



The Informal Prior-Informed Consent (iPIC) Mechanism - 2016 update



INTRODUCTION

In order to enable countries to effectively monitor and control trade in ODS and to prevent illegal trade, which first became a significant problem in the mid-1990s, the Parties to the Montreal Protocol established, in 1997, a system for licensing the import and export of new, used, recycled and reclaimed ODS and ODS-containing mixtures. While a licensing system on its own is not sufficient to eliminate ODS smuggling, it gives the national authorities a way of taking stock of legitimate ODS traders, to allocate import and export permits among the authorised traders and to weed out any unauthorised trade (intentional or unintentional). Such a licensing system is more effective when coupled with a quota system that sets levels of permitted imports and exports.

As part of its work in providing assistance to developing countries to fulfil their commitments



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under the *Montreal Protocol on Substances that Deplete the Ozone Layer*, the UNEP DTIE OzonAction Compliance Assistance Programme (CAP) launched the 'Informal Prior-Informed Consent' (iPIC) mechanism in 2006. This initiative was developed in order to better manage trade in ozone depleting substances (ODS) that is controlled under the Protocol.

WHAT IS iPIC?

iPIC is a voluntary and informal mechanism of information exchange on intended trade between countries in ODS, ODS-containing mixtures, products and equipment. It enables iPIC member countries to share details of eligible importers and exporters with other iPIC members through a secure online platform. Designated iPIC focal points can also carry out simple consultations with their trading partner countries prior to intended shipments of ODS. UNEP's regional iPIC focal points can provide valuable assistance and support to follow-up on specific iPIC consultations.

The Parties of the Montreal Protocol have recognised iPIC as a tool with the means to combat illegal trade in ODS. The Parties have for example encouraged specific countries to participate in the iPIC process to help overcome the difficulties of being new members. In addition, all Parties were invited to consider participation in iPIC as a means to improve information about their potential imports of controlled substances with the aim of reducing differences between reports of imports and exports of ODS and helping to identify illegal trade or cases of non-compliance with domestic legislation.

For each region UNEP has nominated regional iPIC focal points which are usually copied on such iPIC consultations in order to follow-up on timely responses, as appropriate. Increasingly, UNEP also facilitates consultations between iPIC members and non-iPIC members routing the requests to the designated Ozone Officers. Such consultations between iPIC and non-iPIC members can yield a high response rate.

THE BENEFITS of iPIC

- Quick exchange of information helping clarify the status of intended ODS shipments and expedite legal trade and prevent illegal or unwanted ODS trade
- Enables Parties to better monitor the controlled substances entering and/or leaving their territories, ensuring the country's compliance with the Montreal Protocol
- iPIC is a useful tool which can be used to reduce discrepancies between import and export data, to identify and reduce illegal trade and cases of non-compliance with domestic legislation
- iPIC contributes to forging valuable links and fosters good working relations between responsible staff in trade partner countries

HOW TO JOIN iPIC

Participation in iPIC is simple. Countries must have established and implemented a national licensing system for ODS import and export. It is necessary that the licensing system requires individual permits per shipment of ODS (import or export). Once the above requirements are met the basic steps to join iPIC are as follows:

1. Upon request from a country, UNEP initiates the process by creating a new data entry form for that country.
2. The designated focal points receive a notification message by email containing their access information for the iPIC online system and a link to validate their contact information. The country is now an iPIC member and as such now has access to iPIC online and all the relevant information including the contact information of all iPIC focal points.

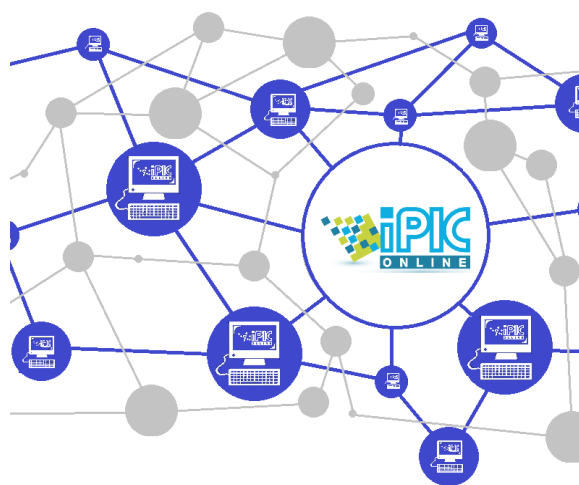
HOW iPIC OPERATES

The key actions are performed by the designated iPIC focal points:

- On receiving a request to issue an import or export licence, the iPIC information provided by the trading partner can be consulted and an iPIC consultation is initiated. This can be carried out through iPIC online, a simple email exchange or a telephone call. Often a response is received the same day. It is recommended to copy the regional UNEP iPIC focal points in queries so that they can assist in following up to ensure a timely response is received.
- In order to not unduly delay trade, the absence of a reply to an iPIC enquiry after a reasonable period of time (e.g. 5 days) may be considered at the discretion of the country as an agreement to allow the trade to proceed.

3. The designated iPIC focal point must promptly complete the simple standard country data form with information on its national licensing system, including details of registered importers and exporters, any trade bans or exemptions in place, etc. The full contact details of the designated and alternative iPIC focal point(s) must also be provided. If needed, UNEP can also assist in entering the initial iPIC data into the online system.

The iPIC data and contact details can be updated at any time during the year. Members are required to update the information at least annually. Current data can easily be duplicated and updated for the following year.

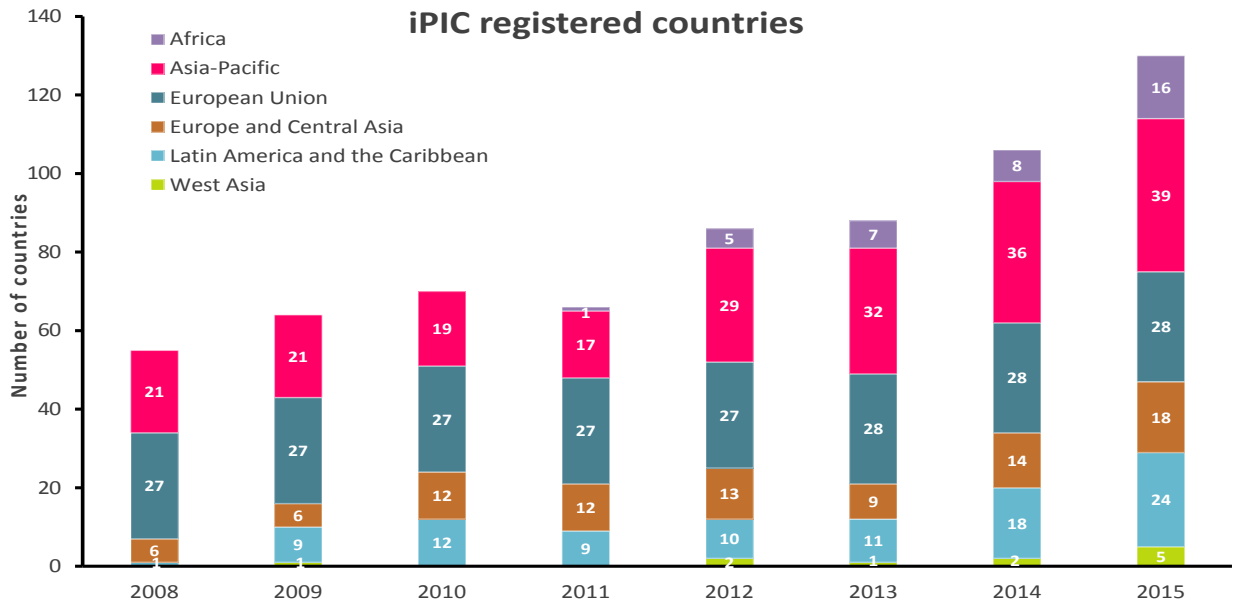


Countries that are not yet iPIC members can still contact members by using iPIC platform's "Send Query" function to inquire about specific ODS shipment/trade. They may also consult the National Ozone Unit or focal point and the designated licensing focal point in the trading partner country for confirmation, copying the UNEP regional iPIC focal point.

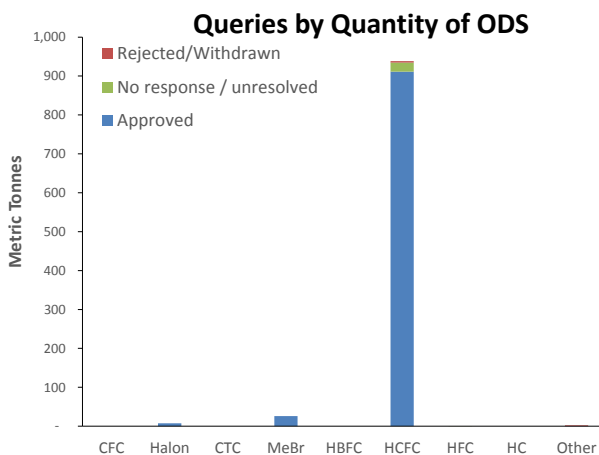
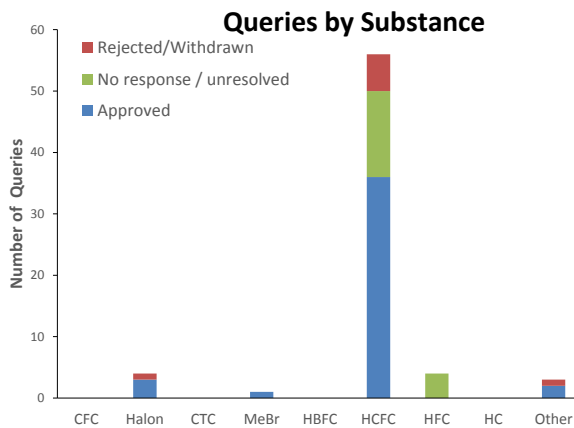
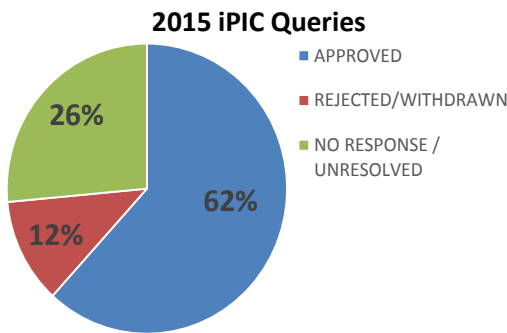
PROMOTING EFFECTIVENESS

- In cases where the trade partner is not an iPIC member, it is recommended to consult the National Ozone Unit (NOU) or the designated licensing focal point in the trading partner country for confirmation. Copy the UNEP regional iPIC focal point to ensure proper follow-up.
- It is important that countries provide details of the final destination, rather than the transit point for ODS shipments.
- For imports of used, recycled, reclaimed ODS, remember to check whether the exporting country has recycling or reclaim facilities and initiate the iPIC consultation requesting proof of origin.
- For ODS exports for destruction, the iPIC consultation should be carried out to determine whether the importing country has appropriate destruction facilities.
- For ODS for exempted uses (critical use exemptions, laboratory uses, essential uses, methyl bromide for quarantine & pre-shipment, etc.) it is also recommended to initiate an iPIC consultation.

iPIC MEMBERS



iPIC IN 2015 AT A GLANCE



In 2015, of the reported 70 iPIC consultations, 68% resulted in approved trade amounting to 945 metric tonnes of ODS. Rejections or cancellations of requests following iPIC consultations prevented unwanted trade in six metric tonnes of ODS including HCFCs and bromochloromethane (a controlled substance that has been phased-out under the Montreal Protocol since 2002). Interestingly, in 2015, a company based in Europe sought to export some 2.3 tonnes of bromochloromethane as feedstock to a country in Latin America. The licensing authorities of both countries communicated using the iPIC platform and it was revealed that the importing country had banned all imports of bromochloromethane. The shipment was subsequently rejected.

By examining the number of queries by substance and by quantity reported through iPIC in 2015, (see charts) it is apparent that the majority of consultations were related to HCFCs (82% of queries and more than 96% by quantity). The queries for other substances remained relatively low.

A more recent development being adopted by some iPIC member countries is the screening of hydrofluorocarbons (HFCs). A few shipments of HFCs totalling almost 10 metric tonnes were screened through the iPIC mechanism in 2015. Although HFCs are non-ODS and are not controlled under the Montreal Protocol, they can have very high global warming potentials.

Assistance provided by UNEP regional focal points has proved useful in following up with concerned trade partners in resolving specific cases. For example, UNEP followed up with importing countries to clarify whether the intended HCFC shipments would be acceptable/authorised, thus helping avoid unnecessary delays in the trade.

RECOMMENDATIONS

In the ten years in which the Informal Prior-Informed Consent mechanism has been operating, it has grown from a modest initiative with only a small number of participating countries in the Asia-Pacific region into a much larger global tool.

The effectiveness of iPIC can be progressively improved by being more widely adopted and utilised:

- As of April 2016, there are 130 members of iPIC. However, for iPIC to become even more effective, it is necessary that countries actively participate. All countries, both developed and developing, which are not already members of iPIC are strongly encouraged to join iPIC.
- Countries that have been active members in the past but have not recently updated their iPIC data are encouraged to do so.
- At the 24th Meeting of the Parties to the Montreal Protocol all Parties were invited to consider participation in iPIC as a means to improve information about their potential imports of controlled substances with the aim of reducing the difference between reports of imports and exports of ODS and helping to identify illegal trade (Decision XXIV/12).
- Countries with only a small number of shipments of ODS per year could consider initiating iPIC consultations for all licence requests.
- Exporting countries may wish to consider sending automatic notifications for all export licences issued, even where an iPIC consultation is not entered into.
- It is important to use iPIC to screen potential shipments of ODS for exempted uses; used, recycled, and reclaimed ODS; ODS intended for destruction as well as ODS-containing products and equipment.
- iPIC can play an important role in initiating consultations between iPIC members and non-members - now an increasingly common occurrence. The iPIC platform provides a facility to initiate queries from non-members.
- UNEP's regional iPIC focal points can provide valuable assistance and support to follow-up with specific consultations.

FIND OUT MORE...

- iPIC Online : <http://62.160.8.45/IPIC/Account/Login.aspx>
- About iPIC Online – OzonAction website: <http://www.unep.org/ozonaction/Topics/iPIC/tabid/1060717/Default.aspx>
- Instructional Videos (Youtube) <https://www.youtube.com/playlist?list=PLtIrv5041EulYf0jaRbtkQsws847BV9sc>
- Email: ozonaction.egroup@unep.org



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