



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Montreal
Protocol Unit



Session 2
Quota allocation, instruments
and country experience



KIGALI in
Acti
ON

Natasha Kochova
June 14, 2023
UNIDO KIP workshop





Quota allocation (market measure)



- Objective of import quota system
= ensure that the country will not import more of a substance (or group of substances) than the limit for that country according to its relevant legislation;
- The sum of the quotas allocated to all eligible importers → equal to or lower than this limit;
- HFCs that can be placed on the market is subject to quantitative limits (**HFC phase-down**);
- The cap and phase-down of HFCs is implemented through a quota system (in CO₂ equivalent);
- Aim is to avoid increase of HFCs consumption under the work done with the HPMPs (HCFC phase out).



Why a quota system?



- Prevent the country from exceeding its HFC annual consumption limits in the MP
- An effective instrument to implement the HFC phase-down;
 - **clearly defined obligations**
 - **tailored to national circumstances**
- HFCs importers of HFCs safeguarded (conduct businesses)



On the lookout for...



- What are the sectors? Who receives the quota?
 - Could quotas be sold?
 - Should quotas cost? *
- Do the importers need to pay to apply for the quota?
- What should be the level of country's HFC import quotas? **
 - Is quota required for exports?
- Are the allocated quota tradeable/transferrable among importers?
 - Do the license holders need to report back how much they imported? If so, how frequently?
 - How is the licensing authority communicating and sharing data with Customs on issued licenses?
 - Should HFC imported in products or equipment be included in a quota system? ***
 - Do the importers need to declare who their customers (distributors, servicing workshops) are?
- Does the NOU reconcile (crosscheck) data with customs, licensing authority (if different from NOU), and importer?
 - What happens in case of discrepancies or missing information?
 - What type of HS code is used by the customs?



F-gas polices in the EU: Implementation of the quota system and lessons learned

UNIDO Workshop on KIP preparations

*Vienna,
14 June 2023*

Main logic of the EU F-gas Regulation

Reducing HFC use

- **Phase-down of HFCs (Quota system)**
- Additional specific prohibitions on use, products & equipment

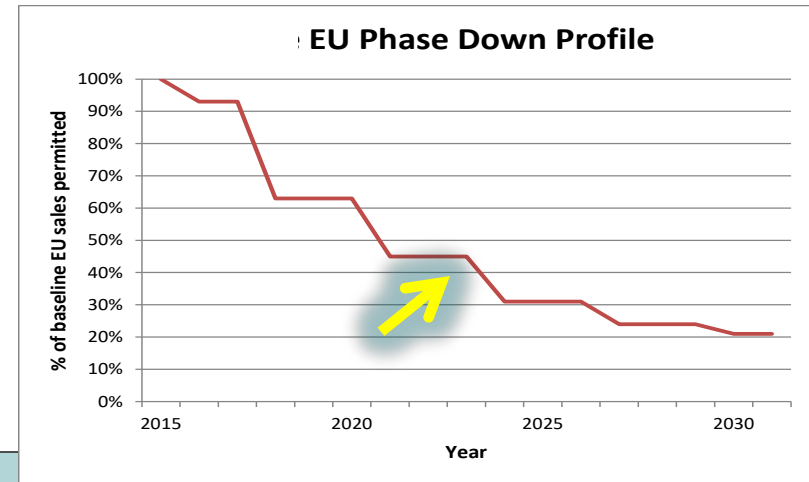
Reducing HFC losses

- Emission prevention, Leak checks, **Certification/Training of Technicians, Recovery Obligation**, Venting prohibition, End-of-Life Treatment, ...

Controlling & enforcement

- **Trade licensing**, Custom rules, Market surveillance, Labelling, **Penalties, Reporting**

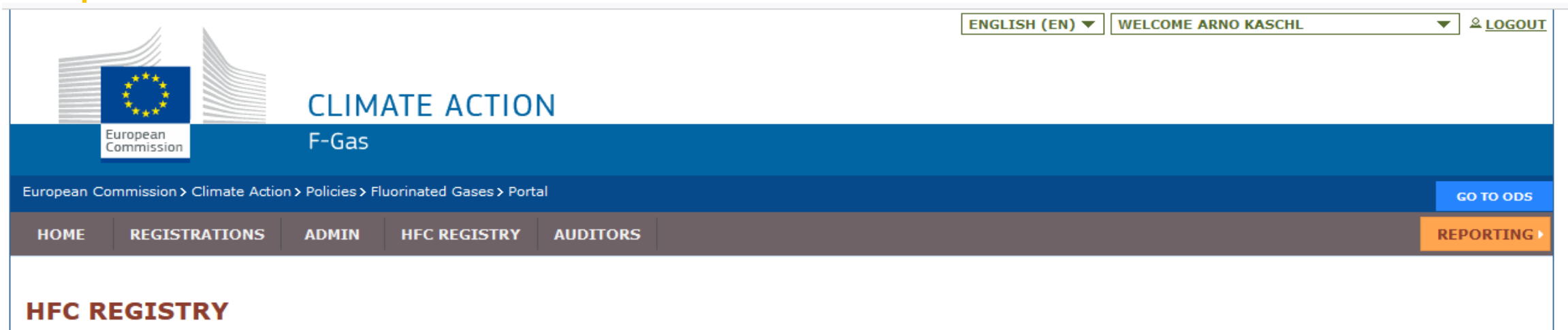
Main Policy Driver: Quota System



Upstream Market Measure: Reduce EU (initial) HFC placing on the market (measured in CO₂eq.!) in 3 year steps by 80% (2015- 2030)

- Companies **importing or producing** HFCs (bulk!) get **HFC quota** every year (in **CO₂eq**) → more metric tonnes for climate-friendlier substances can be sold
- A company can only place quantities of HFCs on the EU market up to their annual quota limit
- All HFCs in pre-charged RAC equipment need to be accounted for in the quota system

Implementation of quota system



ENGLISH (EN) WELCOME ARNO KASCHL LOGOUT

European Commission CLIMATE ACTION F-Gas

European Commission > Climate Action > Policies > Fluorinated Gases > Portal

GO TO ODS

HOME REGISTRATIONS ADMIN HFC REGISTRY AUDITORS REPORTING

HFC REGISTRY

- **Fgas Portal & Licensing System:**

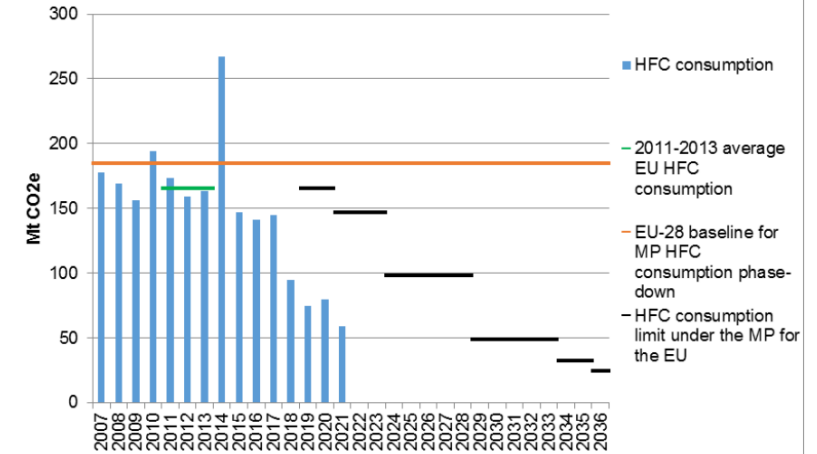
- *Registration of companies (importers, exporters, producers, etc) → Trade License*
 - *Application for quota/ Allocation of quota, Transfer of quotas, Authorise quota use for Equipment*
 - *Store amounts placed on the market*
 - *Penalties*
-
- **Elaborate electronic reporting system (EEA presentation)**
 - **Ex post verification (independent auditors)**

Border Control, Market Surveillance

➤ EU Single Window Environment for Customs

- mandatory participation of all 27 EU countries, from 3/2025
- connects customs offices (ca. 2500) in 27 Member States to EU-central database on fluorinated gases (incl HFCs) and Ozone-Depleting Substances
- Less burden for economic operators, customs and authorities, but better control
 - *real-time license check*
 - *quota debit system*
 - *flagging of suspicious activities*
 - *tracking of shipment data*

2014 F-gas Regulation

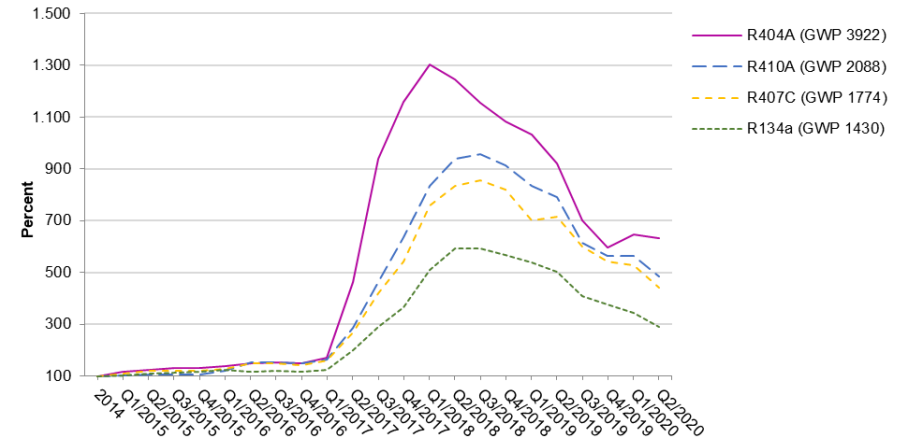


Some highlights: within 5 years only (2015 -2019)

- EU F-gas demand dropped 13%, HFC demand dropped 47% (CO2e)
- F-gases in imported equipment dropped by 33% (CO2e)
- Emission in the refrigeration sector dropped 62% (CO2e)
- More reclaimed gases and smaller leakage rates
- The F-gas Regulation has been an innovation driver:
 - companies using *natural* alternatives increased >60% from 2013 to 2016
 - >50,000 transcritical CO2 systems installed in Europe, more than the rest of the world combined
 - >80% of refrigeration manufactures increased R&D (2011 to 2016).

Quota System

Incentive for innovation



Market measure: Quota system creates scarcity

→ Prices for **high GWP** gases rise strongly

→ **Flexibility**: Reaction of market players where, how and as soon as possible

→ Achieve by avoiding HFCs in new equipment, smaller charges/retrofitting, reducing leakage, recover & reclaim gas

"Stay low, move fast ..."

and you will still be cool !

Some Lessons learned

- **Quota system is flexible and readily acceptable to industry**, but results in some administrative burden for authorities and its effects are less foreseeable
 - EU is a Union of 27 countries with a common market → special challenges for external border controls and market surveillance
- **Prohibitions** are easier to implement and predictable, but more **difficult to design** (need for exemptions, timing of the dates, definitions of scope..)

→ **A combination of quota system and add. prohibitions („signpost“) has worked well in the EU**

- Today **feasible in many areas to eliminate HFCs**, or at least reduce GWP significantly
 - R404A/R507A/R410A is obsolete today!
 - One-way cylinders should be banned!
- HFC fees implemented in some countries (ES; FR;..); additional fiscal measures may be useful, but charge at upper level (imports/production), not at enduser level
- Awareness raising is crucial for quota system, also with customs; close cooperation with competent authorities important

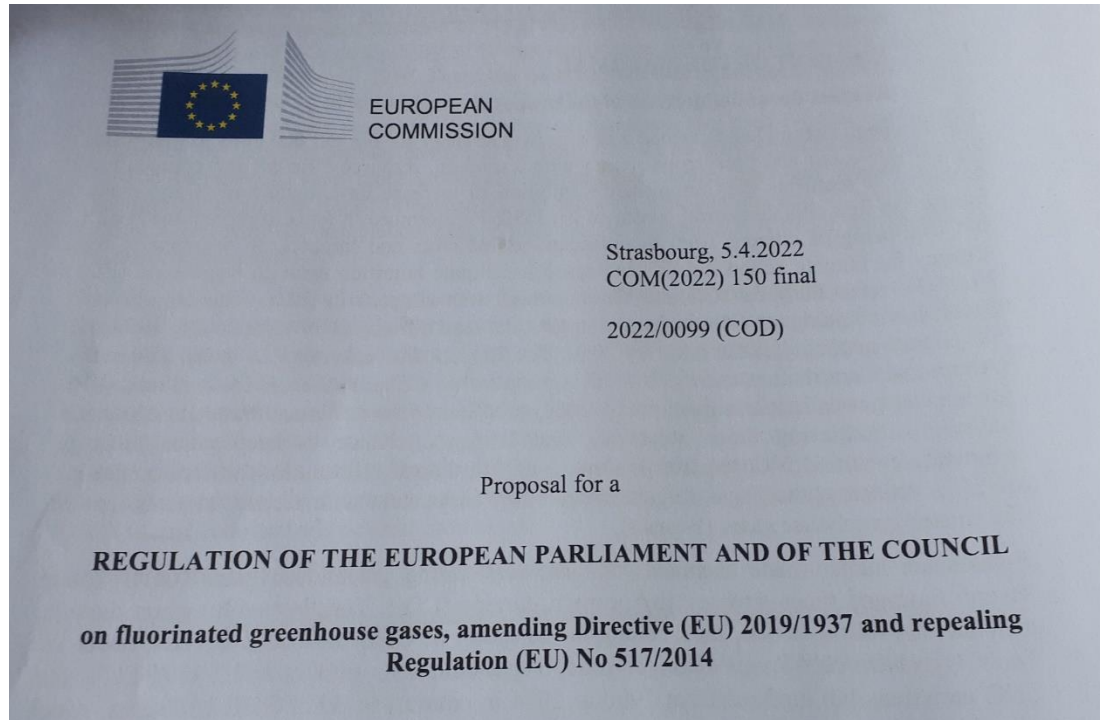
Refrigeration – EU market situation today

Supermarket systems	Transcritical CO₂ systems with high energy efficiency are now the standard solution for new supermarket refrigeration systems. Components and specialized technical personnel are widely available.
Stand-alone commercial systems	Systems running on R290 as a refrigerant are the standard solution for small shops and discounters (refrigerated shelves, freezers etc.)
Transport refrigeration	Research and development as well as market introduction of CO₂ and propane solutions for refrigerated trucks and vans
Refrigerant recycling and reclaim	Specialized refrigerant handling companies collect recovered refrigerants from service companies and gas distributors and perform analytical checks. On the basis of the analysis, reclamation is carried out in dedicated facilities or the refrigerant is sent for destruction.

AC & heatpumps – EU market situation today

Moveable room AC	Hydrocarbons (R290; propane) are the standard refrigerant in small moveable air conditioning systems in the EU since 2020
Split AC	HFC reduction through the use of the interim solution R32, with the prospect of a broader use of natural refrigerants in line with the revised safety standard IEC 60335-2-40 . Market introduction of hydrocarbons (R290; propane) in split air conditioners. Conventional HFC refrigerants are hardly used any more.
Chillers	Mini-chillers with R290 (5-30 kW; 2-4 kg charge, with a secondary glycol/water loop) represent a solution for various applications. For large chillers, ammonia (R717) has long been established on the market (high efficiency). Propane (R290), CO ₂ (R744) and water (R718) are also entering the market.
Bus AC	CO ₂ heat pumps systems in electric and hybrid buses are common
Passenger car AC	CO ₂ heat pumps systems in electric passenger cars (AC and range extension) are common
Heat pumps	Research and development of low-charge R290 systems (12.8 kW heating capacity with 124 g of R290 → refrigerant charge ca. 10 g/kW). Many EU suppliers offer propane solutions , especially in the heating capacity range <12 kW. Increasing use of heat pump solutions also in larger applications.

New European Commission Proposal



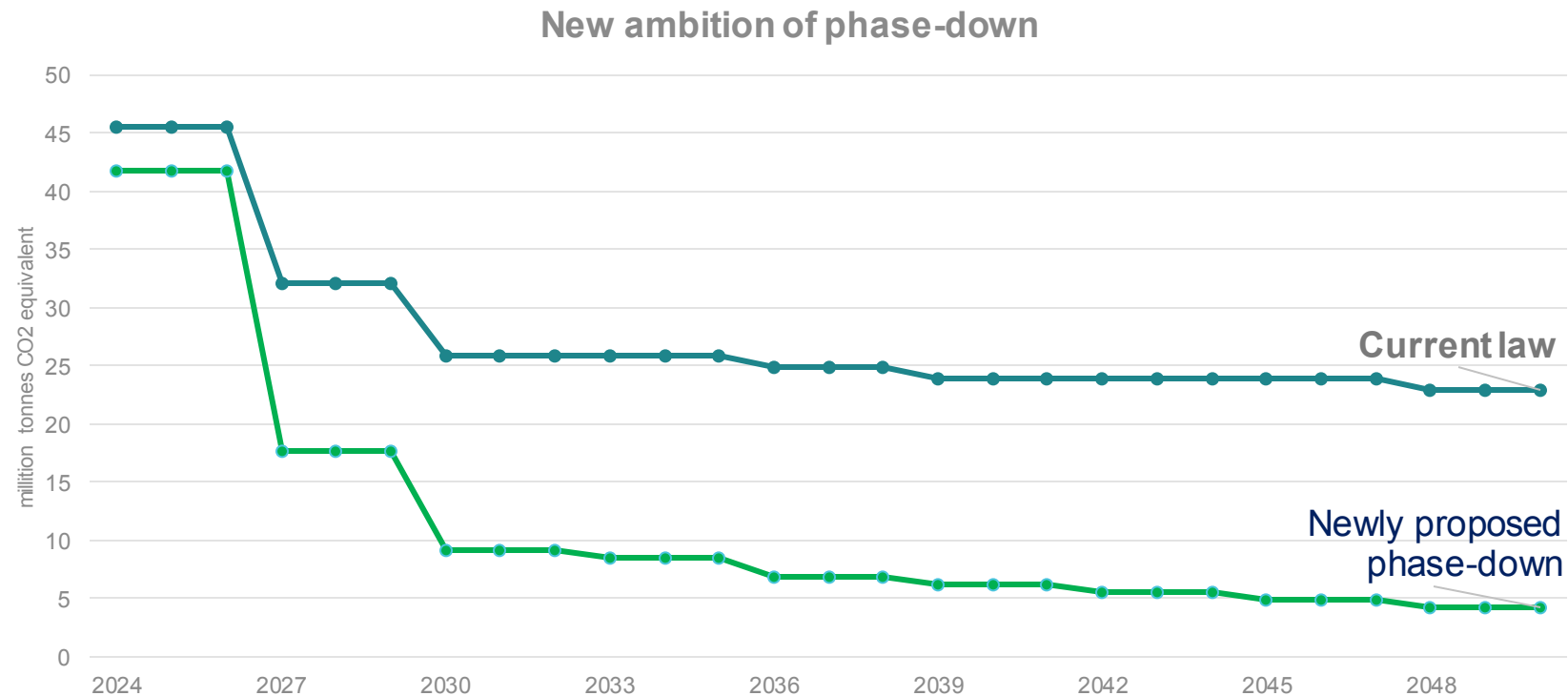
https://ec.europa.eu/clima/system/files/2022-04/f-gases_proposal_en.pdf

- Proposal for a **new EU F-gas Regulation** on 5 April 2022
- Negotiated between EU Member States (“Council”) and the European Parliament
- The final law will be directly applicable in all 27 EU Member States
- **Aiming to have a new law in place by 2024**

The proposed new HFC phase-down / quota system

Quantities HFCs supplied to the EU market to be reduced by 98% from 2015 to 2050

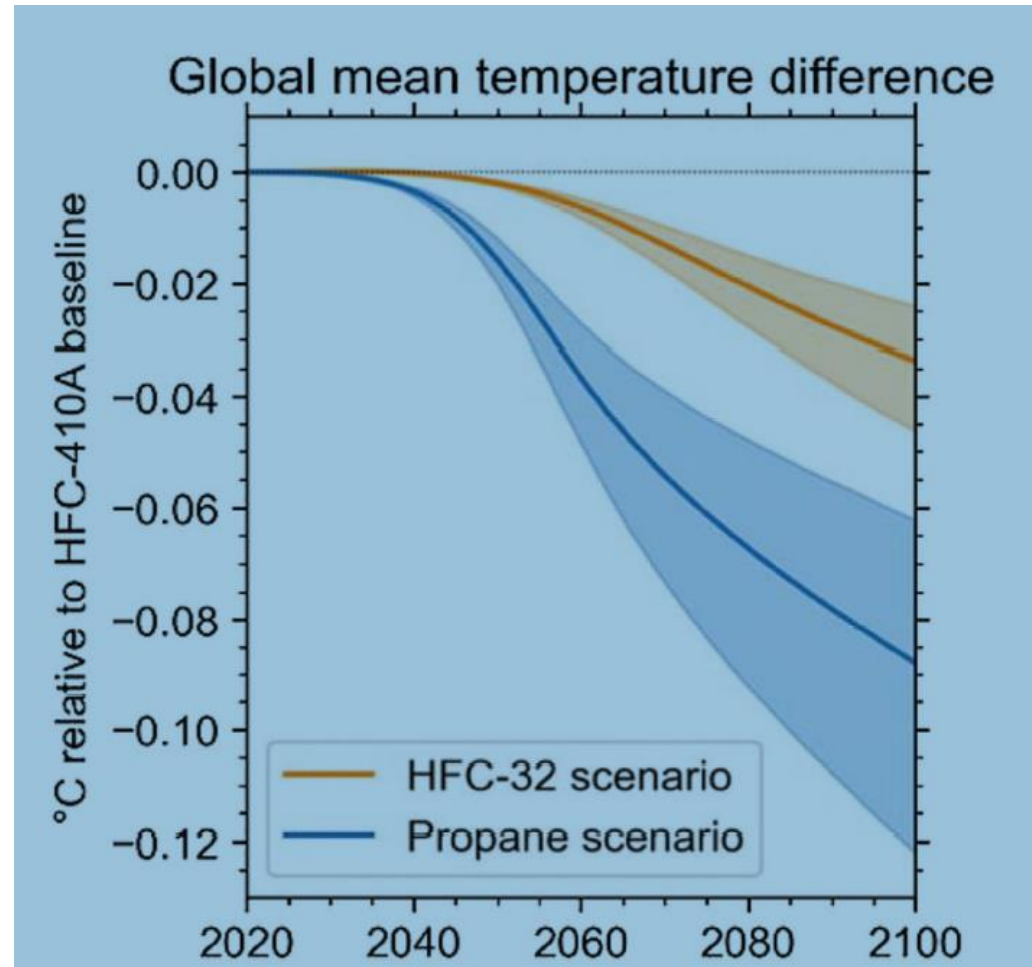
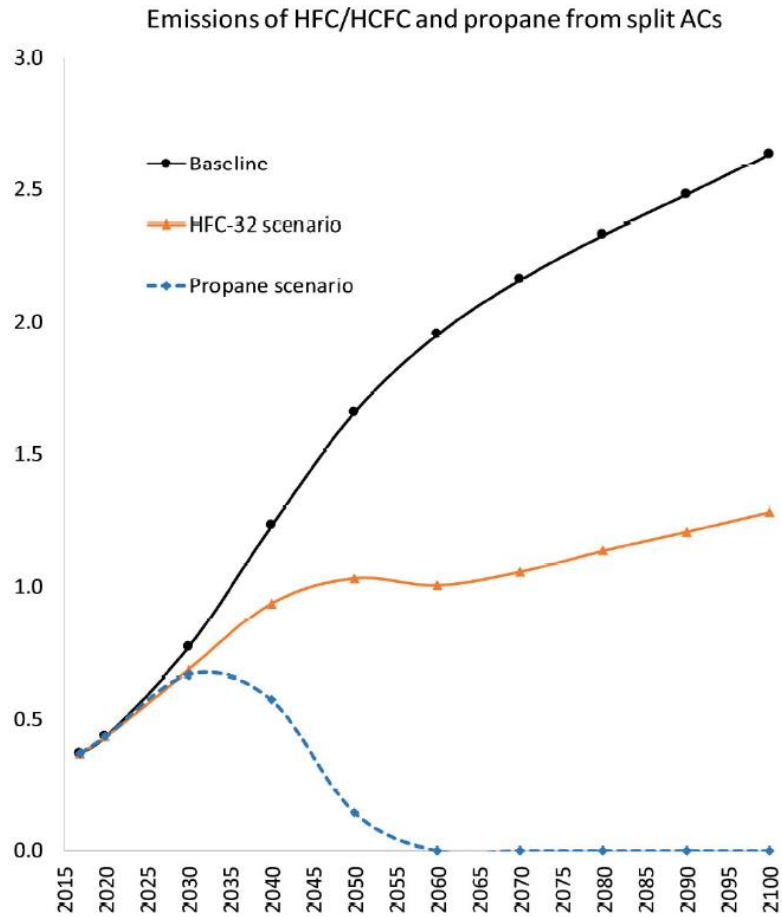
Note: This includes quantities imported in pre-charged equipment



Some newly proposed, additional prohibitions

- Refrigeration sector mostly covered by existing Regulation
- NEW: **AC/heatpumps**:
 - Self-contained with GWP>150 (2025)
 - Splits up to 12kW capacity with GWP>150 (2027)
 - Splits above 12kW capacity with GWP>750 (2027)
- Extension of placing on the market ban of **non-refillable containers** to prohibit import, subsequent supply, use or export (empty, partially filled, or filled)
- On SF₆: Different types of **switchgear** with GWP>10, as feasible (2026-2031)
- Personal care products (2024), skin-cooling equipment (2024), desflurane (anaesthetic, 2026), fire protection (2024)

A crucial sector: Split AC



Purohit et al. (2022). PNAS.

Other relevant changes to the F-gas Regulation

- **Quota allocation: Quota holders need to...**
 - fulfill certain conditions, e.g. experience in trade in chemicals
 - pay for their quota
- **Customs**
 - Digitisation and automation of custom controls: Every relevant shipment counter-checked with EU-central database
 - Reinforced custom rules, controls of trade
- **Control**
 - Reinforced inspections, penalties and cooperation between authorities, independent verification of data
- **Export bans? ...not in the Commission proposal, but now on the table.**

What do we expect out of this?

- **Emission reductions:** By 2050, avoid (cumulatively) 310 MtCO₂eq (ca. total annual emissions of Belgium, Luxemburg and Netherlands together), on top of 430 MtCO₂eq to be saved by the existing Regulation
- **Climate neutrality:** Remaining EU F-gas emissions in 2050 will be only ca 14 MtCO₂eq (2019: 92MtCO₂eq)
- **Modest Costs:** In *most cases* will be low compared to those asked of non-Fgas sectors on the road to climate neutrality, and will in *all cases* be proportionate
- **Energy savings** for end-users of refrigeration and air conditioning equipment
- **Stimulating effects** (output, innovation, employment), particularly on the equipment sector and its supply industry,
- **Significantly improved control** over the policy, allowing effective enforcement in the Member States, at a moderate increase in administrative burden to companies and authorities
- **Better trained personnel** to handle climate-friendly technologies

Thank you

arno.kaschl@ec.europa.eu

https://ec.europa.eu/clima/eu-action/fluorinated-greenhouse-gases_en

Data management and reporting system on European Union level



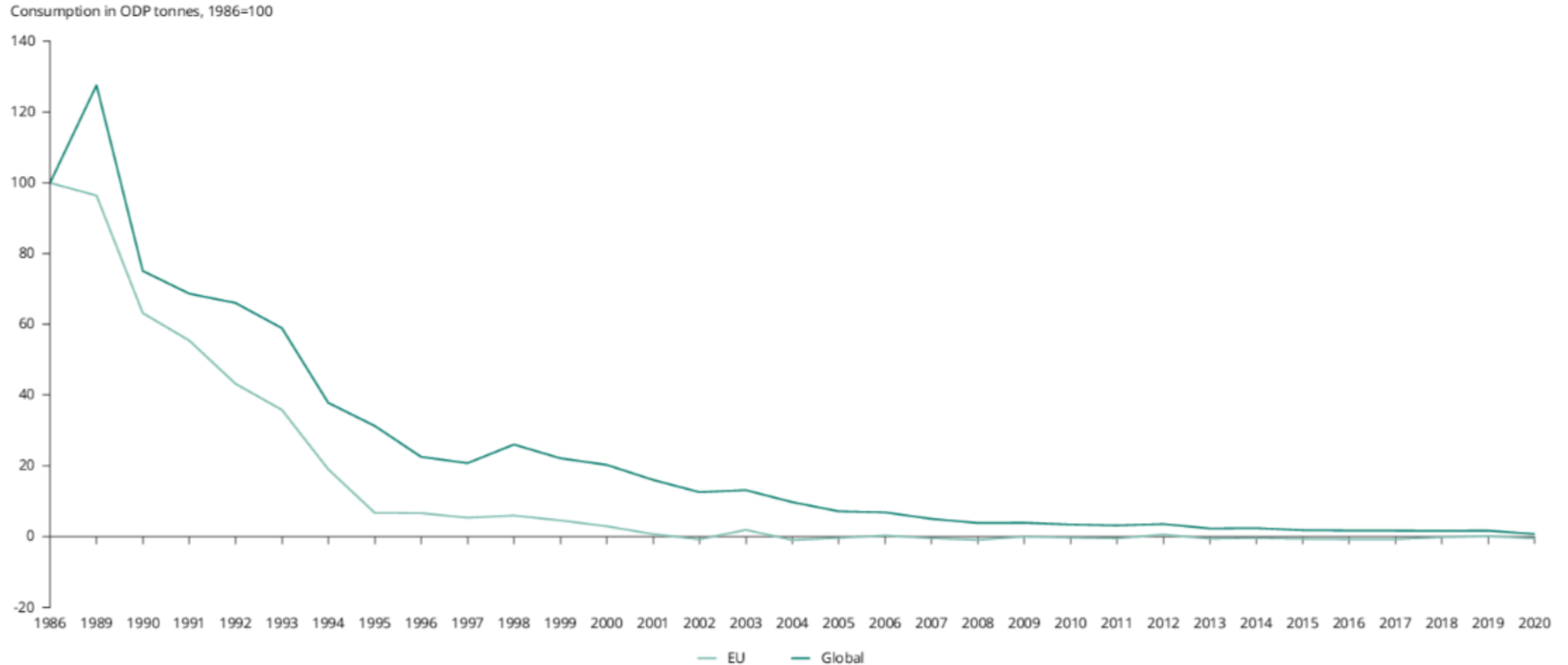
EU F-gas Regulation (EU) 517/2014 – main elements

Measures to avoid the use of F-gases



Measures to prevent leakage of F-gases

Context of reporting – Ozone-depleting substances



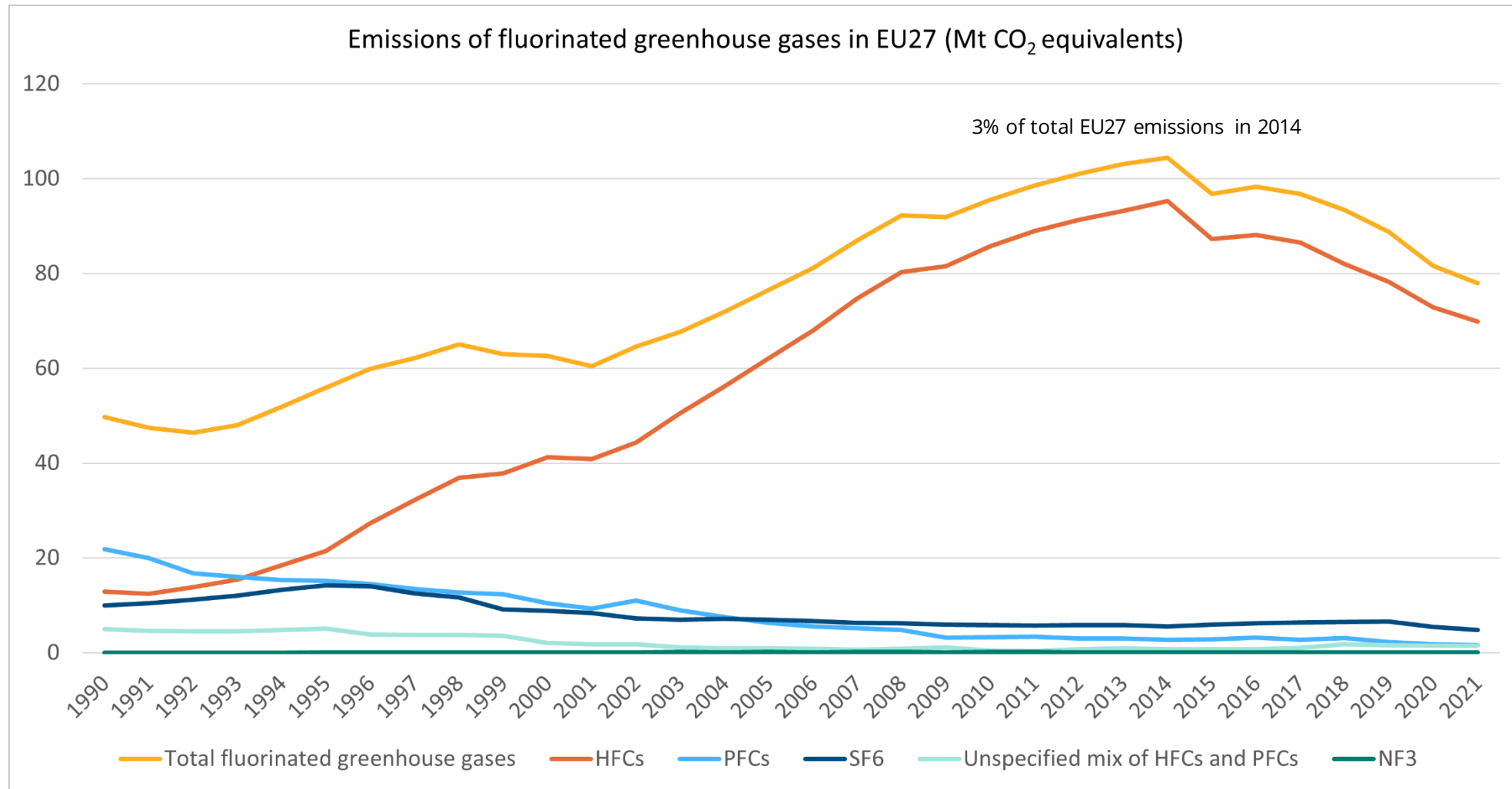
Source: EEA indicator 'Consumption of ozone-depleting substances'

<https://www.eea.europa.eu/data-and-maps/indicators/production-and-consumption-of-ozone-2/assessment-4>

Data viewer 'Ozone-depleting substances 2022'

<https://www.eea.europa.eu/themes/climate/ozone-depleting-substances-and-climate-change-1/ozone-depleting-substances-2022>

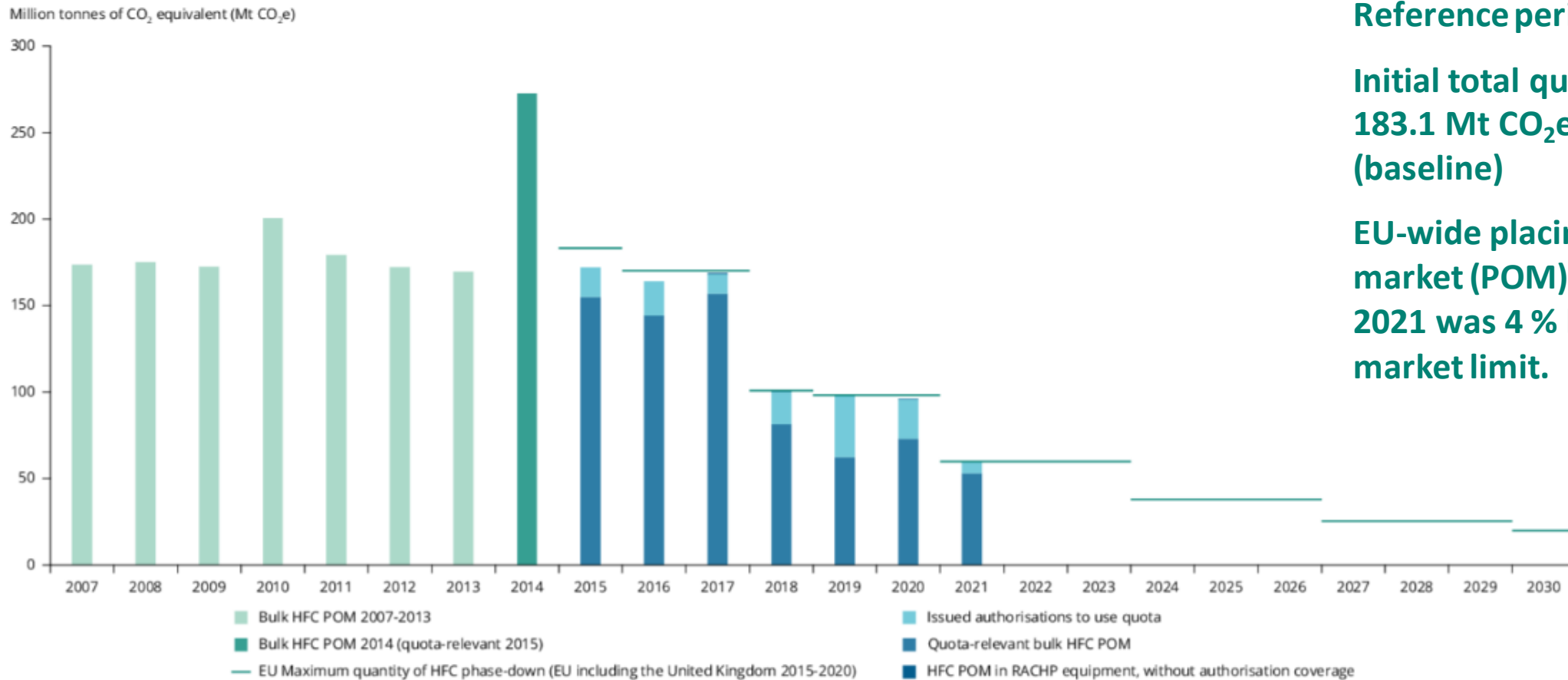
Context of reporting – EU F-gas emissions



HFC phase-down (under the EU F-gas Regulation)

Data from the past is used as basis for designing a system to allocate HFC quota

Reporting used as basis for tracking progress of the EU HFC phase-down



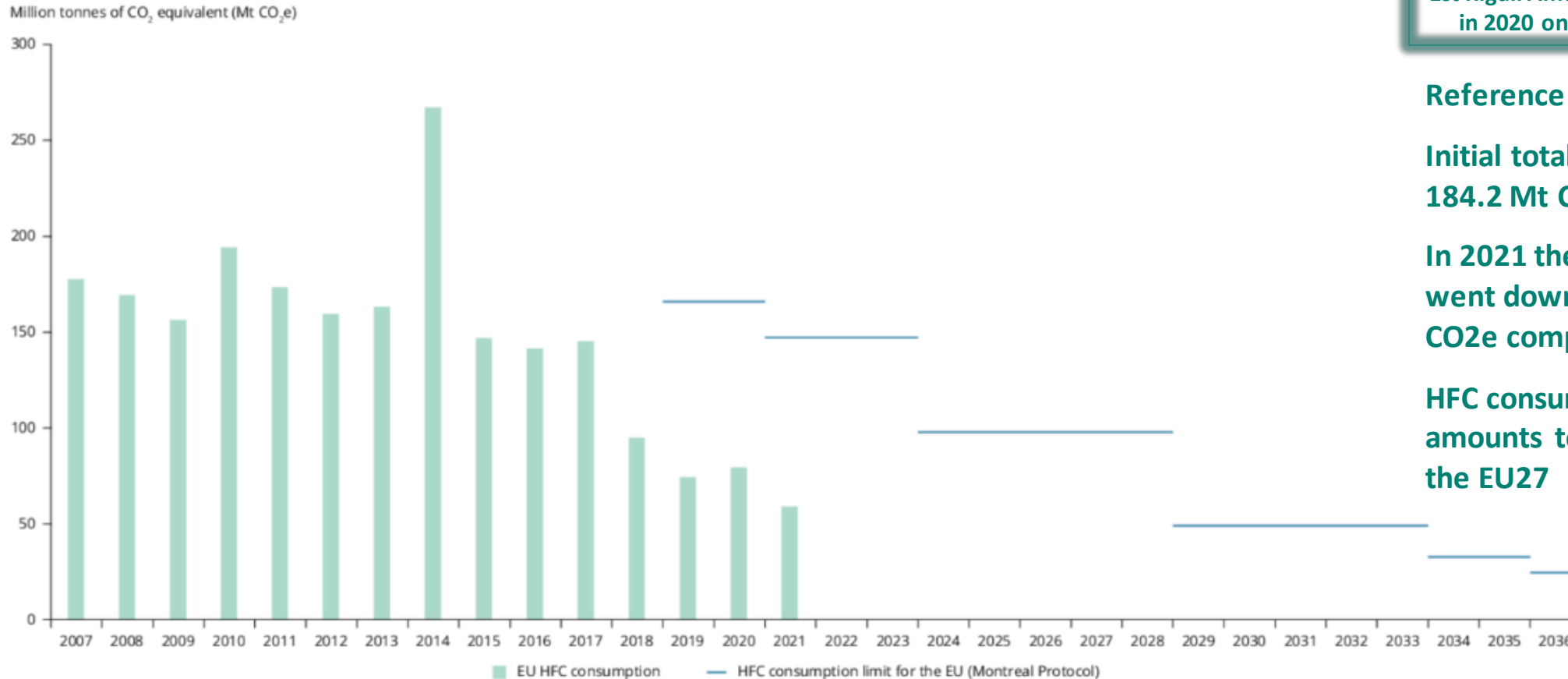
Reference period 2009-2012

Initial total quota allocation
183.1 Mt CO₂e in 2015
(baseline)

EU-wide placing on the
market (POM) of HFCs in
2021 was 4 % below the
market limit.

HFC phase-down (EU27 under the Montreal Protocol)

Reporting used as basis for tracking progress of the Montreal Protocol HFC phase-down



1st Kigali Amendment HFC submission
in 2020 on transactions for 2019

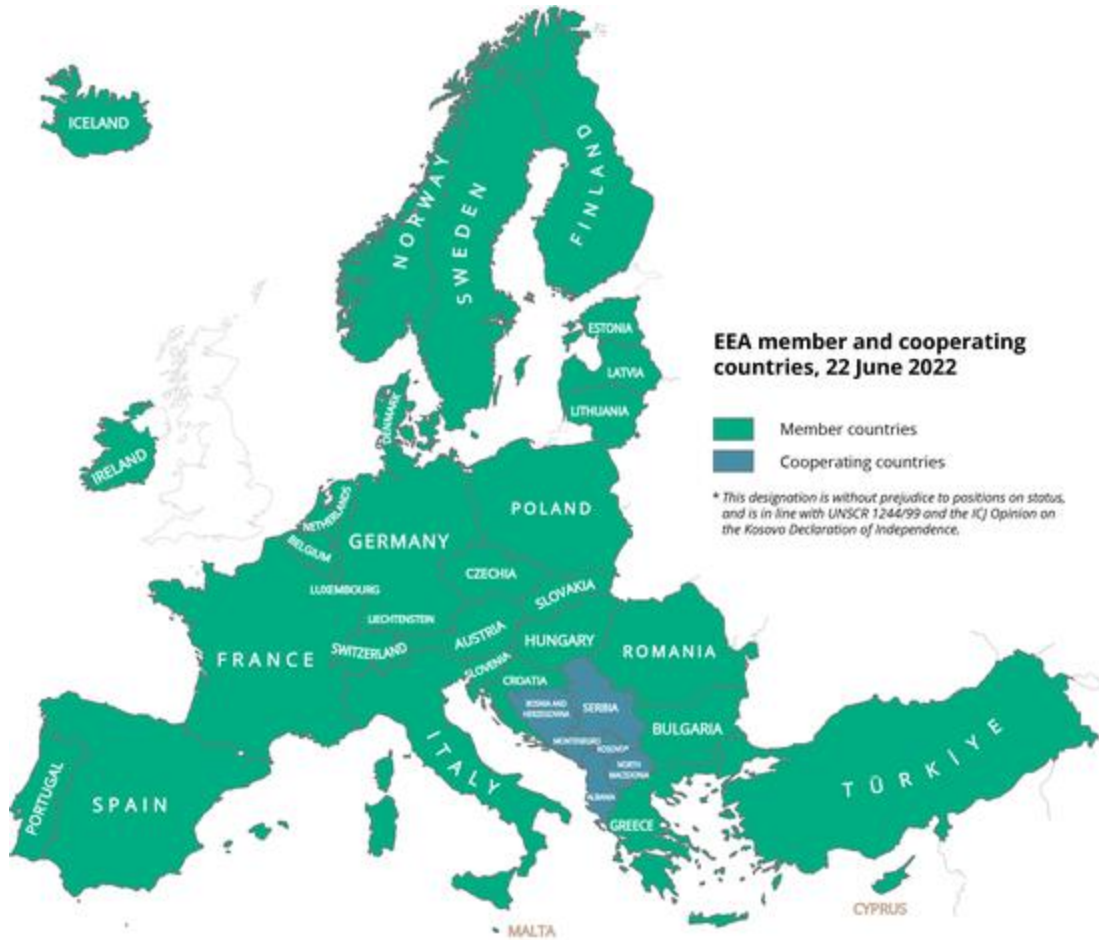
Reference period 2011-2013

Initial total quota allocation
184.2 Mt CO₂e (baseline)

In 2021 the HFC consumption
went down from 79.4 to 59.0 Mt
CO₂e compared to 2020 (-26%)

HFC consumption in 2021
amounts to 40% of the limit for
the EU27

The European Environment Agency (EEA)



European Environment Agency

- Decentralised EU agency
- ~250 staff
- Provide regular reports on the status of Europe's environment ->
<https://www.eea.europa.eu/en/topics/at-a-glance/state-of-europes-environment>
- Managing environmental reporting across thematic areas e.g. climate, water, biodiversity, air pollution >100 data flows
- European Environment Information and Observation Network (Eionet). Network of 38 countries and ~400 institutions
<https://www.eea.europa.eu/about-us>
- Elements to consider when establishing a dataflow:
 - ✓ Legislation
 - ✓ Reporting tools and need for IT-development
 - ✓ Data reporting and communication with providers
 - ✓ Data publication



EU F-gas Regulation Article 19 reporting



Reporting



- **Annual reporting on F-gases** is required from companies
 - Producing, importing and exporting of one metric tonne or 100 tonnes CO₂e or more (bulk gases)
 - Destroying one metric tonne or 1 000 tonnes CO₂e or more
 - Using 1 000 tonnes CO₂e or more as feedstock
 - Placing 500 tonnes CO₂e or more contained in imported products and equipment on the market
 - Authorised to use HFC quotas (importers of pre-charged equipment)
- **By 31 March each year** for the previous calendar year (year-1)

EU F-gas Regulation Article 19 reporting

Reporting



- **Verification by an independent auditor** needed for companies placing 10 000 tonnes CO₂e or more of bulk HFCs on the market
- **Verification by an independent auditor** needed for companies placing 100 tonnes CO₂e or more of RAC (refrigeration, air conditioning and heat pump) equipment containing HFCs on the market
- Information is reported to the EU Commission via the **Business Data Repository (BDR)** that is managed by the European Environment Agency (EEA)



Reporting-related responsibilities at different levels

EU Commission

- EU-wide F-gas Portal, including HFC Registry
- Manage license/quota system (allocations)

European Environment Agency (EEA)

- Design and maintenance of reporting tool
- Providing support to reporting companies
- Compilation of the annual F-gas reports + MP A7 submissions

EU Member States

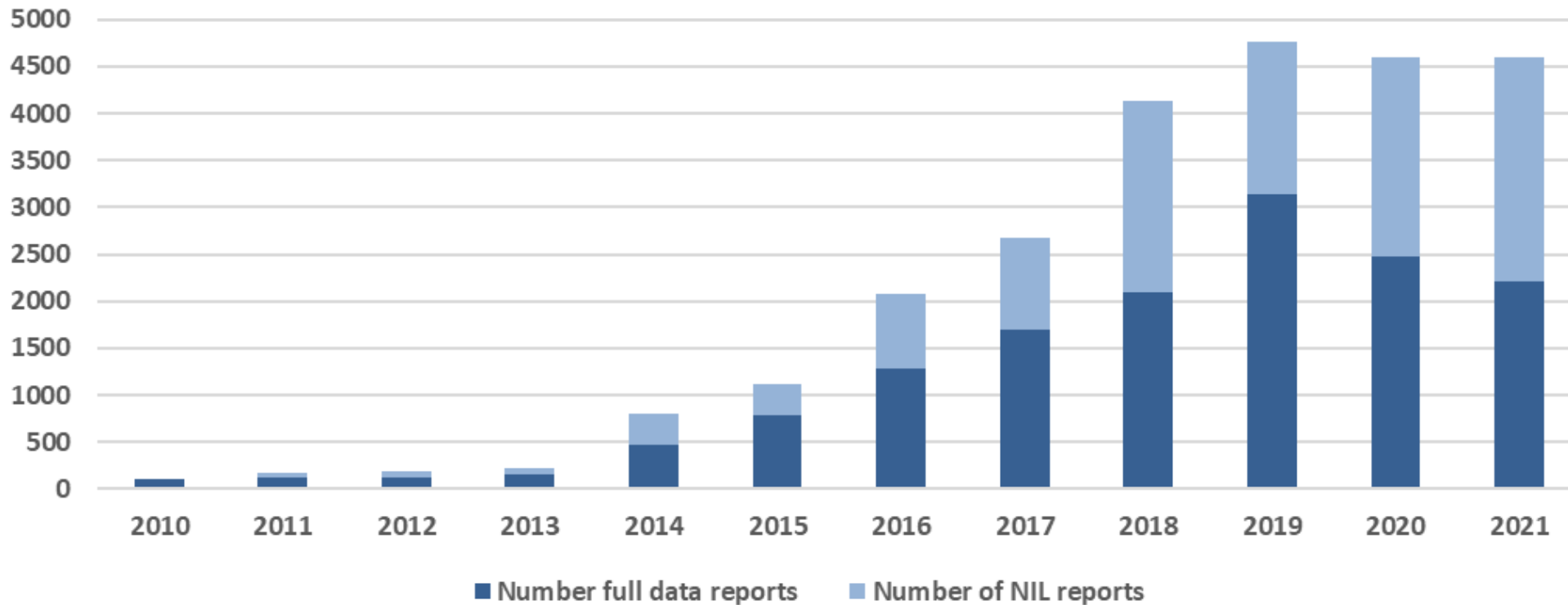
- Assist DG Climate Action via F-gas Committee
- Market surveillance and custom controls, enforcement
- Reporting on illegal trade

Companies

- Annual reporting under F-gas Regulation Article 19

Increase in number of F-gas reporting companies

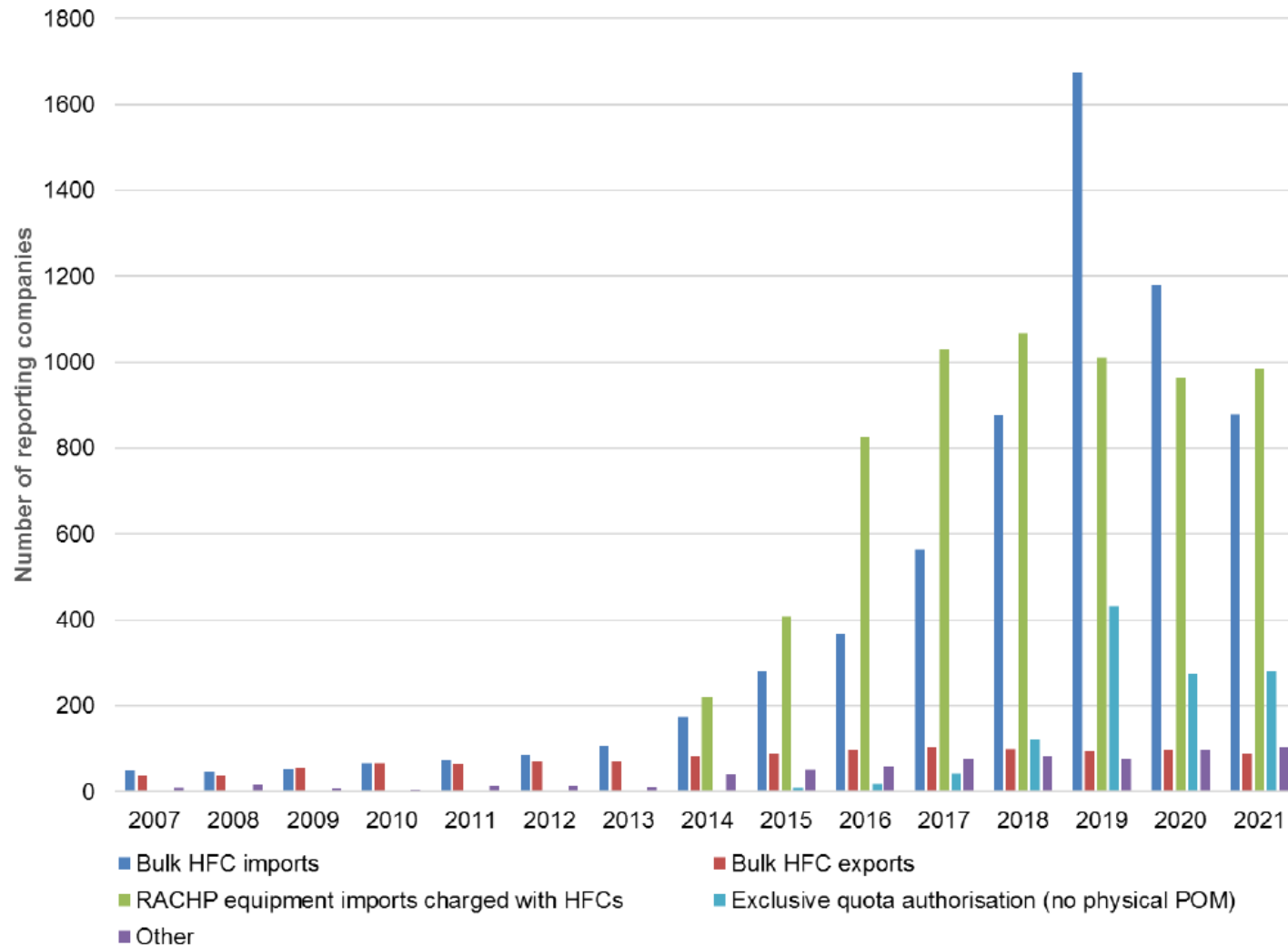
Number of F-gas companies reporting on 2010-2021 activities



Companies distributed across all EU Member States

Companies are mainly from Poland, Italy, France, Germany and other non-EU countries (mainly from China)

Reporting companies and their activities



Reporters in 2021

- 2213 data reports
- 2377 NIL reports (no reportable activity)

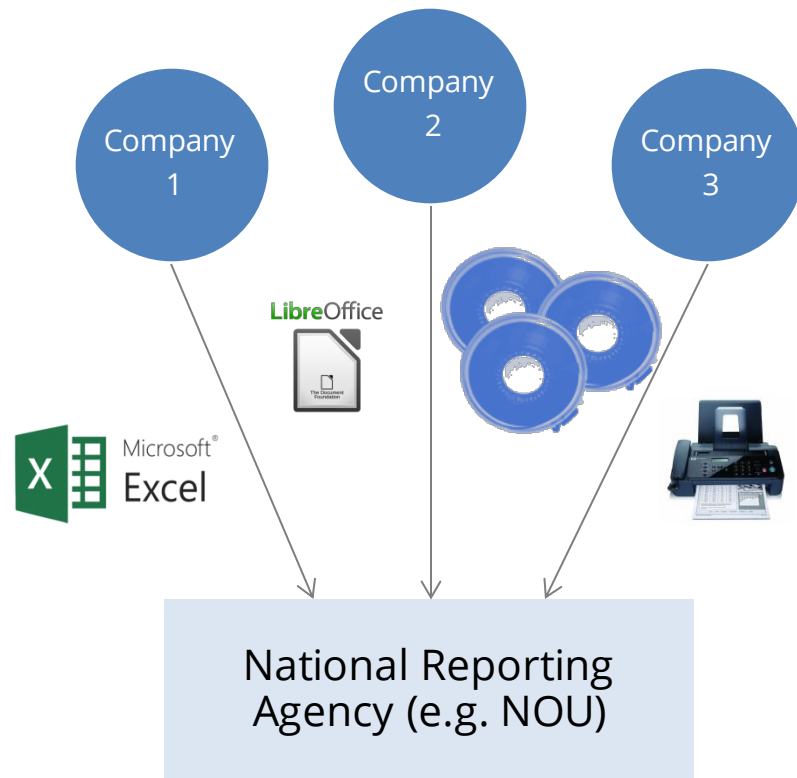
Number of bulk HFC importers decreased

Number of equipment importers stabilised during the last few years

Non-electronic vs. electronic reporting

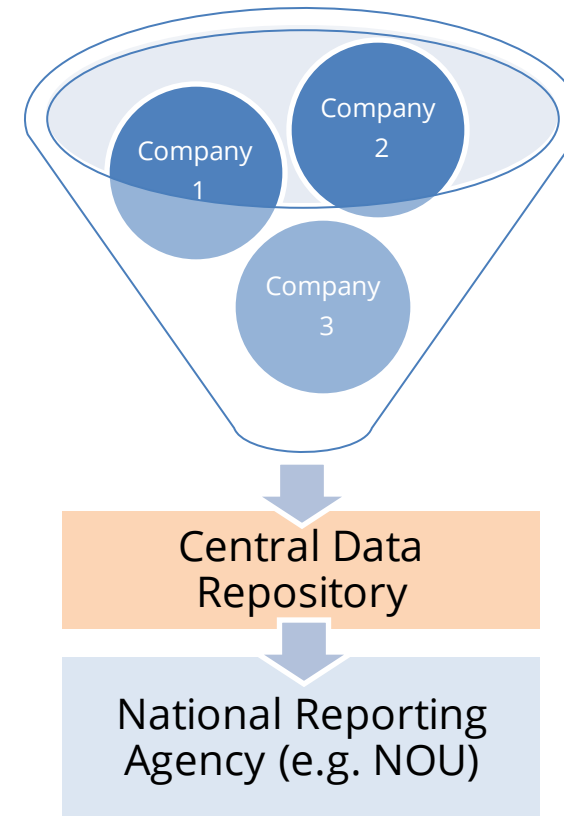
Example 1: Non-electronic reporting

Companies report using different data formats



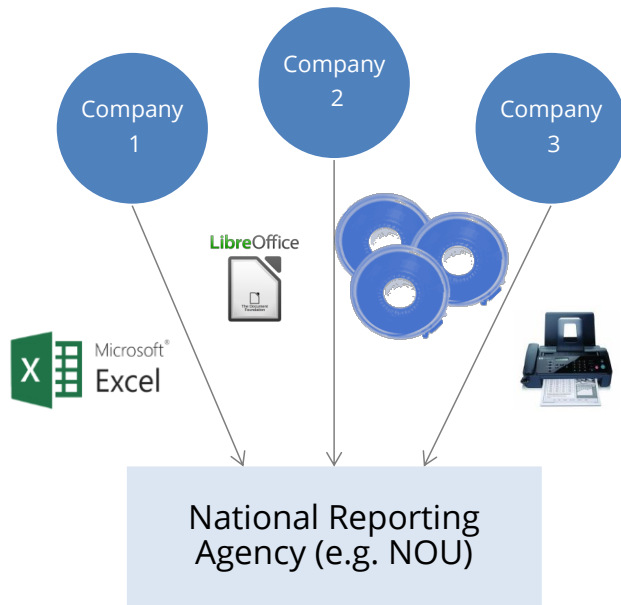
Example 2: Electronic reporting

Companies report via an electronic webform



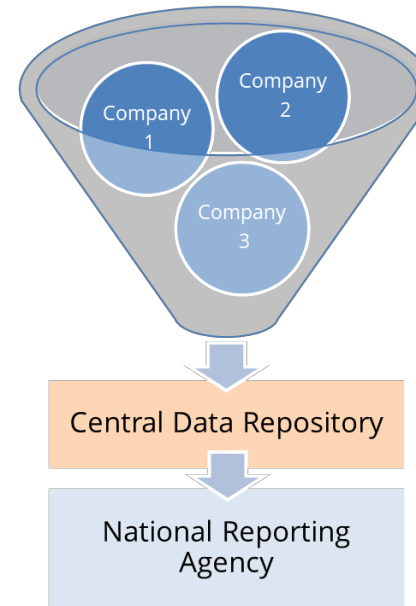
Comparison of reporting data flows: **budgetary aspects**

Non-electronic reporting



- ✓ Low investment costs
- ✗ High running costs
- ✗ Technical personnel have to gather and check data for each reporting year

Electronic reporting



- ✗ High investment costs
- ✓ Low running costs
 - ✓ Once implemented the operational costs are on a manageable level

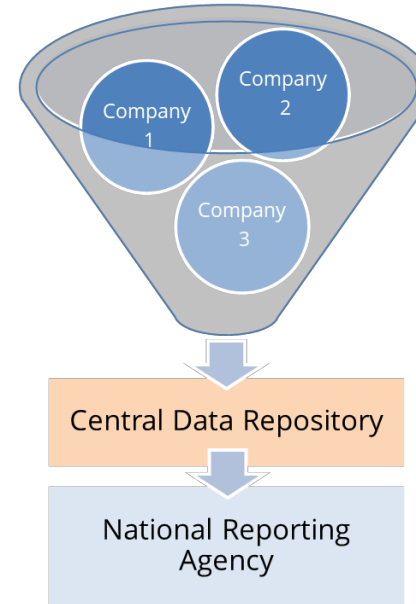
Comparison of reporting data flows: communication

Non-electronic reporting



- ❌ Communication has to take place individually
- ❌ No automated communication with multiple companies

Electronic reporting



- ✅ All communication with companies can be handled within one central system (e.g. open source)

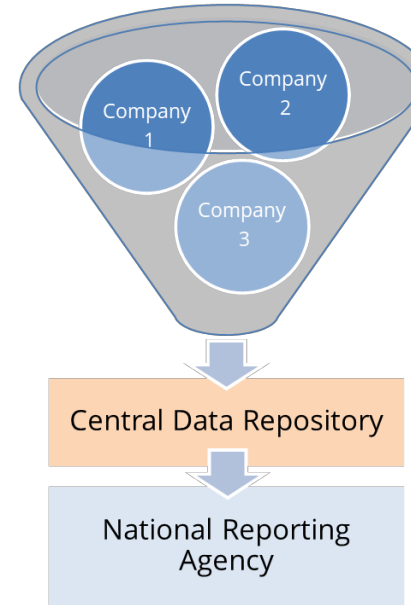
Comparison of reporting data flows: data quality

Non-electronic reporting



- ❌ Data have to be manually digitalised and converted into common format
- ❌ Upon data submission, no automated data quality checks possible
- ❌ Data quality remains at low level
- ❌ Manual data handling prone to errors

Electronic reporting

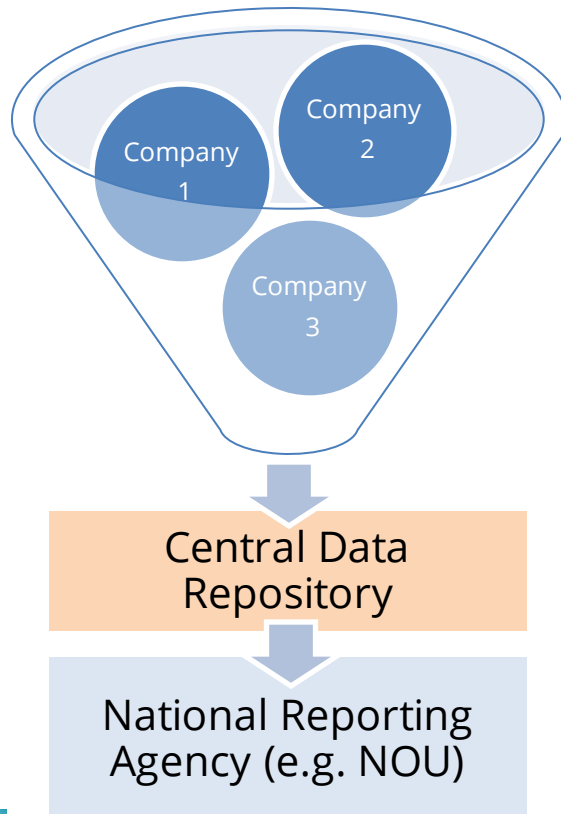


- ✅ Data are automatically gathered in a common format
- ✅ Numerous automated data quality checks upon data submission
- ✅ Reporters can copy previous deliveries
- ✅ Possibility to link gathered data
 - ✅ E.g. reported import / export data can be compared with licensed amounts

EU F-gas reporting and database system

Electronic reporting

Companies report via an electronic webform



Gradual development of the reporting system during 10+ years

Data quality

- ✓ Data are automatically gathered in a common format
- ✓ Numerous automated data quality checks upon data submission
- ✓ Reporters can copy previous deliveries
- ✓ Possibility to link gathered data
 - ✓ E.g. reported import / export data can be compared with licensed amounts

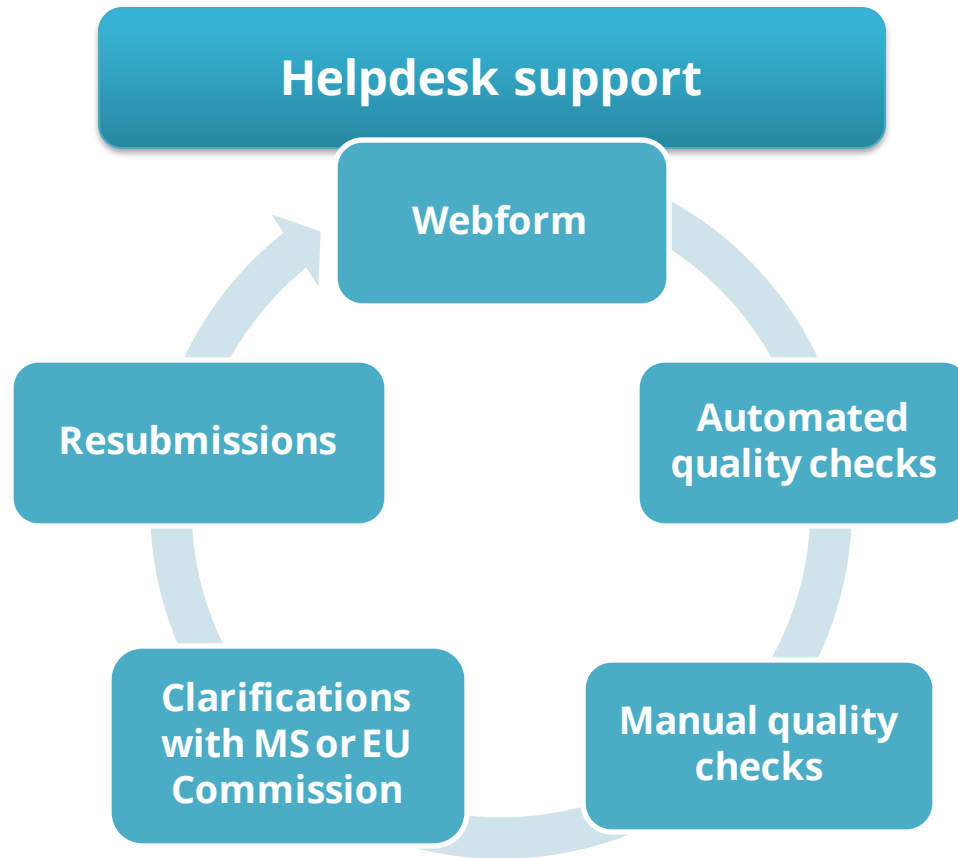
Communication

- ✓ All communication with companies can be handled within one central system (e.g. open source)

Database system

- ✓ Allow for integration of ODS and HFCs

Reporting system – data flow management

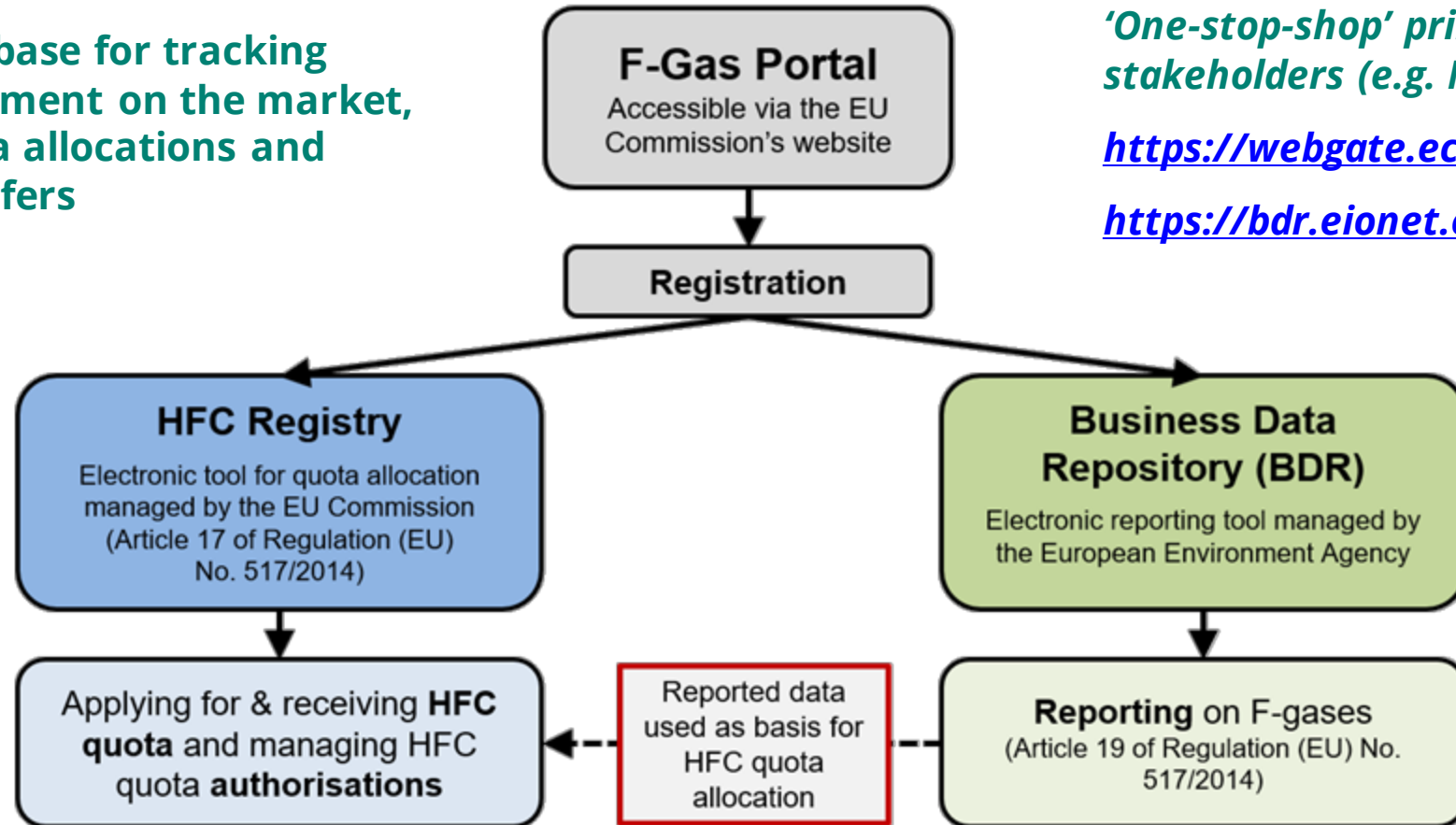


Data flow management

- **Reporting** by companies via electronic webform
- **Support** by Helpdesk on all issues concerning reporting
- **Communication** with companies via email (ticketing/management system) → documentation of all correspondence
- **Lesson learned** -> automatise instead of individual handling (+4000 companies registered since 2019)

EU HFC Registry and F-gas Regulation Article 19 reporting

Database for tracking placement on the market, quota allocations and transfers



'One-stop-shop' principle for companies and stakeholders (e.g. NOUs and chemical inspectors)

<https://webgate.ec.europa.eu/ods2/>

<https://bdr.eionet.europa.eu/>

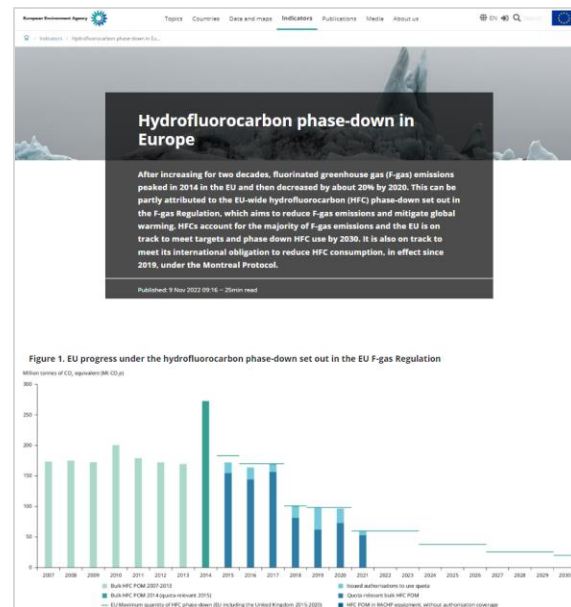
Data assessments and reports

F-gases/HFCs:

- ✓ EEA indicator 'Hydrofluorocarbon phase-down in Europe'
 - ✓ <https://www.eea.europa.eu/ims/hydrofluorocarbon-phase-down-in-europe>
- ✓ Underlying report 'Fluorinated greenhouse gases 2022'
 - ✓ <https://www.eionet.europa.eu/etcs/etc-cm/products/etc-cm-report-2022-03>

Ozone-depleting substances

- ✓ EEA indicator 'Consumption of ozone-depleting substances'
 - ✓ <https://www.eea.europa.eu/data-and-maps/indicators/production-and-consumption-of-ozone-2/assessment-4>
- ✓ Data viewer 'Ozone-depleting substances 2022'
 - ✓ <https://www.eea.europa.eu/themes/climate/ozone-depleting-substances-and-climate-change-1/ozone-depleting-substances-2022>



Thank you very much

Questions or comments very welcome

peder.gabrielsen@eea.europa.eu



Reporting system – how do checks improve the data

I: General checks upon data entry

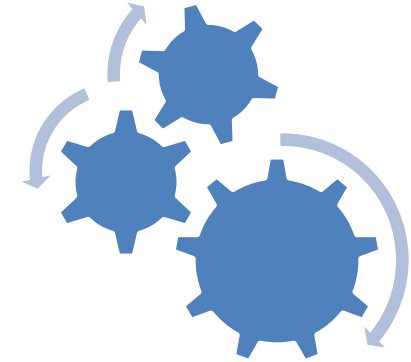
- Do number/text fields contain numbers/text?
- Are there negative values?
- Do reported stocks match data from the previous reporting year?

II: Checks on business logic

- Size of the company: only big companies should report big amounts
- Commonly used substances
 - R134 ($GWP_{100} = 1100$) reported → should this be R134a ($GWP_{100} = 1430$)?
- Unlikely use types
 - e.g. R404A as feedstock

III: Checks considering the company profile

- Use of historical data to assess data plausibility
- In case of implausible reported data: urge reporter to provide explanations



Reporting as basis for compliance checks

I: General checks upon data entry

- Do number/text fields contain numbers/text?
- Are there negative values?
- Do reported stocks match data from the previous reporting year?

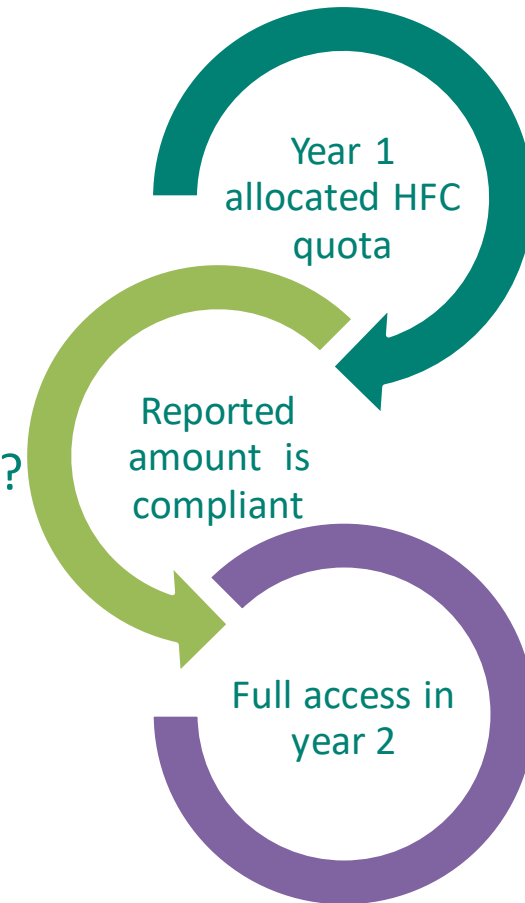
II: Checks on business logic

- Size of the company: only big companies should report big amounts
- Commonly used substances
 - R134 ($GWP_{100} = 1100$) reported → should this be R134a ($GWP_{100} = 1430$)?
- Unlikely use types
 - e.g. R404A as feedstock

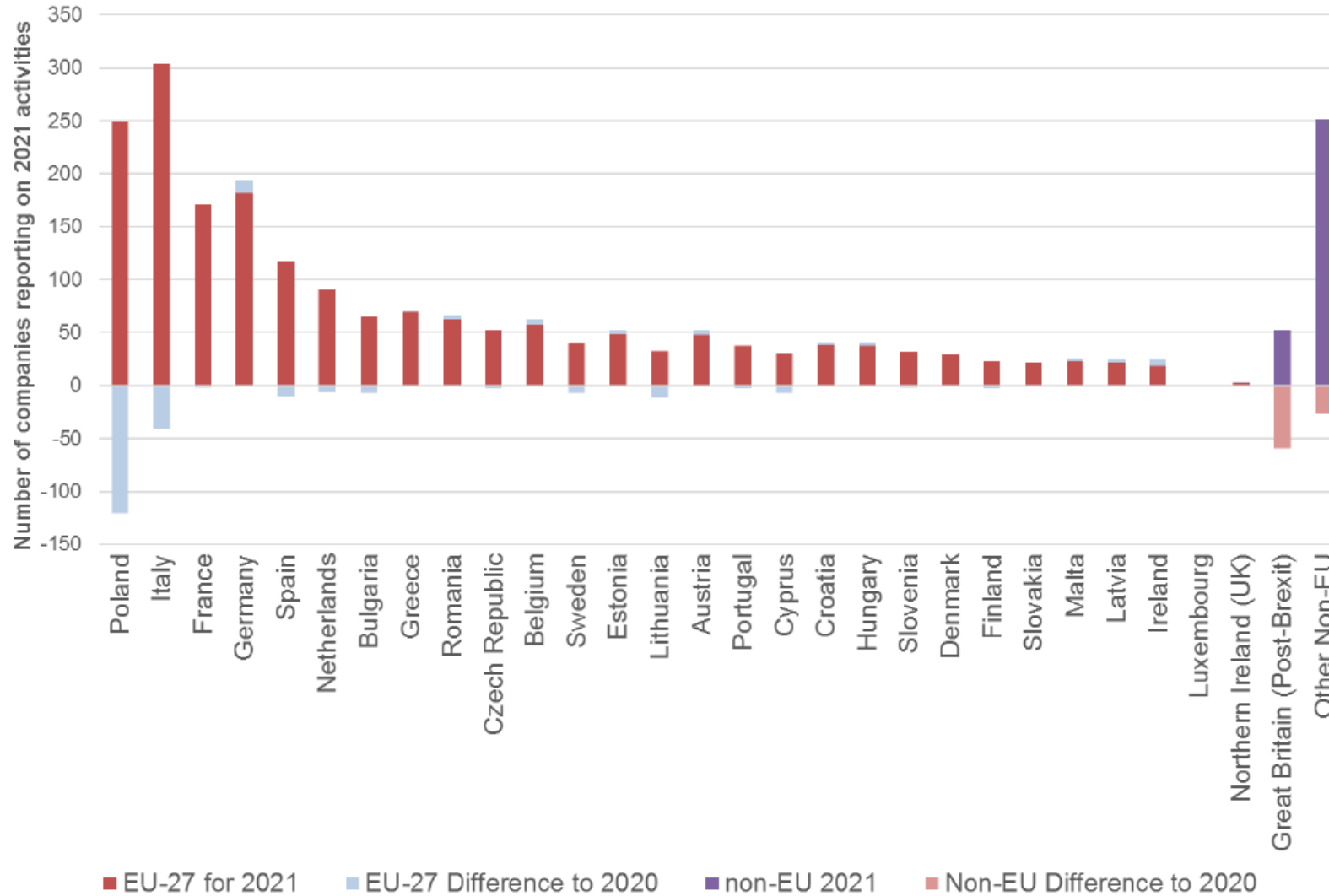
III: Checks considering the company profile

- Use of historical data to assess data plausibility
- In case of implausible reported data: urge reporter to provide explanations

Incentive system



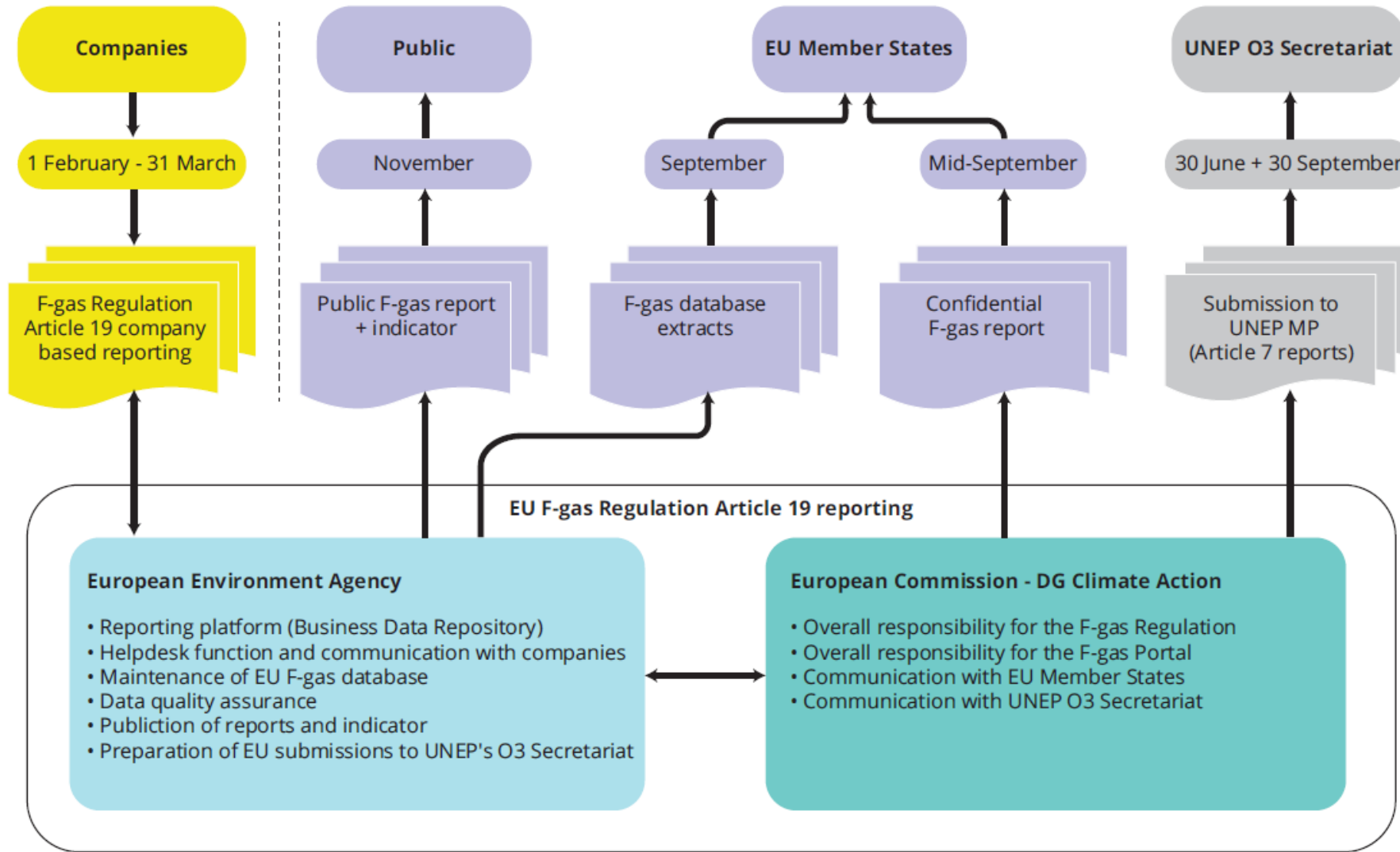
Origin of reporting companies



Companies distributed across all EU Member States

Companies are mainly from Poland, Italy, France, Germany and Other non-EU countries (mainly China)

Institutional arrangements and products



1st Kigali Amendment
HFC
submission
in 2020



REPUBLIC OF TÜRKİYE MINISTRY OF ENVIRONMENT,
URBANIZATION AND CLIMATE CHANGE

**DIRECTORATE of
CLIMATE CHANGE**

HFC LICENSING, QUOTA AND REPORTING -TÜRKİYE-

ECEM ERSOY
June 14, 2023

Vienna International Center



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



OUTLINE

1. **Country Profile**
2. **Legislative background**
3. **HFC annual reporting**
4. **HFC licensing**
5. **HFC quota allocation**





Country Profile



NOU is located under the Department of Monitoring of Greenhouse Gas Emissions of the Directorate of Climate Change under the MoEUCC



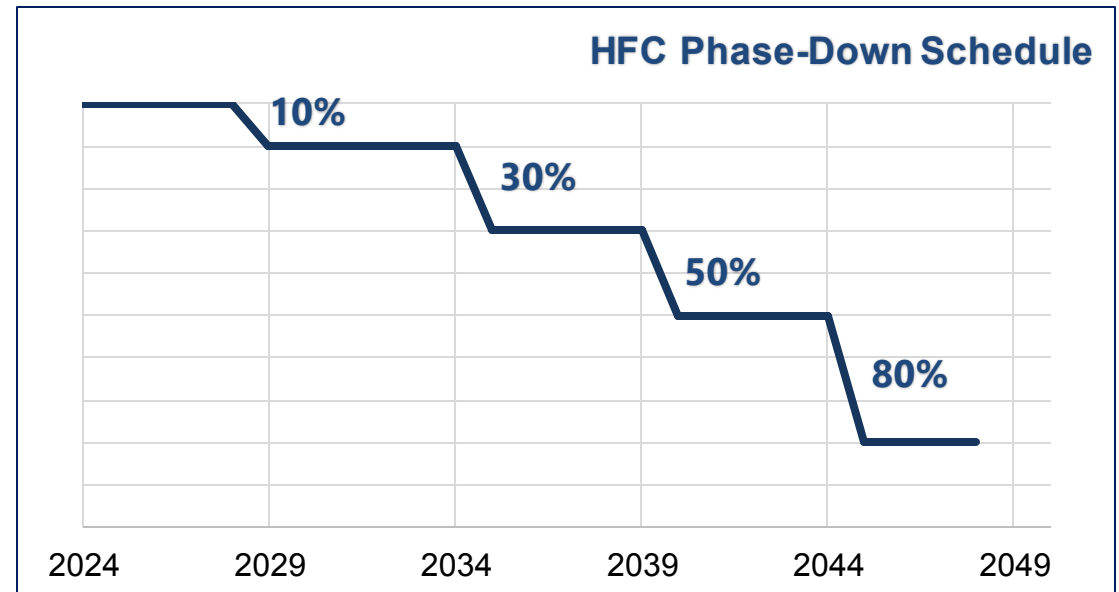
Country Profile



Türkiye ratified the Vienna Convention and Montreal Protocol in 1991 and accepted its all amendments.

- *On 10 November 2021, Türkiye ratified the Kigali Amendment and entry into force on 8 February 2022.*

A5 Group 1 Countries

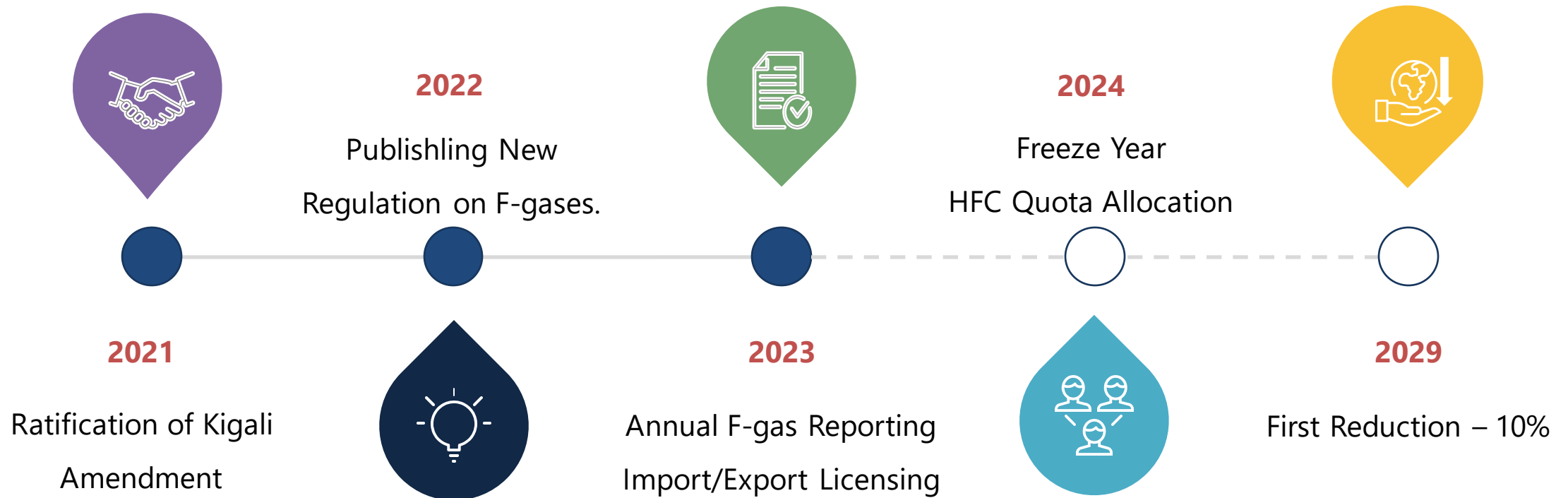




Country Profile



ROAD MAP THROUGH HFC PHASE-DOWN





Legislative background



REGULATION

- Regulation on Substances that Deplete the Ozone Layer - 2017
- Regulation on Fluorinated Greenhouse Gases - 2018 (Repealed)
- Regulation on Fluorinated Greenhouse Gases – 2022 (New)

COMMUNIQUE

- Communiqué on Certification of Natural and Legal Persons Interfering with Equipment Containing Fluorinated Greenhouse Gases or whose Operation Relies on These Gases – 2020
- Communiqués on HFC trades by the Ministry of Trade – 2022/2023

CIRCULAR

- Halon Circular - 2017
- Circular on Import and Use of Ozone Depleting Substances – 2016
- Circular on the Management of F-gases - 2023



Legislative background



REGULATION

- Regulation on Substances that Deplete the Ozone Layer - 2017
- Regulation on Fluorinated Greenhouse Gases - 2018 (Repealed)
- **Regulation on Fluorinated Greenhouse Gases – 2022 (New)**



COMMUNIQUE

- Communiqué on Certification of Natural and Legal Persons Interfering with Equipment Containing Fluorinated Greenhouse Gases or whose Operation Relies on These Gases – 2020
- **Communiqués on HFC trades by the Ministry of Trade – 2022/2023**

CIRCULAR

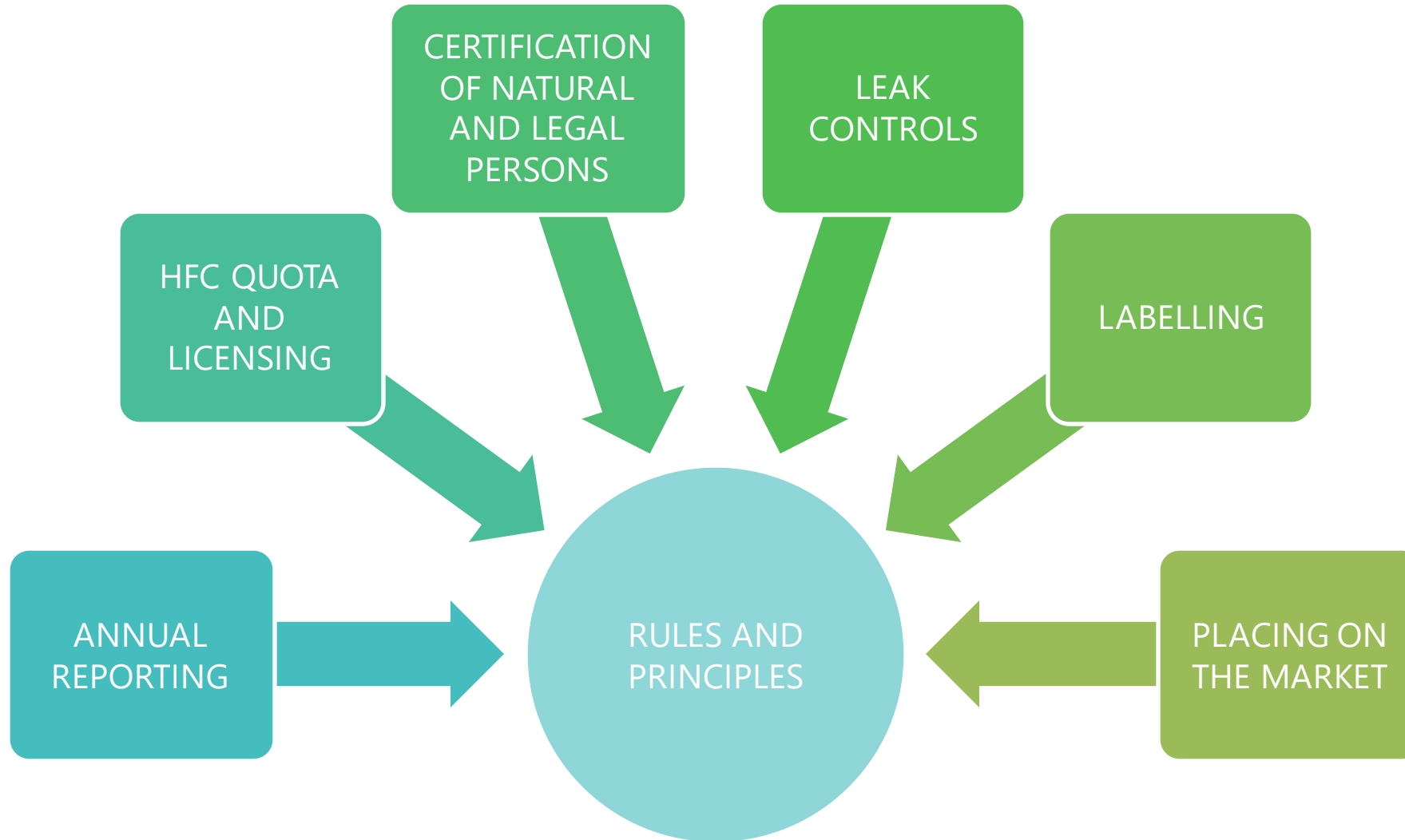
- Halon Circular - 2017
- Circular on Import and Use of Ozone Depleting Substances – 2016
- **Circular on the Management of F-gases - 2023**



Legislative background



Regulation on Fluorinated Greenhouse Gases – 2022 (New)

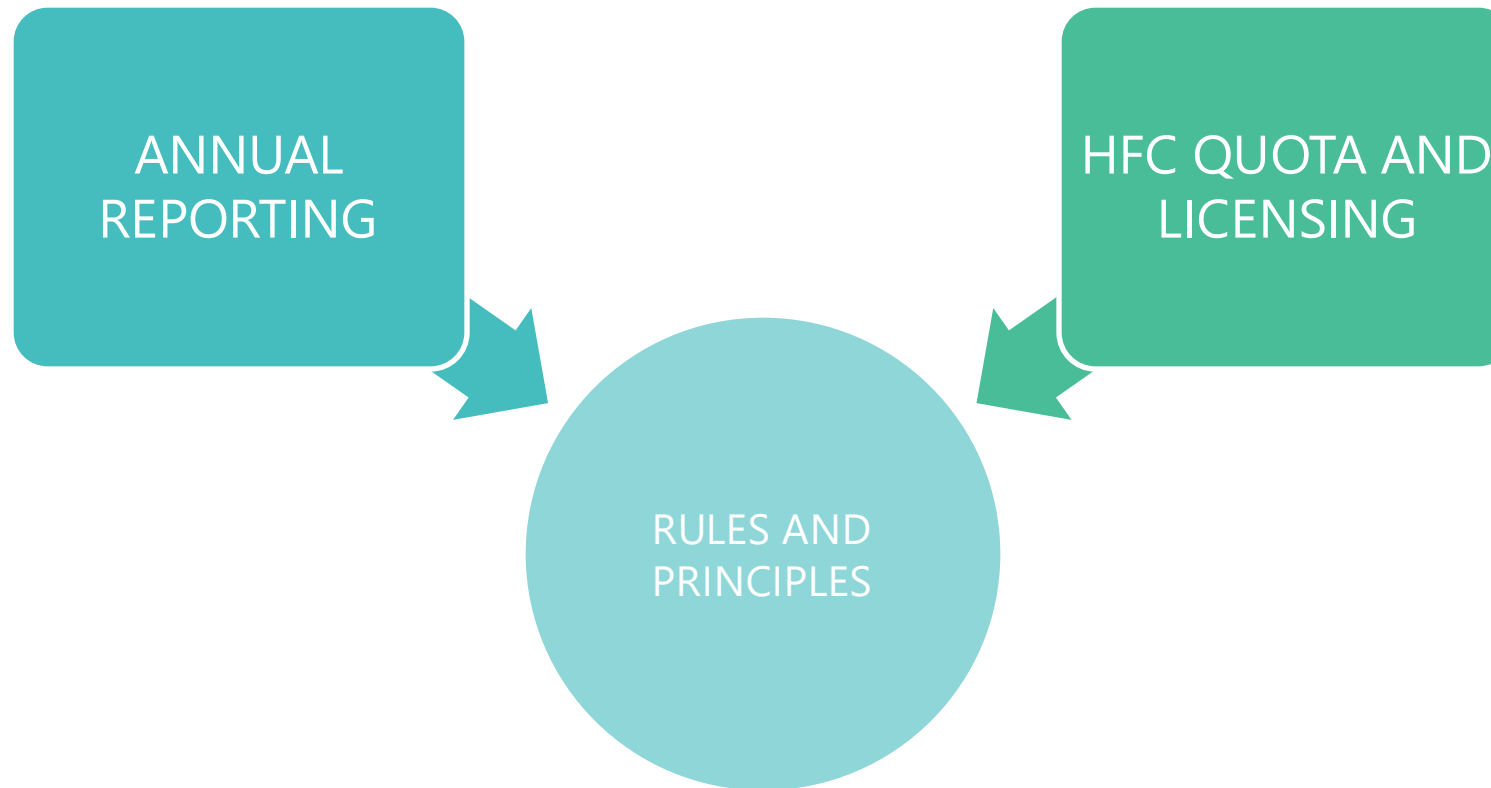




Legislative background



Regulation on Fluorinated Greenhouse Gases – 2022 (New)





Online System

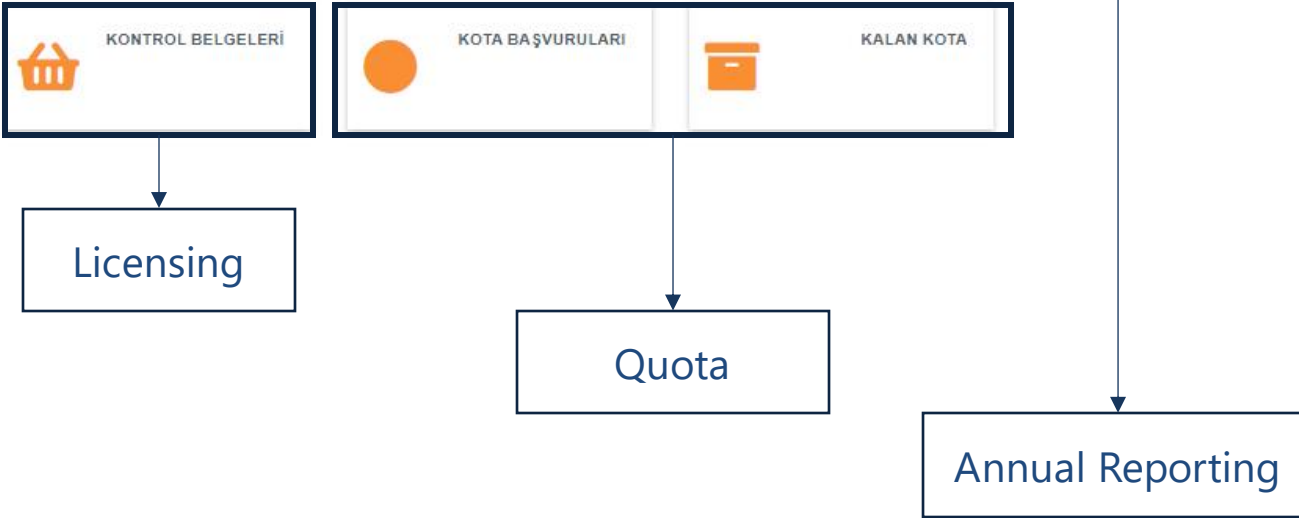


TÜRKİYE CUMHURİYETİ
ÇEVRE, ŞEHİRCİLİK VE
İKLİM DEĞİŞİKLİĞİ BAKANLIĞI

Faravet Test Kullanıcı
Faravet Argeset



Kota ve Kontrol Belgesi İşlemleri



130
Registered Company

70+
Annual Reporting

60+
Licensing

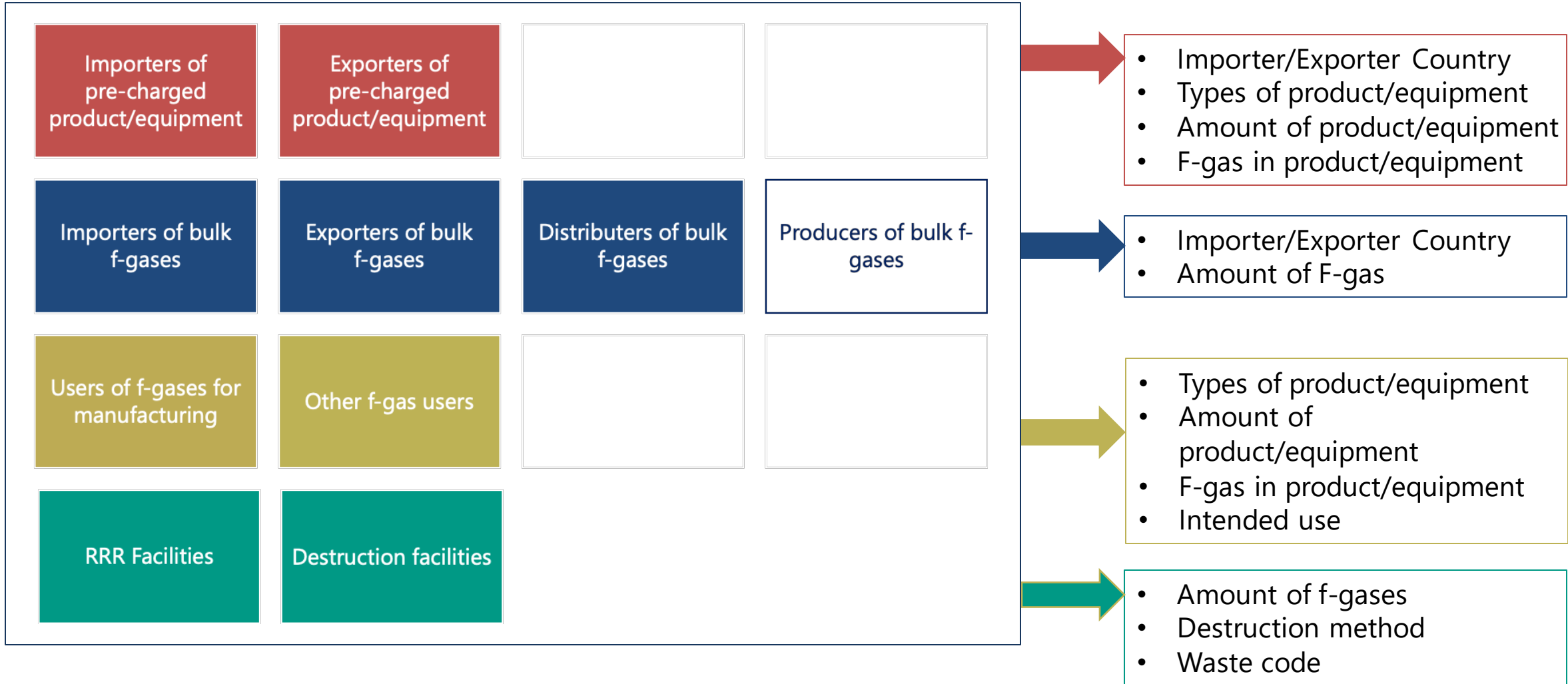
50+
Quota Request



F-gas Reporting



By 31 March each year, f-gas activities during preceding year shall be reporting through the online system.





HFC Licensing



- Licensing system for import & export of **bulk** HFCs is activated as of 10 May 2023
- Licensing is required **per** import & export
- The system is integrated single-window system of Customs Directorates
- NOU reviews and approves/declines applications
 - Needed information and documents:
 - Import/export countries + country of origin
 - Commercial invoice
 - Official letter of application
 - HFC name and quantity for requested license
 - Label
 - SDS





HFC Licensing



Gaz Türü	F-Gaz Kimyasal	F-Gaz Kimyasal GTIP	F-Gaz Miktarı	Birim	Menşei Ülkesi	Ton CO2 Eşdeğeri	Ticari Tanım Açıklama	Etiket Aslı	Bilgi Güvenlik Formu (SDS) - Türkçe
Saf	HFC-134a	2903.45.00.00.11	1200,00	Kg	ÇİN	1.716,00	R 134A GAZ	R 134 A ETIKET.pdf	R134a_SDS_TR.pdf

HFC type
- New
- Recycled
- Reclaimed

HFCs list

HS codes

Quantity

Country of Origin

tons CO2e

Label

SDS



Licensing, Reporting and Quota Allocation via Online System

OPPORTUNITIES

Digitalization – less paper work



Easier tracking of obligations under the legislation (quota, licensing and reporting)



Recording each import/export to prevent illegal trade



CHALLENGES

New application for HFC importers/exporters/users

Awareness/Knowledge dissemination

Increasing workload/efforts within transition period





HFC Quota



- As of 2024, HFC quota will be allocated for bulk HFC importers
 - License system **link** to allocated quota for each company

- Allocation will be based on **grandfathering** in tons of CO₂eq.

→ Average imports (2020 + 2021 + 2022)

from declaration through online system and double check with the Ministry of Trade

→ 90% of baseline for incumbents + 10% of baseline for new entrants

→ Efforts on determination of percentages



THANK YOU !

WWW.IKLİM.GOV.TR

WWW.OZONTURKIYE.CSB.GOV.TR

[f](#) [@](#) [in](#) [▶](#) [@TC_IKLİM](#)

Country experiences and achievements: HFC licensing, quota system and reporting



AGENCIJA ZA ZAŠTITU
ŽIVOTNE SREDINE
CRNE GORE

ENVIRONMENTAL
PROTECTION AGENCY
OF MONTENEGRO

Tatjana Boljevic
Environmental Protection Agency
Montenegro



Relevant legislation

Montreal Protocol:

October 2006 ratified the Vienna Convention and Montreal Protocol and four Amendments

Kigali Amendment

On April 23, 2019 Montenegro has become a party to the Kigali Amendment



National Legislation

Law on the Protection against Adverse Impacts of Climate Change

- (Off Gazz MNE, no. 073/2019)

Regulation on ozone depleting substances and alternative substances (Fgases)

- (Off Gazz MNE, no 079/2021)

Rulebook on the closer manner and necessary documentation for issue permits for import/export ODS and alternative substances

- (Off Gazz MNE, no 69/2020)



Competent authority for issuing permits

2006-2009

- Ministry for environment

2009- today

- Environmental Protection Agency (EPA)



ODS LICENSING/QUOTA SYSTEM

2004

- ODS licensing system (CFC, HCFC, others)

2007

- Quota for ODS/CFC was established in 2007 by Government decision as a new Party to the Montréal Protocol in 2007 was prepared and approved CP, TPMP, IS

2011

- Quota for HCFC (HPMP stage I, 2011-2020)



HFC LICENSING/QUOTA SYSTEM

2011

- Licencing system for import/export of HFC was established

2021

- HFC phase down schedule in accordance with the Montreal protocol provision for A5 group 1 country;
- Quota system for HFC is prescribed and will start from 1 January 2024 (first control measure), will be in tones CO₂eq;



Steps before import/export HCFC/HFC

- ◆ Importer of HCFC/HFC submits an application, for setting annual quota, to the Agency until 1st December of the current year for the next year.
- ◆ The annual import quota is determined by the Agency based on the share in the total amount of imported substances in the period of base consumption.
- ◆ A quota in the amount of 10% of the total annual quota is determined for legal entities (importers) who imports HCFC/HFC for the first time.
- ◆ Annual quota for HCFC is in Mt, and for HFC is in tones CO₂eq;
- ◆ Permits for imports and exports of HCFC/HFC are issued for each shipment separately



Documentation for import/export

Application for import and / or export permit contain data on:

- 1) applicant (name and surname, identification number, address, telephone..)
- 2) substances, for each substance individually:
 - ▶ name of the substance (chemical name and trade mark);
 - ▶ tariff code;
 - ▶ quantity of the substance expressed in unit of measure;
 - ▶ name of the country of import or export of the substance;
 - ▶ name of the country of origin of the substance;
 - ▶ substance manufacturer.



...documentation...

The application for import/export shall be accompanied by the following documentation:

- ▶ proof of entry in the Central Register of Business Entities;
- ▶ invoice or proforma invoice of the supplier;
- ▶ notification of the border crossing at which the import / export will take place;
- ▶ notification on the purpose of import / export;
- ▶ notification of end users;
- ▶ safety data sheet for the substance;
- ▶ a statement that the storage of the substance is carried out in accordance with the safety data sheet for the given substance;
- ▶ proof of payment of the administrative fee;
- ▶ other documentation relevant for the issuance of a permit for the import



Reporting system

Reporting on import/export of HCFC/HFC:

importer /exporter are obligated to submit Agency:

- a proof of imported or exported amounts of ODS / HFC substances (Unified Customs Document) within the three days after the imports or exports of such substances is realized.
- yearly report on import/export of HCFC/HFC (until 31st January current year, for previous year)

New provision introduced in 2021 :

- reporting on import/export of equipment containing HFC substances (pre loaded equipment)



New tariff codes in 2022

Controlled Substance	ASHRAE designation	Chemical name	Chemical formula	HS Code
HCFC-22	R-22	chlorodifluoromethane	CHF ₂ Cl	2903 71 00 00
HFC-134a	R-134a	1,1,1,2-tetrafluoretan	CH ₂ FCF ₃	2903 45 00 00
HFC-32	R-32	difluorometan	CH ₂ F ₂	2903 42 00 00
R-404A	R-404A	Mixture R-125 (44.0%)/R- 143a (52.0%)/R -134a (4.0%)		3827 61 00 00
R-407C	R-407C	Mixture R-32 (23.0%)/R-125(25.0%)/R-134a (52.0%)		3827 64 00 00
R-410A	R-410A	Mixture R-32 (50%)/R-125(50%)		3827 63 00 00
R-507A	R-507A	Mixture R-125(50.0%)/R-143a (50.0%)		3827 61 00 00



THANK YOU!



For possible consideration...



- Time-stamp (calendar year or allocated in xx year periods) *“use it or lose it”*
- HFC registry (electronic tool for quota allocation)
- Incumbents/new comers; percentage of quota *
- Prohibitions vs. phase-down (quota system) **
- Quota exceedance and penalties
- Quota exemptions ***
- Fees (free, auctioning, etc.)
- Could be accompanied by other measures ****



Decisions, decisions, decisions...

- HFC phase-down steps
- Quota distribution
- Treatment of equipment imports
- Licensing system*
- Accompanying measures?
- Country's annual HFC import quotas expressed in tons of CO₂ eq. must be included in country's legislation
- ***“Placing on the market”*** has to be defined in the national legislation in order to avoid confusion**
- Awareness raising





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Montreal
Protocol Unit



i am the product of all the ancestors getting together
and deciding these stories need to be told

- rupi kaur

