

>> News in brief

- November-December 2007, SEPA/FECO organized several workshops and on-site investigations to study on HCFCs management strategy, to collect data of HCFCs' production and consumption, to find out difficulties in phaseout, and to collect comments and suggestions from enterprises and experts.
- In 2006, the predicted disbursement in Solvent Sectoral Plan was 8.27 million USD. Under the joint efforts of UNDP and FECO, the actual disbursement reached 8.24 million USD, i.e., 99.6%.
- The World Bank CFCs/TCA Inspection Group came to China from January 21 to 31, 2007, for the inspection of the production, sales and import/export in 6 CFCs factories and 1 TCA factory. The results showed that all productions were lower than the quotas issued by SEPA, and the reduction contracts were strictly followed. According to the data verified, CFCs production was 13,080 ODP tonnes and TCA production was 78 ODP tonnes in 2006.
- On February 8, 2007, the Project Evaluation Meeting on CFC-11 Phaseout in China's PU Sector was held in Beijing. Nine projects in the third group being inspected were evaluated. After submission of relevant proofing document, all of the 9 projects passed the evaluation and could be submitted to the Contract Committee for approval.
- On March 8-9, 2007, the evaluation group of SEPA/FECO evaluated the eligibilities and the baseline consumptions of 26 enterprises in the fourth group of projects for applying MLF grants under the Foam Sectoral Plan. As a result, 25 of them were eligible for funding. The total CFC-11 baseline consumption of 24 enterprises reached 757.318 tonnes, while the baseline consumption of the other enterprise would be determined after further checking. SEPA/FECO approved the evaluation results and would sign phaseout contracts with the enterprises.
- On April 23, 2007, SEPA/FECO organized an expert meeting for evaluating the applications submitted by the enterprises for keeping their CFCs production lines. The meeting agreed to keep the CFCs production line of Zhejiang Quhua factor, and allowed its annual production in 2008 and 2009 not to exceed 550 tonnes, respectively, for use in MDIs. Other production lines were requested to be dismantled after July 1.
- From March 14 to 16, 2007, SEPA organized a training workshop on CTC used as feedstock and new applications of PA for 2007 in Beijing. The enterprises were briefed about the new policies and regulations, and the requirements on CTC management. The meeting laid basis for CTC consumption phaseout under PA Phase III.

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Focus >>

Combating Illegal Trade-Action of “Sky Hole Patching Initiative”

The Action of “Sky Hole Patching Initiative” was launched jointly by the General Administration of Customs (GAC) and the State Environmental Protection Administration (SEPA) on September 14, 2006. Since then, the National ODS Import/Export Management Office, together with UNEP and GAC, has conducted a series of activities for combating ODS illegal trade and achieved significant effects. As of end of 2006, one case was disclosed in Shenzhen in which illegal export of 47 cylinders of CFC-12, totaling 752 kg, was seized. Another case was disclosed in Huangpu in which 7,480 kg of CFC-12 for illegal export was seized.

From January 21 to 26, 2007, a special working group, composed of officials from the National ODS Import/Export Management Office, the Anti-smuggling Bureau and the Supervision Department of GAC, visited the customs in Shanghai, Shenzhen, Ningbo and Huangpu for checking the progress of the Action and discussing on supervision and control measures as well as the next step plans.

From April 24 to 27, 2007, the National ODS Import/Export Management Office, jointly with UNEP and GAC, convened a training workshop for combating ODS illegal trade at GAC's training base. Mr. Li Xinmin, Director General of the Office, Mr. Huang Yi, Deputy Director General of Supervision Department of GAC, and Ms. Li Jing from UNDP Beijing Resident Office attended the workshop. Consultants from UNEP and EIA of UK were specially invited to the workshop to give lectures. The officials from Guangdong Huangpu Customs were invited to introduce their experiences.

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MLF Secretariat Evaluates CTC Phaseout in China

From November 27 to December 15, 2006, the MLF Secretariat dispatched an evaluation group, led by Mr. Lang Shengshuo, Deputy Chief Officer of the Secretariat, to China for a comprehensive evaluation on China's CTC phaseout.

The evaluation consisted of two parts. One was to discuss with SEPA for understanding relevant policies, laws, regulations and management approaches adopted in China as well as the progress made. The other was to visit some CTC production and consumption enterprises.

According to the comments made by the evaluation group based upon its investigation, the overall management of CTC production, consumption and trade is effective, great achievements have been obtained, and MLF grants have been used reasonably, fairly and transparently. The group admired the efforts made by the government and the enterprises for effective management of risks and tackling of CTC by-product in methane chloride production. The evaluation group also proposed some suggestions to China in the aspects of risk management, countermeasures, subsidy to enterprises and sustainable management of CTC.

National Leading Group Convenes Annual Meeting



On January 23, 2007, SEPA convened a plenary meeting of National Leading Group for Ozone Layer Protection, attended by 50 representatives from the member ministries and relevant industrial associations. Mr. Zhang Lijun, Vice Minister of SEPA, was present and delivered remarks.

At the meeting, the 18th Meeting of Parties to the Protocol held in India last November was briefed, the progress of convention imple-



mentation in 2006 was reviewed, the work plan for 2007 was discussed, and the research on strategy for long-term management of HCFCs was reported.

According to the report of the 18th MOP, all developing countries realized the 50% reduction target in 2005 set by the Protocol. The focuses of the MOP were put mainly on Methyl Bromide exemptions in the developed countries, ODS illegal trade, MDIs, HCFCs, and the future perspectives of the Protocol and the Multilateral Fund.

According to the report made by the Convention Implementation Office, China achieved good progress and the sectoral plans were well implemented last year. The risk of non-compliance in CTC phaseout has been eliminated. The illegal trade has been effectively controlled. The capacity for supervision and law-enforcement has been strengthened significantly. The annual targets were fulfilled. For the 2007 work program, the Office proposed 5 key plans and gave prominence to the phaseout of CFCs and Halons to ensure the phaseout targets set for July 1, 2007.

As indicated in the HCFCs strategy research report, the production and consumption of HCFCs have been increased dramatically in China in the past years. If no effective control, the domestic consumption would reach as much as 300,000 tons by 2015, and the production would be even more. The huge production would result in great impact to the environment. Therefore, to advance the phaseout of HCFCs has become one of the key issues in the international negotiations. The research report proposes 4 scenarios for HCFCs phaseout, and preliminarily estimates the phaseout costs in some sectors.

Mr. Zhang Lijun pointed out in his closing remarks that the inter-ministerial coordination is the basis for ensuring the success of ozone layer protection in China. He fully affirmed the support and contribution of the line ministries and associations. He requested the members to fully understand that the implementation of the Protocol is lasting and arduous and requires further efforts towards success. For 2007, focus should be put on phaseout of CFCs and Halons through strengthening

project management, facilitating legislation, enhancing law enforcement, increasing inputs in research and development and intensifying cooperation for further improving management capacity to ensure the fulfillment of the targets in time. For HCFCs, he requested relevant organizations to give written feedbacks to the reports given at the meeting.

ExCom Approves 35.7 Million USD for 2007 Annual Programs

The 51st ExCom Meeting was held in Montreal, Canada, from March 19 to 23, 2007. As a member state of the ExCom, China dispatched its delegation, led by SEPA, to the meeting, and actively participated in communications, consultations and negotiations with success.

At the meeting, the ExCom approved for China a total of 35.7 million USD, accounting for 70% of the total allocated funds at this meeting, for funding of 6 million USD to the newly approved external-used aerosol sector plan, and funding for other 3 on-going sectoral plans, i.e., CFCs production, CTC/PA Phase I and refrigeration servicing.

Policies and Regulations >>

Ordinance on ODS Management Approved by SEPA

On December 19, 2006, SEPA approved the Ordinance on ODS Management (Draft for Review) at its 7th Meeting of Directors. The Ordinance prescribes roles and responsibilities of each ODS management authorities, and the management mechanism; the quota licensing systems imposed on ODS production, trade and consumption; the liabilities and punishment on illegal ODS production, trade and consumption; and other articles on guiding the development of substitutes, promotion of industrial upgrading and maintaining national economic benefits. After the approval by SEPA, the Ordinance was submitted to the State Council for approval in February 2007.

Ban of Methyl Bromide for Use in Grain Storage

On September 26, 2006, the State Grain Administration and SEPA jointly announced a ban on Methyl Bromide use in grain storage. According to the ban, from December 31, 2006, no grain depot in China will be allowed to use Methyl Bromide as fumigant, and relevant authorities are requested to actively urge and assist the grain storage sector to implement phaseout of Methyl Bromide. For any enterprises violating the ban, the local environmental protection authorities, together with the sectoral administrative department, should give punishment to such enterprises in line with laws and regulations.

Ban of CFCs for Use in Tobacco Sector

On December 11, 2006, the State Tobacco Monopoly Administration and SEPA jointly issued a ban on CFC-11 for use in tobacco expansion. According to the ban, from December 31, 2006, no enterprise will be allowed to use CFC-11 as tobacco expansion agent, and relevant authorities are requested to actively urge and assist the tobacco sector to implement the phaseout of CFC-11. For any enterprises violating the ban, the local environmental protection authorities, together with the sectoral administrative department, should give punishment to such enterprises in line with laws and regulations.

SEPA Requests to Strengthen Management at Local Levels

On March 22, 2007, SEPA issued a notice, requesting the EPBs at local levels to strengthen their management and administration on ODS phaseout to ensure concrete fulfillment of China's commitment to the international society for realizing the phaseout targets.

According to the notice, China will realize its advanced phaseout of CFCs and Halons before July 1, 2007, except for feedstock, essential uses and equipment servicing, and phaseout CTC and TCA by January 1, 2010. Therefore, the local EPBs are requested to: (1) raise awareness on ozone layer protection and strengthen their leading roles; (2) collect data of ODS production, trade and use of the enterprises; (3) enhance supervision to the enterprises and reinforce combating on illegal ODS production, consumption and trade; (4) ensure the implementation of the Protocol and establish sustainable mechanisms for ODS management; (5) organize trainings to raise public awareness; and (6) smoothly facilitate capacity building.