

Regulatory Challenges in the Phasing-out of Persistent Organic Pollutants in Indonesia

Mohamad Mova AlAfghani
Dyah Paramita

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POPs in Indonesia

Source: National Implementation Plan, 2014

Chemicals	Numbers	Specific Regulation
PCB	Inventoried: 22,878 tons of dielectric oil (>50ppm)	None
PFOS	Est using export data 99-2012: Fire Retardant Foam=1208159 kg Est using import data 99-2012: 2022057kg (textile), 1085742kg (pulp&paper), 123933kg (FR)	None
PBDE	Est: 5,185 kg (tetra-BDE), 26,689 kg (penta BDE), 3,681kg(hexa-BDE)and230kg(hepta-BDE)	None
Endosulfan	Still found in small kiosks (2013)	Prohibited
DF Emission	5.547,2 g TEQ (Open Incineration), 2.388,5 g TEQ (Production of chemicals and consumption goods), 812,1 g TEQ (Garbage Incineration)	Partial

POPs regulation is “new”.....

What is “Phasing-out”?

Stockholm Convention Article 13(7): “...*keeping in mind that the **phasing out** of persistent organic pollutants might require sustained funding, and the conditions under which that amount shall be periodically reviewed*”

Stockholm Convention In the context of PFOS (Annex B (Restriction) part 3: “...*to take action to **phase out** uses when suitable alternatives substances or methods are available*”

Not really clear from the Stockholm Convention....

What “Phasing-out” means in practice (1)

1. A “transitional” arrangement
(as opposed to outright ban)

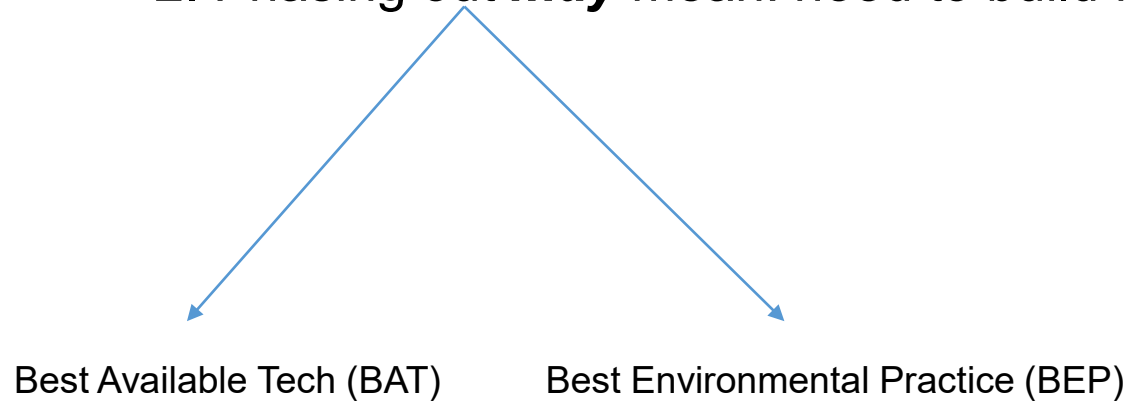
- Deadline for use (for PCB until 2025 -- Stockholm)
- Deadline for storage (for PCB not yet determined)
- Deadline for disposal (for PCB 2028 -- Stockholm)
- Post Phasing-out handling



Shut me down and the nation goes dark....

What “Phasing-out” means in practice (2)

2. Phasing out *may* mean: need to build facilities and that can be costly and require some time to construct



Issues for tech options:

- Combustion vs Non-combustion
- Mobile vs stationary or a combination of both

Business considerations:

- Market structure (creation of new business)
- Monopoly vs liberalization

What “Phasing-out” means in practice (3): Stockpile



Existing Legislation
(This legislation is difficult to change):

Production	Maximum Period	Storage
< 50 kg/day	180 days	
≥ 50 kg/day	90 days	

Should export be allowed?
More storage period = more risk

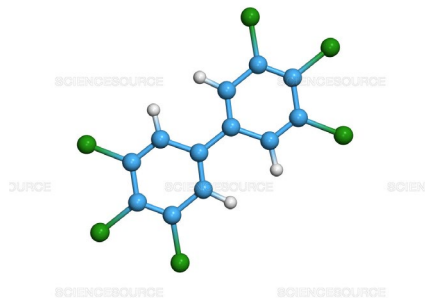
What Phasing out means in practice (4): Incentives (\pm)



Cycle	Incentive (PCB example)
Production and Import	<ul style="list-style-type: none"> Prohibition on PCB containing transformers (-) Import facilities for clean transformer (+)
Use of POPs	<ul style="list-style-type: none"> ALLOWED until certain date (+) Punish after deadline (-) Specific rules on public places (-)
Registration	<ul style="list-style-type: none"> DANGER: wrong incentive means they dump the materials! Different segment, different incentive! Subsidized inventory at early stage (+) Pay your own at later stage (-) Penalize those who does not declare (-)
Storage	<ul style="list-style-type: none"> Do not prosecute those who exceed storage period limit (+)
Disposal	Gradual increase of treatment cost (\pm)
GENERAL	<ul style="list-style-type: none"> Use PROPER (Indonesian Classification of Environmental Compliance)

Regulation needs to be adjusted to POPs

Existing regulation in Indonesia only covers “substance” (*Bahan*). Need to be adjusted so that it covers not only substances but also “mixture” and “articles”. There hasn’t been any court case though...



Substance?



Mixture



Article

Chemicals in product is not yet a focus

Need for new “standards” for almost..... everything....

Where does the numbers come from?



Should “PCB Free” means 2 PPM or 50 PPM?

2 PPM means more income for the disposal company (means more stuff coming in), but also more cost

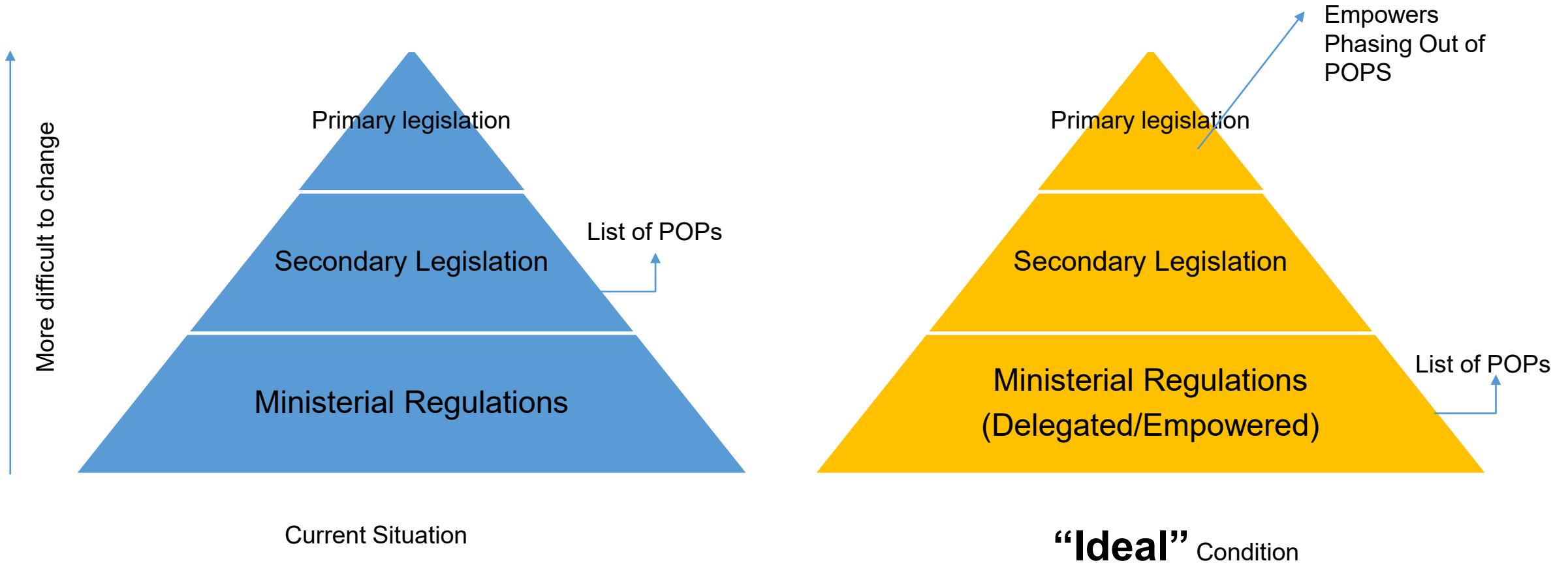
50 PPM is lower cost

“PCB Free”, indoor air quality, TCLP, and so forth....

Standards will also determine the Market Structure (who can enter and who will exit)

“Regulatory borrowing” may cause “transplant failures → Needs adjustment to local context”

Regulation need to cope with growing list of POPs



POPs Transcends Bureaucracy, Can Bureaucracies Cope?

Environment:
Ministry of
Environment
and Forestry

Food:
Food and Drugs
Agency (BPOM)

**Consumer
Products other
than food:**
Ministry of
Industry

**Building/
Housing:**
Ministry of
Public Works,
Local Govt

**Drinking Water
Quality:**
Ministry of
Health

Tax Facilities:
Ministry of
Finance, Fiscal
Policy Bofy
(BKF)

**Worker's
Safety:**
Ministry of
Manpower

Import:
Ministry of
Finance, Dir.
General of
Custom

Transportation
of Wastes:
Ministry of
Transport

- A lot of sectoral regulations needs change
- **But....** lead agencies does not want to ruffle feathers...
- Need high political commitment: maybe from the *President* himself??
- **But...** emerging economies are geared toward growth, industrialization and infrastructure development. This is **not** on top of their priorities

Thank You
movalafghani@alafghani.info

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