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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-eighth Meeting  
Montreal, 3-7 April 2006

**RECOMMENDATIONS CONTAINED IN THE  
“REPORT OF THE EXECUTIVE COMMITTEE ON THE EVALUATION OF  
CUSTOMS OFFICERS TRAINING AND LICENSING SYSTEM PROJECTS  
TO THE TWENTY-FIFTH MEETING  
OF THE OPEN-ENDED WORKING GROUP”  
(FOLLOW-UP TO DECISION XVII/16, PARAGRAPH 8, OF THE  
SEVENTEENTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL)**

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## Background

1. The report of the Executive Committee on the evaluation of customs officers training and licensing system projects (UNEP/OzL.Pro.WG.1/26/6) was prepared in response to decision XIV/7, paragraph 6 of the 14<sup>th</sup> Meeting of the Parties to the Montreal Protocol and presented to the 25<sup>th</sup> Meeting of the OEWG in June 2005. The recommendations in the report are attached as Annex I to this document. The full text of the report including an executive summary of the findings is available on the Secretariat's website [www.multilateralfund.org](http://www.multilateralfund.org) in the section Monitoring and Evaluation, Evaluation Library and the Ozone secretariat website [www.unep.org/ozone](http://www.unep.org/ozone).
2. In March 2005, the Senior Monitoring and Evaluation Officer (SMEO) presented the draft report on the evaluation to the 45<sup>th</sup> Meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/45/11). It outlined the licensing systems in the countries visited, the customs procedures, the illegal imports detected, the training courses conducted in the countries visited, the refrigerant identifiers delivered, the experiences reported and the improvements suggested.
3. Members in general considered the report to be a good summary and analysis of the situation. Nevertheless, some members felt that the recommendations in the report went beyond the obligations of Parties under the Montreal Protocol, and should avoid being prescriptive, and should not include any reference to a specific country and be more general in nature so that they could apply to a greater number of countries. It was also noted that there was insufficient mention of the achievements made to date and a section on conclusions should be added to the report highlighting achievements.
4. These requests were taken into account and further comments were received by members of the Executive Committee on the revised version of the report posted on the website of the Secretariat. These comments were also taken into account in preparing the final version of the report which the Secretariat, after approval by the Chair of the Executive Committee, submitted to the 25<sup>th</sup> Meeting of the Open-ended Working Group (OEWG), as requested by Decision 45/10 (d) of the Executive Committee.
5. The 25<sup>th</sup> Meeting of the OEWG discussed the report, following a presentation by the SMEO. The Working Group took note of the report and suggested that it would be addressed as appropriate in the future deliberations of the Executive Committee (Report of the 25<sup>th</sup> Meeting of the OEWG, doc. UNEP/OzL.Pro.WG.1/25/9, paragraph 160). The 17<sup>th</sup> Meeting of the Parties took the matter up again in the context of discussions on preventing illegal trade in controlled ODS, and decided to request the Executive Committee to consider at its 48<sup>th</sup> meeting the recommendations contained in the "Report of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol on the Evaluation of Customs Officers Training and Licensing System Projects", submitted to the 25<sup>th</sup> meeting of the OEWG, in particular where they relate to customs training and other elements of capacity building that are needed in combating illegal trade in controlled ozone-depleting substances (Decision XVII/16, paragraph 8).

## Note on the Recommendations

6. The recommendations in the report relate to four main areas (for the full text of the recommendations see Annex I):

- (a) Improving the involvement of customs, including the higher levels of hierarchy, in the ODS phase-out;
- (b) Amending and upgrading the legislation framework in those Article 5 countries where it is incomplete, and improving enforcement and regional cooperation;
- (c) Accelerating and assisting implementation of customs training, including regional activities, where appropriate;
- (d) Amending training materials and contents and putting information materials and identifiers to effective use.

7. In order to facilitate discussion and eventual follow-up to these recommendations, the SMEO has regrouped them according to the stakeholders to whom they are addressed.

8. The main recommendations concerning customs training and capacity building can be synthesized as follows:

- (a) A reminder that Parties that have ratified the Montreal Amendment to the Montreal Protocol need to ensure that licensing systems are systematically applied not only to CFCs but also to imports and exports of other ODS, in particular to CTC, TCA, HCFCs, refrigerant blends containing CFCs and methyl bromide. This has been addressed by the Parties by decision XVII/23 at their 17<sup>th</sup> Meeting;
- (b) National Ozone Units which have not done so, should consider, in cooperation with other relevant government ministries/agencies:
  - (i) Introducing regulations regarding the exports of ODS, licensing schemes for all ODS imports, a ban on ODS sales to non-licensed companies, and restrictions on the import of ODS-based refrigeration and air-conditioning equipment;
  - (ii) Appointing high ranking customs officers to participate in the National Ozone Committees, signing Memoranda of Understanding between the Director General of the Customs Department and the Ozone Unit, or at a higher level between the Minister of Finance and the Minister of Environment, and creating focal points for environment in customs with access to the top level of customs hierarchy;
  - (iii) Involving certification and normalization institutes, on a regular or ad-hoc basis, in the identification of ODS in case there is a lack of adequately equipped laboratory facilities available in customs offices;

- (iv) Making national customs codes more detailed by adding digits to the HS codes to ensure differentiation of all ODS for the generation of detailed and reliable statistics, in line with the recommendation of the World Customs Organization (WCO) issued on 28 June 2003;
  - (v) Adapting their customs registry systems so that the requirement to introduce a license number can be associated with the customs code of corresponding ODS;
  - (vi) Developing, with the help of implementing agencies, electronic licensing systems, including on-line intranets following the example of some Article 5 countries;
  - (vii) When exporting ODS, informing in advance the importing countries about licensed shipments and checking that the clients are on the list of authorized importers, to be provided by the importing countries on a regular basis, as already practiced by some countries.
- (c) Implementing and bilateral agencies organizing training programmes for customs officers should, in cooperation with National Ozone Units:
- (i) Continue to invite high level officials from customs and other government departments to seminars in order to increase their awareness and to ensure high level support for the correct application of the licensing system and identification of ODS imports;
  - (ii) Ensure that mainly customs officers who actually carry out the inspections participate;
  - (iii) Invite also professional trade agents or brokers who are generally in charge of managing the clearance of shipments;
  - (iv) Bring in as a resource person an experienced customs officer or environmental inspector/enforcement official from another country that has established control systems for trade in ODS;
  - (v) Ensure that Phase I (Train the Trainer) and Phase II (Training of customs officers) takes place in rapid succession or combined in a one week seminar in order to preserve the momentum generated by the Train the Trainer workshops;
  - (vi) Ensure that a follow-up to the recommendations from Phase I workshops, as well as suggestions made by individual participants in their evaluation sheets, is carried out in a more transparent manner;
  - (vii) Ensure that a database of active trainers and trainees at the national and, if appropriate, at the regional level is maintained;

- (viii) Expedite the dispatch of refrigerant identifiers supplied to customs services (one each to the main entry points where they can be used directly on incoming shipments), along with the finalization of operating instructions covering their use, storage and maintenance as well as clarification of related legal aspects.
  - (d) UNEP should consider within its Compliance Assistance Programme to:
    - (i) Organize, where appropriate, further seminars on regional cooperation between customs officers, in particular for regional customs unions, thereby supporting the harmonization of legislation and customs procedures;
    - (ii) Promote the creation of informal regional networks of customs officials;
    - (iii) Amend its training manual for customs officers by adding information on customs controls and detection of illegal trade with methyl bromide, CTC and TCA, under the project submitted for approval to the 48<sup>th</sup> Meeting of the Executive Committee;
    - (iv) Generalize the development of rapid screening tools, such as the Customs Quick Reference tool for customs inspections, posters, check lists and databases, ensuring wide distribution of these tools to Article 5 countries.
9. The Executive Committee may wish to consider:
- (a) Submitting the recommendations listed under paragraph 8 (b) to the Ozone Secretariat in the context of the on-going studies and discussions about how to best deal with illegal trade in ODS;
  - (b) Requesting implementing agencies and bilateral agencies to prepare and implement national phase-out plans and terminal phase-out management plans in a manner that would ensure implementation of the recommendations listed under paragraph 8 (b), and to implement the recommendations listed under paragraph 8 (c); and
  - (c) Requesting UNEP to implement the recommendations under paragraph 8 (d).

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**Recommendations of the “Report of the Executive Committee  
of the Multilateral Fund for the Implementation of the Montreal Protocol  
on the Evaluation of Customs Officers Training and  
Licensing System Projects to the twenty-fifth meeting of the  
Open-ended Working Group”  
(Extract from UNEP/OzL.Pro.WG. 1/25/6 (pp. 23-25))**

**Section V:**

**Recommendations**

**(a) Improving the involvement of customs, including the higher levels of hierarchy, in the ODS phase-out**

92. It would be useful if high ranking customs officers participated in the National Ozone Committees. The signing of a Memorandum of Understanding between the Director General of the Customs Department and the Ozone Unit, or at a higher level between the Minister of Finance and the Minister of Environment, is recommended, as is the creation of focal points for environment in customs with access to the top level of customs hierarchy.

93. It is recommended that UNEP should continue to address higher level officials from customs and other government departments to raise their awareness and to ensure high level support for the correct application of the licensing system and identification of ODS imports. This could continue to be done as part of the opening and closing of customs training seminars, or with the development of a one day seminar, designed specifically for these higher level officials.

**(b) Amending and upgrading the legislation framework in those Article 5 countries where it is incomplete, and improving enforcement and regional cooperation**

94. It is recommended that in some countries additional regulations regarding the exports of ODS, licensing schemes for all ODS imports, the ban of ODS sales to non-licensed companies and restrictions for ODS-based refrigeration and air-conditioning equipment might be introduced and applied. This might best be done by creating a comprehensive Ozone Law including all requirements deriving from the MP, which would encompass all successive amendments of different legal acts and decrees, as well as providing the flexibility for incorporating any future amendments or adjustments to the Protocol.

95. In accordance with the Montreal Amendment to the Montreal Protocol licensing systems should be systematically applied not only to CFCs but also to imports and exports of other ODS, in particular to CTC, TCA, HCFCs, refrigerant blends containing CFCs and methyl bromide.

96. In cases of illegal CFCs surfacing on local markets, customs might proceed to the inspection of storage rooms of importers and workshops, in cooperation with the NOU and relevant trade or industry associations.

97. Article 5 countries might consider involving certification and normalization institutes, on a regular or ad-hoc basis in the identification of ODS in case there is a lack of adequately equipped laboratory facilities in customs.

98. It is recommended that countries, which have not yet done so, make national customs codes more detailed by adding digits to the HS codes to ensure differentiation of all ODS for the generation of detailed and reliable statistics. The recommendation of the World Customs Organization (WCO) issued on 28 June 2003 may be of great assistance for this purpose.

99. NOUs and Implementing Agencies might consider suggesting the development of electronic licensing systems, including on-line intranets following the example of some Article 5 countries.

100. It is also recommended that countries might adapt their customs registry systems so that the requirement to introduce a license number can be associated with the customs code of corresponding ODS.

101. It would be helpful if exporting countries would inform importing countries about licensed shipments and check that the clients are on the list of authorized importers, provided by the importing countries on a regular basis.

**(c) Accelerating and assisting implementation of customs training, including regional activities, where appropriate**

102. It would be more effective if Phase I (Train the Trainer) and Phase II (Training of customs officers) takes place in rapid succession in order to preserve the momentum generated by the Train the Trainer workshops.

103. The five day approach combining Phase I and II in one seminar developed and followed by UNEP in Samoa and recently used in the Caribbean seems worthwhile to pursue, in particular for LVC countries.

104. An experienced customs officer or environmental inspector/enforcement official from another country with established control practices for ODS should be invited, where possible, to participate in the training of trainers workshops as resource person.

105. The NOUs and the Implementing Agencies conducting the second phase of the training should endeavour to ensure that mainly customs officers who actually carry out the inspections participate.

106. It is recommended that NOUs and Implementing Agencies should ensure that follow up to the recommendations from Phase I workshops as well as suggestions made by individual participants in their evaluation sheets be carried out in a more transparent manner.

107. It would be useful to extend training activities also to professional trade agents or brokers who are generally in charge of managing the clearance of shipments.

108. It is recommended that the NOUs and the Implementing Agencies conducting the training should consider means to maximize the benefits derived from the development of informal networks created during the training by maintaining an active database of trainers and trainees at the national and if appropriate, at the regional level.

109. It is recommended that UNEP should organize, where appropriate, further seminars on regional cooperation between customs officers, in particular for regional customs unions, thereby supporting the harmonization of legislation and customs procedures, as for UEMOA in West Africa, and promoting the creation of informal regional networks of customs officials.

**(d) Amending training materials and contents and putting supporting information materials and identifiers to effective use**

110. It is recommended that UNEP should amend its training manual for customs officers by adding information on customs controls and detection of illegal trade with methyl bromide, CTC and TCA.

111. It is recommended that UNEP should continue to generalize the development of rapid screening tools, such as the Customs Quick Reference tool for customs inspections, as posters, check lists and databases, ensuring wide distribution of these tools to Article 5 countries.

112. The dispatch of refrigerant identifiers supplied to customs services should be expedited (one each to the main entry points where they can be used directly on incoming shipments), along with the finalization of operating instructions covering their use, storage and maintenance as well as clarification of related legal aspects.