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# Montreal Protocol Trade and Compliance

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## Outline

- Background
- Objectives
- Trade Measures
- Compliance Assistance
- Implementation Issues

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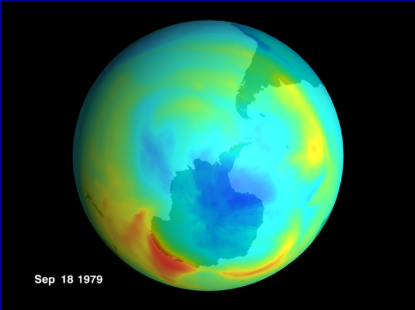
## Background

- Ozone Layer shields earth from harmful UV radiation. It is being destroyed by man-made chemicals called Ozone Depleting Substances (ODS)
- Vienna Convention (1985) and Montreal Protocol (1987) are international agreements to protect the ozone layer
- ODSs are widely used in many applications
  - CFCs, HCFCs used as refrigerants in R/AC equipment, solvent and foam blowing agent
  - Halons for fire protection
  - Methyl Bromide for soil fumigation, quarantine and pre-shipment

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## Antarctic Ozone Hole



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## Objectives of the Montreal Protocol

- Phase-out the consumption and production of Ozone Depleting Substances (ODS)
  - Only ODSs in bulk container used for transportation and storage are controlled, not in a manufactured product
  - Only virgin substances are counted in the consumption, not including used, recycled
  - Any amount of a controlled substance either alone or in a mixture
  - Consumption = import – export + production

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## Important Articles of the Montreal Protocol

- Article 2: Control measures
- Article 4: Control of trade with non-Parties
- Article 4A: Control of trade with Parties
- Article 4B: Licensing

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## Article 2: Control Measures

- Phase-out schedule for groups of Ozone Depleting Substances
  - Annex A Group I: CFCs
  - Annex A Group II: Halons
  - Annex B Group I: Other CFCs
  - Annex B Group II: Carbon Tetrachloride
  - Annex B Group III: Methyl Chloroform
  - Annex C Group I: HCFCs
  - Annex C Group II: HBFCs
  - Annex C Group III: Bromochloromethane
  - Annex E Group I: Methyl Bromide
- Step-wise reduction schedule
- Different phase-out schedules for developed and developing countries

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## Phase-out Schedule of CFCs

CFCs (Annex A/I) Production/Consumption Reduction Schedule

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## Article 4: Control of Trade with non-Parties

- Each Party shall ban the import / export of the controlled substances from / to any non-Party

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## Article 4A: Control of Trade with Parties

- If a Party is unable to cease production of a controlled substance
  - It shall ban the export of used, recycled and reclaimed quantities of that substance, other than for destruction purpose

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## Article 4B: Licensing

- Each Party shall establish and implement
  - A system for licensing the import and export of new, used, recycled and reclaimed controlled substances
- Shall be done by 1 Jan 2000 but may delay until 1 Jan 2005 (HCFC) and 1 Jan 2002 (Methyl Bromide)

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## Decisions on Trade made by Meeting of the Parties

- Recommend each Party to adopt measures to regulate the export and import of products and equipment containing ODS
- Establishment of a list of countries that do not manufacture for domestic use and do not wish to import products and equipment relying on ODS to function

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# Trade Measures

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# Effective Phase-out Strategy

- Controlling supply of ODS alone may lead to other undesirable results such as early retirement of equipment / illegal trade
- Need to introduce measures to reduce demand of ODS

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# Trade Measures: Supply Side

- Ban trade with non-Parties – depending on which Amendments of the Montreal Protocol
  - Montreal Protocol: CFCs, Halon
  - London Amendment: Other CFCs, CTC, TCA
  - Copenhagen Amendment: HCFCs, Methyl Bromide
- Import / export licensing system requiring company to register and apply for permit
- Quota system

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# Trade Measures: Demand Side

- Controlling / reducing demand of ODS
  - Control (ban / limit) on import of ODS-based equipment such as new or used vehicles and refrigerators relying on CFCs
  - Increase tax on ODSs / reduce on alternatives
  - Ban on installation of new equipment / system or manufacture products using ODS
- Restricting sales to authorized users / uses
  - Certified technicians / workshops

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# Compliance Assurances

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# Policy Support

- Assist in development of Country Programme / Refrigerant Management Plan
- Assist in development of phase-out policy and strategy, ODS legislation / licensing system
- Supported by UNEP Compliance Assistance Programme
  - 5 Professionals in Regional Office in Bangkok for Asia Pacific region
  - Additional CAP teams for Africa, Latin America, West Asia and Eastern Europe

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## Country Activities

- Trainings of refrigeration technicians in good practice to reduce emissions of ODS
- Training of customs officers to inspect and control import of ODS and ODS-based equipment
- Investment projects to convert industries to non-ODS alternatives

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## Network

- SEAP Network of Ozone Officers from 10 ASEAN countries + Fiji with Australia and Sweden as developed country partners
  - Established since 1992
  - Exchange experiences on policies and phase-out activities between countries
- 8 other networks globally

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## Implementation Issues

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## Implementation Issues

- No direct environmental impact, not main priority as local environmental problem
- Global supply of CFCs still widely available – making phase-out difficult in servicing sector
- Ozone focal point often not the licensing authority – need strong support to introduce ODS licensing system

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## Other Implementation Issues

- Countries with low consumption is susceptible to non-compliance with just one shipment of ODS
- Illegal trade of ODS can undermine completed phase-out activities

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## Conclusion

- Trade measures led to global ratification of the Montreal Protocol
- One of most successful MEAs with 90% of production and consumption of ODS phased-out
- Montreal Protocol experiences – good example for other chemical MEAs

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