

**OPENING REMARKS BY THE DEPUTY EXECUTIVE DIRECTOR AT THE
13TH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL ON
SUBSTANCES THAT DEplete THE OZONE LAYER**

COLOMBO, SRI LANKA, 18 OCTOBER 2001

Your Excellency, Honorable Minister of Transport and Environment Protection (Mr. Dinesh Gunewardena), Distinguished President of the Bureau of the Montreal Protocol (Mr. Milton Catelin), Honorable Ministers, Excellencies, Ladies and Gentlemen.

We are honored by the presence at this meeting of Her Excellency Mrs. Chandrika Bandaranaike Kumaratunga, the Executive President of Democratic Socialist Republic of Sri Lanka. Her presence here is an indication of the great importance Sri Lanka attaches to the protection of the environment in general and to the protection of the Ozone Layer in particular.

On behalf of Dr. Klaus Toepfer, the Executive Director of UNEP, I wish to welcome you to the High-Level segment of the 13th Meeting of the Parties to the Montreal Protocol, here in Colombo, the capital of beautiful Sri Lanka. At the outset, let me congratulate Sri Lanka for offering to host this 13th Meeting of the Parties. The warm hospitality shown by the Government of Sri Lanka and the excellent facilities provided are, for sure, contributing to the success of the meetings.

Let me also express my sincere appreciation to all of you who are attending this meeting at this particular time. The meeting is being held, as it should, in spite of the current difficulties and potential dangers of international travel. Some of the deliberations and decisions you will be taking at this meeting are crucial for your work in future years and cannot be postponed. This is the reason for holding the meetings of the Parties to the Montreal Protocol every year.

Excellencies,

Permit me however to make the observation that the present danger from terrorism, which you are tackling so ably is, hopefully, of temporary duration. The danger to the ozone layer, which is the concern of all of us here at this meeting, will take longer to be removed. In spite of the sustained, successful action you have been taking for the past 12 years to reduce the consumption of ozone depleting chemicals, the ozone layer is still in a depleted condition. The World Meteorological Organization which is the UN body that monitors the status of the ozone layer, has just released a series of bulletins on the evolving size of this year's ozone hole over the South Pole. The news is not good. In spite of the measures to protect the ozone layer that you have decided upon since the adoption of the Vienna Convention in 1985 and the Montreal Protocol in 1987, the size of the Antarctic ozone hole last month was almost as big as it was last year, the largest ever

recorded (to remind you, covering an area almost the combined size of Brazil and the Russian Federation).

It is of utmost concern that, in the coming years, we must be vigilant. Let me present some issues on which you have to be vigilant.

Distinguished delegates,

First, as you all well know, the 10-year grace period granted to the developing countries to comply with the control measures of the Montreal ended in 1999. Developing countries are now committed to the phase-out schedule, which the Developed Countries complied with 10 years ago. Under this commitment, the developing countries should have frozen their consumption and production of CFCs for the period July 1999 to June 2000. I am pleased to inform you that the overall consumption of the developing countries has come down compared to the base level, and most of these countries have done well in reducing their production and consumption of the ozone depleting substances. I congratulate them on their performance and request them to continue the good work to phase out the consumption completely as scheduled in the Montreal Protocol.

However, the situation in some of the smaller countries causes concern. From the national data on consumption and production of CFCs you have reported to the Secretariat, which was reviewed by the Implementation Committee, it seems that about 25 developing countries out of 136 that are Parties to the Montreal Protocol have increased their consumption in 1999 and one has increased its production. This is a worrying signal indeed. In view of this worrisome development, the Secretariat decided to arrange a meeting at the ministerial level for the affected countries which took place yesterday, to exchange views on the implementation of the Montreal Protocol in general, and to inform them about the financial assistance available from the Multilateral Fund to support developing countries to meet their commitment to phase-out ozone depleting substances (ODSs). These countries have still time to better their performance. I hope that this meeting, which was also attended by the Presidents of the Bureau and the Implementation Committee, the Chairman and Chief Officer of the Executive Committee of the Multilateral Fund, the Implementing Agencies and the Ozone Secretariat, succeeded in drawing your attention to some important issues.

By ratification of the ozone treaties, developing countries have assumed international obligations that are important for them to meet. The success of the Montreal Protocol is measured by how well all the Parties comply with its provisions. The success of the Montreal Protocol is so important not only because of the environmental consideration that it protects the ozone layer, but also that it provides other Multilateral Environmental Agreements a shining good example that it is indeed possible to deliver global environmental protection. I quote the words of Mr. Kofi Annan, Secretary General of the UN, who said on the Occasion of the International Ozone Day on 16 September 2001

“Experience with the ozone layer suggests that the international community can indeed summon the resources, creativity and political will to address major environmental threats. As we remain vigilant about threats to the ozone layer, let us also address ourselves to the long list of other threats awaiting similar attention.”

The Multilateral Fund established under the Montreal Protocol is there to help developing countries meet their commitment to phase out ODSs. Moreover, the Multilateral Fund has provided extensive support to those developing countries which were willing to move faster in phasing out their ODSs as compared to the time schedule dictated by the Protocol.

The producers of the ozone depleting substances are well on their way to cut down their production. Given this reduction in the supply of these substances, especially CFCs and methyl bromide, it would be better for developing countries to move as quickly as possible to alternative ozone-safe substances, in order to avoid unacceptable economic disruption in the future. This implies that the developing countries will have to put in place the necessary policies and legislation to curb the consumption of CFCs as well as incentives to adopt ozone-friendly substitutes. I am aware that many of you already have such systems in place. I am addressing my remarks to those countries that are yet to do this.

On another point, there is now an abundant availability of CFCs in the market at cheaper prices compared to ozone-safe alternatives. An analysis has shown that over the next few years the production of CFCs as permitted by the Montreal Protocol for now, is considerably more than the consumption permitted, or likely to actually occur. This leads to the abundant availability of the CFCs. If this situation persists, the phase-out of CFCs to which the developing countries are now committed might be difficult. Even the industries that converted to ozone-friendly alternatives may be tempted to use the cheaper CFCs. One more issue of concern is the increasing export to the developing countries of used refrigerators and other equipment that use CFCs.

Therefore, if the developing countries, particularly the smaller ones, whose main demand for CFCs is for servicing their equipment, are to be in compliance with the Protocol, there is a need to take three steps. One is to expeditiously establish in all the countries policies, legislation and systems to curb the consumption of CFCs and to promote the adoption of ozone-friendly substitutes. The second step is to stop the export of equipment that uses CFCs. The third is to curb somehow the abundant availability of the CFCs in the near future.

On the first step, that is the establishment of policies, the UNEP with the resources of the Multilateral Fund, is ready to assist you.

On the second issue of excessive production, I am aware that the present production is within the limits set by the Protocol. However, we notice that there are five Developed Countries which although they have phased out their CFC consumption, still

produce CFCs not only for essential uses permitted by the Parties, but also for exports to the Developing Countries as allowed by the Montreal Protocol. Is it possible to slightly reduce these exports?

Similarly, some developing countries produce not only for their own needs but also for exports, as permitted by the Protocol. The Multilateral Fund has already reached agreements with China and India, both producers of CFCs, to gradually reduce and phase-out their production. The Fund is now in the process of doing so with four other developing countries. Can these producing countries reduce their exports slightly? They may agree if you make a request to them at a Meeting of the Parties. The Executive Committee of the Multilateral Fund too could consider this issue.

I am well aware that some CFCs are still needed in the developing countries and that they should continue to be produced. I am only asking you to consider the possibility of reducing the supply to a certain extent so that the compliance with the Protocol by many countries is not affected. The Executive Director of UNEP has already written to the Ministers of Environment of the concerned developed countries about his intention to personally encourage their industries to reduce their export of CFCs on a voluntary basis. I would request all of you to ponder on this issue of creating conditions for compliance by all the countries.

On the third issue of curbing the export of equipment that uses CFCs, I am aware that you had taken action. Parties can inform the Ozone Secretariat that they do not want to import such equipment and the list of countries that have so requested has been placed on the website of the Secretariat to inform the exporting countries. Is this system functioning successfully? Has it delivered the results you expected of curbing the export of the unwanted equipment? It is up to you to judge and decide on the course of further action.

Another point to consider which could affect adversely the healing process of the ozone layer is the issue of illegal trade in CFCs. I would like to draw your attention to a supplement attached to the recently published OzoneAction Newsletter, which provides valuable insight and background information on the issue of illegal trade in ODSs. As is evident from the publication, illegal trade in ODSs afflicts both developing as well as developed countries. Also, your decision at this meeting to request the Ozone Secretariat to undertake a study and present you with a report with practical suggestions on ways to curb illegal traffic of ODS is a first step in the right direction. We need urgently to increase our knowledge regarding this menace. As the Executive Director of UNEP states in this Newsletter supplement "Ignorance is the ODSs best friend...".

The last point of concern I would like to raise is the appearance on the market of new substances that may damage the Ozone layer. These new substances with names such as n-propyl bromide and halon-1202, are not controlled by the Montreal Protocol. Studies indicate that some of these new substances, which are being used as replacements for the banned ones, may have the potential to damage the ozone layer. The quantities being manufactured are at the moment believed to be small. However, scientists such as Nobel Prize winner Professor Mario Molina and others from the Assessment Panels for

Scientific, Environmental Effects and Technological and Economic matters, as well as experts from UNEP, are concerned about these substances since over the coming years they may be produced in ever increasing quantities. Your decisions on new ozone-depleting substances and establishing criteria for assessing their Ozone Depleting Potential (ODP) would help in making progress on this issue.

Ladies and Gentlemen,

I would like to congratulate the Assessment Panels on their continuous excellent work in assessing for you the situation and presenting you with unbiased policy options how to move forward. The issues of concern I have raised before will be, for sure, reviewed by the Assessment Panels in depths in their forthcoming 2002 assessments of the ozone layer. I wish to thank the Parties that have extended support to the experts of the Assessment Panels, particularly from the Developed Countries, and urge them to continue to provide that support.

The Global Environment Facility has been a very important partner in the protection of the ozone layer. They have provided so far about US\$160 million, for the phasing out mainly CFCs in the Countries with Economies In Transition (CEITs), including the Russian Federation. Thanks to this support, all of these countries will complete the phase out of their CFCs around 2003. As you know, the GEF was requested by you to continue its support to the CEITs to enable them to complete the phase out of all their ODSs. I strongly urge the GEF to respond positively to your request.

Ladies and Gentlemen,

Ratification of the various Amendments to the Montreal Protocol is very critical in fulfilling the obligations contained in those Amendments. Out of 180 Parties to the Montreal Protocol, only 153 have ratified the London Amendment, 128 the Copenhagen Amendment, a mere 63 have ratified the Montreal Amendment and only 11 Parties have done so to the Beijing Amendment. I appeal to you to expedite the ratification of all the Amendments in order to keep up the momentum of implementation of the Protocol. I commend the countries for ratifying all the amendments and look forward to work with them towards fulfilling all the obligations contained in those Amendments.

I would like to say a few words on the important decision you have to take at this meeting regarding the terms of reference for the replenishment study of the Multilateral Fund for the next triennium 2003 to 2005. This study should estimate the size of the replenishment of the Multilateral Fund for the next triennium. With your approved Terms of Reference, the preparation of the replenishment study can proceed and be ready for your review next year. It will no doubt facilitate the crucial negotiations on the replenishment levels that you will face next year during the 14th Meeting of the Parties.

Before I conclude, one short comment on the trust funds of the Vienna Convention, Montreal Protocol and the Multilateral Fund. As you all know, the successful implementation of the provisions of the Montreal Protocol ultimately hinges

on the health of its trust funds. Thanks to the timely payment of many Parties, the Multilateral Fund, and the trust fund of the Vienna Convention and Montreal Protocol are in a fair shape. I would like to complement all the countries that have completely cleared their arrears till the end of 2001 and urge the other Parties that have not yet paid the due amounts. I hope they will make their contributions soon.

Finally, as many people tell us, the Ozone Treaties have so far been very successful. However, the job is far from over. You, the Parties, the Multilateral Fund, the Global Environment Facility and the Implementing Agencies UNDP, UNEP/OzonAction Programme, UNIDO and the World Bank have performed splendidly in the past. You need to persevere in the future until we are sure that the ozone layer is indeed protected and stays protected for us and the next generations.

I wish you very successful deliberations.