

# STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

# Review Report on the Kigali Amendment to the Montreal Protocol on Substances That Deplete the Ozone Layer



### PARLIAMENT OF THE REPUBLIC OF FIJI Parliamentary Paper No. 01 of 2020

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# Chairperson's Foreword

I am pleased to present the Review Report on the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer.

The Standing Committee is established under Section 109 (2) (e) of the Standing Orders (SO) of the Parliament of the Republic of Fiji.

The purpose of the review was to scrutinise and Review the Kigali Amendment (Amendment) to the Montreal Protocol on Substances that Deplete the Ozone Layer (Kigali Amendment). Parliament had referred the above Amendment to the Standing Committee on Foreign Affairs and Defence at its sitting on 28th November 2019.

The Committee when reviewing the treaty, heard oral submissions, received written submissions as well as holding public consultations in Suva and Lautoka. Those heard and consulted included the:

- Department of Environment (DoE)
- Ministry of Industry, Tourism and Trade (MoITT)
- Department of Energy (DoE)
- Pacific Islands Development Forum (PIDF)
- UNDP Montreal Protocol and Chemicals Unit
- The University of the South Pacific
- Consumer Council of Fiji
- Ministry of Foreign Affairs
- Office of the Solicitor General
- Mr. Daven Omar Kumar, Managing Partner Gomae Molle, Climate Change Civil Litigation
- Mr. Kevin Ching, Director Foreign Appliances Refrigeration Company
- Mr. Seru Ramakita, Refrigeration Consultant

The Fijian Government acceded to the Vienna Convention on the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) in 1989.

Through the Montreal Protocol, Fiji has successfully reduced the use of Ozone Depleting Substances (ODS) over the years. In addition, the Montreal Protocol has contributed in the reduction of greenhouse gas emissions of around 135 billion tonnes of Carbon Dioxide (CO2) equivalent, making it a key contributor to the global fight against climate change.

As a Green House Gas, HFC is 14,800 times more potent than CO2, the gas most blamed for climate change due to its abundance. The Amendment creates the opportunity and the potential to avoid up to 0.5°C of warming by the end of this century.

The Montreal Protocol has evolved over time and has been amended several times to reflect the latest findings and science of the ozone layer. It has also evolved in consideration of the development and progress of ODS alternative technologies. Fiji, as a party to the Montreal Protocol, has ratified all 4 amendments to the Montreal Protocol namely the London Amendment (1990), the Copenhagen Amendment (1992), the Montreal Amendment (1997) and the Beijing Amendment (1999).

The most recent amendment to the Montreal Protocol is the Kigali Amendment. The Amendment was agreed upon on 15 October 2016, in Kigali, Rwanda and entered into force on 1 January 2019 with the exception of the changes to Article 4 of the Montreal Protocol set out in Article 1 of the Amendment which will enter into force on 1 January 2033.

With the Kigali Amendment, the Montreal Protocol progressed from being an Ozone protection treaty to one that also addresses Climate Change.

For a region that is advocating limiting temperature rise to  $1.5\,^\circ\!\mathrm{C}$  as compared to preindustrial levels, the implementation of the Kigali Amendment could make the required difference.

As of 15 January 2020, the Amendment has been ratified by 91 State Parties which include ten (10) smaller pacific island countries.

The Fijian Government through the Department of Environment (DoE) has continued to support the use of ozone-friendly technologies and gases and is committed to ensuring that Fiji understands the obligations of a party to the Amendment. The Department continues to support the work of the Montreal Protocol in the recovery of the ozone layer by further phasing out ODSs and in the process, has contributed to the mitigation of climate change.

Countries will face some challenges related to control of substance and improvement of servicing to avoid leakage. Also, the HFCs consumption tail from 2045 onwards, will demand countries to prioritize allowable uses of HFCs.

Countries will also face challenges related to the adoption of alternatives that are either toxic or flammable, maintaining safety and cost-effectiveness.

A developing country, such as Fiji, whose anual per capita consumption and production of ODSs is less than 0.3 kilogrammes, is eligible to access funding under the Multilateral Fund to support the phase-down activities. However, Fiji is yet to determine its baseline values.

By ratifying the Amendment, Fiji will consent to supporting the reduction of Hydroflurocarbon (HFC) gases that tremendously contribute to global warming.

The Amendment is a binding international agreement or treaty which is intended to create rights and obligations in international law. It is designed to phase-down and reduce the production and consumption of HFCs frequently used in refrigeration and air- conditioning systems and currently used as replacements to ODSs.

The Committee recommends that Fiji ratifies the Kigali Amendment with immediate effect in order to meet the phase down schedule and the baseline for freeze that are part of the amendment.

The Committee commends the contributions by stakeholders that assisted in the preparation of this report. The formation of a National Steering Committee inclusive of all stakeholders will be beneficial towards the implementation of the Treaty.

I take this opportunity to also thank members of my Committee for compiling this bipartisan report.

On behalf of the Standing Committee on Foreign Affairs and Defence, I submit this report to the Parliament.

Hon. Alexander O'Connor

Chairperson

# **Acronyms**

CFC	Chlorofluorocarbons
GEF	Global Environment Facility
GWP	Global Warming Potential
HCFC	Hydrochlorofluorocarbon
HFC	Hydrofluorocarbon
NOU	National Ozone Unit
ODP	Ozone Depletion Potential
ODS	Ozone Depleting Substances
PIDF	Pacific Islands Development Forum
RAC	Refrigeration and Air-Condition
SDG	Sustainable Development Goal
SO	Standing Orders

#### **Recommendations**

The Committee recommends that:

- 1. Fiji ratifies the Kigali Amendment with immediate effect.
- 2. The ODS Act 1998 to be amended to include "and other substances" to the definition of the "Ozone Depleting Substances"
- 3. Establish control and reporting systems in the form of a National Steering Committee, formerly the Consultative Committee on ODSs, to include all stakeholders.
- 4. Consider development of technologies and capacity to safely dispose of discarded white goods i.e. refrigerators and air-conditioners.
- 5. Noting there are viable and cost-effective industrial alternatives to HFCs, the Committee supports the adoption of the Kigali Amendment. This is in line with Fiji's (and other Pacific island countries') position in regards to decreasing Greenhouse Gas Emissions that contribute to Climate Change.
- 6. The Government should consider offering syllabus/modules in Higher Education Institutions to factor in the learning of other supplement gases to HFCs, in particular ammonia.
- 7. That country wide consultations be carried out to gauge the level of participation in the Refrigeration and Air-Condition (RAC) sector.

#### 1.0 Introduction

#### 1.1 Background and Terms of Reference

The Committee had reviewed the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (Kigali Convention) in its first meeting on Tuesday 14<sup>th</sup> January 2020.

Between 15<sup>th</sup> - 31<sup>st</sup> January 2020 stakeholders made submissions on the above Treaty in the Parliament precinct in Suva and Lautoka City Council Mayoral Chambers.

The Amendment is a binding international agreement or treaty which is intended to create rights and obligations under international law. It is designed to phase-down or reduce the production and consumption of HFCs frequently used in refrigeration and air- conditioning systems and currently used as replacements to ODS.

The Report is divided into three parts:

- I. **Part One** focuses on the Committee recommendations
- II. Part Two covers the Findings of the report to Parliament
- III. **Part Three** covers the Conclusion

#### 1.2 Committee Remit and Composition

Pursuant to Standing Orders 109(2) (e) that the Standing Committee on Foreign Affairs and Defence is mandated to look into matters related to Fiji's relations with other countries, development aid, foreign direct investment, oversight of the military and relations with multilateral organisation.

The members of the Standing Committee on Foreign Affairs and Defence are as follows:

- 1.2.1 Hon. Alexander O'Connor Chairperson
- 1.2.2 Hon. Dr. Salik Govind Deputy Chairperson
- 1.2.3 Hon. Selai Adimaitoga Member
- 1.2.4 Hon. Anare Jale Member
- 1.2.5 Hon. Lenora Qereqeretabua –Alternate Member

### 1.3 Procedure and Program

The Standing Committee on Foreign Affairs and Defence commenced its deliberation on the 15<sup>th</sup> January 2020 and received written and oral submissions from the stakeholders following with the following attendees:

- Department of Environment;
- Ministry of Industry, Tourism and Trade;
- Department of Energy;
- Pacific Islands Development Forum (PIDF);
- Fijian Competition and Consumer Commission (FCCC);

- UNDP Montreal Protocol and Chemicals Unit;
- The University of the South Pacific;
- Consumer Council of Fiji;
- Ministry of Foreign Affairs;
- Office of the Solicitor General;
- Mr. Kevin Chin Director Foreign Appliances Refrigeration Company
- Mr. Seru Ramakita Refrigeration Consultant

# 2.0 Committee Deliberation and Analysis

#### 2.1 Committee Findings

The Committee's findings are outlined below:

- 1. All submitters agreed that Fiji sign and ratify the Kigali Amendment.
- 2. HFCs, which are not Ozone depleting, are commonly used alternatives in refrigeration. However while not ODSs, HFCs are Green House Gases with very high global warming properties.
- 3. With the Amendment, the Montreal Protocol progressed from being an Ozone protection treaty to one that also addresses Climate Change.
- 4. The achievement of SDGs will not be possible if we do not take into consideration the protection of the Ozone layer and the environment.
- 5. This high demand in the Service Sector is likely to put enormous pressure on the servicing sector, due to the high quantity of new HFC-based equipment in the market every year.
- 6. Countries will face great challenges related to control of substance and improvement of servicing to avoid leakage of the Ozone layer. Also, the HFCs consumption tail of 20% for Group 1 from 2045 onwards, will demand countries to prioritize allowable uses of HFCs.
- 7. Countries will also face challenges related to the adoption of alternatives that are either toxic or flammable, and in maintaining safety and cost-effectiveness.
- 8. A gradual, market-driven phase down of current-generation hydrofluorocarbons which targets an 80% reduction of HFC consumption by 2047. The first HFC reduction is to take place in 2024.
- 9. Trade control provision enters into force on 1 January 2033, provided at least 70 Protocol parties have ratified the Amendment.
- 10. Due to the technical nature of the subject matter together with its application, the level of awareness and education amongst consumers on the dangers of HFCs, is currently minimal. Therefore, roll out of Consumer Education programs to encourage consumers to participate in the national ODS program is important.

#### **Benefits of Accession**

- 1. Should Fiji ratify, it will reinforce the nation's commitment to the international protection of the ozone layer and the climate system, reduce reliance on HFCs and provide long term certainty for companies to invest in newer and innovative alternative environmentally-friendly technologies.
- 2. The implementation of the Amendment, is anticipated to result in avoiding up to 0.5°C of global warming by 2030, which is a significant contribution towards the Paris Agreement objective of keeping the temperature rise well below 2°C of the preindustrial level.
- 3. Article 10 of the Montreal Protocol establishes a financial mechanism to provide financial and technical cooperation, including the transfer of technologies to support Article 5 countries like Fiji on their compliance. There will be financial support for institutional strengthening around import and export licensing and quotas, reporting, demonstration projects and the development of national strategies for phasing down of HFCs.
- 4. Advances the national, regional vision and common interest on reducing climate vulnerability and amplifying our voices and leverage within the UN.
- 5. Contributes to the sustainability goals, consistent with the 2030 Agenda.

## **Requirements for Implementation**

- 1. It requires critical efforts from Government to establish control and reporting systems through a National Steering Committee that will oversee the implementation; transition and mainstreaming information with all stakeholders.
- 2. To develop a comprehensive national plan of action involving all stakeholders with annual costed operational plan.
- 3. Mobilize adequate funds and resources to successfully implement the plan.
- 4. To establish a system for monitoring and evaluation.

#### **Challenges**

There are risks and challenges that have to be addressed and mitigated which include:

- 1. Adapting existing laws or introducing new ones to achieve the HFC phase-down;
- 2. Surveying existing HFC consumption and production;
- 3. Extending the ODS import and export licensing system to cover HFCs;
- 4. Putting in place, where appropriate, any practical arrangements that may be required for customs officers to assume extra responsibilities concerning HFCs;
- 5. Developing the resources to report under the Amendment;
- 6. Developing a strategy for HFC phase-down, including monitoring and enforcement;
- 7. Lack of scientific capacity and skills retention; and
- 8. Implementing legislative changes to the existing Ozone Depleting Substance Act 1998.

# 2.2 Oral and Written Evidence Received

The Committee received oral and written submissions from stakeholders and the public as listed on page 3 of this report and in *Appendix A*.

# 3.0 Gender Analysis

The Convention is gender neutral and therefore benefits all genders.

## 4.0 Conclusion

The Standing Committee on Foreign Affairs and Defence has fulfilled its mandate approved by Parliament which was to report on the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer after consultations with the relevant stakeholders.

# 5.0 Members' Signature

Hon. Alexander O'Connor Chairperson

Hon. Dr. Salik Govind Deputy Chairperson Hon. Lenora Qereqeretabua Alternate Member

Hon. Selai Adimaitoga Member Hon. Anare Jale Member

# 6.0 Appendices

## 6.1 Appendix A

All other written and transcribed evidences gathered during the public submissions and public consultations will be made accessible on the Parliament website on:

http://www.parliament.gov.fj/committees/standing-committee-on-foreign-affairs-and-defence/

No	Date	Agency/Organisation	Written Evidence	Oral Evidence
1	14 <sup>th</sup> January, 2020	Department of Environment	<b>√</b>	<b>✓</b>
2		Ministry of Industry, Trade and Tourism	<b>√</b>	<b>√</b>
3		Department of Energy	✓	✓
4	16 <sup>th</sup> January, 2020	Pacific Islands Development Forum	✓	<b>√</b>
5		Fijian Competition and Consumer Commission	<b>√</b>	
6	21 <sup>st</sup> January, 2020	UNDP Montreal Protocol and Chemicals Unit	<b>√</b>	<b>√</b>
7	23 <sup>rd</sup> January, 2020	The University of the South Pacific, Dr. Francis Mani	<b>√</b>	<b>✓</b>
8		Consumer Council of Fiji	✓	✓
9	- th -	Ministry of Foreign Affairs	<b>√</b>	<b>√</b>
10	27 <sup>th</sup> January, 2020	Office of the Solicitor General	<b>√</b>	<b>√</b>
11	30 <sup>th</sup> January, 2020	Mr. Davendra Kumar		<b>√</b>
12	31 <sup>st</sup> January, 2020	Mr. Kevin Ching and Mr. Seru Ramakita	<b>√</b>	<b>√</b>