



Immediate Release  
November 3, 2006

Contact: Alexander von Bismarck  
Campaigns Director  
Environmental Investigation Agency  
(202) 483-6621; (202) 294-0372  
saschavonbismarck@eia-international.org

### **Ozone Treaty Sounds Alarm on Global Warming Gas**

New Delhi, India— Days before the commencement of international climate negotiations in Nairobi, countries meeting for the ozone layer treaty issued an alarm today about the rising production of a potent global warming gas, and the need for urgent cooperation with the climate treaty to stop it.

Countries meeting in Delhi cautioned that unintended incentives created by the climate change treaty's Kyoto Protocol currently threaten to block their efforts to phase out hydrochloroflourocarbons (HCFCs), a gas used in air-conditioning and refrigeration systems, and which has a global warming potential 1700 times that of carbon dioxide. U.N. experts earlier this year warned that the continued production of HCFCs could add over a billion carbon dioxide-equivalent tons of greenhouse gases to the atmosphere over the next ten years.

“The current growth of production and use of HCFCs has enormous implications for climate change as well as the ozone layer. The Montreal Protocol has achieved great successes in protecting the ozone layer, and this decision signals the intention among its member states to actively tackle the issue of HCFCs,” said Mrs. Marcia Levaggi, head of the Argentinean delegation and a leader in the development of the decision. She added: “We hope it will also encourage urgent cooperation between the ozone and climate treaties.”

The decision calls on the technical experts of the Montreal Protocol on Substances that Deplete the Ozone Layer to conduct an investigation and report “on the influence of the [Kyoto] Clean Development Mechanism on HCFC-22 production, as well as the availability of alternatives to HCFCs.”

The Clean Development Mechanism (CDM) allows industrialized countries to buy emissions credits for the reduction of greenhouse gases in developing countries. The majority of the early projects award credits for the destruction of a chemical called HFC-23, a potent global warming gas in its own right that is a by-product of the production of HCFC-22. Because these credits are so lucrative, they create a strong disincentive to stop the production of the source chemical.

Thus far, the CDM has registered 8 companies that produce HCFC-22 to be eligible for emissions credits. One such deal announced on October 3<sup>rd</sup> pays two Chinese companies \$1.02 billion per year to destroy about 19 million CO<sub>2</sub>-equivalent tons per year of HFC-23. To receive this money, however, they will have to produce about 95 million CO<sub>2</sub>-equivalent tons of HCFC-22.

The decision follows a report by a green watch-dog group, the Environmental Investigation Agency, distributed at the meeting entitled, "Turning Up the Heat" – which reports on alarming increases in HCFC-22 production in China and describes the links between ozone depletion and climate change.

"We're concerned the Kyoto protocol is undermining its own achievements," said Alexander von Bismarck, EIA's Campaigns Director, who will be attending the climate negotiations in Nairobi. "We've seen in our investigations how CDM projects are encouraging the skyrocketing production of this potent global warming gas and building a massive obstacle to its elimination."

"The Kyoto Protocol must send an immediate signal to the market that future increases will not be rewarded and cooperate with Montreal Protocol to address excessive HCFC production, which is the root of the problem," he concluded.

Editor's Notes:

- EIA is an independent, non-governmental organization, based in Washington, DC, committed to investigating and exposing environmental crimes around the world.
- In May 2006, the US Environmental Protection Agency awarded EIA the Stratospheric Ozone Protection Award for its work in combating the illegal trade in ozone-depleting chemicals. EIA has been actively tracking the global illegal trade in ozone-depleting substances since the mid-1990s to provide information to the Montreal Protocol and other relevant bodies.
- The Montreal Protocol was agreed on January 1, 1987, and is now ratified by 188 countries. Under the Montreal Protocol and its amendments, ozone-depleting substances are to be reduced and eliminated through the development of chemical substitutes and alternative manufacturing processes (elimination is the final objective).

- In the developing world, the consumption of HCFC-22 is scheduled to be phased out by 2040, while production is set to be frozen at 2016 levels and there are currently no requirements for a full phase out of production.

###