

Key Outcomes

Session II

Licensing and quota systems

WORKSHOP
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BANGKOK

Facilitator:

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Overview presenter:

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Panellists:

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Key Outcomes Session II – Overview presentation

- **Common features** identified by the Secretariat : quota allocation system, cooperation with the customs administration, regular mandatory reporting by importers and exporters, online systems, penalties for wrongful use of the licence, and training / awareness-raising activities
- **Good practices and potential improvements:** Licensing products and equipment, licensing imports as well as exports, clear and transparent procedures, accuracy of labelling, licences per shipment, online single-window mechanism, use of an iPIC mechanism, private-public partnerships, cross-checking data with several sources, and monitoring of transit movements

Panel presentations following the Ozone Sec presentation

- China: multi-agency cross-checking steps; iPIC has prevented illegal trade of 8,000 mt.
- EU: HFC licensing and quota system allows annual reporting and verification since 2015. EU's electronic single window system for the Customs will connect Customs offices in 27 EU member states by 2025.
- Kuwait: Group 2 A5 country; adopt lessons learned from the CFC and HCFC phase-out need to be carefully considered. CO₂ equivalent-based controls require a careful review. The quota could be allocated on a sub-sector and HFC-specific basis. The proof for recycled or reclaimed refrigerants is key to avoid illegal trade of new refrigerants.
- Ghana: ODS as a part of the general chem. Management; the legislations for HFC to be implemented by the end of 2023

Key Outcomes Session II - Summary

- Licensing (and quota) systems have been developed and tested (and evolved) resulting in various forms.
- Some are well integrated into national customs systems: China, EU and Ghana's Integrated Customs Management System; annual reporting
- Cross-checking and transit movements need to be strengthened for others.
- Quota works in controlling the consumption.
- They evolved interactively through MOP/OEWG and informal Prior Informed Consent (iPIC)
- The Kigali Amendment poses a challenge with the systems to be adapted including: more blends; CO₂ emission based control; quota for subsector; proof of recycling and reclamation

Key Outcomes Session II – Discussion

- Inter-agency coordination including data sharing practice, good practices and future plans of single window systems
- Technical issues: purity criteria, CO₂ eq v.s. metric tonnes; pre-blended HCFC-141b polyol (definition?)
- Clarifications on first comers licensing systems & advice on followers
- Licensing system for equipment-contained refrigerants: not mandatory and Parties should monitor the imported quantities carefully and balance the phase-out/down with future needs
- Observations about needs for involving technicians as the most vulnerable stakeholders as well as a lack of people's affordable access to safe cooling

Key Outcomes Session II – Post session questions

- Which discussions or good practices inspired you?
- Could you simply extend the existing licensing and quota system for HFCs? If not, what needs to be addressed?
- How can the inter-agency cooperation be improved in your country?
- Should licensing for the equipment be established or not?
- Decisions on technical aspects: purity criteria, CO₂ eq v.s. metric tonnes; registration of pre-blended substances
- What policy options can promote low or zero-GWP refrigerants through licensing systems?
- What are prioritized policy and capacity building actions to keep our technicians safe and prevent fire/explosions?