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**ACTIVITIES OF THE REGIONAL NETWORKS
WITH REGARD TO MEANS OF COMBATTING
ILLEGAL TRADE**

Report of the UNEP DTIE

Introduction

Decision XIV/7 which was agreed at the XIVth MOP in Rome in 2002 requests UNEP DTIE to report through the Executive Committee to the XVIth MOP on the activities of UNEP regional networks with regard to means of combating illegal trade in ozone depleting substances. The objective of that request is to review the efforts made so far to combat illegal trade in ODS in different regions of the world and suggest how the regional networks could further act to prevent such illegal trade to develop in the future.

As it was shown in the Report of the Ozone Secretariat on illegal trade in ODS presented to the Parties at XXIInd Meeting of the OEWG in July 2002¹, illegal trade has become one of the major obstacles in achieving smooth phase out of ODS in developing countries and CEITs. The report encouraged activities to be taken at national, regional and global scale aiming at improving the process of monitoring and control of ODS in order to avoid development of illegal trade. Among others, the report mentioned the need of enforcement of legislation dealing with ODS through investment in customs resources, including training and equipment and emphasised the important role of cooperation between enforcement authorities at national and regional level.

¹ “Study on Monitoring of International Trade and Prevention of Illegal Trade in ODS, mixtures and products containing ODS” – document UNEP/OzL.Pro./WG.1/22/4 available from Ozone Secretariat website

UNEP DTIE has been very active in that regard since 1997 when the Executive Committee approved the first regional workshop on monitoring and control of ODS conducted by UNEP. Later on, a number of actions have been undertaken by UNEP in the framework of Refrigerant Management Plans and other Projects financed by the Multilateral Fund and GEF. Recently, the actions of UNEP regional networks aimed at combating illegal trade in ODS have been significantly intensified due to establishment of a Compliance Assistance Programme (CAP) approved by the Executive Committee in 2002 and being presently implemented at the regional level. Improvement of monitoring and control of ODS is one of the key objectives of CAP.

The activities of UNEP regional networks described in this report have facilitated preventing and combating illegal trade in ODS. They have supported the implementation of national and sector phase out plans being implemented by Article 5 countries through raising awareness, improving exchange of information and creating enabling environment for collaborative efforts of different groups of stakeholders. Establishment of appropriate legislation on ODS and its effective enforcement have been promoted through networking activities.

2.0 Activities of the UNEP Regional Networks in regard to means of combating illegal trade in ODS

UNEP regional networks provide a platform for Ozone Officers from Article 5 countries to exchange experiences, develop their skills and tap the expertise of their peers in both developing and developed countries. Conducted at the regional level, the activities of the networks build up the Ozone Officers' skills for implementing and managing their national ODS phase-out.

Presently, there are 9 UNEP regional networks managed by the offices situated within particular regions:

- Latin America & Caribbean-South (10 A5 plus 2 A2 countries)
- Latin America & Caribbean-Central (10 A5 plus 2 A2 countries)
- Latin America & Caribbean-Caribbean (13 A5 plus 2 A2 countries)
- South East Asia & the Pacific (11 A5 plus 2 A2 countries)
- South Asia (11 A5 plus 2 A2 countries)
- Africa-English Speaking (26 A5 plus 1 A2 country)
- Africa-French Speaking (27 A5 plus 2 A2 countries)
- West Asia (12 A5 plus 2 A2 countries)
- Eastern Europe and Central Asia (10 A5 plus 5 A2 countries)

The UNEP offices hosting the networks are: Regional Office for Africa (ROA), Regional Office for Asia and the Pacific (ROAP), Regional Office for Latin America and the Caribbean (ROLAC) and Regional Office for West Asia (ROWA). The Interim Regional Network Coordinator for Eastern Europe and Central Asia is presently based in Paris.

Activities of the UNEP regional networks that assist in combating illegal trade in ODS in the relevant regions can be divided in the following three broad categories which will be briefly described below individually though it should be understood that they are closely interrelated:

- Facilitating implementation of national and regional customs training
- Networking and twinning
- Awareness raising

2.1 Facilitating implementation of national and regional customs training

Appropriate training of customs officers and other stakeholders involved in monitoring and control of ODS should be considered the most important way to prevent illegal trade. Customs agencies and other enforcement bodies play an essential role in the effective monitoring and control of import/export licensing mechanisms, in the collection of import/export data, in the enforcement of ODS regulations and in the prevention of illegal trade.

The UNEP training programme for customs officers follows the "train-the-trainers" approach, which aims at ensuring sustainability of the training through development of national trainers. Phase I involves a "train-the-trainer" workshop. Once the national ODS import/export licensing system is in place or ready to be put in place, and a Country Handbook on ODS legislation and import-export licensing system has been prepared, Phase I is conducted. The participants of "train-the-trainer" workshop to train the other customs officers and other stakeholders in Phase II of customs training which involve a number of national training workshops.

In some regions (Africa, South Asia, West Asia, Central and Eastern Europe) regional or sub-regional training workshops were held before starting customs training programmes in individual countries. UNEP also conducts regional workshops on ODS monitoring, licensing systems and Harmonised System Codes in Eastern Europe, CIS, Africa, Latin America and other regions.

Activities of the Regional Networks have helped to refine and improve national customs training courses in the following ways:

- The Customs training approach followed by UNEP has been extensively discussed during network meetings, and recommendations have been used as guidance to improve implementation of national customs training.
- National organisation of customs training has been improved through exchange of experiences between countries during network meetings and Custom-Ozone Officers meetings.
- Coordination meetings, especially on the cooperation between Customs and NOU have been conducted leading to actual agreements.
- Through the exchange of information on actual cases of seizures by customs in countries, the UNEP Customs Training Manual has been updated.
- Exchange of information on drafting the licensing system, especially those aspects related to enabling enforcement, e.g. information requested in different forms, reporting requirements, registration of importers/exporters, has improved the quality and accelerated the drafting in individual countries.
- Information exchange on the use of HS codes has also accelerated the introduction of licensing systems in individual countries, and promotes harmonisation of customs codes.
- Through the networks, contacts were made enabling experts from one country to assist other countries with implementation of customs training and/or drafting of legislation.

As of 15 September 2004, UNEP DTIE had coordinated the completion of Phase I training in 51 countries, and both Phases I & II training in 31 countries.

Customs training workshops not only provided the customs officers with tools needed to control ODS trade effectively, but also initiated routine communication between national stakeholders (in particular between environmental, trade and customs authorities) – see «Networking and Twinning» section below, created the platform for discussion on improvements of national legislation and effective enforcement of regulations concerning monitoring and control of ODS trade, and allowed for development of awareness raising on the threat of illegal trade in ODS - see «Awareness Raising» section below. The UNEP regional offices through CAP actively participated in this process as their representatives took part in a number of workshops and later assisted the countries in implementation of recommendations developed at the workshops.

Recently, the concept of integrated customs training has been proposed by UNEP as a result of wide consultations at the regional networks level, and with MEA Secretariats, customs authorities, non-governmental organisations and experts. This concept is based on the assumption that there are similarities in the approaches that must be taken by the customs officers in control of trade related to environmental conventions (Montreal Protocol, Basel Convention, Rotterdam Convention and CITES) and that it might be more effective to let the customs officers be acquainted with problems regarding the enforcement of all those major treaties at just one joint course rather than organise separate training workshops. It includes the organisation of national and regional integrated training workshops when possible, preparation of integrated training materials where appropriate; and the development of links between existing web sites of MEA Secretariats.

On 2nd of June 2003, the “Green Customs” website was launched. It is supported by the World Customs Organization (WCO), Interpol, CITES, the Basel Convention and UNEP DTIE's OzonAction Programme and offers information and training materials for customs officials to combat illegal trade in commodities of environmental concern. A pool of highly qualified trainers has been identified, which will constitute a task force to be deployed at each integrated training session. Their skills will be further strengthened through participation in the WCO's Fellowship Programme. Additional trainers will be added to meet future demand.

Future Plans include the development of a common agenda under integrated training, the development of special training modules; compilation of manuals, the development of distance and internet learning techniques for integrated training, drawing on the experiences of the World Customs Organization and CITES. A compliance and enforcement manual is also being developed which will be used to train enforcement personnel, including Customs officials.

The standard agenda of UNEP train-the-trainer workshops for customs officers on monitoring and control of ODS contains a presentation on trade-related elements of the other conventions helping customs officers to understand all relevant similarities and synergies. The idea of «green» customs training is discussed at regional workshops and meetings of ozone officers and customs officers (see «Networking and Twinning» section below).

2.2 Networking and Twinning

Networking and twinning, creating formal and informal links and improving collection and exchange of information between the relevant countries, are undoubtedly activities of the UNEP Regional Networks, which receive priority status. While networking concerns a large number of countries, which are encouraged to collaborate in certain areas, twinning involves initiating closer relationships between limited numbers of countries or stakeholders, which have common problems to solve. The crucial role networking and twinning play in preventing and combating illegal trade in ODS on regional and national scale is inevitable since a better understanding of the situation of other countries in the region with regard to monitoring and control of ODS trade and the possibility to take joint actions against illegal traders strengthen the capability of an individual country to deal with that problem.

The Regional Office for Asia and the Pacific (ROAP) is quite unique in that they have an ongoing Swedish bilateral project covering both the South Asia and South East Asia and the Pacific network countries. Sweden submitted and received approval for a bilateral project, to promote further regional co-operation for the control of trans-boundary movements of ODS in the SEAP network countries, from the Executive Committee of the Multilateral Fund at its 34th Meeting in July 2001. The Executive Committee of the Montreal Protocol approved at its 39th Meeting, the project “Preventing Illegal Trade of ODS in the South Asia Region” as an extension of the SEAP project. The project uses the framework of the Regional Networks to develop practical cooperation between customs and ODS officers in the region. The project aims at involving customs officers in the cooperation between ozone officers in the region, developing the necessary framework for a continuous regional and national cooperation on monitoring and control of ODS trade, gathering and disseminating information for development of risk profiles, and developing enforcement tools.

A summary of those and other activities of UNEP Regional Networks in the field of networking and twinning is presented in Table 1.

TABLE 1

Summary and some examples of the activities of UNEP Regional Networks in the area of Networking and Twinning undertaken between 1 January 2002 and 31 August 2004

	Activity	Status of practical implementation	Actual effect with regard to combating illegal trade
1	Organising joint workshops for customs/ozone officers from the countries of the region with participation of representatives of relevant international institutions (RILO, WCO, Interpol) and NGOs (EIA) and including illegal trade in ODS in the agendas of routine network meetings of ozone officers	<p>ROA: 4 sub-regional workshops planned in 2004 ROAP: 4 regional workshops organised (Chiang Mai – 2002, Phuket – 2002 and 2003, Agra - 2004)</p> <p>ROWA: 1 regional workshop organised in 2003 (Damascus) Eastern and Central European Countries: 1 regional workshop organised in 2004 in Budapest All networks: illegal trade in ODS was put in the agenda of network meetings of ozone officers</p>	<ul style="list-style-type: none"> - Successful seizures of smuggled ODS Examples: July 2004 – Georgia Customs officials seized counterfeit “Genatron 134a” cylinders which actually contained CFC-12. The cylinders were deliberately mislabelled to be smuggled into Tblisi, Georgia; May 2003 – Philippine Customs authorities seized CFC-12 imports contained in 1,140 cylinders at 13.6kg/cylinder (total of 15,504kg) ; November 2002 – the Philippines’ Department of Environment and Natural Resources(DENR) confiscated 30,000kg of CFC-12 from a private business and arrested its general manager for illegal importation of a banned substance. - Development of important recommendations for actions aimed at combating illegal trade (see items 2-6 in this table for results) - Initiating routine contacts on ODS between customs officers in different countries of the region - Exchanging information between customs and ozone units from different countries in the region on approaches taken to address problem of illegal trade - Linking national initiatives on enforcement to regional cooperation - Initiating formal agreements between customs and NOUs; such agreements have been established in Philippines, Thailand, Fiji and Malaysia - Raising awareness of and increase cooperation with the international institutions and NGOs dealing with illegal trade on region-specific problems related to trade in ODS - Creating opportunity for the countries to implement special enforcement tools and understand better the international approach to illegal trade in ODS based on information presented by experts invited to the workshops <p><u>Examples:</u></p> <ul style="list-style-type: none"> - Data Mining Int. Co with support from US DOJ offered to provide the software related to ODS trade risk profiling (Numerically Integrated Risk Profiling System) for free to developing countries in

	Activity	Status of practical implementation	Actual effect with regard to combating illegal trade
			<p>the Asia Region based on their interest. UNEP will facilitate the introduction of such software as part of activities implemented under the Swedish bilateral project (ROAP)</p> <ul style="list-style-type: none"> - Yemen Customs presentation on their computer-operated risk profile system at the workshop in Damascus in 2004 (ROWA) - RILO presentation at Customs-Ozone Officers Coordination Workshops on their Modus Operandi used in tracking illegal ODS shipments, and increased involvement of countries in the Region to use RILO facilities for exchange of information on ODS, to be disseminated by RILO through the designated National Contact Point (NCP) (ROAP). - Offer by EIA to assist countries in the in the areas of investigating assistance, compilation of information, improvement of enforcement regimes and training, noting that it is up to individual countries to contact EIA directly to initiate such cooperation (ROAP)
2	Organising joint workshops for customs/ozone officers from the neighbouring countries (twinning)	<p>ROAP: two meetings organised in 2003; Mongolia Dialogue (Mongolia, China, Japan) and Nepal Dialogue (Nepal, China, India)</p> <p>ROWA: customs officer from Yemen participated in train-the-trainer workshop in Kuwait</p>	<ul style="list-style-type: none"> - Task Force to deal with illegal trade in ODS on China-Mongolia border formed from representatives of appropriate institutions in both countries. Task Force is to find solution to, <i>inter alia</i>, the problem of labelling ODS containers only in Chinese - Agreement on including ODS in the agenda of routine meetings of customs of Nepal and China and Nepal and India on the border and on establishing one customs officer in each country for contacts regarding illegal trade in ODS (formal approval from China is pending) - Yemen customs authorities could learn about enforcement of licensing system in Kuwait and Kuwait customs could benefit learning about ESCODA system of customs alerting developed and used in Yemen
3	Collecting and analysing quantitative data on trade in ODS in countries from the region	<p>ROAP:</p> <ul style="list-style-type: none"> - Relevant Desk Study completed and results presented to the countries and discussed at the workshop in Agra (2004) - At the same workshop EIA presented an analysis of discrepancies between import and export data between countries <p>ROLAC:</p> <ul style="list-style-type: none"> - Reports at regional meetings on the import/export data reporting of countries including sources and origin of ODS 	<ul style="list-style-type: none"> - Confirmation of the routes of illegal ODS traffic will help the countries concerned to find its sources and destinations - Enables countries to be aware and analyse discrepancies between import and export data between two countries

	Activity	Status of practical implementation	Actual effect with regard to combating illegal trade
		<ul style="list-style-type: none"> - Beginning in 2003 all regional network meeting to include an agenda for illegal Trade on ODS and ODS dependent technologies 	
4	Initiating and facilitating small group country consultations (twinning)	<p>ROAP: Consultations between selected countries in the region on illegal trade in ODS were held at the workshop for customs/ozone officers in Agra (2004):</p> <ul style="list-style-type: none"> - China and Philippines - China and Sri Lanka - China, Indonesia and EIA - India, Indonesia and EIA - India and Bangladesh - Fiji and Japan <ul style="list-style-type: none"> - Pakistan, Iran and Afghanistan - India and the Philippines <p>ROLAC: facilitated discussions between the following countries</p> <ul style="list-style-type: none"> - Venezuela and Colombia 	Problems related to illegal trade in ODS going on between countries in the region could be dealt with more effectively
5	Organising joint workshops for industry, customs and ozone officers	ROAP: 1 workshop organised in 2004 (Hua Hin); participants included industry and government representatives from China, India, the European Union, Russia, the World Bank, the Environmental Investigation Agency and the Stockholm Environment Institute	ODS producers in the region declared assistance in the process of combating illegal trade and concrete proposals were made in that respect what will help much in combating illegal trade
6	Establishing internet discussion fora for customs and ozone officers	ROAP: relevant E-Forum established in 2003	<p>Exchange of information on trade in ODS between the countries in the region was facilitated</p> <p>Example: solution to the problem of trade in used ODS-containing equipment discussed between Fiji and Japan with assistance of the E-Forum</p>
7	Assisting in development of elements of National Action Plans dealing with enforcement of legislation related to monitoring and control of ODS trade	ROAP: establishment of Policy and Enforcement Centre was proposed in National CFC Phase-out Plan developed for Iran and Sri Lanka. One of the substantial tasks of the Centre will be monitoring of illegal trade in ODS and finding solutions to prevent it	Institutional capability of the countries to deal with the problem of illegal trade in ODS will be distinctly increased
8	Acting as liaison for the countries with regard to bilateral problems of illegal trade in ODS	ROAP: played that role in discussions between Japan and Vietnam on CFCs suspected to be illegally imported ROWA/ROLAC : played that role in discussions between countries in the region	<p>Discussion between interested countries was facilitated, concrete problem could be clarified quickly</p> <p>More attention and seriousness given by NOUs to follow-up with other countries directly and/or through CAP on illegal trade cases.</p>
9	Participating in other related regional and international meetings and events	ROWA: presented the issue of illegal trade in ODS the regional meeting for Customs Directors	New channels for information exchange on ODS trade opened through

	Activity	Status of practical implementation	Actual effect with regard to combating illegal trade
		<p>ROLAC: Participated and provided guidance on the development of Regional and Regional Trading Agreements being developed in the Sub-regions of Latin America and the Caribbean.</p> <p>ROLAC also invited representatives of the Regional Trading and Economic Bodies to the Network meetings</p> <p>ROLAC: presented to the Meeting of Environmental Ministers of the Latin America and Caribbean (May 2004) on the challenges of Meeting and sustaining implementation of the Montreal Protocol including regional trade and trading patterns</p>	<p>cooperation with customs directors.</p> <p>Awareness and sensitization of decision makers on the management of trade in ODS and ODS dependent technologies within the trading agreement being established and of the requirements of the Montreal Protocol was increased.</p> <p>The issues related to the implementation of the MP, in particular the problem of trade in ODS and ODS-dependent technologies, included in the work programme of Regional Trading and Economic Bodies</p> <p>Prioritization of the MP as a MEA on national level was encouraged to facilitate the processes of its implementation including trade control</p>

2.3 Awareness Raising

Raising awareness of the general public and of the targeted groups (customs, industry, trade, NGOs) on the problem of illegal trade in ODS is very important for achieving success in solving it both on the regional and national scale. While it should be understood that the activities of UNEP Regional Networks described earlier in this report also contained substantial elements of awareness raising and it is not necessary to repeat them here, the following activities which have not been mentioned before should be especially emphasised:

- Requesting the countries where the customs train-the-trainers workshops were organised to ensure proper media coverage of the objectives and outputs of the workshops, so general public could learn about the problem of illegal trade in ODS (examples: executed at all train-the-trainers workshops).
- Actively disseminating information on proven cases of illegal trade in particular regions and requesting the countries to present such cases in the workshops and meetings (examples: detailed information of the case of illegal trade in CFC-12 under the name of HFC-134 found in Philippines was widely distributed by e-mail by ROAP and presented at a number of meetings and workshops, cases of illegal trade were reported by representative of China to SA Network cases of illegal trade in ODS reported by Suriname were distributed by ROLAC to all countries in the network and to UNEP DTIE)
- Producing information sheets facilitating recognition of the illegal shipments by the customs and license-issuing institutions (example: ROAP drafted the format of information sheets showing legitimate importers and exporters in the countries in the region, collected the relevant information from the countries and disseminated that information to all countries in the region through the Customs-Ozone Officers Coordination Workshop). It was also distributed to the ROLAC region with translation for Spanish speaking countries.
- Collecting information on legislation on monitoring and control of ODS from the countries in the region and disseminating it to all countries (example: ROAP, ROLAC ROWA).
- Drafting concise leaflets containing useful information facilitating identification of ODS shipments by customs and other relevant stakeholders (example: Customs Quick Reference Tool drafted by ROWA and then disseminated to all countries through the Regional Network Coordinators.
- Developing the on-line image bank of photos related to illegal trade in ODS as a handy reference for customs officers to help them recognise illegal shipments (work is ongoing in ROLAC).

- Explaining the issue of illegal trade in ODS to the regional trade and political organisations which can then include it in their work programmes (examples: collaboration in that regard between ROLAC and CARICOM and the Meeting of Regional Environmental Ministers and ROWA and the Arab League).
