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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Eighteenth Meeting
Vienna, 22-24 November 1995

GUIDELINES FOR HALON BANKING

1. At its Seventeenth Meeting, the Executive Committee decided "to request the Secretariat to prepare for consideration by the Executive Committee at its Eighteenth Meeting, draft guidelines for halon banking based on activities at a regional, country or enterprise level, which could include requirements for a regulatory framework, taking into account information provided by the Halon Technical Options Committee and any experience with this issue that Parties might make available to it" (Decision 17/5).

2. The Secretariat met with representatives of the Halon Technical Options Committee (HTOC) during the Twelfth Meeting of the Open-Ended Working Group in Geneva. The Secretariat subsequently requested HTOC to address the following issues, inter alia:

- the level of banked halon in Article 5 countries that will warrant the establishment of a halon bank;
- the minimum administrative/regulatory framework that should be in place before considering a request for a halon banking system;
- the reasonable (one time off) incremental cost for halon banking centers supported by the Fund;
- how to account for recycling and recovery projects approved by the Executive Committee;
- existing information on the need for halon banking; and,
- the extent to which recovered/reclaimed halon could compete favorably with new virgin halon given current market conditions.

3. HTOC met in Tianjin, China in early October and considered a draft paper developed by members of HTOC. HTOC intimated that the following preliminary guidelines will be elaborated further in its final paper expected to be completed by the middle of November:

1) Countries with installed capacities exceeding 250 MT of Halon 1301 and 1,000 MT of Halon 1211 should be classified as countries with a high-level of installed capacity and should qualify for reclamation facilities for Halon 1301 and Halon 1211, respectively.

2) Countries with a medium level of installed capacity (250 MT of Halon 1301 and 1,000 MT of Halon 1211) should be classified for servicing requirements with Halon 1211 and Halon 1301 recycling and recovery machines. The number will depend on national conditions, but Halon 1301 and Halon 1211 recycling and recovery machines depend on the size of country and the location of main/critical users.

3) Countries with a low-level of installed capacity should qualify for a one time funding of US $25,000 which can be used for the acquisition of recycling equipment or as an incentive to recover halons from existing systems, or the establishment of exchange programmes to be decided by the country.

4) The brokerage function of identifying sources of supply for those with an identified need should be handled by a steering committee consisting of authorities, the fire protection industry, and main users.

5) Regulations facilitating production and import bans should be established within six months after the reclamation center is set up.

6) Halon banking operations could be established for eligible countries. The costs for providing capital equipment and management range from US $250,000 to US $500,000. Funds for Halon 1211/Halon 1301 reclamation centers could be provided on a concessional basis containing a 25 per cent grant component.