructive approaches were needed as Parties worked hard to find effective approaches to dealing with the issue.

34. One representative requested clarification from the Technology and Economic Assessment Panel regarding the quantities of methyl bromide used to assess nominations for critical-use exemptions, noting that the quantity for the standard application method had risen from 300 kg/ha to between 350 and 450 kg/ha since the previous assessment report. The representative asked whether those revised application rates had also been applied in assessing nominations for critical uses using the hot-gas application method. Mr. Jonathan Banks, Co-Chair of the Methyl Bromide Technical Options Committee, clarified that the 60 g/m² rate for hot-gas applications under polythene had not been changed. That method of application was used for only a few specialized processes.

35. A representative of a non-Article 5 Party expressed the view that the proposed 30 per cent cap on methyl bromide amounts nominated for critical-use exemptions, if accepted by the Meeting of the Parties, would send a misleading message to farmers in his country, who had been making sustained efforts to eliminate the use of methyl bromide.

36. The representative of a non-governmental organization representing strawberry growers in California stated that his organization supported the critical-use exemption procedure and was fully committed to a transition to alternatives, which were already used on more than 30 per cent of the acreage cultivated by his organization's members. The availability of alternatives was sometimes still constrained, however, by local regulations and other factors such as soil types and difficulty of application on steep slopes. Too forced a transition would create real problems: a gradual phase-in of alternatives was essential or long-term progress would be jeopardized. In that connection, he expressed the belief that the volume of critical-use exemptions recommended by the Technology and Economic Assessment Panel for 2005 was too low and requested a revised figure of 1,542 tonnes, which was still lower than the original request.

37. Mr. Jonathan Banks, Co-Chair of the Methyl Bromide Technical Options Committee, observed that a number of the critical-use nominations which the Committee had considered suffered from the same problem: although alternatives were available, their implementation was constrained by the speed of transition. The Committee understood that it was impossible to switch an industry over in a single day or even a single season. Given the strength of the argument put forward by the previous speaker, he recommended that the figure should be revisited and expressed agreement with the request for a revised volume of 1,542 tonnes.

38. The representative of the European Community, objected, however, observing that it was unfair, among others, to European Community member States without representatives present, who might well have wished to argue for similar revisions in volumes: the Panel, having a set procedure, ought to stick to it, and should not change the figures whenever they happened to be requested to do so. He requested clarification from the Panel as to what procedures it was following.

39. Mr. Banks, speaking on behalf of the Technology and Economic Assessment Panel and the Methyl Bromide Technical Options Committee, subsequently provided a clarification of his comments: he had not intended to imply that a revised report of critical-use nominations would be published. He had repeated the number suggested by the representative of the California strawberry growers but had not intended to endorse that amount. He stressed that all decisions on critical-use exemptions were made by the Parties to the Montreal Protocol and that there was an established process for consideration of critical-use nominations. He also mentioned that a corrigendum to the 14 February 2004 supplementary report on critical-use nominations would be issued to reflect the corrected figures for Italy.

40. The representative of the United States of America requested that the issue of a possible adjustment to the figure for the critical-use exemption for strawberry growing in the United States should be scheduled for discussion at the meeting of the Methyl Bromide Technical Options Committee from 28 March to 1 April. Mr Banks asked for details to be provided of the new tonnage requested and a brief summary of the arguments for the change. The Meeting agreed that the Committee should discuss the issue at its next meeting.

41. Responding to another question about the nomination by Spain for methyl bromide for strawberries, Mr. Banks recalled that the 14 February supplementary report of the Technology and Economic Assessment Panel had noted that that Party might wish to provide further information. The representative of Spain clarified that the additional information requested had been supplied to the Committee, and suggested that the matter could therefore be decided by the current Meeting of the

Parties. After further discussion in the contact group on critical-use nominations, the Meeting decided to grant the additional quantity requested by Spain.

42. Mr. Banks also pointed out that due process did not permit the Committee to amend its recommendations in the middle of a Meeting of the Parties. The Panel and its Methyl Bromide Technical Options Committee could recommend critical-use nominations only as instructed by the Parties, and only according to the submission and review schedule prescribed by the Parties. There were therefore two options: the Meeting of the Parties could either decide to grant some or all of the additional quantity requested, or it could ask the Committee to assess further the disputed quantity at its meeting beginning on 28 March, which would allow the Sixteenth Meeting of the Parties to reach a decision in November.

43. The representative of an environmental non-governmental organization observed that, although the United States stood out because of the high volume of its critical-use nominations, it was not alone in making excessive requests. He identified five steps as crucial in achieving rapid phase-out: first, a reduction in requests for critical-use exemptions in the light of progress made in developing alternatives since the original nominations had been made, aiming for a 2005 total of less than 30 per cent of baseline; second, a reduction in production of methyl bromide, consequent on that same progress with alternatives; third, the full use by Parties of their stockpiles of methyl bromide, as requested by the Parties in decision IX/6. In that connection, data recently reported in the United States of America suggested existing stockpiles there of more than 40 per cent of baseline consumption, a figure which could be indicative of the situation elsewhere. Fourth, full attention should be paid to health and safety issues, particularly given recent reports of increases in levels of prostate cancer in workers exposed to methyl bromide; and fifth, the Panel's proposal for offsets through the destruction of other ozone-depleting substances should be treated seriously. In those ways, the use of methyl bromide could be phased out rather than increased and the integrity of the world's most successful multilateral environmental agreement would be protected.

44. At the President's suggestion, two open-ended contact groups were established to consider the issues under discussion in greater detail. The first contact group, on critical-use nominations, would be convened by Finland and Nigeria and the second, on conditions for critical-use exemptions, would be convened by Canada and Mexico. The convenors of each group would coordinate with each other to ensure that the subjects discussed did not overlap.

45. The representative of Argentina commented that her country wished to submit a draft decision on the situation of Article 5 Parties facing difficulties in complying with their agreements with the Executive Committee of the Multilateral Fund. The President concurred that the issue should be discussed in the contact group on critical-use nominations.

46. A draft decision submitted by Guatemala, on reaffirming the obligation to phase out production and consumption of methyl bromide, and two draft decisions submitted by Burkina Faso, Burundi, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Mali, Niger and Senegal, relating to the conclusions of the regional workshop on experiences in using alternatives to methyl bromide, held in Dakar from 8 to 11 March, were also put before the meeting. In response to a point of order raised by one delegation, however, it was ruled that they related to issues not on the agenda of the Extraordinary Meeting of the Parties, and it was therefore decided to refer them to the Open-ended Working Group of the Parties to the Montreal Protocol for consideration at its twenty-fourth session, to be held in Geneva in July.

47. A request was made for the results of the Dakar workshop to be summarized by the Secretariat and circulated to the Parties to provide them with the necessary background information by the time that they came to consider the draft decision arising out of the workshop's conclusions, in July at the twenty-fourth session of the Open-ended Working Group. A request was also made for the Secretariat to provide a cost estimate for translations of the Methyl Bromide Technical Options Committee assessment reports.

48. Subsequently, a third open-ended contact group was established to consider the issue of the working procedures of the Methyl Bromide Technical Options Committee as they related to evaluation of nominations for critical-use exemptions. That contact group was chaired by the Philippines and Poland.

49. The outcomes of the contact groups are reflected under the appropriate agenda items below.

D. Statements by non-governmental organizations

50. At the close of the general discussion, representatives of a further three non-governmental organizations made statements.

51. The representative of an organization of organic farmers in California described her activities as an agricultural researcher and strawberry farmer. Her work had led her to eschew the use of methyl bromide as irresponsible. She urged Parties to look very carefully at the nominations for critical-use exemptions: the commodity groups pressuring Governments for critical-use nominations had long been aware of the need to phase out methyl bromide. Individual economic gain could not be given greater importance than the integrity of the ozone layer and human health.

52. The representative of an environmental non-governmental organization expressed regret that the lessons learned over the years in the process of enforcing phase-out of ozone-depleting substances all over the world seemed to have been ignored in the discussion on methyl bromide. It was particularly worrisome since the chemical was as dangerous to human health on the ground as it was in the stratosphere. Furthermore, methyl bromide constituted a security threat because, among other things, stockpiles were becoming potential targets for terrorist attacks. At a time when there were signs that illicit stockpiling, oversupply and dumping in developing countries were on the rise, it was increasingly urgent to know who was stockpiling methyl bromide, where it was being stockpiled and where it was going. On behalf of his organization he therefore urged the Parties to take full account of stockpiles before granting critical-use exemptions for methyl bromide, as required by decision IX/6, and to delay any multi-year decisions on such exemptions until stockpiles were fully identified and secured, a tracking system for national distribution was developed and measures to control international illegal trade were in place.

53. The representative of another environmental non-governmental organization said that his organization was proud of its contribution to the Montreal Protocol and did not like to see it undermined: the proposal by some Parties that critical-use exemptions could exceed 30 per cent of baseline, bringing methyl bromide above phase-out levels, sent the message that the needs of the largest users in the world carried more weight than the efforts of smaller countries to phase out methyl bromide early. Multi-year critical-use exemption guarantees amounted to a blank cheque for the indefinite use of methyl bromide and threatened to unravel commitments to accelerated phase-out in Article 5 Parties. Efforts must be made to report and track methyl bromide use, which should not be overly difficult to achieve since it was a single substance with a short list of users and handlers. He noted that the chemical was due for re-registration in the United States and wondered how long that process would take and whether, when completed, re-registration would restrict uses of the methyl bromide currently included in the amounts nominated for critical use exemptions.

E. Declaration on limitations on the consumption of methyl bromide

54. The Meeting took note of the declaration on limitations on the consumption of methyl bromide sponsored by a number of Parties. The declaration is reproduced in annex IV to the present report.

F. Adjustment of the Montreal Protocol regarding further specific interim reductions of methyl bromide for the period beyond 2005, applicable to Article 5 Parties

55. The representative of Argentina introduced a draft decision on further adjustments to the control schedules for methyl bromide for Article 5 Parties, observing that it put into words the outcome of the informal consultations held in Buenos Aires and Montreal. While the timetable for interim reductions between 2005 and 2015 proposed by the European Community had its merits, it would not be possible for Article 5 Parties to agree to them until they knew the outcome of the current discussions on critical-use exemptions. It would be appropriate, therefore, to return to the issue later, and the most appropriate time would be when the next replenishment of the Multilateral Fund was being discussed, at the Seventeenth Meeting of the Parties, which would allow suitable funding to be earmarked for the additional phase-out efforts that would be required.

56. The representative of the European Community responded that Argentina's proposed timetable was problematic; leaving discussion of the new interim reduction steps to the same Meeting of the Parties that was due to decide on the next replenishment of the Multilateral Fund would not allow enough time

for proper consideration, as the replenishment could not be properly debated until after the new reductions had been agreed. He was also unhappy with the proposal in the draft decision to revisit, rather than to decide on or to agree to, the possible adjustment, as decision IX/5 was quite clear that new reduction steps should have been agreed in 2003. Technology and Economic Assessment Panel studies had regularly shown that Article 5 Parties were making good progress with phasing out methyl bromide, and total use would be halved by 2007 under existing projects agreed with the Executive Committee of the Multilateral Fund. Interim reduction steps would be helpful in ensuring that Article 5 Parties moved from 80 per cent of baseline to zero in an orderly fashion, and that the existing momentum behind phase-out was maintained.

57. Representatives of several Article 5 Parties expressed agreement with Argentina's proposal, underlining the need to know with certainty the future development of critical-use exemptions in non-Article 5 Parties before any further reductions for Article 5 Parties could be agreed. Circumstances had changed since decision IX/5 was taken, and the size of the reduction steps themselves would depend on the total volume of critical-use exemptions agreed. If, as seemed likely, that volume was relatively high in both 2004 and 2005, it would undermine the case for any significant reductions in Article 5 Parties: it would not be possible to persuade users of methyl bromide in some countries to accelerate phase-out while users in other countries were actually increasing their use.

58. Other representatives, however, concurred with the representative of the European Community: it would be impossible to conduct a study on the next replenishment of the Fund unless the new control schedules had been agreed beforehand, and the Sixteenth Meeting of the Parties was therefore the latest point at which the decision could be taken. One representative suggested the possibility of conducting the study for the replenishment taking into account the possibility of the new interim reduction steps proposed by the European Community.

59. After a discussion of possible modifications to the text of the draft decision, Argentina and the European Community agreed to work together to present a revised wording to the plenary session.

60. Subsequently, the representative of Argentina introduced a revised draft decision. Regarding the future interim reductions in methyl bromide, a number of representatives observed that there was no guarantee that any would be agreed, and the Meeting consequently decided to change the wording to "further" interim reductions. A number of representatives objected to the commitment to consider possible interim reductions at the Sixteenth Meeting of the Parties, and the Meeting decided to change the timing of the consideration of further interim reductions to "preferably by 2006".

61. Some representatives of Article 5 Parties stated their objection to the principle underlying the draft decision, on the grounds that it took no account of the impact on Article 5 Parties of critical-use exemptions for methyl bromide in non-Article 5 Parties; Article 5 Parties should not be expected to agree to any further interim reductions until that impact on them was clear. The Meeting therefore agreed to add a preambular paragraph referring to the date, 1 February 2006, thereby sending a strong signal on the phase-out of critical uses. On that basis, the draft decision was adopted as decision Ex.I/1. The text of the decision is contained in chapter IV below.

62. Some representatives, however, still objected to the possibility of discussing interim reductions for Article 5 Parties before the stated date, and the representative of Uganda in particular reserved his position on the issue and requested that that fact should be recorded in the report of the Meeting. Another representative wondered whether the extra preambular paragraph needed to be there at all, as it seemed to prejudge the signal which the national management strategies might give; in response, the President suggested that that and other issues could be taken up at the twenty-fourth meeting of the Open-ended Working Group. It was so agreed.

63. The representative of Guatemala introduced a draft decision on time constraints on phase-out schedules. He subsequently withdrew the draft decision, however, because, in its current form, some parts of it overlapped with another draft decision under consideration by the Meeting of the Parties and stated his intention to submit a revised version on a future occasion.

G. Nominations for critical-use exemptions for methyl bromide

64. The contact group on critical-use nominations met several times to consider issues related to critical-use nominations, in particular, the 14 February supplementary report of the Technology and Economic Assessment Panel, as well as draft decisions of Argentina, the European Community and the United States of America.

65. One of the co-chairs of the contact group on nominations for critical-use exemptions for methyl bromide introduced the draft decision on nominations for critical-use exemptions, stressing that the deliberations which had produced the compromise text now before the Extraordinary Meeting of the Parties had been both long and arduous. The draft decision retained the spirit of one-year exemptions, and the figures recommended by the Technology and Economic Assessment Panel, but left open the possibility of future work on the multi-year approach. Another representative expressed the view that those intent on protecting the environment and human health would have liked to see more reductions in critical use exemptions. The compromise text did, however, represent a step forward, was the result of sacrifice by all Parties, and showed a continuing commitment towards the Montreal Protocol.

66. The representative of Argentina introduced a revised draft decision on flexibility in dealing with the case of Article 5 Parties which encountered difficulties in meeting their accelerated phase-out commitments. The draft decision was adopted as decision Ex.I/2. The text of the decision is contained in chapter IV below.

67. The draft decision on nominations for critical-use exemptions for methyl bromide was adopted as decision Ex.I/3. The text of the decision is contained in chapter IV below.

H. Conditions for granting and reporting critical-use exemptions for methyl bromide

68. The contact group on conditions for critical-use exemptions met several times to consider the elements relevant to the conditions contained in various draft decisions, and in particular to reconcile the proposed draft decisions of the United States of America and the European Community on conditions related to critical-use exemptions into a single draft decision and to consider the requirements for annual reporting on critical-use exemptions as set forth in the submission by Australia. The co-chair of the contact group stressed the good will which had existed amongst the participants of the contact group and also the concerns expressed by a number of participants about the overall commitment to reduce critical-use nominations.

69. The representative of the Dominican Republic introduced a draft decision calling for a study by the Technology and Economic Assessment Panel of the possible adverse impacts on Article 5 Parties of critical-use exemptions in non-Article 5 Parties, with the intention of helping to create fairness, certainty and balance. He had first raised the issue at the Fourteenth Meeting of the Parties, in Rome in 2002, but had modified the text significantly since then to include among its other elements a three-year limit on critical-use exemptions and a reduction in their amounts thereafter; he clarified that those limits and amounts were intended to apply to non-Article 5 Parties only.

70. One representative expressed surprise that, after extensive modification of the original proposal and after discussions extending over many months, some of the original ideas and text seemed to have been reintroduced. In addition, some of the points in the proposal were already being covered by the contact groups, while others seemed to be inaccurately worded. Another representative doubted the validity of linking trade-related impacts and critical-use exemptions, observing that the argument cut both ways: non-Article 5 Parties could just as legitimately complain about the trade-related impacts of providing funding to enterprises in Article 5 Parties which were competing with their own enterprises. He also opposed the proposal in the draft decision to grant the Technology and Economic Assessment Panel the power to decide renewals of critical-use exemptions, as that power was reserved to the Meeting of the Parties.

71. Representatives of many Article 5 Parties supported the draft decision, observing that it was an important signal of possible problems that might arise for Article 5 Parties which phased out methyl bromide faster than non-Article 5 Parties enjoying substantial critical-use exemptions; indeed, the Technology and Economic Assessment Panel Supplementary Report of February 2004 had accepted that the issue was a real one. Farmers in Article 5 Parties who were not permitted to use methyl bromide

could hardly be expected to compete with farmers in non-Article 5 Parties continuing to use the substance to produce the same crop. It was important, therefore, to develop substantial flexibility in implementing early phase-out projects, which had been initially agreed, in good faith, on the assumption that non-Article 5 Parties would cease to use methyl bromide except for relatively small quantities. If Article 5 Parties suffered from the same problems with introducing alternatives that non-Article 5 Parties appeared to be experiencing, they should be able to enjoy the same access to critical-use exemptions.

72. The issue of the impact on Article 5 Parties of critical-use exemptions in non-Article 5 Parties did not appear to have been taken up in the contact groups on critical-use nominations and conditions for exemptions, and the commitment to the principles of certainty and predictability expressed in Buenos Aires seemed to be missing from their outputs. The issue would not go away until it was settled satisfactorily. The principle of an overall limit on critical-use exemptions, and a requirement to subsequent reduction in total volume, was crucial.

73. One of the co-chairs of the contact group on conditions for critical-use exemptions accepted that a reference to the principles identified in Buenos Aires had been inadvertently omitted from the draft decision agreed by the contact group, and could usefully be added, but did not accept, however, the contention that the Buenos Aires principles had not informed the work of the group.

74. The representative of the Dominican Republic agreed to revise the wording of the draft decision which he had submitted and to re-present it. Subsequently, however, he announced that, having discussed the matter with the representative of Argentina and having studied the text of decision Ex.I/2, he believed that the gist of his proposal was contained in that decision and accordingly withdrew the revised draft decision which he had submitted.

75. The meeting considered the revised draft decision on conditions related to the authorization of methyl bromide exempted for critical use, which was adopted as decision Ex.I/4. The text of the decision is contained in chapter IV below. It was decided at the time of adoption of the decision that it was indeed important to make explicit reference to the principles elaborated by the Buenos Aires informal consultation.

76. The Australian submission on the requirements for annual reporting of critical-use exemptions was adopted as an annex to decision Ex.I/4, and is reproduced in annex I to the present report.

I. Consideration of the working procedures of the Methyl Bromide Technical Options Committee as they relate to the evaluation of nominations for critical-use exemptions

77. One of the co-chair of the contact group on the agenda item introduced a revised draft decision which included two paragraphs which still contained text in square brackets. On the inclusion of text listing the categories into which the Technology and Economic Assessment Panel should place the critical-use nominations as a result of its assessment, the Meeting decided to include additional text recalling decision XV/54, which had originally identified the categories of “recommended”, “not recommended” and “unable to assess”, and to list those categories again in the decision, thereby extending their application beyond the terms of decision XV/54, which had applied only to the “noted” category. For reasons of expediency, the Meeting also decided to include text permitting the Open-ended Working Group, at its twenty-fourth session, to identify which elements, if any, could be used on an interim basis pending review by the Sixteenth Meeting of the Parties. On that basis, the draft decision was adopted as decision Ex.I/5. The text of the decision is contained in chapter IV below.

78. The President announced the Parties which would be members of the ad hoc working group established by the decision. Representatives of a number of Article 5 Parties pointed to a lack of representation of certain geographical regions, and after some discussion it became apparent that the Meeting desired to expand the membership from the original 10 Article 5 Parties to 12, Argentina, Brazil, Chile, China, Costa Rica, Jordan, Kenya, Mauritius, Morocco, Nigeria, the Philippines and Sri Lanka, and from the original 10 non-Article 5 Parties to 12, Australia, Canada, Germany, Italy, Japan, the Netherlands, Norway, Poland, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

79. The representative of Uganda observed that, when he had raised an objection to a previous decision, he had been told that it had been adopted and could not be further amended, yet the decision under discussion appeared to have been amended after it had been adopted. He did not insist, but expressed the wish to have his statement recorded in the report.

IV. Adoption of decisions

80. The Extraordinary Meeting of the Parties adopted the following decisions on the basis of the draft decisions developed by the contact groups.

A. Decisions

81. The First Extraordinary Meeting of the Parties decides:

Decision Ex.I/1. Further adjustments relating to the controlled substance in Annex E

Recalling that, according to subparagraph 1 (e) of decision IX/5, the Meeting of the Parties should have decided in 2003 on further specific interim reductions on methyl bromide for the period beyond 2005 applicable to Parties operating under paragraph 1 of Article 5,

Taking into account that current circumstances prevent several Article 5 Parties from adopting a decision in that regard,

Noting that, by 1 February 2006, non-Article 5 Parties will submit national management strategies which will send a clear signal on the phase-out of critical uses of methyl bromide;

Considering that at the Seventeenth Meeting of the Parties the Parties will decide on the level of replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol for the triennium 2006–2008, which should take into account the requirement to provide new and additional adequate financial and technical assistance to enable Article 5 Parties to comply with further interim reductions on methyl bromide,

1. To keep under review the interim reduction schedule as elaborated during the Fifteenth Meeting of the Parties;
2. To consider, preferably by 2006, further specific interim reductions in methyl bromide applicable to Parties operating under paragraph 1 of Article 5;

Decision Ex.I/2. Accelerated phase-out of methyl bromide by Article 5 Parties

Reaffirming the commitment of all the Parties to the complete phase-out of methyl bromide,

Recognizing that some Article 5 Parties have made commitments to an accelerated phase-out of controlled uses of methyl bromide and have concluded agreements with the Executive Committee of the Multilateral Fund towards that end,

Acknowledging that some Article 5 Parties which are implementing early phase-out of methyl bromide on a voluntary basis and under such agreements are facing difficulties in fully meeting all the reduction steps in accordance with the timelines specified in such agreements as a result of specific circumstances not envisaged at the time of their adoption and ensuing review,

1. To request the Executive Committee to adopt a flexible approach when determining an appropriate course of action to deal with instances where a country has not met a reduction step specified in its methyl bromide accelerated phase-out agreement as a result of the specified circumstance not envisaged;
2. To invite the Executive Committee to consider, upon request by a Party, a prolongation of the final reduction step, but not beyond 2015, and to consider also the timing of related funding in the Party's existing agreement for the accelerated phase-out of methyl bromide in cases where the Party

concerned has demonstrated that there are difficulties in implementing alternatives originally considered to be technically and economically feasible alternatives;

3. To call upon the Executive Committee to adopt criteria for the prolongation of accelerated phase-out agreements when so requested by interested Parties. In developing such criteria, the Executive Committee may request the advice of the Technology and Economic Assessment Panel and Methyl Bromide Technical Options Committee and consider any available information relating to the phase-out project of the Party concerned,

Decision Ex.I/3. Critical-use exemptions for methyl bromide for 2005

Reaffirming the obligation to phase out the production and consumption of methyl bromide in accordance with paragraph 5 of Article 2H by 1 January 2005, subject to the availability of an exemption for uses agreed to be critical by the Parties,

Recognizing that technically and economically feasible alternatives exist for most uses of methyl bromide,

Noting that those alternatives are not always technically and economically feasible in the circumstances of the nominations,

Noting also that Article 5 Parties have made substantial progress in the adoption of effective alternatives,

Mindful that exemptions must fully comply with decision IX/6, and are intended to be limited, temporary derogations from the phase-out of methyl bromide,

Mindful also that decision IX/6 permits the production and consumption of methyl bromide for critical uses only if it is not available in sufficient quantity and quality from existing stocks of banked or recycled methyl bromide,

Recognizing the desirability of a transparent presentation of data on alternatives to methyl bromide to assist the Parties to understand better the critical-use volumes and to gauge progress on and impediments to the transition,

Recognizing also that each Party should aim at significantly and progressively decreasing its production and consumption of methyl bromide for critical uses with the intention of completely phasing out methyl bromide as soon as technically and economically feasible alternatives are available,

Resolved that each Party should revert to methyl bromide only as a last resort and in the situation when a technically and economically feasible alternative to methyl bromide which is in use ceases to be available as a result of de-registration or for other reasons,

Taking into account the recommendation by the Technology and Economic Assessment Panel that critical-use exemptions should not be authorized in cases where technically and economically feasible options are registered, available locally and used commercially by similarly situated enterprises,

Noting with appreciation the work done by the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee,

1. For the agreed critical uses set forth in annex II A to the report of the First Extraordinary Meeting of the Parties to the Montreal Protocol¹ for each Party, to permit, subject to the conditions set forth in decision Ex.I/4, the levels of production and consumption set forth in annex II B to the present report which are necessary to satisfy critical uses, with the understanding that additional levels and categories of uses may be approved by the Sixteenth Meeting of the Parties in accordance with decision IX/6;

¹ UNEP/OzL.Pro.ExMP/1/3.

2. That a Party with a critical-use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such difference between those levels by using quantities of methyl bromide from stocks that the Party has recognized to be available;

3. That a Party using stocks under paragraph 2 above shall prohibit the use of stocks in the categories set forth in annex II A to the report of the First Extraordinary Meeting of the Parties to the Montreal Protocol² when amounts from stocks combined with allowable production and consumption for critical uses exceed the total level for that Party set forth in annex II A to the present report;

4. That Parties should endeavour to allocate the quantities of methyl bromide recommended by the Technology and Economic Assessment Panel as listed in annex II A to the report of the First Extraordinary Meeting of the Parties³;

5. That each Party which has an agreed critical use should ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing the use of methyl bromide and that such procedures take into account available stocks. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat;

6. To take note of the proposal by the United States of America on multi-year exemptions, as reflected in paragraph 7 of the paper reproduced in annex III to the present report, and to consider, at the Sixteenth Meeting of the Parties, the elaboration of criteria and a methodology for authorizing multi-year exemptions;

7. Bearing in mind that Parties should aim at significantly and progressively reducing their production and consumption of methyl bromide for critical-use exemptions, that a Party may request reconsideration by the Meeting of the Parties of an approved critical-use exemption in the case of exceptional circumstances, such as unforeseen de-registration of an approved methyl bromide alternative when no other feasible alternatives are available, or where pest and pathogens build resistance to the alternative, or where the use-reduction measures on which the Technology and Economic Assessment Panel based its recommendation as to the level necessary to satisfy critical uses are demonstrated not to be feasible in the specific circumstances of that Party;

Decision Ex.I/4. Conditions for granting and reporting critical-use exemptions for methyl bromide

Mindful of the principles set forth in the report⁴ by the chair of the informal consultation on methyl bromide held in Buenos Aires on 4 and 5 March 2004, namely, fairness, certainty and confidence, practicality and flexibility, and transparency,

Recognizing that technically and economically feasible alternatives exist for most uses of methyl bromide,

Noting that those alternatives are not always technically and economically feasible in the circumstances of nominations,

Noting that Article 5 and non-Article 5 Parties have made substantial progress in the adoption of effective alternatives,

Mindful that exemptions must comply fully with decision IX/6 and are intended to be limited, temporary derogations from the phase-out of methyl bromide,

Recognizing the desirability of a transparent presentation of data on alternatives to methyl bromide to assist the Parties to understand better the critical-use volumes and to gauge progress on and impediments to the transition from methyl bromide,

Resolved that each Party should aim at significantly and progressively decreasing its production and consumption of methyl bromide for critical uses with the intention of completely phasing out methyl bromide as soon as technically and economically feasible alternatives are available,

² UNEP/OzL.Pro.ExMP/1/3.

³ UNEP/OzL.Pro.ExMP/1/3.

⁴ UNEP/OzL.Pro.ExMP/1/INF/1, para. 11.

Recognizing that Parties should revert to methyl bromide only as a last resort, in the event that a technically and economically feasible alternative to methyl bromide which is in use ceases to be available as a result of de-registration or for other reasons,

1. That each Party which has an agreed critical use under the present decision should submit available information to the Ozone Secretariat before 1 February 2005 on the alternatives available, listed according to their pre-harvest or post-harvest uses and the possible date of registration, if required, for each alternative; and on the alternatives which the Parties can disclose to be under development, listed according to their pre-harvest or post-harvest uses and the likely date of registration, if required and known, for those alternatives, and that the Ozone Secretariat shall be requested to provide a template for that information and to post the said information in a database entitled "Methyl Bromide Alternatives" on its web site;

2. That each Party which submits a nomination for the production and consumption of methyl bromide for years after 2005 should also submit information listed in paragraph 1 to the Ozone Secretariat to include in its Methyl Bromide Alternatives database and that any other Party which no longer consumes methyl bromide should also submit information on alternatives to the Secretariat for inclusion in that database;

3. To request each Party which makes a critical-use nomination after 2005 to submit a national management strategy for phase-out of critical uses of methyl bromide to the Ozone Secretariat before 1 February 2006. The management strategy should aim, among other things:

- (a) To avoid any increase in methyl bromide consumption except for unforeseen circumstances;
- (b) To encourage the use of alternatives through the use of expedited procedures, where possible, to develop, register and deploy technically and economically feasible alternatives;
- (c) To provide information, for each current pre-harvest and post-harvest use for which a nomination is planned, on the potential market penetration of newly deployed alternatives and alternatives which may be used in the near future, to bring forward the time when it is estimated that methyl bromide consumption for such uses can be reduced and/or ultimately eliminated;
- (d) To promote the implementation of measures which ensure that any emissions of methyl bromide are minimized;
- (e) To show how the management strategy will be implemented to promote the phase-out of uses of methyl bromide as soon as technically and economically feasible alternatives are available, in particular describing the steps which the Party is taking in regard to subparagraph (b) (iii) of paragraph 1 of decision IX/6 in respect of research programmes in non-Article 5 Parties and the adoption of alternatives by Article 5 Parties;

4. To request the Meeting of the Parties to take into account information submitted pursuant to paragraphs 1 and 3 of the present decision when it considers permitting a Party to produce or consume methyl bromide for critical uses after 2006;

5. To request a Party that has submitted a request for a critical use exemption to consider and implement, if feasible, Technology and Economic Assessment Panel and Methyl Bromide Technical Options Committee recommendations on actions which a Party may take to reduce critical uses of methyl bromide;

6. To request any Party submitting a critical-use nomination after 2004 to describe in its nomination the methodology used to determine economic feasibility in the event that economic feasibility is used as a criterion to justify the requirement for the critical use of methyl bromide, using as a guide the economic criteria contained in section 4 of annex I to the present report;

7. To request each Party from 1 January 2005 to provide to the Ozone Secretariat a summary of each crop or post-harvest nomination containing the following information:

- (a) Name of the nominating Party;
- (b) Descriptive title of the nomination;
- (c) Crop name (open field or protected) or post-harvest use;

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- (d) Quantity of methyl bromide requested in each year;
 - (e) Reason or reasons why alternatives to methyl bromide are not technically and economically feasible;
8. To request the Ozone Secretariat to post the information submitted pursuant to paragraph 7 above, categorized according to the year in which it was received, on its web site within 10 days of receiving the nomination;
9. To request the Technology and Economic Assessment Panel:
- (a) To identify options which Parties may consider for preventing potential harmful trade of methyl bromide stocks to Article 5 Parties as consumption is reduced in non-Article 5 Parties and to publish its evaluation in 2005 to enable the Seventeenth Meeting of the Parties to decide if suitable mitigating steps are necessary;
 - (b) To identify factors which Article 5 Parties may wish to take into account in evaluating whether they should either undertake new accelerated phase-out commitments through the Multilateral Fund for the Implementation of the Montreal Protocol or seek changes to already agreed accelerated phase-outs of methyl bromide under the Multilateral Fund;
 - (c) To assess economic infeasibility, based on the methodology submitted by the nominating Party under paragraph 6 above, in making its recommendations on each critical-use nomination. The report by the Technology and Economic Assessment Panel should be made with a view to encouraging nominating Parties to adopt a common approach in assessing the economic feasibility of alternatives;
 - (d) To submit a report to the Open-ended Working Group at its twenty-sixth session on the possible need for methyl bromide critical uses over the next few years, based on a review of the management strategies submitted by Parties pursuant to paragraph 3 of the present decision;
 - (e) To review critical-use nominations on an annual basis and apply the criteria set forth in decision IX/6 and of other relevant criteria agreed by the Parties;
 - (f) To recommend an accounting framework for adoption by the Sixteenth Meeting of the Parties which can be used for reporting quantities of methyl bromide produced, imported and exported by Parties under the terms of critical-use exemptions, and after the end of 2005 to request each Party which has been granted a critical-use exemption to submit information together with its nomination using the agreed format;
 - (g) To provide, in consultation with interested Parties, a format for a critical-use exemption report, based on the content of annex I to the present report, for adoption by the Sixteenth Meeting of the Parties, and to request each Party which reapplies for a methyl bromide critical-use exemption after the end of 2005 to submit a critical-use exemption report in the agreed format;
 - (h) To assess, annually where appropriate, any critical-use nomination made after the end of 2006 in the light of the Methyl Bromide Alternatives database information submitted pursuant to paragraph 1 of the present decision, and to compare, annually where appropriate, the quantity, in the nomination, of methyl bromide requested and recommended for each pre-harvest and post-harvest use with the management strategy submitted by the Party pursuant to paragraph 3 of the present decision;
 - (i) To report annually on the status of re-registration and review of methyl bromide uses for the applications reflected in the critical-use exemptions, including any information on health effects and environmental acceptability;
 - (j) To report annually on the status of registration of alternatives and substitutes for methyl bromide, with particular emphasis on possible regulatory actions that will increase or decrease dependence on methyl bromide;
 - (k) To modify the handbook on critical-use nominations for methyl bromide to take the present decision and other relevant information into account, for submission to the Sixteenth Meeting of the Parties.

Decision Ex.I/5. Review of the working procedures and terms of reference of the Methyl Bromide Technical Options Committee

Acknowledging with appreciation the important and valuable work undertaken so far by the Methyl Bromide Technical Options Committee,

Reaffirming the need for the Methyl Bromide Technical Options Committee to sustain an optimum level of expertise to be able to address diverse types of alternatives to methyl bromide and the desirability of having a reasonable term of membership of the Methyl Bromide Technical Options Committee to ensure continuity;

Noting decision XIII/11, which requests the Technology and Economic Assessment Panel to engage suitably qualified agricultural economists to assist in reviewing nominations,

Recognizing the desirability of ensuring that some members of the Methyl Bromide Technical Options Committee have knowledge of alternatives that are used in commercial practice, and practical experience in technology transfer and deployment,

Recognizing the need to strengthen the Methyl Bromide Technical Options Committee and to enhance the transparency and efficiency of the Committee's process relating to the evaluation of nominations for critical-use exemptions,

Noting the terms of reference for the Technology and Economic Assessment Panel and its technical options committees adopted at the Eighth Meeting of the Parties,

Mindful that those terms of reference state that the overall goal is to achieve a representation of about 50 per cent for Article 5 Parties and noting that current Article 5 representation within the Methyl Bromide Technical Options Committee is only about 30 per cent,

Recalling decision XV/54 on categories of assessment to be used by the Technology and Economic Assessment Panel when assessing critical uses of methyl bromide,

1. To establish a process to review the working procedures and terms of reference of the Methyl Bromide Technical Options Committee as they relate to the evaluation of nominations for critical use exemptions;

2. That such a review shall consider, in particular:

- (a) The need to enhance the transparency and efficiency of the analysis and reporting by the Methyl Bromide Technical Options Committee on critical-use nominations, including the communication between the nominating Party and the Methyl Bromide Technical Options Committee;
- (b) The timing and structure of the Methyl Bromide Technical Options Committee reports on critical-use nominations;
- (c) The duration and rotation of membership, taking into account the need to provide for a reasonable turnover of members while also ensuring continuity;
- (d) The conflict-of-interest documents which must be completed by members of the Methyl Bromide Technical Options Committee;
- (e) The expertise required in the Methyl Bromide Technical Options Committee, taking into account among other things that the composition of the Methyl Bromide Technical Options Committee should ensure that some members have practical and first-hand experience which should relate, in particular, to replacing methyl bromide with alternatives, and that within that composition reflected the appropriate skills and expertise required to perform the work of Methyl Bromide Technical Options Committee, including expertise in the field of agricultural economy, technology transfer and regulatory processes of registration;
- (f) The criteria and procedure for selecting the experts, including ensuring a balance between experts from Article 5 and non-Article 5 Parties, pursuant to the qualification requirements as set forth in subparagraph (e) above;
- (g) Further guidance on the application of the criteria set forth in decision IX/6;
- (h) The modalities for the Methyl Bromide Technical Options Committee to submit

annual work plans to the Meeting of the Parties;

- (i) The instances where the Methyl Bromide Technical Options Committee should seek the guidance of the Meeting of the Parties in conducting its work;
- (j) Modalities for the Methyl Bromide Technical Options Committee to provide the Meeting of the Parties with budget proposals for the conduct of the Committee's work through the Secretariat;

3. To establish to that end an ad hoc working group which shall meet for three days immediately prior to the twenty-fourth meeting of the Open-ended Working Group and shall comprise 12 representatives of Article 5 Parties and 12 representatives of non-Article 5 Parties;

4. To invite the co-chairs of the Methyl Bromide Technical Options Committee to participate in the meeting of the ad hoc working group;

5. That the ad hoc working group should base its discussions on the Methyl Bromide Technical Options Committee-related elements and issues set forth in paragraph 2 above and shall report its findings and recommendations to the Open-ended Working Group at its twenty-fourth session;

6. To request the Open-ended Working Group at its twenty-fourth session to formulate recommendations for the consideration and approval of the Sixteenth Meeting of the Parties and to identify which elements, if any, could be used on an interim basis pending approval by the Sixteenth Meeting of the Parties;

7. That the Methyl Bromide Technical Options Committee should continue to assess the nominations as "recommended", "not recommended" or "unable to assess".

8. That the reports of the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee, to be published following those bodies' initial assessment of nominations submitted in 2004 and following the subsequent assessment of any additional information submitted by nominating Parties, should include:

- (a) If the Panel and Committee do not recommend any part of a nomination, a clear description of the nominating Party's request for an exemption and of the reasons why the Panel and Committee did not accept it, including references to the relevant studies, wherever available, used as the basis for such a decision;
- (b) If the Panel and Committee require additional information, a clear description of the information required.

B. Comments made at the time of adoption of decisions

82. The representative of the United States of America, speaking also on behalf of Australia, Canada, the Dominican Republic, Guatemala, Kenya, Malaysia, Qatar and Uganda, made the statement summarized below.

83. The Parties listed wished to have reflected in the report their understanding that the Montreal Protocol and the decisions of the Parties must provide the mandate for the technical committees set up under the Montreal Protocol to assist in the phase-out of consumption and production of ozone-depleting substances under the Protocol. As such, they expected that, in performing their functions, technical committees, including the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee, would adhere to the mandate which they had from the Parties.

84. The Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee had identified the need for guidance from the Parties as to how to conduct the critical-use exemption process in order to ensure that the process was improved to meet the Parties' expectations. The United States of America and the other countries mentioned acknowledged and supported the need for such guidance and improvements and noted that the Parties had also heeded the request of the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee through their adoption of decision Ex.I/5, which provided the means for developing such guidance.

85. They also noted that the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee had indicated, in the Technology and Economic Assessment Panel February 2004 report, the intention to change the standard by which the Methyl Bromide Technical Options Committee reviewed nominations. While Australia, Canada, the Dominican Republic,

Guatemala, Kenya, Malaysia, Qatar, Uganda and the United States of America strongly desired the improvement of the process as soon as possible, the authority for changing the standards associated with the assessment of nominations lay with the Parties.

86. Accordingly, as the guidance to be prepared by the Parties under decision Ex.I/5 would not be finalized before the Sixteenth Meeting of the Parties, they believed that it was necessary for the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee to ensure that they did not seek to apply any standards not yet endorsed by the Parties.

87. The representative of Australia expressed her delegation's recognition of the work of the Methyl Bromide Technical Options Committee in assisting the Meeting in reaching the first milestone in the critical-use process. Australia was very aware that, since the commencement of that process, the Methyl Bromide Technical Options Committee's work had been subjected to considerable scrutiny by the Parties. That scrutiny was a natural consequence of the fact that the process was new both for the Committee and for the Parties. Australia hoped that the Parties would share its appreciation of the fact that Committee members gave of their valuable time and expertise without financial remuneration. She expressed her delegation's gratitude for the commitment of the members of the Methyl Bromide Technical Options Committee, and looked forward to working with the Committee and the Parties to provide the Committee with the input and guidance necessary to ensure the continuous improvement of the critical-use process for the benefit of the Montreal Protocol and the ozone layer.

V. Adoption of the report of the Extraordinary Meeting of the Parties

88. The present report was adopted on Friday, 26 March 2004, on the basis of the draft report submitted to the Meeting.

VI. Closure of the Meeting

89. After the customary exchange of courtesies, the Meeting rose at 11 p.m. on Friday, 26 March 2004.

Annex I

Requirements for annual reporting of critical-use exemptions for methyl bromide

A. Introduction

The format proposed here would apply to annual reporting by Parties that have obtained a critical-use exemption for a particular application. It is not intended to replace the format for requesting a critical-use exemption for a particular application for the first time.

It should be noted that, in addition to a reporting format for holders of multiple-year exemptions, Australia proposes that this format would also be used by holders of single-year exemptions to reapply for a subsequent year's exemption (for example, nominees approved for single-year exemptions for 2005 seeking further exemptions for 2006).

In addition, Australia notes that it may be useful for the following format to be prefaced by cover pages similar to those detailed in the 2003 critical use handbook, which summarize the critical-use nomination and provide the contact details of the nominating Party.

From 2005 onwards, Parties' experience in the submission and assessment of reporting on critical-use exemptions may reveal improvements that could usefully be made to the reporting parameters outlined in the present document. Acknowledging this potential, and to ensure continuous improvement of the exemption reporting process, it is noted that Parties will have the opportunity to review the annual reporting parameters at a future date to ensure that they continue:

- (a) To meet their expectations regarding the provision of transparent and adequate data on exemption holders' progress in achieving transition;
- (b) To provide a streamlined format that does not compromise the level of data required for scrutiny by the Parties, but also does not place an unnecessarily onerous burden on nominating Parties.

Table 1: Report on transition efforts and activities

Transition efforts and activities	A. Description and implementation status	B. Outcomes to date	C. Impact on critical-use nomination/required quantities	D. Actions to address any delays/obstacles	E. Any re-changes to trials/other efforts
1. Trials of alternatives					
2. Technology transfer, scale-up, regulatory approval					
3. Commercial scale-up/deployment, market penetration					
4. Any other broader transition activities					

B. Reporting requirements

1. Implementation of the Parties' mandate on continued efforts to find alternatives

Column A requires a description of the implementation of any trials, technology transfer activities and/or other transition activities that were identified in the earlier nomination, including advice on whether the activity is complete or still underway.

Column B requires a report on the results of the transition activities (e.g., trials of alternatives – yield results achieved with the alternative in comparison to those achieved through methyl bromide treatment; deployment – percentage of users represented in a nomination covered by deployment activities and now able to transition to alternatives). In the case of trials of alternatives, reporting would include attaching copies of formal scientific trial reports. Where formal trial reports are not available (for example, where an exemption holder's transition efforts focus on grower trials), the exemption holder could include a description of all relevant parameters of the trials that are available. These could include data, as specified in the Technology and Economic Assessment Panel Handbook on Critical Use Nominations for Methyl Bromide, such as soil and climate types in which the trials were conducted, plant-back times observed, the rate of methyl bromide and alternatives application (kg/hectare or g/m²), the proportionate mix of methyl bromide and chloropicrin, etc.

Column C requires a summary of the implication of the trial and activity results and outcomes, such as what impact they would have on the quantity of methyl bromide required for the critical-use nomination. For example, positive results from technology transfer or deployment activities could lead to the nominating Party identifying a reduction in the quantity required for the subsequent year of the exemption.

Column D: where any obstacles or delays beyond the control of the exemption holder arose to hinder their transition activities, this column requires a description of those obstacles or delays and a detailed plan, including time-specific milestones, for actions to address such problems and maintain the transition momentum.

Column E: where trials, technology transfer or other transition activities have been undertaken but have yielded negative results (e.g., trials demonstrated technical problems with an alternative, deployment activities revealed unanticipated economic infeasibility, etc), column E requires a description of the new or alternative transition activities to be undertaken by the exemption holder to overcome such obstacles to transition.

Row 4: "Any other broader transition activities" provides a nominating Party with the opportunity to report, where applicable, on any additional activities which it may have undertaken to encourage a transition, but need not be restricted to the circumstances and activities of the individual nomination. Without prescribing specific activities that a nominating Party should address, and noting that individual Parties are best placed to identify the most appropriate approach to achieve a swift transition in their own circumstances, such activities could include market incentives, financial support to exemption nominees and exemption holders, labelling, product prohibitions, public awareness and information campaigns, etc.

Notes: For an exemption holder or nominee to qualify for an exemption, a commitment must be demonstrated to finding technically and economically viable alternatives and achieving a transition to the use of alternatives. In particular, decision IX/6 requires the following of an exemption nominee:

"It is demonstrated that an appropriate effort is being made to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes... Non-Article 5 Parties must demonstrate that research programmes are in place to develop and deploy alternatives and substitutes. Article 5 Parties must demonstrate that feasible alternatives shall be adopted as soon as they are confirmed as suitable to the Party's specific conditions..."

Section 1 provides the means by which exemption holders and nominees can report on their current progress in implementing that mandate. The nature of the information provided would vary according to the specific actions that had been outlined in each original nomination, but for ease of review the information should be structured as presented in table 1 above.

2. Registration of an alternative

Where a nomination identified that an alternative was not yet registered at the time of the original nomination's submission, but it was anticipated that one would be subsequently registered, the nominating Party should report on the progress of the alternative through the registration process. This report should include any efforts by the Party to "fast track" or otherwise assist the registration of the alternative.

Where significant delays or obstacles have been encountered to the anticipated registration of an alternative, the exemption holder should identify the scope for any new/alternative efforts that could be undertaken to maintain the momentum of transition efforts, and identify a time-frame for undertaking such efforts.

Where an alternative was de-registered subsequent to submission of the original nomination, the nominating Party would report the de-registration, including reasons for it. The nominating Party would also report on the de-registration's impact (if any) on the exemption holder's transition plan and on the proposed new or alternative efforts that will be undertaken by the exemption holder to maintain the momentum of transition efforts.

Notes: It is understood that progress in registration of a product will often be beyond the control of an individual exemption holder as the registration process must be undertaken by the manufacturer or supplier of the product. The speed with which registration applications are processed also falls outside the exemption holder's control, resting with the nominating Party. Consequently, this section requires the nominating Party to report on any efforts it has taken to assist the registration process, noting that the scope for expediting registration will vary from Party to Party.

In recognition of the fact that it would be unreasonable to revise exemption holders' nomination because of registration delays beyond their control, this section also requires a report on the actions that are being taken to continue transition despite registration delays.

3. Implementation of recommendations of the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel

In developing recommendations on exemption nominations submitted in 2003, the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel in many cases recommended that nominees should explore and, more appropriate, implement:

- (a) Options for reducing the quantity of methyl bromide required; or
- (b) The use of particular alternatives not originally identified by the exemption holder as part of its transitional plan, but considered key alternatives by the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel.

Where the approval granted by the Meeting of the Parties' for exemptions included conditions incorporating those recommendations, the exemption-holder should report on its progress in exploring or implementing them as part of its annual reporting obligations.

Where a condition required the testing of an alternative or adoption of an emission minimization measure, reporting should be structured in the same format as table 1 (report on transition efforts and activities).

Where a condition related to an assessment of the economic viability of an alternative or measure to minimize use or emissions, the reporting should require to address the relevant economic data requirements identified in section 4 below.

4. Economic feasibility

Where a nomination has been approved on the basis of the economic infeasibility of an alternative, the exemption holder should report any significant changes to the underlying economics. This could include any changes to:

- (a) The purchase cost per kilogram of methyl bromide and of the alternative;
- (b) Gross and net revenue with and without methyl bromide, and with the next best alternative;

- (c) Percentage change in gross revenues if alternatives are used;
- (d) Absolute losses per hectare/cubic metre if alternatives are used;
- (e) Losses per kilogram of methyl bromide requested if alternatives are used;
- (f) Losses as a percentage of net cash revenue if alternatives are used;
- (g) Percentage change in profit margin if alternatives are used.

Notes: Where an exemption has been approved on the basis of the economic infeasibility of an alternative, the exemption holder must have clearly described the nature of the economic infeasibility in its original nomination.

The economics of methyl bromide and of alternatives can be subject to changes over time, and it is possible that those changes could have an impact on the exemption holder's claim that an alternative is not economically viable and on its continuing eligibility for an exemption.

Given that criteria for assessing the economic feasibility of alternatives have not yet been agreed by the Parties, at the current time the seven data points identified above represent suggested guidance only. As criteria are developed and approved by the Parties for inclusion in the Technology and Economic Assessment Panel/MBTOC Handbook, the data to be provided in annual reporting would reflect those criteria and any accompanying new data requirements.

5. Reduction in quantity of methyl bromide required

Exemption holders should indicate whether the number of hectares or cubic metres identified in their earlier nominations has changed. Where the number has been reduced, the exemption holder should quantify any resultant change in the quantity of methyl bromide required.

Notes: The Critical Use Nomination Handbook requests pre-planting Parties making nominations to provide information on the number of hectares or cubic metres to be treated with methyl bromide.

In some cases, it is possible that the number of hectares or cubic metres to be treated could vary over time. As such variations can also change the quantity of methyl bromide required for the exemption, this section provides the means to monitor such variations.

Exemption quantity details

Quantity requested in original nomination: _____

Quantity recommended by Methyl Bromide Technical
Options Committee Technology and Economic
Assessment Panel: _____

Quantity approved by Parties: _____

Quantity required for [year]: _____

Annex II

A. Agreed critical-use categories

Country	Categories of permitted critical uses (metric tonnes)
Australia	Cut flowers – field (18.375); Cut flowers – protected (10.425); Cut flowers, bulbs – protected (7); Rice (consumer packs) (6.15); Strawberry fruit – field (67); Strawberry runners (35.75);
Belgium	Asparagus (planting material) (0.63); Chicory (0.18); Cucurbits (0.61); Cut flowers (excluding roses and chrysanthemum) (4); Cut flowers (chrysanthemum) (1.12); Leeks and onions – planting stock (0.66); Lettuce and endive – protected (25.19); Nursery (0.9); Orchard – pome fruit and berries – replant (1.35); Pepper, eggplant – protected (3); Strawberry runners (3.4); Tomatoes – protected (5.7); Tree nursery (0.23)
Canada	Pasta and flour mills (47); Strawberry runners (7.952)
France	Carrots (8); Chestnuts (2); Cut flowers, bulbs – protected and open field (60); Eggplant, pepper, tomato – protected and field (125); Forest nurseries (10); Mills and processors (40); Orchard and raspberry – replant (25); Orchard and raspberry nurseries (5); Rice (consumer packs) (2); Strawberry runners (40); Strawberry fruit – protected and open field (90);
Greece	Cucurbits – protected (30); Tomato – protected (156);
Italy	Cut flowers, bulbs – protected (250); Eggplant – protected (194); Melon – protected (131); Pepper – protected (160); Strawberry fruit – protected (407); Strawberry runners (120); Tomato – protected (871);
Japan	Chestnuts (4.6); Cucumber (39.4); Melon (94.5); Peppers (74.1); Watermelon (71.4)
Portugal	Cut flowers – protected and open field (50);
Spain	Cut flowers (Andalusia) – protected (53); Cut flowers (Catalonia) – carnation, protected and open field (20); Peppers – protected (200); Strawberry fruit – protected (556); Strawberry runners (230)
United Kingdom	Cheese stores (traditional) (1.640); Food storage (dry goods) – structure (1.1); Mills and processors (47.13); Miscellaneous dry nuts, fruit, beans, cereals, seeds (2.4); Ornamental tree nurseries (6); Spices (structural/equipment) (1.728); Stored spices (0.03); Strawberries and raspberries – fruit (68); Tobacco (product/machinery) (0.050)
United States of America	Chrysanthemum cuttings – rose plants (nursery) (29.412); Cucurbits – field (1187.8); Dried fruit, beans and nuts (86.753); Eggplant – field (73.56); Forest nursery seedlings (192.515); Fruit tree nurseries (45.8); Ginger production – field (9.2); Mills and processors (483); Orchard replant (706.176); Peppers – field (1085.3); Smokehouse ham – (building and product) (0.907); Strawberry fruit – field (1833.846); Strawberry runners (54.988); Sweet potato – field (80.83); Tomato – field (2865.3); Turfgrass (206.827)

B. Permitted levels of production and consumption of methyl bromide necessary to satisfy critical uses in 2005

Country	(metric tonnes of methyl bromide)
Australia	145
Belgium*	47
Canada	55
France*	407
Greece*	186
Italy*	2,133
Japan	284
Portugal*	50
Spain*	1,059
United Kingdom*	128
United States of America	7,659

* The production and consumption of the European Community shall not exceed 3,910 metric tonnes for the purposes of the agreed critical uses, and 100 metric tonnes of stocks.

Annex III

Draft decision submitted by the United States of America to the First Extraordinary Meeting of the Parties

Permitted levels of production and consumption to meet agreed critical-use exemptions

The Extraordinary Meeting of the Parties decides:

Reaffirming the obligation to phase out the production and consumption of methyl bromide in accordance with paragraph 5 of Article 2H by 1 January 2005 subject to the availability of an exemption for uses agreed to be critical by the Parties,

Recalling that Article 2H further contemplates the Parties taking two separate decisions with respect to critical uses permitting levels of production and consumption necessary to meet agreed critical uses, one on the level and categories of critical uses and then a separate decision on the level of production or consumption necessary to satisfy those uses,

Noting with appreciation the efforts of the Methyl Bromide Technical Options Committee and the Technology and Economic Assessment Panel in reporting on and guiding the discussions of Parties on the issue of critical use exemptions in accordance with the mandate under decision IX/6,

1. To agree on critical use exemptions for 2005, 2006, and 2007 as set out in appendix I of the present decision for the categories of permitted critical uses set forth in appendix II;
2. To permit a level of production or consumption in 2005, 2006, and 2007 as set forth in appendix III of the present decision;
3. To authorize a Party with a critical-use exemption level in excess of permitted levels of production and consumption to make up any such difference between those levels by using quantities of methyl bromide from stocks that the Party has determined to be available;
4. That a Party using stocks under paragraph 3 above shall prohibit the use of stocks in the categories set forth in appendix II, when amounts from stocks combined with allowable production and consumption exceed the level set forth in appendix I;
5. That authorizations are subject to the terms and conditions set forth under decision Ex.I/4, including elements such as development of a management plan, research on alternatives and enhanced reporting;
6. That Parties may request reconsideration by the Meeting of the Parties of an approved critical-use exemption in the case of exceptional circumstances, such as the unforeseen de-registration of an approved methyl bromide alternative when no other feasible alternatives are available;
7. That where the Parties have granted a critical-use exemption and a level of production and consumption for a particular Party for 2005 only, that Party shall be entitled to request exemptions for 2006 and 2007 (and a 2005 supplemental request if applicable), to be considered by the Sixteenth Meeting of the Parties in accordance with decision IX/6.

Appendix I. Agreed critical-use levels

Country	Critical-use exemption 2005 (tonnes)	Critical-use exemption 2006 (tonnes)	Critical-use exemption 2007 (tonnes)
Australia	[145]		
Belgium	[47]		
Canada	[56]		
France	[407]		
Greece	[186]		
Italy	[2,134]		
Japan	[284]		
Portugal	[50]		
Spain	[1,059]		
United Kingdom	[129]		
United States of America	9,446	8,943	8,425

[] bracketed amounts are those recommended by the Methyl Bromide Technical Options Committee

Appendix II. Agreed critical-use categories

Country	Categories of permitted critical uses
Australia	Cut flowers – field; Cut flowers – protected; Cut flowers, bulbs – protected; Rice (consumer packs); Strawberry fruit – field; Strawberry runners;
Belgium	Asparagus (planting material); Chicory; Cucurbits; Cut flowers (excluding roses and chrysanthemums); Cut flowers (chrysanthemums); Leeks and onions – planting stock; Lettuce and endive – protected; Nursery; Pepper, Eggplant – protected; Orchard – pome fruit and berries – replant; Strawberry runners; Tomatoes – protected; Tree nursery
Canada	Strawberry runners; Pasta and flour mills
France	Carrots; Chestnuts; Cut flowers, bulbs – protected and open field; Eggplant, Pepper, Tomato – protected and field; Forest nurseries; Mills and processors; Orchard and raspberry nurseries; Orchard and raspberry – replant; Rice (consumer packs); Strawberry runners; Strawberry fruit – protected and open field;
Greece	Cucurbits – protected; Tomato – protected;
Italy	Cut flowers, bulbs – protected; Eggplant – protected; Melon – protected; Pepper – protected; Strawberry fruit – protected; Strawberry runners; Tomato – protected;
Japan	Chestnuts; Watermelon; Melon; Peppers; Cucumber
Portugal	Cut flowers – protected and open field;
Spain	Cut flowers (Cadiz and Seville) – protected; Cut flowers (Andalusia) – protected; Cut flowers (Catalonia) – carnations, protected and open field; Peppers – protected; Strawberry fruit – protected; Strawberry runners;
United Kingdom	Cheese stores (traditional); Ornamental tree nursery; Strawberries and raspberries – fruit; Food storage (dry goods) – structure; Mills and processors; Miscellaneous dry nuts, fruit, beans, cereals, seeds; Spices (structural/equipment); Stored spices; Tobacco (product/machinery)
United States of America	Chrysanthemum cuttings – rose plants (nursery); Cucurbits – field; Cut flowers and foliage; Dried fruit, beans and nuts; Eggplant – field; Forest nursery seedlings; Ginger production – field; Fruit tree nurseries; Meat processors; Mills and processors; Orchard replant; Miscellaneous food storage and processing; Peppers – field; Dried cured pork products; Strawberry fruit – field; Strawberry runners; Sweet potato – field; Tobacco seedbeds – field; Tobacco seedlings – nursery float trays; Tomato – field; Turfgrass

Appendix III. Permitted levels of production or consumption

Country	Critical-use production or consumption 2005 (tonnes)	Critical-use production or consumption 2006 (tonnes)	Critical-use production or consumption 2007 (tonnes)
Australia	[145]		
Belgium	[47]		
Canada	[56]		
France	[407]		
Greece	[186]		
Italy	[2,134]		
Japan	[284]		
Portugal	[50]		
Spain	[1059]		
United Kingdom	[129]		
United States of America	7,659	7,659	7,148

[] bracketed amounts are those recommended by Methyl Bromide Technical Options Committees

Annex IV

Declaration on limitations on the consumption of methyl bromide

by Austria, Belgium, Costa Rica, Czech Republic, Denmark, El Salvador, Estonia, Ethiopia, Finland, France, Germany, Greece, India, Indonesia, Italy, Jamaica, Japan, Jordan, Kiribati, Lebanon, Luxembourg, Malaysia, Mexico, Mozambique, Netherlands, Norway, Poland, Portugal, Saint Lucia, Serbia and Montenegro, Slovakia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, United Kingdom and the European Community

The above Parties present at the first Extraordinary Meeting of the Parties.

Recognizing that technically and economically feasible alternatives exist for most uses of methyl bromide, and noting that Parties have made substantial progress in the adoption of effective alternatives,

Mindful that exemptions must comply fully with decision IX/6 and are intended to be limited, temporary derogations from the phase-out of methyl bromide,

Resolved that each Party's methyl bromide use should decrease, targeting the closure of the critical-use exemption as soon as possible in non-Article 5 Parties,

Declare their firm intention at the national level to take all appropriate measures to strive for significantly and progressively decreasing production and consumption of methyl bromide for critical uses with the intention of completely phasing out methyl bromide whenever technically and economically feasible alternatives are available.

Montreal, 26 March 2004