What is Environmentally Harmful Product Dumping?

*Environmentally harmful product dumping* (“environmental dumping”) is the practice of exporting to another country or territory products that:

1. Contain hazardous substances,
2. Have environmental performance lower than is in the interest of consumers or that is contrary to the interests of the local and global commons, and/or
3. Undermine the ability of the importing country to fulfill international environmental treaty commitments.
Environmental Dumping Is Not New to the Montreal Protocol

Recall:
• The wisdom of the Montreal Protocol trade provisions, which prevented Parties from shifting their ODS operations to non-Parties.
• Thailand’s import restrictions on refrigerators using CFCs.
Dumping in Africa

Analytical Findings

The majority of RACs are fixed speed models
Market is shifting primarily to R–410A equipment when R–22 is phased out
Low Efficiency RACs Make Up 35% of New RAC Sales

- CLASP defined “low efficiency” as an energy efficiency ratio (EER) of less than 3.0 W/W.
- Non-African countries (e.g. China, South Korea, Japan, and the U.S.) that export parts for assembly or complete RACs into African countries don’t allow the sale of RACs below that threshold in their markets.
Sources of Low Efficiency RACs in Africa

• **26%** – The primary sources of imported, new low efficiency RACs were China, Japan, South Korea, and the US.

• **74%** – Local assembly in Egypt, Nigeria, and Algeria is encouraged by specific trade and tax measures.

Non-African RAC manufacturing companies are involved in the production of majority of low efficiency RACs sold in Africa, perpetuating the production and use of high-GWP refrigerants.
Recommendations for African Countries

1. Ratify the Kigali Amendment to the Montreal Protocol and adopt implementing policies.
2. Design and implement MEPS & labeling policies consistent with major countries of export (e.g. China, the U.S., South Korea, Japan).
4. Revise RAC tariffs and trade measures to ensure compatibility with energy efficiency goals.
5. Ban the import of secondhand, including refurbished, and inefficient RACs and widely publicize and enforce the ban.
6. Organize bulk purchase and buyers’ clubs to reduce the cost of higher efficiency RACs.
7. Properly recycle and dispose of obsolete RACs.
8. Elevate solutions to the regional level, taking advantage of opportunities for collaboration.
9. Engage local groups profiting from trade in obsolete equipment to be part of the solution.
Dumping in Africa
Champions Pioneering the Way With Dumping Interventions

• Kofi Agyarko, Director, Renewable Energy, Energy Efficiency & Climate Change (REEECC), Ghana Energy Commission, Chair, Working Group on Used Cooling-Product Imports into Africa, Cool Coalition
The Ugly Face of Dumping OLD APPLIANCES!

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The Ugly Face of Dumping Inefficient and Climate–Harmful **NEW APPLIANCES**!

- New inefficient appliances with obsolete refrigerants dumped in Ghana waste precious money on electricity and service with air pollution and climate change from greenhouse gas and toxic emissions.
- How can global companies and their home countries hope to be respected when they exploit export markets with products they would not sell to their own citizens?
- Why not global cooperation to stop shipping of products so easily identified as damaging to local prosperity and global environment?
- Work with us to end this dumping madness.
Environmental Dumping Issue Gaining Attention

G20/T20 Policy Brief (2020)

“7. Enhance trade and technology transfer in high-efficiency products and support the design of anti-dumping policies in developing countries to prohibit the import of inefficient and obsolete technologies—new and used—from G20 countries”

African Ministerial Conference on the Environment, Decision 17/1

“To urge Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer to adopt an action plan preventing market penetration of obsolete equipment in Africa while facilitating access to secure and energy-efficient technologies on the continent.”
What Drives Environmental Dumping and Who Are the Victims?

• Weak or non-existent minimum energy performance standards and other tools to stop environmental dumping in many A5 countries, including those in Africa, have facilitated environmentally harmful dumping of inefficient, high-GWP air conditioner products (CLASP study, in collaboration with IGSD).

• There are many drivers of environmental dumping. These include the fact that the demand for cooling equipment is steadily growing across many countries, (including in A5 countries such as those in the African continent), as populations increase, as the Earth warms from climate change, and as consumers seek to improve their quality of life.
What Are the Harms and Who Are the Victims?

The harms visited upon countries from dumping cooling equipment are increasing and multi-faceted. These include:

• For communities and individuals, environmental dumping causes continued and serious economic, environmental, health, and social justice harms,

• Inefficient used appliances that employ obsolete refrigerants end up supressing economic growth through high ownership costs of electricity, costly repair, and inevitable abandonment after short remaining operative life, and

• Consumers waste money on dumped appliances, which are often unrepairable as parts are not available for brands not sold as new in the country.
• The money wasted on inefficient appliances suffocates development.
  • The funds that governments spend on waste management, and the private money spent by individuals and companies on electricity and servicing for these appliances, is money that would otherwise be spent locally for purposes such as nutrition, health, and education where the money would recirculate for local prosperity.

• Markets flooded with inefficient and low-quality appliances have less room for newer and higher efficiency products, minimizing competition and reducing investment opportunities in innovative, climate-friendly technology.
  
  • Knowledge of exploitation is the first step to recovery.
Takeaways

- Environmental dumping can be stopped.
- Dumping damages the receiving country while generating profits for the exporters.
- Stopping environmental dumping has immediate economic development benefits.
- The Kigali Amendment is an opportunity to prevent environmental dumping of high GWP and energy-inefficient appliances.
- 11 IGSD tools to put governments and citizens on the path to stop environmental dumping.
- Each country can choose tools – including related interventions such as demands for exporting country and exporter actions – that stop environmental dumping while harnessing maximum sustainable development benefits.
• Countries at the receiving end of dumping can’t solve this problem alone.

• Efforts to stop environmental dumping will be successful through individual, institution, and government collaborations to identify the full extent and types of cooling equipment dumping and champions who pioneer environmental dumping interventions.

• These collaborations have begun…

Will you join us?
**Resources:**


- African Ministerial Conference on the Environment, Seventeenth Session, [Decision 17/1](https://unenvironment.org/moonshell/showdocument.php?DOC_ID=22156), deciding, among other things, “To urge Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer to adopt an action plan preventing market penetration of obsolete equipment in Africa while facilitating access to secure and energy-efficient technologies on the continent.”

- CLASP and IGSD collaborative study, *Environmentally Harmful Dumping of Inefficient and Obsolete Air Conditioners in Africa (Annexes)*, shows African AC markets dominated by low-efficient equipment using obsolete refrigerants (June 2020).

- **Assessment of Climate and Development Benefits of Efficient and Climate-Friendly Cooling** (Jan. 2020) (including in Chapter 4 “Policies and Recommendations” that “Effective anti-environmental dumping campaigns can help transform markets”), p. 32. The Assessment was summarized, along with the anti-environmentally harmful dumping policy recommendations, in the Cooling Emissions and Policy Synthesis Report published by the [International Energy Agency](https://www.iea.org/) and [UN Environment Program](https://unenvironment.org/) (July 2020).

The presenters welcome partnerships with Parties seeking to stop dumping of obsolete and inefficient refrigerators, ACs, and thermal insulating foam made with obsolete HFCs and HCFCs.

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