

This booklet describes the creation and implementation of an enforcement network bringing together Ozone and Customs Officers in South Asia and South East Asia and Pacific to discuss ways to improve control of transboundary movements of ozone-depleting substances and preventing illegal trade.

www.unep.org

United Nations Environment Programme
P.O. Box 30552 Nairobi, 00100 Kenya
Tel: (254 20) 977 621234
Fax: (254 20) 977 623927
E-mail: unep@unep.org
web: www.unep.org



UNEP



UNEP

For more information, contact:

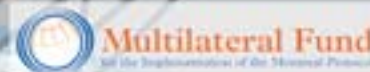
UNEP DTIE

15 rue de Milan, 75441
Paris cedex 09, France
Tel: +33 1 44 37 14 50
Fax: +33 1 44 37 14 74
E-mail: unepdtie@unep.fr
www.unep.fr/ozonaction



NETWORKING COUNTS

COMBATING ILLEGAL TRADE IN OZONE DEPLETING SUBSTANCES



Copyright © United Nations Environment Programme, 2007

This publication may be reproduced in whole or in part and in any form for educational or non-profit purposes without special permission from the copyright holder, provided acknowledgement of the source is made. UNEP would appreciate receiving a copy of any publication that uses this publication as a source.

No use of this publication may be made for resale or for any other commercial purpose whatsoever without prior permission in writing from the United Nations Environment Programme.

Disclaimer

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations Environment Programme concerning the legal status of any country, territory, city or area or of its authorities, or concerning delimitation of its frontiers or boundaries. Moreover, the views expressed do not necessarily represent the decision or the stated policy of the United Nations Environment Programme, nor does citing of trade names or commercial processes constitute endorsement.

No photo used in this document is intended to suggest that any of the companies whose products may be shown is involved in any illegal trading activity.

Produced by Sida (Swedish International Development Cooperation Agency) and the OzonAction Programme, Division of Technology, Industry and Economics, United Nations Environment Programme

UNEP staff leading this project: Ludgarde Coppens

Special thanks to the following peer reviewers: Katarina Axelsson, SEI; Theresa Kjell, INTERPOL; Wong Kwok Kit, INTERPOL; Yoko Odashima, WCO ROCB A/P; ZHANG Shujie, WCO ROCB A/P; Atul Bagai, Thanavat Junchaya, Satwant Kaur, Etienne Gonin, Ezra Clark, Anne Fenner, Balaji Natarajan, Liu Ning, Thad Mermer and Elisabeth Mrema, (UNEP)

ISBN: 978-92-807-2882-8 DTI/1011/PA

UNEP promotes environmentally sound practices globally and in its own activities. This publication is printed on 80 percent recycled fibre. This paper is chlorine free, and the inks vegetable-based. Our distribution policy aims to reduce UNEP's carbon footprint.

About the UNEP Division of Technology, Industry and Economics

The UNEP Division of Technology, Industry and Economics (DTIE) helps governments, local authorities and decision-makers in business and industry to develop and implement policies and practices focusing on sustainable development.

The Division works to promote:

- > sustainable consumption and production,
- > the efficient use of renewable energy,
- > adequate management of chemicals,
- > the integration of environmental costs in development policies.

The Office of the Director, located in Paris, coordinates activities through:

- > **The International Environmental Technology Centre - IETC** (Osaka, Shiga), which implements integrated waste, water and disaster management programmes, focusing in particular on Asia.
- > **Production and Consumption** (Paris), which promotes sustainable consumption and production patterns as a contribution to human development through global markets.
- > **Chemicals** (Geneva), which catalyzes global actions to bring about the sound management of chemicals and the improvement of chemical safety worldwide.
- > **Energy** (Paris), which fosters energy and transport policies for sustainable development and encourages investment in renewable energy and energy efficiency.
- > **OzonAction** (Paris), which supports the phase-out of ozone depleting substances in developing countries and countries with economies in transition to ensure implementation of the Montreal Protocol.
- > **Economics and Trade** (Geneva), which helps countries to integrate environmental considerations into economic and trade policies, and works with the finance sector to incorporate sustainable development policies.

UNEP DTIE activities focus on raising awareness, improving the transfer of knowledge and information, fostering technological cooperation and partnerships, and implementing international conventions and agreements.

For more information,
see www.unep.fr

C O N T E N T S

| | |
|--|-----------|
| Foreword | 2 |
| Introduction | 3 |
| Illegal Trade | 5 |
| ODS Enforcement Networking to Fight Smuggling | 6 |
| How Does it Work? | 7 |
| Outcomes | 8 |
| International Cooperation | 12 |
| What do Others Think? | 16 |
| List of Abbreviations | 19 |
| UNEP DTIE OzonAction | 20 |



FOREWORD

When Sweden initiated the first regional network for ozone officers in South East Asia and the Pacific region in 1992, UNEP immediately recognised the value of this innovative approach in assisting developing countries to protect the ozone layer. The UNEP DTIE OzonAction team now manages nine networks globally, integrating them with a technology and policy information clearinghouse, funded through the Multilateral Fund (MF) of the Montreal Protocol (MP).

An undesired consequence of the increasing success of the MP in phasing out ozone-depleting substances worldwide was a growing illegal trade in chlorofluorocarbons (CFCs). After the Environmental Investigation Agency alerted the Parties to this problem in the early 1990s, efforts were made to combat this. Training customs officers and providing them with the tools to control borders and stop illegal imports was one of the activities in which UNEP was particularly active.

But, both Sweden and UNEP recognised that more was needed. To deal with crime that transcends nations, effective collaboration between different countries is necessary, and so customs and ozone officers from 24 countries in Asia were invited to work together. While seeking solutions in a common partnership, they could draw on expertise from the World Customs Organisation, INTERPOL, the Environmental Investigation Agency, the Regional Intelligence Liaison Office and experts from developed countries.

A vital element of any strategy to fight global economic crime is to contribute to consensual understanding of its causes and consequences. Technically, no criminal laws are broken in the exporting country when export of CFCs is allowed, even if import is illegal in the country of destination. By enabling regular discussions between stakeholders from different countries in Asia, common strategies were developed, including an agreement to voluntarily seek prior informed consent between importing and exporting countries before allowing imports and exports through a license. The very active participation of the European Commission in this voluntary scheme has greatly enhanced its efficacy.

It is said that cooperation occurs only when diverse national interests converge, participating officers have been able to step outside narrow national boundaries, understand each other's issues, and add the extra voluntary effort that is needed to achieve the common goal of protecting our environment.

This year, we hope to go one step further, looking not only at illegal trade in CFCs, but also how to improve the implementation of the Rotterdam Convention on Prior Informed Consent for chemicals and pesticides, and the control of transboundary movement of hazardous waste. New partners have committed themselves, including the relevant Convention Secretariats.

At UNEP, we believe global problems need global partnerships. Regional enforcement networking is one small example of the benefit of such cooperation.



Achim Steiner,
United Nations Under-Secretary-General
Executive Director, UNEP



The Montreal Protocol (MP)

The twenty years since the MP was signed in September 2007 has represented a dramatic success story in protecting the planet from a global threat. The effort to stop the depletion of the ozone hole that protects the earth from harmful radiation was unprecedented and made possible because of global cooperation between scientists, politicians, international agencies, governments and the public.

Although the ozone layer is healing, the work is not finished. The challenge is to ensure orderly phase-out of the 96 identified ozone depleting substances (ODS) according to a fixed timetable. This work is made easier because most countries have met their targets, and some are even ahead in curbing the production and use of ODS.

It all started in 1985 when the Parties through the Vienna Convention for the Protection of the Ozone Layer agreed on “appropriate measures...to protect human health and the environment against adverse effects resulting or likely to result from human activities which modify or are likely to modify the Ozone Layer”.

Just two years later it was in Montreal at the Second Conference of the Parties to the Vienna Convention, that the now 28 signatory nations plus the European Economic Community together representing approximately 82 percent of global ODS consumption, moved to a new level of commitment. The Montreal Protocol on Substances that Deplete the Ozone Layer was signed in 1987 and came into force two years later with binding time targets for action and a step-by-step schedule to phase out ODS.

This represented a pioneering environmental agreement in which the science-based concerns about ozone depletion in the 1970s transformed into concerted political action by governments around the world. Since 1987, the MP has undergone further evolution with four amendments, namely:

| | |
|------------|------|
| London | 1990 |
| Copenhagen | 1992 |
| Montreal | 1997 |
| Beijing | 1999 |

Each of these amendments strengthened the MP by bringing forward phase-out schedules and adding new ODS to come under control.

A groundbreaking feature of the Protocol that ensured it was more than just a document was a financial mechanism that includes the Multilateral Fund (MF). With this, the principle of a ‘common, but differentiated responsibility’ came into force that recognised the needs of developing countries for financial assistance during the phase-out process. The mechanism also provides for an information clearinghouse managed by UNEP DTIE and helps developing countries meet their compliance commitments under the MP by providing financial and technical assistance.

This pioneering financial mechanism came into effect two years before the 1992 Rio Earth Summit. The financial assistance covered not only the transfer of technologies from the North to the South and assistance in converting ODS-using factories, but also provided for strengthening related institutional and human capacity in developing countries.

Because of the long lifetime of ODS and the time lag between their emission and the destruction of ozone, the ozone layer remains fragile and under threat. The ozone hole that formed in the southern hemisphere in late September 2005 was the largest ever recorded, peaking at a maximum area of 27.5 million sq. km.

Regional Networking

Implementing the MP required innovative approaches. As part of the Institutional Strengthening projects funded by the MF, each developing country establishes a National Ozone Unit (NOU), based on guidelines provided by UNEP. Networking provides a platform for NOUs from developing countries to exchange experiences, develop their skills and tap the expertise of their peers in both developing and developed countries.

Sweden pioneered the first Regional Network of Ozone Officers, which included Malaysia, Thailand, Singapore, Indonesia, the Philippines, Brunei, Lao PDR, Vietnam and Myanmar, and three developed countries, Sweden, Australia and New Zealand.

The formation of the first Ozone Officers network was based on the Nordic experience and the recognition of the importance of informal collaboration and experience sharing between regional Ozone Officers. The network provided an open and collegial forum where Ozone Officers were free to discuss their difficulties and where everyone had something to learn from others. The first network was and is to this day fully sponsored by the Swedish International Development Cooperation Agency (Sida) in addition to the Swedish contributions to the MF.

After its proven success, the MF supported the creation and operation of regional networks in other parts of the world. The UNEP OzonAction Programme currently operates nine regional networks comprising 148 developing and 14 developed countries.

The Networks are administered by Regional Network Coordinators who are based in UNEP's Regional Offices in Bangkok, Bahrain, Panama City and Nairobi, and also at UNEP DTIE in France. The Network and Policy Manager based at UNEP DTIE in Paris manages the networking activity.

The networking activity is on a regional basis and builds the Ozone Officers' skills for implementing and managing their national ODS phase-out activities. Networking activities have resulted in improved data reporting, policy making, refrigerant management plans and the development of peer pressure among ODS Officers to take early steps to implement the MP. Some of the most notable results of the Regional Networks are accelerated ratification of the MP and its Amendments; earlier development of national ODS legislation and other policy measures; more regular data reporting and improved compliance with the ODS phase-out schedules.

Applying the basic tenet 'collective learning by sharing while doing' the networks enhance multilateral cooperation to further help developing countries meet their compliance obligations under the MP. The Regional Networks have now become a core institution under the MF that plays a key implementation role by providing a vital link between policy-making at the international level and measures and actions needed at the national level.

Compliance Assistance Programme

In March of 2002, The MF created the Compliance Assistance Programme (CAP). Under this, UNEP offices provide direct compliance support on the ground to developing countries through the Regional Network of Ozone Officers and Regional Network Coordinators (RNC) from UNEP's Division of Technology Industry and Economics (DTIE). This in turn is a part of the OzonAction Programme (OAP) with team members at headquarters in Paris and in UNEP's six Regional Offices. CAP replaced the previous project management approach to help accelerate compliance.

Regional Enforcement Networking

A key component in the global movement to slow and reverse destruction of the ozone layer has been the initiative to reduce and eventually eliminate the consumption and production of ODS. Control of cross-border trade of ODS is thus critical for signatories to fulfil their commitments under the MP. Critical to this goal are:

- A systematic, coordinated approach to licensing and monitoring the production and trade in ODS at the national and regional levels, along with specific national legislation

- Standardized practices and procedures
- Uniform data to facilitate exchange and coordination
- Public awareness.

In July 2001, the Executive Committee (ExCom) of the MF of the MP approved a three-year project to improve the monitoring and control of ODS for the *South East Asia and the Pacific* (SEAP) region, known as the *Customs Initiative for SEAP*. The project was funded through the Swedish bilateral contribution to the Fund and implementation was assigned to UNEP, in close cooperation with the Stockholm Environment Institute (SEI)¹.

The project aims to bring the ozone and customs officers from the network around the table to work together both at the national and regional level to find ways to improve the control of transboundary movements of ODS and prevent illegal trade from occurring.

It was agreed that the Customs Initiative should be characterised by three guiding principles:

- Voluntary principle: countries will contribute information and participate in the network by their free will. No one can be forced to exchange information or carry out meeting recommendations.
- Sensibility principle: recommendations coming out of project meetings will be practical and useful for the participating countries.
- Inside-out principle: countries should make all efforts to deal with monitoring and control of ODS consumption in their own countries and not rely on exporting countries to solve the problem of illegal trade

The ExCom approved an extension of the project to also include the SA region. China and India are part of the SA network, and they are also the main producing and exporting countries of ODS among the developing countries. The inclusion of these two countries was very important to achieve project objectives.

¹ Stockholm Environment Institute (SEI) has been assigned by Sida to implement the Swedish bilateral programme under the MP.

Member countries of the SA and SEAP Enforcement Network:

South Asia Network Countries: Afghanistan, Bangladesh, Bhutan, China (People's Republic of), India, Iran (Islamic Republic of), Korea (Democratic People's Republic of), Korea (Republic of), Maldives, Mongolia, Nepal, Pakistan, Sri Lanka

SEAP Countries: Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam



The MP is working: there is clear evidence of a decrease in ODS in the atmosphere and some early signs of stratospheric ozone recovery. Failure to comply with the MP would delay, or could even prevent, recovery of the ozone layer. Emissions associated with illegal trade in ODS may also delay recovery.

ODS producers in the SEAP and SA regions are China, India, and the Republic of Korea, until recently accounting for approximately 70 percent of total global CFC production. Countries in these regions with high consumption volumes are Bangladesh, China, DPR Korea, India, Indonesia, Iran, Malaysia, Pakistan, Philippines, Republic of Korea, Sri Lanka, Thailand, and Vietnam.

Controlling the supply of a commodity for which there is still a demand inevitably leads to a black market and profiteers. Originally a problem only in industrialised countries as they neared total phase-out of CFCs, illegal trade is now widespread throughout the developing world, as developing countries proceed through their own phase-out schedules.

The reason for most of the residual CFC demand in these countries is the investment in existing equipment and machinery designed to use CFCs. Compounding this is the import of used refrigeration and air-conditioning equipment, particularly air-conditioners for automobiles, that use CFC coolants. In addition, CFC price differentials in the international black markets, and mandated controls reduce legal supplies and encourage smuggling.

With big ODS-producing and exporting countries in the world, the SA region is highly critical to the success of eliminating the production and use of ODS. It must be recognised that many countries in the region are victims of smuggling from regional neighbours. Greater cooperation between the customs and ozone units of these countries is important to curbing this illegal trade, which is expected to grow the closer we get to the 100% phase-out requirement in 2010.

Smuggling is not confined just to the SA and SEAP regions. Since China and India have trade ties with countries in other regions and common borders with many, a regional network to exchange information among customs and ozone officers can promote cooperation needed to prevent illegal trade.

Incentives for smuggling include the following:

- ODS alternatives may be more costly than CFCs
- Limited number of importers
- Fake alternatives are available
- Retrofitting machinery and equipment to enable use of alternative chemicals is generally expensive
- Replacing ODS-using equipment and machinery is expensive and there are quotas and excise taxes



At a port in Indonesia, risk-profiling procedures learned through Sida project training and cooperation led the discovery of these smuggled goods from China. The cylinders were falsely labeled R-22, when they actually contained R-12.

- The usable life of ODS-using equipment and machinery is long, especially in developing countries
- Penalties in many countries for smuggling ODS are light

The magnitude of the global illegal trade in ODS is difficult to determine with precision, but the size of the CFC black market in developed countries in the mid-90s was estimated at around 10-20,000 tonnes with a commercial value of US\$150-300 million. Based on reports and recent seizures, the illegal trade in the Asia and Pacific region is widespread and substantial, and has increased dramatically, as the phased compliance with the MP takes hold.

A study in 2005 by UNEP Regional Officer for Asia and the Pacific Compliance Assistance Programme (ROAP CAP) on transboundary ODS movements shows large discrepancies in trade data between, for example, China and Indonesia, China and the Philippines, China and Malaysia, China and Vietnam, India and Thailand, India and Vietnam, Cambodia and Vietnam, and Singapore and Malaysia. Meetings organized by UNEP with participants from these countries have identified the reasons for such trade data discrepancies in the case between China and Indonesia, India and Vietnam, and Thailand and India.

Common smuggling methods include concealment, false labelling, misdeclaration, counterfeit products, and transshipment fraud. Indicators that there is a risk of illegal trade include:

- The level of local ODS market prices
- The relative lack of use of alternative chemicals
- Trade in similar chemicals (especially HFCs)

The World Customs Organisation (WCO) also developed risk-profiling indicators, for use by enforcement officers in countries



ODS ENFORCEMENT NETWORKING TO FIGHT SMUGGLING



Philippines Customs Officers using refrigerant identifier to check imported ODS

In May 2000, SEI in collaboration with UNEP arranged a Workshop for the SEAP network on Import and Export Licensing Systems, funded by Sweden under the MF. A similar workshop co-funded by both Sweden and Japan was organised in October 2000 for the SA network countries. As a result, countries identified a need to further strengthen their import/export licensing systems and to improve the regional collaboration to prevent the occurrence of illegal trade.

In response to this need, SEI in collaboration with UNEP developed the Regional Cooperation for Monitoring and Control of ODS Consumption in the SEAP Region. The project proved very successful and in 2003 Sweden presented an extension of the project to include the SA region, which was approved by the Executive Committee.

Getting Started

The first thing to do was to establish an enforcement network that put in place the basic national instruments on which to build the regional cooperation between countries. The network would then serve as a platform for customs officers to cooperate with ozone officers at the national and regional levels.

Before 2003, non-investment projects were approved for funding through the MF focusing on training customs officers to strengthen their ODS-monitoring capabilities following Train-the-Trainer Workshops for Customs Officers. A basic condition for organising customs training was for countries to have a licensing system in place. Several countries in the region had

established a reliable and effective ODS licensing system and developed national customs handbooks. However, regional collaboration on enforcement had not been applied in this field. Since illegal trade with ODS is a cross-border phenomenon, traffickers benefitted from the lack of regional cooperation.

Parallel Activities

In addition, activities continued within countries to improve the capacity of national agencies to control import and export of ODS. Training for ODS as well as for other multilateral agreements were incorporated into customs training curricula of most countries, with China (2004) and India (2007) establishing online training systems. Most customs departments have integrated ODS checking into their inspection procedure with many customs officers having access to a refrigerant identifier for physical control of the goods.

India and China have taken the initiative to reach agreements with the MF's Executive Committee to phase out their production of CFCs by 2010 and 2008 respectively, and subsequently have implemented a wide range of policy measures to monitor and control their CFC production and consumption. These countries are keen to collaborate with other countries in the Asia and Pacific region, but to do so requires a robust network of customs and ODS officers among SA and SEAP countries that get their ODS primarily from imports. The regional enforcement network has helped to provide the import controls needed for the network countries to meet the phase-out requirements under the MP.

UNEP's DTIE has played a role in national, regional, and global initiatives to improve the ODS monitoring and controlling process to combat illegal trade. For instance, after the establishment of the CAP, DTIE undertook activities under the Refrigerant Management Plans. In 2001, UNEP launched the *Green Customs Initiative* (GCI) to encourage information exchange, guidance, and training among partner organizations involved to counter illegal trade and environmental crime in several related MEAs.

Why should we be worried?

Illegal trade, besides depriving governments and legitimate industries of revenue, undermines the ability of governments to phase out the use of harmful ODS, reduces the incentives for industry to introduce replacement substitutes and technologies, and counteracts the efforts of the MF and its implementing agencies to assist with phase-out. It retards the recovery of the Earth's stratospheric ozone layer and thereby contributes to human ill-health, as well as harming ecosystems, fisheries and agriculture.



The Regional Cooperation for Monitoring and Control of ODS consumption in the SA and SEAP region had the following components:

- Biannual/annual workshops and follow-up of recommendations between workshops
- Facilitation of information/intelligence exchange among countries
- Development of enforcement tools
- Desk study on transboundary movement of ODS in the SA-SEAP region
- Cross-border customs cooperation
- Cooperation with regional enforcement agencies

The idea is to foster maximum cooperation and coordination at a regional level among countries in the SA and SEAP regions through a viable, dynamic network that enables them to gain better control over the production and consumption of ODS within their countries and over the import-export trade and smuggling of ODS among them.

To accomplish this, the project initiated activities to establish effective communication channels for both informal and formal exchanges of information and to develop common tools and formats for data management and collaboration between and within the SA and SEAP regions. To achieve the long-term goal of eliminating ODS altogether requires regional cooperation among NOUs, among customs officers, and between NOUs and custom officers at both the national and regional levels.

Ozone and Customs Officers Coordination Workshops

Project participants are National Ozone Officers and Customs officials from each country in the region plus invited experts and a number of industrialized countries including Sweden, Australia, and Japan.

From the beginning it was a requirement that the same officers would attend all the workshops to enable the building of trust, and intimate knowledge of the issues discussed. As such, the workshops did not aim at training or building capacity, but focussed on the identification of issues related to the control of ODS import and export, and working together to find strategies that would improve the control.

As the main objective was to find ways of dealing with specific problems countries are facing, the agenda was designed in such a way as to allow for in-depth discussions in small working groups, with invited experts providing the general background.

The participants discussed various issues such as the risk posed by the international transit trade, free trade zones and their implications

for customs control, and risk profiling tools. Conclusions and recommendations were approved at the end of each workshop.

Following Up

To ensure continuing progress and evolution of the ODS program, every workshop concludes with specific activities and objectives to accomplish before the next workshop. Every subsequent workshop begins with a review and assessment of the results to ensure continuity, a better understanding of the obstacles and impediments encountered, continuing refinement of the approaches taken, and the introduction of new ideas and new opportunities, whether derived from experience, from new information, or from new technology.

To facilitate the communication between participants in-between workshops, an e-forum was created with membership limited to the Ozone and Customs Officers attending the workshops, as well as the project coordinators from both UNEP and SEI.

Transboundary Movements of ODS in the SA-SEAP Region

The purpose of this desk study of transboundary ODS movements was to gather data from importing countries and compare it with information from exporting countries to expose discrepancies, inconsistencies, or gaps in the data collection and reporting. Based on 2002 and 2004 data, import records for some countries did not correspond accurately with the export records of the countries of origin, indicating flaws in the control of import and export of ODS.

The results were communicated to the various countries and were followed by bilateral discussions to determine the reasons for the inconsistencies. UNEP workshops provided the venue for participating countries to discuss the issues and come up with solutions, and UNEP followed up with each country.

Fiji Case Study

To combat illegal ODS trade effectively, it is very important to bring ODS smugglers to justice. In January 2005, the government of Fiji won its first indictment against illegal ODS possession proving that vigilance in detection eventually results in conviction. The case in Fiji highlighted the issues that can arise to frustrate enforcement efforts:

1. Collect evidence related to a seizure carefully and safeguard it.
2. Court punishment must be sufficiently severe to have a deterrent effect.
3. Through convictions, courts need to cover prosecutors' investigative costs.



OUTCOMES

A challenge for any project of this scope and magnitude is to ensure valid, enduring outcomes. Careful consideration and planning in the early stages that sets achievable goals and establishes a systematic process based on sensible evolutionary steps builds in the factors that gain lasting participant acceptance, support, and follow-through. The Project focused on activities that facilitate compliance with the various milestones along the way to the elimination of the production and use of ODS, including national legislation and regulations, production and trade licensing, enforcement of laws and regulations, building the knowledge and expertise necessary for effective monitoring and enforcement, and international cooperation and coordination.

The basic assumptions for the success of the project include:

- **Participation of National Ozone Officers from each country:** This was important to establish a close link between the Customs Agency and the NOU to look at issues related to better control of ODS import and export from both the regulatory and the customs control side, and raising awareness of the problems faced by the Customs.
- **Single designated customs officer for ODS issues:** This requirement resulted in 24 designated custom representatives in the SA and SEAP network countries, helping ensure continuity, cumulative knowledge, and increasingly close relationships among participating countries.
- **Improved cooperation between NOU and Customs Departments** via formal agreements between government departments, something unprecedented in most countries. One example is the Philippines where a Memorandum of Understanding between Bureau of Customs and Department of Environment and Natural Resources -Environmental Management Bureau was signed on 24 July, 2002 specifying the cooperation between the NOU and the Customs Department and the respective responsibilities.

Singapore hub

Regular briefings are conducted for exporters and traders to inform them of new regulations and the implementation of new controls on ODS goods. Regular dialogues are conducted with industries such as the dialogue sessions between the National Environment Agency (NEA) and the Singapore Chemical Industry Council (SCIC) which is being conducted twice a year.

There are various channels open for the public and the industry to provide feedback to NEA via NEA Call Centres (24-hours) and on-line enquiry. The e-mail addresses of government officers, including that of ministers are also available to the public.

Feedback usually comes from competitors in the trade. NEA takes a serious view of violations of any laws it administers under its acts and regulations and will investigate any feedback on illegal producers or traders, even those anonymous ones. Companies found to be in regular violation of the acts and their regulations will get extra attention.

As a result, Customs administrations in the Asia-Pacific region have given environmental issues priority in their work programs and UNEP is cooperating closely with them. The outcomes improved national, bilateral and regional cooperation and information exchange within and between countries. Furthermore, a number of enforcement tools were developed to assist countries in the control of transboundary movements of ODS.

Think Globally Act Locally

Both China and India developed national action plans for combating illegal trade, which they presented during a workshop in 2006 in Bangkok. Other countries in the networks have undertaken steps to develop an integral strategy to combat illegal trade of ODS.

At a high-level joint meeting of the State Environmental Protection Administration (SEPA), China's Customs Administration and the Ministry of Commerce, China's NOU presented a national plan of action on illegal trade that included stricter punishments for illegal trade, import/export licensing for mixtures of CFCs, introduction of separate WCO Harmonised System (HS) codes for eight mixtures of CFCs, a limit of CFC exporters to five CFC producers, and a total CFC export quota of 400 ODP tons for 2006.

China reacted to an EIA report *Under the Counter – China's Booming Illegal Trade in Ozone Depleting Substances* by forming a joint mission of China Customs and the Ministry of Commerce with SEPA and the WCO Regional Intelligence Liaison Office (RILO A/P) to investigate suspicious exporters in Shanghai, Ningbo, and Hangzhou. This was followed up during Customs Training Workshops, inviting an EIA expert as a resource person, and with investigations of suspect Chinese companies.

India's NOU has formulated an action plan to combat illegal trade, based on their ODS trade regulations and legal trade provisions. In recent years, the Central Economic Intelligence Bureau (CEIB) and the Border Security Force (BSF) have made major seizures of ODS.

Other Indian government agencies have cooperated in the effort, including the Ministry of Environment and Forests (MOEF) and the Ministry of External Affairs (MOEA), as they addressed CFC smuggling along the India-Bangladesh and India-Nepal borders. The governments of these neighbouring countries with the Indian government formed "Empowered Steering Committees" with representatives from the Ministries of Finance, Foreign Trade, and Chemicals and Fertilisers, while the latter established its own committee for the prevention of illegal trade.

India's Customs and NOU have cooperated closely, regularly sharing information on seizures from the Department of Revenue Intelligence with cross-verification of data, while the National Academy of Customs, Excise & Narcotics in India (NACEN) and the NOU share resource persons for training programmes on Policy & Customs.

Public Private Partnerships

For ODS monitoring, control, and ultimately elimination to work requires cooperation between governments and private industry to prevent illegal trade, to improve intelligence gathering, especially from producers and importers, and to encourage phasing out production and use altogether.

The Ozone-Customs officers Coordination Workshop in 2003 extensively discussed the role of industry in control of ODS trade and combating illegal trade. Following conclusions were reached:

- Organise regular consultations and involve industry in drafting legislation and regulations
- Install a formal committee/entity to steer consultations between enforcement departments and industry
- Involve industry through relevant industry associations, wherever possible
- Guarantee confidentiality of data, when requested
- Establishment of a reward system to encourage informers to report illegal activities
- Survey the local market with the help of industry, as an indicator of availability of illegal material
- Blacklist illegal producers and traders and make the list public

India provides a good example of how industry associations can become involved and play an important role in combating illegal trade by determining modus operandi and transborder ODS movement routes. They also monitor the marketplace and entry points, liaise with the intelligence network comprising Border Security Forces (BSF), the Coast Guard, paramilitary forces, and Customs as well as train informers in what to look for.

In addition, many countries have taken action to involve industry evident in the two examples from Fiji and Singapore (*See boxes*).

Making It Work

Given the importance of major national ODS producers in controlling illegal ODS trade, UNEP ROAP organized a meeting of national stakeholders with regional ODS producers from 26-27 February 2004 in Hua Hin, Thailand. The workshop covered various key issues, such as illegal trading sources; the flow path of ODS and their destinations; how to harmonize regulatory scenarios in different countries in the region; and how to build private-public partnerships to combat the illegal trade. With the assistance of the producers, participants developed a road map for cooperation for more effective control of illegal trade that included countries in the region setting up national-level committees comprised of NOUs, customs, and producers/importers. The Refrigerant Gas Manufacturers Association of India (REGMA-India) provided a model of detection and combating illegal trade for distributors in important countries to replicate.

Fiji networking

The NOU of Fiji has two consultative committees that meet on a monthly basis: The Refrigeration Air-conditioning Consultative working group and the Methyl Bromide Consultative Working Group. Customs is also part of both committees. Industrial Associations involved are: Used Car Dealers Association, Pest Control Association of Fiji, Fiji Manufacturers Association, Produce Processing Council of Fiji and Fiji Chamber of Commerce and Industry.

A joint operation between Customs and NOU was undertaken in December 2005 to survey the local market. The University of the South Pacific was hired by the NOU to conduct the survey.

In June 2007, the partners of the Public-Private Partnership met again in Ulaanbaatar, Mongolia, where they agreed to the “Ulaanbaatar Declaration of Public-Private Partnership on Addressing Environmental Crime”. The participants formed a public-private partnership in the Asia and Pacific region following the CSD-11 (Commission on Sustainable Development) decision on partnership and agreed on several actions aimed at joining hands to combat illegal trade.

Think Globally Act Regionally

UNEP has designed information sheets on licensing, based on a questionnaire circulated to all countries in 2002, with subsequent annual updates. The data provided in a separate sheet by country has been selected based on its possible usefulness during daily activities related to control of transboundary movements in ODS. It includes:

- Registered importers (names – contact details – quota)
- Registered exporters (names – contact details – quota)
- List of banned ODS and/or ODS-equipment
- Penalties (including references to the regulations)



Fig. 1: An example of Information Sheet Licensing

- Information on trade names
- Harmonised System code used in the country
- Information on contact persons: responsible for licensing system; or during control and investigation

Lists of registered importers and exporters for each country facilitate the process of issuing a license as the officer could immediately see whether the actors (importers/exporters) are registered in the other country, and whether the substance/equipment can be imported from or exported to another country.

It is also useful to know which person to contact in another country that could give direct information on trading licenses, on border monitoring or investigations of possible illegal trade.

Twenty-one Information Sheets on Licensing were prepared in 2007 and have been distributed regionally and to Australia, Japan, Sweden, and the European Commission. The documents provide the basis for the voluntary implementation of the prior informed consent mechanism for CFC import and export (iPIC).

Voluntary implementation through iPIC

This system provides a standardized, but informal, method for NOUs in exporting countries to confirm with their counterparts in importing countries that a licensed exporter is shipping to a licensed importer within the limits of the maximum allowable annual consumption levels established in the ODS phase out plans of the importing countries. The primary producing and exporting countries in the region are China, India, and the Republic of Korea. In the region Singapore is a major transit country and one of the active implementers of iPIC. The European Commission has cooperated very actively in the iPIC system, which increased its effectiveness significantly.

The Information Sheets on Licensing by country provide for uniformity of information within the database developed for control purposes. This system creates little inconvenience for exporters and importers, while helping suppress smuggling. UNEP ROAP also facilitated information exchange with CAP-teams in West Asia, Latin America and the Caribbean, Eastern Europe and Africa to identify suspicious shipments and companies.

Some Examples of iPIC in Action in 2007

- 20 Mar 07, EC informed European Company A: "In your export declaration for 2007 you announced that you intend to export quantities of CFC11 and CFC12 that would exceed the limits mentioned in the message from Pakistan."
- 20 Mar 07, EC denied the application of a European company for export of Methyl Bromide to Pakistan
- On 20 Mar 07, EC denied the application of a European company for export of Halon to Pakistan
- On 16 Mar 07, China NOU requested UNEP to verify three companies in the Philippines, Indonesia and Lebanon on import of Methyl Bromide: Philippines NOU verified the importer was registered, Indonesian NOU identified the importer was suspicious and China did not issue the license, UNEP ROWA facilitated the inquiry on the Lebanese company

Bilateral Initiatives

The results of the desk study of transboundary movements of ODS indicating discrepancies between import and export data in 2004 between reported data from importing and exporting countries for specific ODS (p. 7) were communicated to the various countries and were followed by bilateral discussions to determine the reasons for the inconsistencies.

During a workshop in Agra, India in 2004, and based on the desk study analysis, UNEP requested related countries to conduct ongoing bilateral discussions. This resulted in 26 such meetings, sometimes involving up to 4 countries. Countries reported that discussions were useful in helping solve specific issues related to illegal trade, but felt that countries need to prepare well for these discussions and bring all available relevant materials.

Examples of progress in bilateral discussions made:

China-Indonesia: China acceded to Indonesia's request to allow ODS exports to only registered companies and to exchange information when violations are detected.

China-Malaysia: China provided Malaysia with a list of 10 Malaysian CFC importers only to discover that 8 out of 10 were not registered in Malaysia. China subsequently sent lists from previous years, which Malaysia investigated.

Thailand and Republic of Korea: Thailand and Republic of Korea sorted out discrepancies in their ODS trade data.

Thailand and India: After comparing CFC import and export records, Thailand and India found and sorted out discrepancies, and provided this information to the UNEP.

Fiji-Japan: Fiji informed Japan's Ministry of Environment of their national legislation prohibiting the import of vehicles containing ODS, then, hired a company in Japan to check for R12 in used vehicles prior to export to Fiji.

Cambodia, Lao PDR, Thailand, and Vietnam:

In 2005, Thai Customs reported to the Customs Enforcement Network (CEN), 46 ODS seizures from 2003 to 2005, mostly at the Thai-Laos border. Thailand requested UNEP to organize a meeting for Ozone Officers from Cambodia, Lao PDR, Thailand, and Vietnam to determine the potential smuggling routes and to identify weaknesses in the exiting customs control system. The customs and NOUs from the four countries agreed to exchange information, such as the names of importers and exporters, and to cooperate closely to strengthen ODS import and export controls at the borders.

Good Neighbourliness

Close cooperation between customs officers on two sides of the border, including joint control actions may improve border control. Long borders present special problems for tight control, information exchange between smuggling routes may improve focussed controls. Sometimes, loopholes in the regulations, for example, when people are allowed to cross the border for shopping trips being exempt from customs controls may require amendments to the checking procedures. There are many examples of dialogues between neighbouring countries, which are now becoming regular:

Pakistan, Iran, Afghanistan Dialogue

At the invitation and arrangement of UNEP, authorities from NOU, Custom Departments, and Ministries of Commerce from Afghanistan, Iran and Pakistan, gathered in Tehran in August 2004, to discuss strategies for Cooperation for Controlling ODS Import and Export amongst the three countries. The Teheran Declaration, a Joint Communiqué on Cooperation between Afghanistan, Iran, and Pakistan on Controlling ODS Trade in the sub-region was signed by the three countries on 18 August 2004, in Teheran. The countries identified the procedures to initiate and adopt harmonised legislative and regulatory mechanisms for ODS import and export within the existing trade framework and in association with the Secretariat of ECO.

Kyrgyzstan, Kazakhstan, and China Dialogue

The UNEP CAP and Kyrgyzstan's Ministry of Environment organised a China, Kazakhstan, and Kyrgyzstan meeting as a first step towards establishing a sub-regional mechanism to foster cross-border cooperation, to encourage the development and adoption of sub-regional solutions for monitoring of ODS traffic, and to support sustainability of ODS phase-out programmes in the sub-region.

Mongolia and China Dialogue

Mongolia invited China and Japan to participate in the Country Consultation & Stakeholders' Meeting for the Protection of the Ozone Layer in Ulaanbaatar, Mongolia on 23-24 August 2003 to discuss on measures for effective prevention of illegal trade between Mongolia, China and Russia. A set of recommendations was agreed to further information exchange between Mongolia and its neighbours.

Dialogue between Nepal, China, and India

During the 1st meeting of the Nepal Dialogue held from 26-27, September 2003, information by India and China on quantities exported, country of destination and names of the importers to whom they export was identified as being extremely useful for the importing countries wanting to get a better control over ODS importers in their own countries.

The agreements between Mongolia and China in the Mongolia Dialogue and Nepal, China and India during the Nepal Dialogue contain all the main elements which can be found in the informal Prior Informed Consent procedure adopted by the 24 countries in the networks to extend the information exchange to all countries in the network. This includes the European Commission reaching out to other regions such as West Asia and Latin America and the Caribbean.

Tools for Enforcement

Several tools were developed based on the needs expressed by participants during the workshops. They include fact sheets, training materials, and risk profiling.

The training package for enforcement officers covers issues such as:

- Steps in preventing illegal trade in ODS
- Model forms for licensing



The Montreal Protocol Exemplary Project Recognition on Bilateral Dialogue between Mongolia and China

- Model chart for coordination among national agencies for implementation of the MP
- Necessary steps and issues to address during conviction trials of illegal ODS trade
- Refrigerant identifier

EIA in close cooperation with UNEP and SEI developed an instructional video with fact sheets called *Combating the Illegal Trade in Ozone Depleting Substances: A Guide for Enforcement Officers*. This video and accompanying materials have been requested by organizations around the world with translations into local languages. The suggestion has been made to extend the fact sheets to include other MEAs.

The training covered issues such as:

- Components of an effective enforcement system
- Smuggling methods
- Checking of documentation
- Inspection of goods
- Useful links and further information

One of the main concerns of customs is the need to ensure trade facilitation without undue delays in handling shipments, which may mean additional cost to the private sector. One way of enabling focussed controls of shipments is to perform risk profiling based on an analysis of trade data and detection of suspicious movements.

The Electronic Global Risk Identification and Detection system (eGRID), developed by an American company to identify risk patterns of illicit activity within global trade and in use by the US Customs Department, was presented at SEAP Ozone-Customs Coordination workshops in 2002 and offered for free to developing countries in the SA and SEAP regions.

eGRID helps control cross-border transactions by following the "electronic paper trail" of goods, money, and people in transit. The application combines trade data from everyday import and export transactions with commercially available trade-related data to identify irregularities and potential violations. The system is being introduced in Sri Lanka as a pilot project.



INTERNATIONAL COOPERATION

A key element of the project was to establish channels linking to other regional or international organizations and entities, such as the World Customs Organisation (WCO), INTERPOL, regional trade cooperation organizations, etc. which are already working in related fields. The positive cooperation of organisations like the WCO Regional Intelligence Liaison Office for Asia Pacific (RILO A/P), the WCO Regional Office for Capacity Building (WCO-ROCB A/P), the NGO Environmental Investigation Agency (EIA) and INTERPOL led to other partners in combating environmental crime and the establishment of a Regional Partner's Forum in 2005.

Intelligence Gathering

The WCO Regional Intelligence Liaison Office for Asia Pacific (RILO A/P), as one of the eleven WCO RILO A/P offices around the world, serves as the focal point of intelligence collection, analysis, dissemination, and international law enforcement cooperation among customs administrations in the Asia Pacific region. To further enhance UNEP ROAP/RILO A/P cooperation in addressing illegal ODS trade issues, a Letter of Intent was signed in 2005.

RILO A/P has attended all Ozone-Customs Coordination workshops since 2000 to describe their activities addressing environmental crime and has given ODS and other prohibited and restricted commodities priority in their work plans for 2004, 2005, and 2006.

UNEP was also invited to brief participants in RILO A/P meetings about environmental crime suppression activities in the region, which helped to obtain full cooperation from heads of administration for Project Sky-Hole-Patching and to raise awareness of issues related to illegal trade of ODS and other environmental goods. The start of Project Sky Hole Patching was actually an outcome of major significance, a long-term, joint operation by customs administrations and international organizations in the Asia Pacific region to combat illegal ODS trade and to promote the fight against environmental crime.

Cyber Spy Network

A primary tool in combating illegal ODS trade effectively is sharing good intelligence among agencies and countries to assist in investigations. To facilitate this, the World Customs Organisation established the Customs Enforcement Network (CEN) in 2000. Through the Enforcement Network of Ozone and Customs Officers,

Customs Enforcement Network

The Customs Enforcement Network (CEN) is an Internet-based information and communication system operated by the World Customs Organization for the real-time exchange of information on the interception of smuggling. Started in June 2000, some 130 countries participate. It enables coordination and cooperation among countries to increase smuggling suppression efficiency. By helping create an active network among NOU, customs officers, and RILO A/P in the SA and SEAP regions, UNEP has increased the use of CEN, thereby, enhancing its effectiveness.



Regional Intelligence Liaison Office for Asia and the Pacific (RILO A/P) won US EPA 2007 Stratospheric Ozone Protection Award for Cooperation with UNEP in Combating Illegal Trade in Ozone Depleting Substances. Mr. Zhou Bin, Intelligence Analyst, RILO A/P (right) received the award from Ms. Drusilla Hufford of the US EPA on 1st May 2007 in Washington D.C.

UNEP promoted the use of CEN in its regional workshops, urging member countries to report ODS seizures to CEN and they responded positively.

RILO A/P has supported participation in CEN by producing intelligence reports, which were presented and discussed in Enforcement Networking Workshops, and disseminating alerts on ODS smuggling in the region. In January 2006, UNEP-CAP sent an alert to RILO A/P on R415b, a mixture containing ODS, being mislabeled as R-134a, a hydrofluorocarbon not having an ozone depleting potential, who forwarded it to WCO headquarters, who then posted the alert on CEN website, making it available globally.

In 2005, RILO A/P disseminated the Guide for Enforcement Officers developed by UNEP and EIA through its Monthly Bulletin.

Sky Hole Patching

To increase enforcement cooperation on antienvironmentally-sensitive commodities smuggling, the heads of customs administrations agreed in April 2006 at the 11th WCO Asia Pacific Regional Conference of Heads of Customs Administrations in Beijing to the proposal by China Customs to initiate the Project Sky Hole Patching (SHP). This was a joint operation by customs administrations and international organizations in the Asia Pacific region to establish a monitoring and notification system among member customs administrations to track the movement of suspicious shipments of ODS and dangerous waste when imported, re-exported, or trans-shipped across several customs territories.

Project SHP was a direct result of the cooperation among NOUs and customs officers in the region promoted by UNEP ROAP through the Sida bilateral project under the MF.

After finalising the Action Plan in an enforcement network workshop in Bangkok in May 2006, the project was launched on 1 September 2006, and attracted worldwide attention within the field through

media coverage across the region. As of the end of 2006, 20 Customs administrations in the region have joined the operation, which includes providing reference information to members to enhance the frontline officers' environmental knowledge and provide the necessary technical support. RILO A/P has disseminated the global media reports, UNEP & EIA's Fact Sheets on combating the illegal ODS trade, Info Sheet Licensing 2006, and UNEP's assessment report on the illegal ODS trade in the A/P region.

It also encourages the exchange of information and intelligence. RILO A/P and UNEP ROAP have maintained close contact with the participating members via email or telephone on specific shipments that required special attention or actions, plus instant updates of the contact point lists.

UNEP in collaboration with SEPA organised a Project SHP workshop for 40 Chinese customs officers from around the country. Experts and customs officers from Hong Kong, India, Kyrgyzstan, Mongolia, Thailand, EIA, and the US analysed the illegal ODS trade, shared their experience and lessons learned, discussed regional cooperation and offered recommendations for implementation in China.

Project SHP has now entered its second phase, which focuses on hazardous waste as well as ODS and began on 1 March 2007, while Phase 1 of the project focused solely on ODS.

World Customs Organisation (WCO)

Cooperation with WCO has involved both headquarters and the Asia Pacific Regional Office for Capacity Building (ROCB A/P) with which UNEP ROAP has cooperated closely, seeking the inclusion of environment issues in the regular customs-training curriculum. ROCB A/P has invited UNEP to attend the meetings of Head of Regional Training Centers and seminars on human resources development. This presented an important avenue for awareness raising at high level of customs departments of the importance of trade in environmental goods, and seek their support for UNEP initiatives such as the Green Customs Initiative, Project SHP and the enforcement networking.

An important activity of WCO ROCB A/P is the organisation of training courses on the Harmonized System (HS) codes, which thanks to the close cooperation between UNEP and WCO now always draw attention to specific Harmonized System codes (HS codes) for ODS and other environmental goods. The immediate effect can be found in countries updating their HS codes, cooperating in the exchange of information, and hosting Green Customs train-the-trainer workshops. WCO also developed a table linking HS codes to specific MEA controlled substances that facilitate customs border controls.

Environmental Investigation Agency (EIA)

The Environmental Investigation Agency (EIA) is an international campaigning organisation committed to investigating and exposing environmental crime. The agency has done a lot of work to expose the smuggling of ODS, and its experience was particularly useful in the enforcement network to facilitate the search for strategies and tools to prevent illegal trade in ODS.



Ms. Yoko Odashima (second from the right), Deputy Head of the World Customs Organisation Asia Pacific Regional Office for Capacity Building (WCO ROCB), is facilitating a roundtable discussion in Green Customs Workshop for WCO Regional Training Centers in Asia and Pacific Region, 15-18 May, Shanghai, China

The EIA played a very important role in collecting intelligence about suspicious companies and brokers over the past three years and supplying it to RILO A/P and China Customs for further investigation. EIA produced several reports, including *Under The Counter, China's Booming Illegal Trade in Ozone Depleting Substances*, which Chinese authorities used to conduct investigations.

INTERPOL

INTERPOL was formed in 1923 and is the largest international police organization. As of 2007 it has 186 member countries. INTERPOL acts as an intermediary between different police forces at an international level. It facilitates cross-border police cooperation, and supports and assists all organizations, authorities and services whose mission is to prevent or combat international crime. It will provide services and support at the request of police departments and judicial authorities of member countries. INTERPOL Liaison Office Bangkok has supported the SA and SEAP Regional Enforcement Network of Ozone and Customs Officers, introduced its activities and information-sharing mechanisms, and explained the Ecomessage as a useful tool for countries during investigation of environmental crime cases.

ODS Tracking

In 2005 EIA and Chatham House jointly prepared the ODS TRACKING Feasibility study on developing a system for monitoring the transboundary movement of controlled ODS between the Parties. A report produced according to the terms of reference of Decision XVII/16 of the Meeting of the Parties of the MP. Through their active participation in the SA and SEAP Regional Enforcement Network, EIA had an effective understanding of the problems faced by countries to monitor ODS trade. Many of the enforcement tools developed through the Sida project were recommended in the report for global application. The tools were recognised worldwide and are currently discussed by the Parties to the MP.



Mr. Julian Newman of Environmental Investigation Agency (EIA) conducting Counterfeit CFCs test in Manila, Philippines

Regional Partner's Forum on Combating Environmental Crime (ARPEC)

An important UNEP ROAP goal has been to strengthen relationships with organisations that have a common interest in combating illegal trade in goods that damage the environment, including ODS.

At a meeting in Bangkok on 25 August 2005 organised by UNEP ROAP CAP, representatives from the Regional Intelligence Liaison Office for Asia and the Pacific (RILO A/P), INTERPOL Liaison Office Bangkok, the World Conservation Union (IUCN), TRAFFIC, the World Customs Organization ROCB A/P agreed to foster regional cooperation in combating environmental crime, encourage intelligence and information exchange, explore synergies in respective training programmes, and coordinate activities in combating illegal trade in the region. The establishment of this forum is seen as the first step to a stricter monitoring of environmental crime in the region.

ARPEC activities include:

- Facilitating mutual consultation
- Policy and matters of common interest
- Developing programmes and activities in the region
- Reciprocal representation at partner's meetings
- Raising the awareness among decision makers
- Promoting information exchange
- Intelligence/information exchange relating to environment crime
- Close cooperation with RILO A/P - INTERPOL
- Coordinating technical cooperation

The Forum focuses on policies and matters of common interest with representatives. A major goal is to increase environmental awareness among decision makers in general and their awareness of ODS issues in particular. The Forum also intends to promote the exchange of information, including intelligence related to environmental crime and promote closer cooperation between RILO A/P and INTERPOL, including technical matters.

Partners agreed to a regular meeting every six months and to provide more support to Project SHP, a source of useful information on how to deal more effectively with illegal trade. Partners also committed to encourage greater use by countries through the appropriate focal points of the very good intelligence-sharing platforms of INTERPOL's 1-24/7 system and WCO's CEN that are able to identify smuggling trends and patterns more quickly.

Partners will also cooperate with United Nations Office on Drugs and Crime in the Border Liaison Officers (BLOs) project to address other illegal trade.

Green Customs Initiative (GCI)

The Green Customs Initiative aims at strengthening compliance and enforcement of MEAs. Illegal trade in environmentally-sensitive commodities such as ODS, toxic chemicals, hazardous wastes and endangered species is an international problem with serious consequences. Several MEA secretariats (in Basel, Stockholm, and Rotterdam Conventions, CITES, the Montreal and Cartagena Protocols), The Organisation for the Prohibition of Chemical Weapons, UNEP Divisions and Regional Offices, INTERPOL and the WCO are cooperating on this cross-cutting initiative. Norway, Finland, the Czech republic and USA have supported it financially.

Green Customs transmits the messages to a wider compliance and enforcement community. It helps respond to several key needs such as the development of national strategies for prevention, detection and control of illegal traffic, including the strengthening of laws, judicial mechanisms, and the capacity of customs administrations and other national authorities to control and prevent illegal shipments of toxic and hazardous chemicals.

UNEP ROAP has raised awareness of countries in the region about GCI activities and invited their inputs on their needs for capacity building, to ensure activities are country-driven.

GCI Workshops in the Asia Pacific Region

A sub-regional Green Customs Workshop was held in October 2005 in Thimphu with Bhutan, China, India, Indonesia, Nepal, and Sri Lanka participating. The main aim of this meeting, organized by UNEP (ROAP, DTIE & DEC), and OPCW was to gather the key stakeholders (customs officers, customs training institutes, MEA national focal points, judges, prosecutors) from 8 countries in Asia to familiarize them with the MEAs (MP, Rotterdam, Stockholm, Basel and CITES) and discuss face-to-face the concerned issues, as well as to identify the role of each stakeholder in order to facilitate achieving compliance with the relevant MEAs.

The participants at the end of the workshop concluded that their ongoing regional coordination between ozone officers and customs officers in the SA and SEAP regional enforcement network as part

INTERPOL's Ecomessaging

INTERPOL's Ecomessage system was created to facilitate the monitoring and analysis of environmental crime. The Ecomessage database has certainly grown over the years, but it needs to be continuously infused with new data about recent environmental crimes. An Ecomessage should be prepared every time you become aware of an environmental crime of international consequence, such as:

- A foreign ship discharging oil in your territorial waters
- Hazardous wastes being imported from or exported to another country, or
- Endangered species being smuggled across your borders

When the Ecomessage is prepared it is forwarded to the local INTERPOL office, a National Central Bureau (NCB) normally located at national police headquarters. This message should be transmitted via secure communications system to the INTERPOL General Secretariat in Lyon. NCBs are the only authority that can send an Ecomessage to the INTERPOL Secretariat.

Members of the Regional Partner's Forum on Combating Environmental Crime

The role of the Centres is to assist developing countries and countries with economies in transition, within their own region, through capacity building for environmentally sound management, to achieve the fulfilment of the objectives of the Convention.

EIA

The Environmental Investigation Agency (EIA) is an independent, non-profit NGO based in London and Washington DC. It was set up in 1984 and specialises in using undercover investigation techniques to expose environmental crimes – specifically illegal trade in endangered species, ODS smuggling, and illegal logging.

INTERPOL Liaison Office Bangkok

Their goals include: (i) Providing adequate support at the regional and national levels; (ii) Making available relevant regionally based information; (iii) Increasing the exchange of information within the region; (iv) Expanding the flow of information related to specialised crime areas; (v) Encouraging the exchange of best practice between NCBs in the region.

IUCN

The World Conservation Union is the world's largest and most important conservation network. The Union brings together 83 States, 110 government agencies, more than 800 non-governmental organizations (NGOs), and some 10,000 scientists and experts from 181 countries in a unique worldwide partnership.

TRAFFIC SEA

TRAFFIC, the wildlife trade monitoring network, works to ensure that trade in wild plants and animals is not a threat to the conservation of nature. TRAFFIC is a joint programme of WWF and IUCN - The World Conservation Union.

UNEP ROAP

UNEP works with environment ministries, intergovernmental agencies and civil society organizations in the five sub-regions to

identify priorities and address common and transboundary issues.

UNODC

The United Nations Office on Drugs and Crime (UNODC) is mandated to coordinate and lead UN drug control activities. In East Asia and the Pacific, it provides financial and technical assistance to address illicit drug production, trafficking and abuse problems, as well as related legislative and institutional reforms. It also assists Governments to comply with the International Drug Control Conventions.

WCO RILO A/P

RILO A/P activities include:

- Strengthening intelligence analysis
- Promoting the Customs Enforcement Network (CEN)
- Providing technical assistance
- Strengthening regional and interregional cooperation
- Facilitating information exchange and request for administrative assistance
- Organizing NCP meeting

WCO Asia Pacific Regional Office for Capacity Building

The WCO ROCB A/P aims to

- Assist members in identifying needs and possible solutions including conducting diagnosis missions
- Technical Assistance include conducting seminar and Technical Assistance workshops
- Cooperation and coordination with other donors and international organisations

WildAid

WildAid's mission is to end the illegal wildlife trade within our lifetimes. To achieve this WildAid uniquely focuses on raising awareness to reduce the demand for threatened and endangered species products and to increase public support for wildlife conservation.

of a Swedish bilateral project under the MF of the MP is a good example that could be extended to include other MEAs.

However, the workshop also concluded that it is vital to ensure that all stakeholders can fully exercise control, and that awareness raising should cover the full enforcement chain, for instance by coordinating with existing programmes such as the UNEP Judges Initiative.

At the workshop the Government of Nepal and IUCN proposed a national training programme for Customs, Judges, and Law Officers. The Interaction Program on Facilitating Effective Implementation of MEAs was held in September 2006 in Kathmandu. Judges, prosecutors and customs officers participated in the programme.

A Green Customs Train-the-trainer workshop was organised in Shanghai in May 2007. Representatives of WCO Regional Customs Training Institutes from China (Shanghai Customs College), Malaysia (Royal Customs Academy Malaysia), Pacific Islands (Oceania Customs Organisation) and India (National Academy of Customs, Excise and Narcotics) were invited to the workshop. Officers from national customs training institutes nominated from Sri Lanka, Philippines, Pakistan and Thailand also participated.

The workshop aimed at training trainers from customs training institutes on MEA-related trade controls. These trainers will be

expected to train their fellow national customs officers by conducting presentations on effective implementation and enforcement of the trade control measures of MEAs. The workshop thus tested, discussed, and improved the national training package, which will be used for Green Customs national-level training.

After the workshop, it was agreed to create an e-forum with membership of all customs trainers and resource persons participating in the workshop. The e-forum is a vehicle for continuing information exchange and discussion on issues like exchanging experience with exercises and how to improve them, what tools are useful and which are not, share materials on training skills and approaches; pictures and case studies, or ways to evaluate effectiveness of training. The highlight of the workshop was the visit of the Executive Director, Mr. Achim Steiner, who spoke about trans-national environmental crime.

During the GCI train-the-trainer workshop in Shanghai, the first preparations were made in a discussion group for the Greater Mekong Sub-regional Green Customs Workshop in Bangkok, Thailand. This workshop was organized and hosted by the Royal Thai Customs Department on 5-7 September 2007, in cooperation with UNEP, ROCB A/P and the U.S. Department of State. Customs officers from Cambodia, China, Lao PDR, Malaysia, Myanmar and Vietnam attended the workshop which also focused on increased cooperation to control transboundary movements of environmental goods between the neighbours.



WHAT DO OTHERS THINK?

Feedback from Participating Countries

Twenty-four countries in the SA, and SEAP regions participated in the Sida Project. Their participation grew and extended as they discovered the value of their involvement and as the opportunities for participation increased with the evolution of the project. The project was designed to provide structure, guidance, training, and direction for the dynamic process of integrating the efforts of participating countries and various relevant international organisations. Inherent in this approach was learning and adjusting, based on the accumulation of experience and the injection of expertise.

Participating countries found many aspects of the project useful, for example:

- Improved coordination of national customs with national ODS units through MOUs
- Customs is giving environmental issues a higher priority
- Increased bilateral, regional, and inter-regional cooperation among countries in curbing illegal ODS trade
- Information reporting and exchanges via international clearinghouses, such as CEN, Green Customs Initiative, and ARPEC, have made enforcement efforts more efficient and more effective
- Greatly improved control of the import and export of ODS using Info Sheet Licensing
- Significantly increased knowledge and understanding of ODS issues, management, and controls among responsible government officials in the regions
- Greater awareness of and access to information generated by major international environmental meetings, conferences, seminars, etc.
- Greater control of ODS trade through increased efficiency and effectiveness of customs agencies
- The SHP project organised by customs agencies in the regions established a monitoring and notification system linked with the national ozone officers network that is helping ensure a more efficient flow of information
- Increased cooperation between the RILO A/P and the EIA have strengthened national efforts to prevent and combat illegal trade
- The establishment of the *Regional Partners Forum* has led to active participation of other key organisations, such as IUCN, WCO ROCB A/P, and INTERPOL Asia
- The improved communication among countries in the region has had the favourable effect of improving overall relations among them
- Close collaboration between customs and national ozone

officers has facilitated the passage of important domestic environment-related legislation

- Customs officials report increased motivation to give environmental issues higher priority and more attention, due to the recognition received for their role and performance
- The success of the project in establishing dynamic, interactive networks makes it possible to include other MEAs
- Non-participants and outside entities have a positive impression of the project's value

Learning by Doing

As with every project, a great deal is learned during implementation that can increase the value of the project. But most critical to continuing success is follow-up and follow-through to maintain the momentum and increase the penetration.

Project implementation

- The Project resulted in many durable initiatives, but it is important that the necessary human resources are committed for proper follow-up
- Linking with other projects will help ensure the sustainability of the various initiatives by making optimum use of resources

Consistent participation

A major contributor to the success of the Sida Project has been the requirement that the same appointed country representative attend all workshops. This has led to a deeper understanding of specific problems, to a significant increase the capabilities of these officers, and to these officers playing an active role in seeking cooperative solutions.

Expertise

The use of customs experts by the Project has been an important factor in promoting increased regional cooperation among customs officers and international organisations through comprehensive base desk studies and by facilitating cooperation with RILO A/P and other enforcement agencies.

Outreach

The Project's reach has extended naturally beyond only regional and/or national implementation. Participating countries seeking solutions to specific issues have brought their issues to the Meeting of the Parties, the body responsible for implementing the MP. In addition, a proactive effort to make other regional networks around the world aware of the Project has resulted in those organisations proposing similar projects. For instance, the Latin American Regional Office established a comparable ozone-customs officer's network, funded by Canada. An initiative is underway for RILO A/P offices in different Regions to cooperate more closely through formalised agreements and more extensive reporting to CEN.

Other MEA Secretariats have been informed about the success of the networks created by Sweden/Sida and UNEP and were asked to consider how this approach could serve their mandates. Countries involved in the Project have taken the initiative to extend their own cooperation networks and have expanded cooperation among their own officers responsible for MEA implementation and customs to include the Rotterdam, Stockholm, and Basel Conventions.

Higher priority for environmental issues

Seeing the success of the Project's programs and how the Project has helped their missions, organizations such as INTERPOL and WCO have put environmental crime on their work agenda. At the same time, environmental organisations need to understand better what other organisations do, including what specific tools they have that can help combat environmental crime more effectively, such as the *Ecomessage* of INTERPOL and the *Customs Enforcement Network* (CEN) of RILO A/P. Member countries using such tools to combat environmental crime are demonstrating the importance each country is giving to dealing with environmental crime. Hopefully, this will lead to these organisations allocating more of their resources in their work programmes to fighting environmental crime.

Broadening the scope

After participating countries established reliable mechanisms for dealing with ODS and experienced the benefits of regional cooperation, they saw the value of broadening the scope to include other chemical MEAs, just as other MEAs have seen the potential for them. The Project's scope can extend to encompass the full enforcement chain, including environmental inspectors, investigators, police, prosecutors, and judges.

What's Next?

Regional control of the transboundary movement of ODS and chemicals, efficient enforcement of import/export controls

In 2007, based on the feedback from participating countries, the enforcement networking expanded to include other MEAs. Promoting further regional cooperation for the control of transboundary movement of chemicals will now also deal with import and export of chemicals covered by the Basel, Rotterdam and Stockholm Conventions (ODS, POPs, hazardous waste).

The project will establish improved communication channels for informal information exchange and develop common tools for data management and collaboration within the regional network. It will extend the existing ODS enforcement network by integrating control of transboundary movements on chemicals covered by the MP, and the Rotterdam, Stockholm and Basel Conventions.

The project aims at integrating of all aspects of controls of hazardous chemicals and waste with regard to their transboundary movements. It focuses on how best to utilise the achievements of the project on combating illegal trade in ODS by including chemicals covered by the MEAs. However, in view of the risk for increasing illegal trade in the Region of ODS due to advanced phase-out schedules, and the pertaining demand for ODS mainly in the servicing sector, the main focus will still be on the MP.

The target audience for the project will be ozone and customs officers participating in the former Coordination Workshops of the Sida project, as well as a national MEA coordinator for the project who is in charge of national implementation, policy development and enforcement of MEAs related to transboundary movements of those countries that have ratified at least the Rotterdam and Basel Conventions. As of June 2007, China, India, Iran, Maldives, Mongolia, Philippines, Republic of Korea, Singapore, Sri Lanka, Thailand and Vietnam ratified all three Conventions. Malaysia, Nepal, and Pakistan ratified both the Rotterdam and Basel Conventions but not the Stockholm Convention.

The national MEA Coordinator attending the network meetings and enforcement network meeting will be encouraged to report back on the discussions, conclusions and recommendations of each enforcement network meeting to the existing national networks /MEA steering group or coordination structures, ensure the follow-up at national level and discuss issues as preparation before each enforcement network meeting takes place. For improved exchange of information, the e-forum membership would also include national officers which are involved in the national networking and/or implementation of MEAs with regard to transboundary movements of hazardous chemicals and waste, but do not necessarily attend the workshops.

Future Challenges

Unfortunately, environmental crime is one of the most profitable, therefore, fastest growing, new areas of international criminal activity, as the enforcement of international agreements and national laws is cutting off the legal supply of inputs still used by older producers and manufacturers and as restrictions on the storage and disposal of hazardous substances become more stringent.

Criminal syndicates around the world, most notably in Italy, Russia, China, and Japan, have taken advantage of the significantly greater costs of proper legal waste disposal, as well as of the much-increased

value of rare or precious natural resource commodities subject of tight trade and sale restrictions, to earn substantial illicit income from circumventing environmental laws and regulations.

Illegal trade in all categories of ODS will clearly remain a concern at least over the next 10 years, in particular, the use of CFCs in developing countries and possibly hydrochlorofluorocarbons (HCFCs) and halons in developed and developing nations.

Many consider the MP mostly completed, which may result in diminishing funding through the MF. National administrations will have to face the issue of maintaining the capacity built up under the MP and how to maintain awareness of the need to control ODS. A promising step would be to integrate ODS into their national hazardous chemicals policies.

Regional Networking for Other Multilateral Agreements

The innovative regional networking approach under the MP can serve as a model for implementing other environmental conventions. The Rio Conference in 1992 launched three multilateral environmental initiatives: the UN Framework Convention on Climate Change, the UN Convention on Biological Diversity, and the UN Convention to Combat Desertification. In 1998 and 2001 countries finalised negotiations on two other milestone environmental regimes: the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Stockholm Convention on Persistent Organic Pollutants. All these agreements could benefit from instituting their own regional networks, as an efficient and cost-effective way of achieving their goals. Implementation in the SEAP and SA ODS enforcement network now has progressed sufficiently for the networks to accommodate other dangerous substances.

Trade controls in the MEAs

Article 4 of the **MP** requires countries to introduce a licensing system for control of transboundary movements of virgin, recovered, or recycled ODS.

The **Rotterdam Convention** introduces the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. The Convention enables the world to monitor and control the trade in certain hazardous chemicals. It is not a recommendation to ban the global trade or use of specific chemicals. It gives importing Parties the power to make informed decisions on which of these chemicals they want to receive and to exclude those they cannot manage safely. If trade does take place, requirements for labelling and provision of information on potential health and environmental effects will promote the safe use of these chemicals.

The **Stockholm Convention** restricts imports and exports of the intentionally produced POPs, permitting them to be transported only for environmentally sound disposal or for a permitted use for which the importing country has obtained an exemption. The Convention requires wastes containing POPs to be handled, collected, transported and stored in an environmentally sound manner. Their toxic content needs to be destroyed. The Convention does not allow recovery, recycling, reclamation, direct reuse or alternative uses of POPs, and it prohibits their improper transport across international boundaries.

During its first Decade (1989-1999), the **Basel Convention** was principally devoted to setting up a framework for controlling the "transboundary" movements of hazardous wastes, that is, the movement of hazardous wastes across international frontiers. It also developed the criteria for "environmentally sound management". A Control System, based on prior written notification, was also put into place. Ministers meeting in December of 1999 set out guidelines for the Convention's activities during the Next Decade, including further reduction of the movement of hazardous and other wastes; and the prevention and monitoring of illegal traffic.

LIST OF ABBREVIATIONS



ARPEC: Asia Regional Partner's Forum on Combating Environmental Crime
BSF: Border Security Forces
CAP: Compliance Assistance Programme
CBT: Capacity Building and Training
CEN: Customs Enforcement Network
CFC: Chlorofluorocarbon
DTIE: UNEP's Division of Technology Industry and Economics
eGRID: Electronic Global Risk Identification and Detection system
EIA: Environmental Investigation Agency
ExCom: Executive Committee of the Montreal Protocol
GCI: Green Customs Initiative
HCFC: Hydrochlorofluorocarbons
HS codes: Harmonized System codes
HS: Hazardous substances
iPIC: Informal Prior Informed Consent
MEA: Multilateral Environmental Agreement
MF: Multilateral Fund
MOP: Meeting of the Parties
MP: Montreal Protocol
NOU: National Ozone Unit
ODS: Ozone Depleting Substances
RILO A/P: Regional Information and Liaison Office Asia/Pacific
RILO: Regional Intelligence Liaison Office
ROAP A/P: Regional Office for Asia and the Pacific
ROCB: Regional Officer for Capacity Building
SA: South Asia
SEAP: South East Asia and the Pacific
SEI: Stockholm Environment Institute
SEPA: State Environmental Protection Administration (China)
SHP: Sky-Hole-Patching Project
Sida: Swedish International Development Cooperation Agency
UNEP: United Nations Environment Programme
WCO: World Customs Organization





Nations around the world are taking concrete actions to reduce and eliminate production and consumption of CFCs, halons, carbon tetrachloride, methyl chloroform, methyl bromide and HCFCs. When released into the atmosphere these substances damage the stratospheric ozone layer.

Nearly every country in the world, currently 191, has committed to phase out the consumption and production of ODS under the MP. Recognizing that developing countries (“Article 5 countries”) require special technical and financial assistance to meet their commitments under the treaty, the Parties established the MF and requested UNEP, along with UNDP, UNIDO and the World Bank to provide the necessary support. UNEP also supports ozone protection activities in Countries with Economies in Transition (CEITs) as an implementing agency of the Global Environment Facility (GEF).

Since its inception in 1991, the UNEP DTIE OzonAction Programme has strengthened the capacity of government NOUs and industry in developing countries to make informed decisions about technologies and policies required to implement the MP. The Programme has supported ODS phase-out at national, regional and international levels by delivering the following need-based services:

Information Exchange Clearinghouse

Provides information tools and services to encourage and enable decision makers to make informed decisions on policies and investments required to phase out ODS. The Programme has developed and disseminated to NOUs over 100 publications, videos, and databases that include public awareness materials, a quarterly newsletter, a web site, sector-specific technical publications as well as guidelines to help governments establish policies and regulations.

Training

Builds the capacity of policy makers, customs officials and local industry to implement national ODS phase out activities. The Programme promotes the involvement of local experts from industry and academia in training workshops and brings together

local stakeholders with experts from the global ozone protection community. UNEP has conducted 39 training activities at the regional level and 71 at the national level.

Networking

Provides a regular forum for officers in NOUs to meet to exchange experiences, develop skills, and share knowledge and ideas with counterparts from both developing and developed countries. Networking helps ensure that NOUs have the information, skills and contacts required for managing national ODS phase out activities successfully. UNEP currently operates 8 regional/sub-regional Networks involving 114 developing and 9 developed countries.

Refrigerant Management Plans (RMPs)

Provide countries with an integrated, cost-effective strategy for ODS phase out in the refrigeration and air conditioning sectors. RMPs assist developing countries to overcome the numerous obstacles to phase out ODS in the critical refrigeration sector. UNEP DTIE is currently providing specific expertise, information and guidance to support the development of RMPs in 62 countries.

Country Programmes (CPs) and Institutional Strengthening (IS)

Support the development and implementation of national ODS phase out strategies especially for low-volume ODS-consuming countries. The Programme has assisted 100 countries to develop their CPs and 96 countries to implement their IS projects.

In 2002, UNEP restructured its programme in order to better respond to the evolving needs of developing countries during the compliance period. Its overall vision and work strategy was reoriented into the CAP. A major feature of the CAP strategy is to move away from a disparate project management approach towards integrated and direct implementation of the programme using a team of professionals with appropriate skills and expertise. UNEP has now regionalised the delivery of the programme and services by placing its regional offices at the forefront to assist the countries in the region.