



SOUTH AFRICAN HYDROCHLOROFLUOROCARBONS PHASE OUT MANAGEMENT PLAN NEWSLETTER

1. Montreal Protocol Background/ Introduction

The Montreal Protocol (herein is the “Protocol”) embodies the international agreement on the overall scope and timescales for phase-out of ozone-depleting substances (ODS). However, the implementation of phase-out activities and compliance with phase-out targets is ultimately the responsibility of the governments that are Parties to the Protocol. The principal aim of the Montreal Protocol is to protect the ozone layer by taking measures to control total global production and consumption of substances that deplete it, with the ultimate objective of eliminating them, based on developments in scientific knowledge and technological information. Consumption is defined as the quantities produced plus those imported less those quantities exported in any given year. The Montreal Protocol is structured around several groups of ozone-depleting substances. The groups of chemicals are classified according to chemical family and are listed in annexes to the Montreal Protocol text. For each group or annex of chemicals, the treaty sets out a timetable for the phase-out of production and consumption of those substances, with the aim is to eventually eliminating them completely.

2. HPMP

The Hydrochlorofluorocarbons Phase-out Management Plan (HPMP) sets out the consumption situation in South Africa and the strategy, actions and support needed to phase out Hydrochlorofluorocarbons (HCFCs) in accordance with South Africa's obligation under the Montreal Protocol. South Africa has significant consumption of HCFCs in several sub-sectors.

HCFC-22

- Refrigeration and air-conditioning assembly and installation
- Refrigeration and air-conditioning servicing and maintenance
- Manufacture of extruded polystyrene
- Aerosol production (minor use)

HCFC-141b

- Manufacture of rigid and integral skin polyurethane foam

As a party to the Protocol and its amendments, South Africa is committed to following the agreed phase out as follows:

- Freeze consumption in 2013 at the baseline consumption (2009-2010);
- Reduce 10% by 2015;
- Reduce 35% by 2020;
- Reduce 67.5% by 2025;
- Allow 2.5% annual consumption during 2030-2040

The HPMP further addresses the issues required to phase out the use of HCFC-141b in the foam manufacturing sector to meet the 2013 freeze and 2015 reduction steps, and further activities in the refrigeration manufacturing and servicing sectors to meet the 35% reduction step in 2020. It is also important to note that given the increasing demand for HCFCs, urgent action is required for South Africa to meet its obligations to freeze consumption in 2013 at the baseline level. This has a bearing on the timing of actions designed to phase out HCFC consumption. It is important to note that the combination of investment components, policy implementation and support to service sector are all required to achieve a balanced and timely phase out with minimum socio-economic impact. Hence the REGULATIONS REGARDING THE PHASING-OUT AND MANAGEMENT OF OZONE-DEPLETING SUBSTANCES will provide a clear legal framework and implementation timetable for the phase out of HCFCs as follows:

Action	Date
Quota system for the assignment of import licenses for all HCFC	1 January 2013
Ban on import of HCFC-141b either in pure form or as a component of blended chemicals ; for the purpose of placing on the market or use in the production of polyurethane foams or as solvents or any other application	1 January 2016
Ban of import of any new or used air conditioning systems or equipment fitted with a compressor and pre charged or partially charged with HCFC-22 or any refrigerant or refrigerant blend containing any HCFC	1 July 2014
Ban on the use of HCFC-22 (or any other refrigerant containing HCFCs) either in pure form or as a component of blended refrigerants; in the construction, assembly or installation of any new refrigeration or air-conditioning system or equipment which requires a compressor to be fitted in South Africa	1 January 2015
Mandatory recovery and recycling of HCFCs and other ODS refrigerant	1 September 2014
License /certification required for anyone purchasing refrigerant	1 January 2015

Implementation of these phase-out steps will require regulatory and policy provisions in the following areas:

- International compliance;
- Phase out of use of substances in industry sectors in line with the phase out requirements of the Protocol and its amendments;
- Control of cross border movement of HCFCs and other ozone depleting substances
- Improved control and safe use of HCFC refrigerants
- Monitoring of phase out
- Technical and financial support for enterprises to achieve phase out

3. ODS Legislation/Regulations

Existing Mechanism to Manage ODSs in South Africa

South Africa does not produce most ODSs but imports them from other countries. ODSs are imported for use in refrigeration, air-conditioning, fire-extinguishers, and foam blowing industry and in quarantine and pre-shipment of agricultural commodities.

To ensure full phase-out of ODSs, an import permit system and quota allocation system has been put in place to control entry and consumption. The International Trade Administration Commission (ITAC) issues a permit upon recommendation by the National Ozone Unit (NOU) of the Department of Environmental Affairs. The Department of Agriculture, Forestry & Fisheries, may also authorise importation of methyl bromide before the NOU and ITAC can issue a permit. In addition, SARS' Customs and Excise have allocated tariff codes to identify ODSs. Therefore imports of ODSs into the country are expected to decrease.

Summary of the Regulations No. 37621, 8th May 2014

- The current regulations provide for the following:
- The prohibition of certain activities (i.e. production, use, placing on the market, imports and exports), except the use of recovered halons in existing fire protection systems which would be allowed when approved by the Director General.
- The prohibition for the stockpiling of ozone depleting substances. A person in possession of a stockpile is required to submit a stockpile abatement plan to the Director General. The abatement plan must amongst other things indicate the timeframes for the complete elimination of the stockpile.
- The phase out schedule for Hydrochloroflourocarbons (HCFC) and equipment charged with HCFC 22. The aim is to reach a full phase out by 2040.
- The phase out for Methyl bromide. On 01 January 2015 the import, use and placing on the market of Methyl bromide would not be allowed, except for uses that do not have feasible alternatives (critical use).
- The reporting on the nature in which the ODS have been used in the country, the quantities used or held in stock, the imports and exports.
- The release or discharge of ozone depleting substances into the atmosphere or the environment is not allowed.

4. Stakeholders/ HCFC Stakeholder Meetings

HCFC Stakeholder meetings are held quarterly and are hosted by the Department of Environmental Affairs. Alongside the HCFC Project Steering Committee (PSC) meetings are held parallel to those of the HCFC meetings. Both these meetings are to facilitate a coordinated effort of monitoring and implementing the HPMP in the country effectively. This is done between government and industry Stakeholders including Industry associations, implementing agency (i.e. UNIDO). The key stakeholders involved in HCFC phase-out in South Africa are the following:

Area	Key Stakeholders
Government	Department of Environmental Affairs (DEA) Department of Trade and Industry (the dti) Economic Development Department (EDD) Department of International Relations and Co-operation (DIRCO) Department of Health (DoH) Department of Labour (DoL) Department of Higher Education and Training Department of Science and Technology (DST) Department of Energy (DoE) South African Revenue Service (SARS) Department of Mineral Resources (DMR)
Controls	International Trade Administration Commission of South Africa (ITAC) South African Revenue Service (SARS) Customs and Border Management (SARS) NOU on quota allocations and recommendations
Implementing Agency	United Nations Industrial and Development Organization (UNIDO) National and International consultants
Public awareness and information dissemination	Private and public media Trade Associations and NGOs
Trade and industry Associations	Southern African Refrigerated Distribution Association (SARDA) Chemical and Allied Industries Association (CAIA) Refrigeration and Foam Sector Working Groups
Importers	Ozone depleting substances and machinery/equipment (refrigeration and air-conditioners)

5. Roles & Responsibilities

The Department of Environmental Affairs, National Ozone Unit in South Africa oversees the implementation of the HPMP. However the implementation of measures proposed in the HPMP require participation and support of a wide variety of Government and non-Government stakeholders. The day to day implementation of the plan will be the responsibility of a project team comprising of a collaborative effort between government and industry including trade industry associations as in the table below:

ACTIVITY	RESPONSIBILITY
Legislation for the control of HCFCs including quota system and import bans	DEA
Enhancement of tariff codes to accommodate HCFCs and HCFC based equipment. Import/export permits.	ITAC/SARS
Enhanced support to improve monitoring and reporting	DEA/ITAC/SARS
Awareness raising	DEA

UNIDO is the implementing agency for the HPMP for South Africa and its roles and responsibilities in relation to this HPMP will include the procurement of major equipment, under the management of the project manager, in close cooperation with the DEA and the DTI.

6. ODS Alternatives

The phase-out of HCFCs has taken some time to be acknowledged by some industry players. More training workshops for good refrigeration management practices will be organized for service technicians of the formal and informal sectors in order to engage fully with stakeholders and properly communicate the availability of and implications for using alternatives refrigerants. It is therefore important to engage in the promotion of alternatives at the earliest stage and in parallel with the awareness raising related to the forthcoming HCFC import bans. The ban will increase the consumption of low-GWP refrigerants.

7. Awareness Raising

The customs training will enhance the capacity of customs and other law enforcement officers in monitoring, control and identification of HCFCs and HCFCs containing equipment. It will further strengthen the capacity of the trainers through the provision of necessary training materials and identification tool kits. It will also raise awareness of enforcement officers (that includes DEA Compliance Monitoring and Enforcement units respectively) and the general public on the policies and legal instruments regarding the phase-out of HCFCs and HCFC containing equipment.

Customs plays an important role in prevention and monitoring of imports of ODS and ODS-containing equipment. The main objective of the component is to provide the customs and enforcement officers with necessary practical skills and knowledge to identify HCFCs and HCFCs containing equipment. Customs Training will be conducted through the DEA NOU with UNIDO and will involve participants from Customs and ITAC Inspectors, DEA Enforcement, and DEA Compliance Monitoring.

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