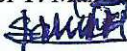


**NATIONAL OZONE UNIT (NOU)
ENVIRONMENTAL PROTECTION AGENCY**

**VERIFICATION OF HYDROCHLOROFLUOROCARBON (HCFC) IMPORTS AND
LICENSING SYSTEM IN LIBERIA (2016 – 2020)**

COMPILED BY:
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ACKNOWLEDGEMENTS

The consultant wishes to thank GIZ-Proklima for according me the opportunity to carry out the verification exercise for 2016 to 2020 HCFCs imports for Liberia.

I also wish to extend sincere thanks and appreciation to Mr. Sete F. Marshall (Ozone Officer) and his staff for providing the needed data on HCFC importers, imports of HCFCs, licensing, and quotas for the stipulated period covered under the report.

1. EXECUTIVE SUMMARY

The purpose of this report is to verify Hydrochlorofluorocarbon (HCFC) consumption for the period 2016 to 2020 under the implementation of the Hydrochlorofluorocarbon Phase out Management Plan (HPMP) in Liberia and to make recommendations for actions. The report is restricted to imports of HCFC-22, which is currently the only one used in the country. The ODS Regulations of 2004, was amended and approved in 2010 to make provision for HCFC and is undergoing another amendment to provide for HFCs. The NOU issues HCFC import licenses to assist in capturing data for record keeping purposes. A review of the consumption patterns of HCFC shows a continuous decline in the consumption of the substance.

The report is based on findings gathered from review and analysis of national legislations, policies as well as procedures on ODS imports in the country. Additionally, information gathered from authorized sources on importers of ODS, ODS import quota license issued, and actual ODS imports also form part of the development of the report.

The National Ozone Unit (NOU) has been persistent in training customs officers in the control and monitoring in ODS trade. As a result of the various trainings, customs officers have on several occasions instituted seizures of illegally imported substances.

The ODS Regulations mandates the NOU to control and monitor the inflow of ODS and ODS-containing equipment. It stipulates that all importers of the controlled substances and related equipment should obtain a license from the NOU. There are however issues of relevance that must be overcome if customs officers are to attain maximum efficiency.

The Liberian Customs Officers are at the front line of trade and their effectiveness is being buttressed by efforts of the NOU.

Statistical data on ODS imports were gathered from authorized source for comparison of quotas issued and actual quotas used as tabulated elsewhere in this report.

A visit to the Ganta Customs Port of entry provided an insight into whether customs authorities were playing their role in the fight against ozone depletion with respect to the trade in ODS and related equipment.

2. Required Verification Tasks to be completed

2.1 Methodology

The ODS data was obtained from the Liberia Revenue Authority (Customs Department), Ministry of Commerce and industry (Foreign Trade Dept.) and the National Ozone Unit. Data was also collected from some importers and companies.

Data from the sources listed above were analyzed and processed for preparation of this report. The NOU database of importers keeps a collection of permits issued for all the years with endorsement by the Customs Focal Point appointed to work with the EPA from the Customs Department to indicate the total imports for the year.

3. CHANNELS OF COMMUNICATION

The Environmental Protection Agency (E.P.A.) of Liberia is the chief statutory institution responsible for the environment. The National Ozone Unit (NOU) is located within the E.P.A., and is the central national coordinating unit that functions as an integral part of the E.P.A. It advises the E.P.A., collaborating government ministries and agencies and the law making body on policy matters involving ozone depleting substances (ODS) and Montreal Protocol in general. The NOU is the coordinating office for the implementation, monitoring and enforcement of laws and policies related to protection of the ozone layer in Liberia. The NOU also collaborates with an inter-ministerial committee (Committee for the Management and Control of Ozone Depleting Substances), comprising various ministries, including Commerce and Industry, Finance and Development Planning, and Justice at senior level. It discusses and addresses issues relative to ozone depletion.

The NOU reports to the Executive Director of the EPA. The Ozone Officer is assisted by an Assistant Ozone Officer who looks after the administrative duties of the NOU.

In Liberia, the Ozone Officer is responsible for external stakeholders' engagement on matters related to ODS, especially those focused on publicity and public awareness. The NOU also closely works with the Liberia Revenue Authority (LRA) and the Foreign Department of the Ministry of Commerce with respect to imports of ODS and related equipment. The NOU is in close contact with the Liberian Refrigeration Union, which is in the frontline when it comes to training of refrigeration and air-conditioning technicians. Additionally, the NOU interacts with implementing agencies as well as the Ozone Secretariat and GIZ-Proklima on progress on ODS program implementation.

4. HCFC IMPORT RESULTS (2016 – 2020) in mt

The HCFCs, mainly HCFC-22, imported into Liberia and importers are as follows:

4.1 HCFC Imports 2016 (mt)¹

Entity/Importer	Permit Number	HCFC-22 Quota	Actual Imported
Razzouk Bros. Corp.	IQN/001/2016/EPA	20.03	19.87
Modern Refrigeration Corp.	IQN/002/2016/EPA	14.20	13.56
Merjan Inc.	IQN/003/2016/EPA	14.69	11.51
T. Choithram & Sons	IQN/004/2016/EPA	7.97	6.66
TOTAL		56.89	51.60

4.2 HCFC Imports 2017 (mt)

Entity/Importer	Permit Number	HCFC-22 Quota	Actual Imported
Razzouk Bros. Corp.	IQN/001/2017/EPA	15.60	11.50
Modern Refrigeration Corp.	IQN/002/2017/EPA	10.50	8.56
Merjan Inc.	IQN/003/2017/EPA	11.70	9.41
T. Choithram & Sons	IQN/004/2017/EPA	9.60	8.70
SNOKRI, CFR	IQN/005/2017/EPA	4.49	3.89
TOTAL		51.89	42.10

4.3 HCFC Imports 2018 (mt)

Entity/Importer	Permit Number	HCFC-22 Quota	Actual Imported
Razzouk Bros. Corp.	IQN/001/2018/EPA	18.50	17.50
Modern Refrigeration Corp.	IQN/002/2018/EPA	11.80	3.39
Merjan Inc.	IQN/003/2018/EPA	6.30	2.00
T. Choithram & Sons	IQN/004/2018/EPA	4.76	1.98
SNOKRI, CFR	IQN/005/2018/EPA	15.04	7.48
TOTAL		56.40	32.40

NOTE: ¹A review of the import data file at the NOU for 2016 to 2018, showed differences in the quota Allocated and the actual imported. A further investigation showed that even though these quotas were allocated, the importers failed to import the quantity requested for, which led to the differences.

4.4. HCFC Imports 2019 (mt)²

Entity/Importer	Permit Number	HCFC-22 Quota	Actual Imported
Razzouk Bros. Corp.	IQN/001/2019/EPA	8.90	1.31
SNOKRI, CFR	IQN/002/2019/EPA	8.50	7.48
Naresh Bros.	IQN/003/2019/EPA	2.00	0.59
Fouani Bros.	IQN/004/2019/EPA	3.50	1.98
LR and Sons	IQN/005/2019/EPA	2.76	0.21
Electrocity	IQN/006/2019/EPA	2.00	0.32
Home Line Inc.	IQN/007/2019/EPA	3.10	0.16
Success Cooling Center	IQN/008/2019/EPA	2.50	0.07
COMM Business Center	IQN/009/2019/EPA	1.98	2.04
TOTAL		35.24	14.20

NOTE: ² This drastic reduction in the 2019 consumption is due to the fact that most part of 2019 was marred by national demonstrations and economic distrust that place uncertainties on the economy thereby causing business entities to slow down on business activities in the country.

4.5 HCFC Imports 2020 (mt)³

Entity/Importer	Permit Number	HCFC-22 Quota	Actual Imported
Razzouk Bros. Corp.	IQN/001/2020/EPA	10.30	8.02
Modern Refrigeration Corp.	IQN/002/2020/EPA	8.50	0.00
Home Line Inc.	IQN/003/2020/EPA	5.37	4.23
Success Cooling Center	IQN/004/2020/EPA	5.37	0.00
COMM Business Center	IQN/005/2020/EPA	7.30	0.00
TOTAL		36.84	12.25

NOTE: ³Data represent up to July 2020 and up to the preparation of this report, COMM Business Center and Modern Refrigeration Corp had not imported due to the COVID-19 Pandemic in the country.

5. Analysis of the Legal Instruments

5.1 Environment Protection and Management Law:

The Environment Protection and Management Law of the Republic of Liberia approved on November 26, 2002 and published by authority, Ministry of Foreign Affairs, on April 30, 2003, is the basis for the analysis.

The Law established a legal framework for the sustainable development, management and protection of the environment in line with regulated ministries and organizations and therefore recognizes the Montreal Protocol on Substances that Deplete the Ozone Layer.

Part VII Section 89 of this legal instrument gave birth to the Ozone Depleting Substances Regulations, and provides for the protection of the ozone layer. It specifically provides for issuing guidelines and instituting programmes related to:

- i. Elimination of substances that deplete the ozone layer;
- ii. Controlling practices and activities likely to lead to the degradation of the ozone layer;
- iii. Reduction and minimization of risks to human health created by degradation of the ozone layer;
- iv. Formulate strategies, prepare and evaluate programmes for phasing out ozone depleting substances (ODS).

5.2 The ODS Regulations

A review of the Ozone Depleting Substances Regulations of 2004 amended and revised by authority in 2010 has the following objectives:

- i. To regulate the production, trade and use of controlled substances and products;
- ii. To prohibit the production, trade and use of banned substances and products;
- iii. To provide a system of data collection that will facilitate compliance with relevant reporting requirement under the Protocol;
- iv. Promote the use of ozone and climate friendly substances, products, equipment and technology; and
- v. To ensure the elimination of all ozone depleting substances and related equipment using these substances.

Based on the objective of the ODS Regulations, the below observations were derived:

1. That the ODS Regulations existence is a result of the Montreal Protocol which makes it a strategic national instrument;
2. It considers both the private and public concerns;

3. It is specific of substances and related equipment that are forbidden for imports as listed in schedules;
4. It is specific on validity period of import license, which is one year as of January 1, to December 31 of the same year, and is non-transferrable. This will ensure that the import quantities are accounted to the correct year and prevent a situation of non-compliance as pertain to the reduction targets. .
5. It provides that the NOU establishes a data base of importers of ODS and related equipment, which would also assist in monitoring their activities for compliance;
6. It outlines punishment to be meted out against anyone who violates the Regulations;
7. It provides schedules on details of ODS that are controlled and prohibited;
8. It provides detailed but simple application forms for business that would like to engage in import of ODS.

Penalties for Violation of the ODS Regulations

An analysis of the ODS Regulations reveals that it applies to both private and public sector entities. Therefore, a person who violates any provision of the Regulations is sanctioned as follows:

- The violator is subject to an investigative hearing by the ODS Management Committee;
- If sufficient evidence abounds, the person shall be fined by the Committee an amount not less than US\$10,000 or a term of imprisonment not exceeding 10 years, as per section 56 of the Act creating the E.P.A., approved November 26, 2002 and published by authority of the Ministry of Foreign Affairs on April 30, 2003;
- Suspension of offender's import license.

Imports Licenses

The ODS Regulations makes it mandatory for anyone wishing to import/export ozone depleting substances and related equipment to first apply for a permit to the E.P.A. through its ozone unit. Anything short of this will lead to seizure of the shipment. Currently, the Regulations does not require the applicants to pay any fees for application and registration.

Processing of Application

The ODS Regulations provides that anyone wishing to engage in an enterprise dealing with controlled substances must express said intent to the E.P.A. through the National Ozone Unit, which involves the following:

- i. Writing a letter of application, and
- ii. Filling out the relevant form provided by the Ozone Unit.

Upon receipt of the application, the NOU will first verify that the applicant has an appropriate storage facility after which the EPA will grant the applicant the license to carry out its intent:

- i. The license will be valid for a renewable period of one calendar year (January to December);
- ii. The license will involve a quota restriction;
- iii. The license once issued cannot be transferred;
- iv. The license holder cannot produce, manufacture, import, export, sell or store any controlled substance unless a permit is obtained for each consignment.

As a control measure, any qualified business or individual desirous of doing business in ODS is issued a license once in the calendar year (Jan. to Dec.) on which the total quota for the year is stated. Prior to the import of each consignment of the allotted ODS quota, the importer first proceeds to the Foreign Trade Section of the Ministry of commerce with the import documents, which includes an invoice, for Import Permit Declaration (IPD). Prior to the issuance of the IPD, the importer is directed to the NOU for approval/Clearance on the items to be imported. When the items are approved by NOU, the importer goes back to the Foreign Trade Section and is issued a final clearance to import. This circle is repeated for each consignment and for each transaction the NOU makes sure to check the quantity of each consignment against the importer's quota to indicate a balance. This ensures that excess quota is not imported.

It is also noteworthy that no business entity or individual in Liberia is allowed to import ODS without first presenting an invoice for approval by the competent authority. Anyone found in such practice is in violation of the law. The practice currently in place is that for each consignment the importer must obtain a permit from the NOU and the Foreign Trade Section of the Ministry of Commerce and Industry prior to the import.

Revocation or Suspension of License

The Regulations empowers the NOU through recommendation of the ODS Management Committee, to revoke or suspend a license or permit. A license or permit is revoked or suspended if the holder violates any provision of the Regulations. The NOU however is obliged to inform the license or permit holder in writing of its intention to suspend or revoke the permit or license. This is intended to provide an opportunity for the holder to respond showing cause why the suspension or revocation should not be effected.

Registrar of Licensed Importers

The Regulations mandates the National Ozone Unit to establish and maintain register of all ODS licenses and permits. The register also comprises all importers of ozone depleting substances and related equipment kept at the Unit. The contents of the register are as follows:

- i. Name and address of place of operation of importer's business;
- ii. Date of issue and renewal date of license;
- iii. Details of any suspension or revocation of license.
- iv. Name and mobile number of contact person.

Labeling and Packaging

The ODS Regulations makes it compulsory for all importers of controlled substances and related equipment to clearly label and package these substances/goods to show name of manufacturer, country of origin and the International Union of Pure and Applied Chemistry name (Chemical formula, chemical name, safety measures, name and address of manufacturer U.N. Number, Chemical Abstract Number) and any other such information.

Visit to the Ganta Port of Entry

The consultant's visit to the Ganta Customs Port of entry was to determine whether customs authorities were playing their role in the fight against ozone depletion with respect to the trade in ODS and related equipment. At this port of entry, two instances of illegal ODS imports, especially of HCFC-22 and HFC-134a, were recorded. Records showed that the illegally imported chemicals were turned over to the National Ozone Unit.

It was observed that the only refrigerant identifier at this port of entry was out of order. Besides, even it was functional it lacks the capability to analyze the natural and other refrigerants.

It was further observed that the National Ozone Unit has conducted several customs training workshop at this border town for customs and other law enforcement officers. The Ganta Port of entry handles Imports and Exports between Conakry, Guinea and Liberia.

Suspicious Shipments

At the Ganta Port of Entry, it was observed that when there is a suspicious shipment the customs officers use a customs' checklist that was provided by the NOU. The officers have been trained to use the checklist. When a suspicious consignment is identified it is seized and subjected to verification by the EPA analytical laboratory following which determination is made as to what next to be done with the shipment.

Methodology used for Suspicious Shipments

The Liberian Customs Officials solely depend on the use of refrigerant identifiers to identify suspicious shipments. All major ports of entry were previously supplied with identifiers to help clear suspicious shipment. In the absence of identifiers, which is currently the case due to damage to most of the identifiers, the ozone unit is notified of such shipment and the necessary actions are taken. In all of the customs training conducted by the NOU, training on the usage of refrigerant identifiers has been cardinal.

6. The Harmonized Customs Codes in Use

To identify ODS and ODS Mixtures, the following codes are being used as national system of harmonized customs codes.

ODS Type	HS CODE	Comments
R-11 – Trichlorofluoromethane	2903.79.90.00	Not permitted
R-12 – Dichlorodifluoromethane	2903.77.00.00	Not permitted
Methyl Bromide	2903.39.10.00	Not permitted
R-22 – Chlorodifluoromethane	2903.71.00.00	Permitted
Halon 1211 – Bromochlorodifluoromethane	2903.76.00.00	Not permitted
1,1,1,- Trichloroethane	2903.19.10.00	Not permitted

7. Official Statistics of Imports

The Liberia Customs and Excise Unit of the Ministry of Finance and Development Planning (MFDP) uses a software called Automated System for Customs Data (ASYCUDA) to collect official import data. The system is designed to suit the Liberia Revenue Authority (LRA) and is aimed at maximizing revenue collection rather than monitoring ODS and related equipment and other substances. The NOU collects ODS and related appliances import data from the LRA and process the data for its use.

There are only two border posts in Liberia that are connected to the ASYCUDA, (Roberts International Airport and the Free Port of Monrovia) while the rest carry on manual data processing. As a result, when a consignment gets to a border that is not connected to the ASYCUDA, the importer declares the goods by presenting to the customs inspectors all documentation pertaining to the consignment, which includes the supplier's invoice, EPA Permit, among others. The inspectors conduct a physical inspection of the goods to ensure they corroborate with the items on the documents. Once this is done, the documents are taken to the examiner for billing to ensure that correct government revenues are collected. Following payment of government charges, the goods are released to the importer. At these borders, when documents are manually processed, they are later taken to headquarters for entry into the ASYCUDA. The sole purpose of the ASYCUDA is to maximize revenue collection.

7. Conclusions

In conclusion, Liberia, as a party to the Montreal Protocol and all of its amendments, legislative and policy formulation for the imports of Ozone Depleting substances remain core and cardinal to its commitment in ensuring that requisite measures are taken to regulate importation and licensing measures that guide ODS imports in Liberia. It serves as a basis to strengthen national control and regulatory mechanisms as well as enforce coordination at the national level amongst line Ministries and Agencies and bring into compliance importers.


The verification process of hydrochlorofluorocarbons in terms of how imports and licensing is carried out doesn't only account for the country's commitment to ensure that the Ozone layer is protected; but also sets clear procedures and methodologies in ensuring that legal steps are taken for the importation and licensing of HCFCs brought into Liberia as well as define a well-coordinated institutional framework laid out to track and monitor the process. It is clear that this is a milestone in guiding the process of effective and quality control of HCFCs in Liberia. The Environmental Protection Agency of Liberia, as the National designated Authority for environmental sustainability, this document manifests the agency's ability to take stronger steps in controlling the importation, licensing and usage of HCFCs in Liberia, through a systematic, pragmatic and coordinated approach.

8. Recommendations

1. That the NOU works more closely with the Ministry of Commerce and Industry in ensuring that all importers of the controlled substances apply well in advance taking into account that some importers which would allow for follow up on the substances;
2. That training workshops for customs and other law enforcement officers especially at various border points be given priority and should be done more frequently;
3. There is need to replace refrigerant identifiers that are defective or lacks the ability to identify the natural and other alternative refrigerants at entry points;
4. That provision of incentive for customs officers who unearth cases of ODS and related equipment smuggling be introduced. This will encourage customs officers to be more proactive in performing their duties;
5. There is need to develop posters depicting the new harmonized customs codes for refrigerants for distribution to various border entries to assist customs officers in their enforcement process;
6. That the NOU, on a periodic basis (perhaps quarterly), request from the Liberia Revenue Authority (LRA) data on ODS import. This will enable the NOU to have a real overview on ODS imports.
7. There is need to carry out a more robust national awareness through the development and distribution of awareness materials, electronic, print and the social media.
8. That the NOU closely collaborates with the Ministry of Commerce and Industry (Foreign Trade Unit) to ensure that prior to import of ODS, all such documents be scrutinized by the NOU. This will help in avoiding the import of substances that are unfit for consumption.
9. That the NOU, on a yearly basis, submit a list of recognized and registered ODS importers to the LRA. This will help the LRA to determine whether the importer is one recognized by the EPA.

Declaration

I, the undersigned, declare that the verification report contains a representation of the findings of the verifier, that as far as I am concern no relevant information has been left out, and that the conclusions represent the best judgment of the verifier.

Signed:  _____
Samuel T. Maximore/Consultant