

China – Russia Dialog Saint Petersburg, Russian Federation, April 2012

Montreal Protocol Enforcement Activities

(using extracts of Sophia Mylona's presentation during ECA network meeting)

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UNEP ECA webpage:

www.unep.org/ozonaction/ecanetwork/

OzonAction website:

www.unep.org/ozonaction/







Phase-out schedule for Article 5 countries

- > Several types of ODS already phased out
 - Chlorofluorocarbon, halon, carbon tetrachloride
 - Few exemptions for essential and critical uses (Russia imported 308 ODP tons CFC for essential use)
- > Remaining challenges
 - 2015: 100% methyl bromide phase-out
 - 2015: 100% methyl chloroform phase-out
- > Hydrochlorofluorocabon (HCFC) challenge
 - 2013: Freeze at baseline level
 - 2015: 10% reduction of baseline
 - 2020: 35% reduction of baseline
 - 2025: 67,5 % reduction of baseline
 - 2030: 97,5% reduction of baseline

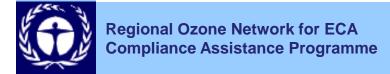






Phase-out schedule for Article 2 / CEIT countries

- ➤ Most types of ozone-depleting substances already phased out
 - Chlorofluorocarbon, halon, carbon tetrachloride, methyl chloroform, methyl bromide
 - Few exemptions for essential and critical uses
- > Hydrochlorofluorocabon (HCFC) challenge
 - 2010: 75% reduction of baseline
 - 2015: 90% reduction of baseline
 - **2020: 99,5 % reduction of baseline**







Risk of illegal trade – past evidence

- **➤** In the past mainly chlorofluorocarbons (CFCs)
 - Illicite import of 1108 metric tons of allegedly recycled CFC from China to Russian Federation
 - 2007: 18.4 metric tons CFC-11, 398.2 metric tons CFC-12, 120.6 metric tons HCFC-123
 - 2008: 268.2 metric tons CFC-12
 - -2009: 266.1 metric tons CFC-12, 36.7 metric tons CFC-11
 - Seizure of 39 metric tons of allegedly recycled CFC-12 in Saint Petersburg in 2010
- > Increasingly hydrochlorofluorocarbons (HCFCs)
 - Seizure of 15,63 metric tons of HCFC-22 in Vaailmaa in 2011

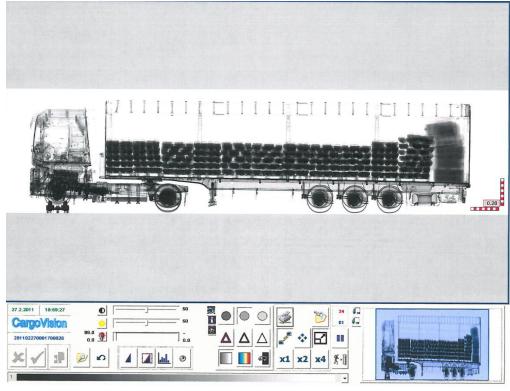






Risk of illegal trade – seizure in Vaailmaa











Common smuggling schemes

- Fraudulent Transshipments
- "Recycled" versus "Virgin"
- Mislabeling legal ODS or non-ODS
- Using a wrong Customs Code
- Traditional smuggling (hiding)
- Smuggling CFCs in compressors or equipment
- Adding nitrogen to change tank pressure
- Splitting valves / tanks

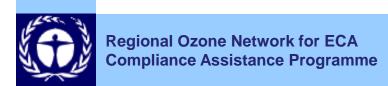






National enforcement initiatives

- > ODS import / export licensing system
 - Mandatory for imports & exports
 - All ozone-depleting substances
 - For new, used, recycled, reclaimed substances
- > HCFC quota system
 - Article 5 countries
 - Article 2 countries (CEITs)
- > HCFC phase-out strategies
 - Customs training
 - Refrigerant identifiers







Regional enforcement networks

- > ECA Regional Enforcement Network
 - Budapest meeting in 2009
 - Ashgabat meeting in 2010
 - Planned Istanbul meeting in October 2012
- > Involvement of key stakeholders
 - National Ozone Officers and Customs
 - Main trade partners including China, EU
 - WCO / RILOs, SECI, OSCE, UNODC, UNCTAD, EIA, Interpol, Green Customs
- > Regional Green Customs workshops
 - Covering other trade-related Multilateral Environmental Agreements







Informal Prior Informed Consent



- > iPIC info sheets
 - Registered importers & exporters
 - Trade restrictions and bans
 - Focal point contacts
- > 2011/12 participation
 - 67 countries including China, Russian Federation, European Union
 - 13 out of 19 ECA / CEIT countries
- **≻iPIC** online
 - Launch in April 2012
 - Review of iPIC online pilot version by Russian Federation, European Union

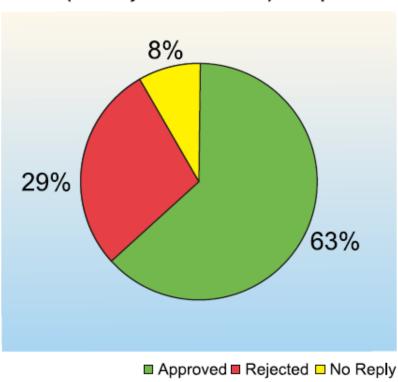




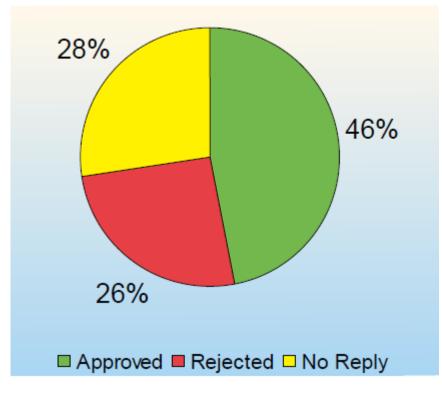


Informal Prior Informed Consent (iPIC)





2010 – 98 queries









iPIC in Russian Federation

Consultation	Exporter	Importer	Substance	Quality	Response
EU consults Russian Federation on 25.1.12 before issuing import license	Transaero Airlines, Russian Federation	FL Technics AB, Lithuania	Airplane with 22kg halon1211 (20%) and halon1301 (80%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 25.1.12 before issuing import license	Transaero Airlines, Russian Federation	FL Technics AB, Lithuania	Airplane with 22kg halon1211 (20%) and halon1301 (80%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 25.1.12 before issuing import license	ROSSIYA AIRLINES OJSC, Russian Federation	FL Technics AB, Lithuania	Airplane with 22kg halon1211 (20%) and halon1301 (80%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 7.2.12 before issuing export licenses	Airbus SAS, Germany	J.S.C AEROFLOT RUSSIAN AIRLINES, Russian Federation	Airplane with 44 kg halon 1211 (13.6%) and halon 1301 (86.4%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 7.2.12 before issuing export licenses	Airbus SAS, France	Siberia Airlines, Russian Federation	Airplance with 40 kg halon 1211 (17.99%) and halon 1301 (82.01%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 23.2.12 before issuing import license	JSC Nordavia Regional Airlines, Russian Federation	Lufthansa Technik AG, Germany	Portable fire extinguishers with 1 kg halon 1211 (100%)	Recycled substance	Export license for recycled substance will be delivered once requested
EU consults Russian Federation on 23.2.12 before issuing import license	JSC Nordavia Regional Airlines, Russian Federation	Lufthansa Technik AG, Germany	Portable fire extinguishers with 1 kg halon 1301 (100%)	Recycled substance	Export license for recycled substance will be delivered once requested







iPIC in Russian Federation



- **EU consulting Russian Federation**
 - So far only small quantities
 - So far only recycled halons
 - So far no rejections
- > China consulting Russian Federation
 - So far no consultations reported
- > Russian Federation consulting China, EU
 - So far no consultations reported
 - NOU informed:
 - Any import to / export from Russian Federation should be checked with iPIC focal point
 - No list of registered / authorized companies license is issued upon application







Desk study on data discrepancies

Preventing illegal trade in controlled ODS (Decision XVII/16)

To request the Ozone Secretariat to revise the reporting format resulting from Decision VII/9 to cover exports (including re-exports) of all controlled ozone-depleting substances, including mixtures containing them, and to urge the Parties to implement the revised reporting format expeditiously.

The Ozone Secretariat is also requested to report back aggregated information related to the controlled substance in question received from the exporting/re-exporting Party to the importing Party concerned





Reported Import and Export Data of ODS in the ECA/CEIT Region for 2010 and detected discrepancies

Import – Export data discrepancies in the ECA/CEIT region (Aggregated amounts of HCFCs in MT)

(Aggregated amounts of HCFCs in MT)						
Importing party	ImpNew	ExpNew	Exporting party			
Albania	117.27	30.601	Turkey			
Armenia	129.58	N/A	N/A			
Azerbaijan	6	N/A	N/A			

N/A

59

99.149

31.416

255.728

N/A

15.7

N/A

Croatia

India

China

N/A

India

Argentina, China, EU,

India, Singapore

171.53

167.686

104.8

2000

61.25

17.14

59

Belarus

Bosnia &

Croatia

Georgia

Kazakhstan

Kyrgyzstan

Montenegro

Herzegovina

Import – Export data discrepancies in the ECA/CEIT regioncont. (Aggregated amounts of HCFCs in MT)					
Party	ImpNew	ExpNew	Export		
Republic of Moldova	12.9	N/A	N/A		
Russian Federation	1795	5314.224	China, EU, Mauritius		
Serbia	141.77	78.842	B&H, China, Croatia, EU		
Tajikistan	50.394	N/A	N/A		
The FYR of Macedonia	23.936	43.928	Croatia, Turkey		
Turkey	8973.958	6897.831	China, EU, India,		

122.4

16.87

671.881

N/A

1932.47

15.708

N/A

Turkey

China, EU

Turkmenistan

Ukraine

Uzbekistan

Rep. of Korea, USA



Analysis of data discrepancies



Scenario I: Imports reported by importing Party are higher than exports reported by exporting Parties Exporting country did not report exports

Action: Import county to remind export country to report

destination of exports

Scenario II: Imports reported by importing Party are lower than exports reported by exporting Parties

Potential mis-declaration of destination country or re-export Potential error in reported imports (compliance relevant) Potential illegal trade

Action: Import country to check data with export country

>>> RUS, MDN, UKR







Analysis of data discrepancies

- > Data discrepancies in Russian Federation 2010
 - Russian Federation reported imports of 1795 metric tons HCFCs in 2010
 - Exporting countries reported exports of 5314 metric tons HCFCs to Russian Federation in 2010
 - Discrepancy of 3519 metric tons HCFC
- > Compliance relevance
 - HCFC baseline: 3996,9 ODP tons
 - Allowed consumption in 2010: 75% reduction of baseline or 999 ODP tons
 - Reported consumption in 2010: 82 % reduction of baseline or 733,8 ODP tons
 - Actual consumption might be higher than allowed





Montreal Protocol Amendments – Countries with Outstanding Ratifications in the ECA/CEIT region

Country	London 1990	Copenhagen 1992	Montreal 1997	Beijing 1999
Azerbaijan	✓	✓	✓	NR
Kazakhstan	✓	✓		NR



HCFC trade with non-Parties to Beijing Amendment

Parties to the Beijing Amendment must not trade HCFCs with Article 2 non-Parties to the Beijing Amendment

- Kazakhstan and Azerbaijan are Article 2 countries and did not yet ratify the Beijing Amendment
- This applies to Article 5 countries from 1 January 2013 (MOP Decision XX/9
- Decision XXIII/27 Parties decided to take no action regarding Russian Federation's 2009 export of HCFCs to a non-Party but monitor it's MP implementation







HCFC trade with non-Parties to Beijing Amendment

Customs Union

- Free trade between Parties (Russia, Belarus) and non-Parties (Kazakhstan) to Beijing Amendment
- Which non-Parties to Beijing Amendment exported HCFC to KAZ (2000 MT) and AZB (6 MT) in 2010 ?
- Risk of re-exports from KAZ to RUS?









Monitoring ODS trade via Internet

Chinese companies offering ODS via Internet which not included in China's iPIC sheet for 2011:

Jinlier International

www.jinlier-cn.com/

Zhejiang Zhonglan Refrigeration Technology Co., Ltd. <u>www.trade.cn/companies/4434/zhejiang-zhonglan-refrigeration-technology-co-ltd.htm</u>

Zhejiang Mr Refrigerant Co., Ltd.

http://zgzjmr.en.china.cn/

Guangzohou Jin Ju Chemical Co., Ltd

http://gas.en.alibaba.com/

FM Refrigeration Manufacturer Group

http://jerryrefrigerant.en.ec21.com/

Ningbo Silva Refrigeration Products Co., Ltd.

http://chemicals.tradepad.net/this-products-2327-ningbo-silva-refrigeration-products-co-ltd-p1.html

Ningbo Mansson Industrial Co., Ltd.

http://nbms.en.ecplaza.net

Wuhu Techsun Imp. & Exp. Co. Ltd.

http://cntechsun.en.alibaba.com/productgrouplist-205180002/refrigeration_parts.html#products







Enforcement activities

UN Conf. on Trade & Development (UNCTAD)

- > ASEQUDA customs clearance system used by 97 countries
 - ALB, BiH, GEO, MDN, MOL
 - Interested countries: BiH, ARM, SER, TUR
- > UNCTAD single window platform currently tested in phyto-sanitary sector
 - Export & import certificates / licenses issued within the system
 - Compliance check with pre-defined criteria (risk profiling)
 - Works with any type of customs clearance system
 - Launch in interested countries takes 2-3 months and involves training of Customs Officers, management authorities and system administrators
 - Presentation in Istanbul Customs Cooperation meeting







Harmonised System (HS) codes 2012

➤ Individual codes assigned for 5 most commonly used HCFCs :

HCFC-22 2903.71

■ HCFC-123 2903.72

• HCFC-141/141b 2903.73

■ HCFC-142/142/b 2903.74

■ HCFC-225, 225ca, 225cb 2903.75

►All CFCs classified under single code 2903.77

Code for halons changed to 2903.76

➤ All remaining HCFCs, all HBFCs and bromochloromethane classified under 2903.79







HS codes for ODS mixtures (2007)

Subheading 3824.7 on "Mixtures containing halogenated derivatives of methane, ethane or propane":

- **3824.71** Containing chlorofluorocarbons (CFCs), whether or not containing hydrochlorofluorocarbons (HCFCs), perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs)
- **3824.72** Containing bromochlorodifluoromethane, bromotrifluoromethane or dibromotetrafluoroethanes
- **3824.73** Containing hydrobromofluorocarbons (HBFCs)
- 3824.74 Containing hydrochlorofluorocarbons (HCFCs), whether or not containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs)
- **3824.75** - Containing carbon tetrachloride
- **3824.76** Containing 1,1,1-trichloroethane (methyl chloroform)
- **3824.77** - Containing bromomethane (methyl bromide) or bromochloromethane
- 3824.78 Containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs)
- **3824.79** - Other





Publications

- **→ HS 2012 codes Montreal Protocol brochure**
 - English / Russian
- > Establishment of HCFC quota systems
 - English / Russian
- > iPIC brochure
 - English / Russian
- Preventing HCFC smuggling
 - English
- > Training Manual for Customs Officers
 - English / Russian
- **➤** Guide for Enforcement Officers
 - English / Russian
- Green Customs Guide
 - English / Russian







WCO e-learning modules

- > Available WCO e-learning modules
 - Montreal Protocol e-learning module (English & Russian)
 - Green Customs e-learning module (English)
- > Registration
 - Customs and Enforcement Officers: Contact your country's WCO coordinator (see http://e-learning.wcoomd.org/hosting/Learning/Coordinators. pdf) or contact the WCO e-learning team: elearning@wcoomd.org
 - National Ozone Officers: Contact your UNEP OzonAction Regional Network Coordinator







Customs focal points for Montreal Protocol

- Countries with designated focal points:
 ALB, ARM, AZB, BiH, CRO, KYR, MDN, MOL, RUS, SER, TAJ,
 TKM, UZB
- Countries invited to designate focal points: BEL, GEO, MNE, TUR, KAZ, UKR
- Russian Federation Montreal Protocol focal point:
 - Sergey Shklyaev, Head of the Division on Specific Goods Control, Federal Customs Service
 - Valerie Yakunin, Consultant, Division on Specific Goods Control, Federal Customs Service







ECA Ozone Protection Award for Customs & Enforcement Officers

- **ECA Ozone Protection Award 2009 / 2010**
 - Awareness raising and recognition to Customs & Enforcement community
 - Awarded to Chinese and Russian representatives
- **ECA Ozone Protection Award 2010 / 2011**
 - Nomination for enforcement action during July 2010 – December 2011
 - Deadline for nomination is 30 June 2012









Conclusion & recommendations

Monitoring internet trade

ECA Ozone Protection award

New HS codes since 2012

Strengthening licensing & quota system

International cooperation & information sharing

Vigilance to recycled ODS

No HCFC trade with non-Parties iPIC consultations

Analysis of data discrepancies

Training & awareness

Reporting destination country (virgin & recycled)



