

**PROVISIONAL AGENDA OF XXXV MEETING OF THE EMPOWERED STEERING
COMMITTEE OF THE MINISTRY OF ENVIRONMENT AND FORESTS FOR
IMPLEMENTATION OF THE MONTREAL PROTOCOL**

- Date** : 29th October, 2008
- Time** : 11:00 am
- Venue** : Room No. 403 (Conference Room),
Paryavaran Bhawan,
CGO Complex,
Lodhi Road,
New Delhi – 110 003
- Item No. 1** : Adoption of the Agenda
- Item No. 2** : Confirmation of Minutes of XXXIV Meeting of the
Empowered Steering Committee (ESC).
- Item No. 3** : Action taken on decision of the XXXIV ESC.
- Item No. 4** : Progress of Implementation status of the Projects.
- a) Umbrella Project in Foam Sector.
 - b) Umbrella Project in Commercial Refrigeration
Sector.
 - c) National CFC Consumption Phase-out Plan
(NCCoPP).
 - d) CFC Phase out Project.
 - e) National CTC Phase out Plan.
- Item No. 5** : Consideration of the applications received for Duty
Exemption in respect of new or expanded activities with
non-ODS technology.
- Item No. 6** : Accelerated CFC production closure.
- Item No. 7** : MDI Transition Strategy Proposal.
- Item No. 8** : HCFC Phaseout Strategy
- Item No. 9** : Submission of Article 7 Data
- Item No. 10** : Any other matters with permission of the Chair.

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ANNOTATED AGENDA OF XXXV MEETING OF THE EMPOWERED STEERING COMMITTEE OF THE MINISTRY OF ENVIRONMENT AND FORESTS FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL SCHEDULED TO BE HELD ON 29th OCTOBER, 2008.

Item No. 1 : Adoption of the Agenda

The provisional agenda may be adopted.

Item No. 2 : Confirmation of Minutes of the XXXIV Empowered Steering Committee (ESC) meeting held on 5th March, 2008.

The Minutes of XXXIV meeting of the ESC which was held on 5th March, 2008 has been circulated to all Members. No comments have been received. The Minutes placed at **Annex-A, pages 1-12** may be confirmed.

Item No. 3 : Action taken on decision of the XXXIV ESC.

S. No	Decision taken in XXXIV ESC	Action taken on the decision
1.	<u>Paragraph 4 (S.No. 6)</u> : Steps taken for submitting the request for Essential Use Nomination (EUN) of CFC to be used in MDI sector for 2010 and 2011	A meeting with all MDI manufacturers was convened by the Ozone Cell on 7 th August, 2008 to discuss the procedures for filing EUN application. A copy of the application was given to the producers to fill in the necessary information required from them. The EUN filled by the MDI manufacturers was further discussed in the South Asia Network Meeting held in Tokyo in September, 2008. The manufacturers were advised to submit the EUN to the Ozone Cell by 30 th November, 2008 for onward transmission to the Ozone Secretariat for its consideration.
2.	<u>Paragraph 4 (S.No. 7)</u> : Preparation and submission of MDI transition strategy proposal to Multilateral Fund (MLF)	UNDP has prepared and submitted the project document on MDI transition strategy to the MLF for consideration at the 56 th Executive Committee (ExCom) to be held in November, 2008.
3.	<u>Paragraph 4 (S.No. 9)</u> : Stakeholder workshop on HCFC phaseout	Stakeholder meeting to discuss India's HCFC Management Plan was organized on 4 th June, 2008 at India Habitat Centre, New Delhi. The meeting was attended by all implementing agencies, Refrigerant Gas Manufacturers Association, Refrigeration and Airconditioning Manufactures Association, Indian Polyurethane Association and others. As an outcome of the meeting the HCFC Road Map has been prepared.

4.	<u>Paragraph 8</u> : Monitor the export and domestic sale of CFC from January to April, 2008	All producers have been asked to submit monthly data on export and domestic sale of CFC to the Ozone Cell. The data has been received as of 31.7.2008.
5.	<u>Paragraph 9</u> : (a) Monitor the movement within the CTC inventory held by both producer and feedstock users. (b) Assess the impact of CTC annual programme by agency and sector.	The annual CTC verification exercise was conducted in March, 2008 and the audit report was submitted and approved by the 55 th ExCom at its meeting held in July, 2008. The CTC inventory has been monitored as part of the verification exercise and found to be within compliance limits. The Ozone Cell has started the assessment exercise. The assessment is likely to be completed by December, 2008.
6.	<u>Paragraph 14</u> : Decision of the 54 th ExCom on the proposal of CFC management and accelerated CFC production closure	The 54 th ExCom has approved the CFC management plan proposed by India and CFC accelerated production closure plan for a compensation US \$ 3.17 million and a maximum of allowable production of 690 MT for MDI manufacture by 1 st August, 2008. In addition 135 MT of CFC can be reprocessed from existing stockpile. The Decision of the 54 th ExCom has been informed to the Chairperson, ESC.

Item No. 4 : Progress of Implementation of Projects

a) Progress of Implementation Status of Umbrella Project in Foam Sector

The project was approved in 37th Meeting of the Executive Committee of the Multilateral Fund (MLF) held in July 2002, at a total funding level of US\$ 5,424,577, to be provided in five tranches, leading up to the complete phase-out of CFCs in the Foam Sector in India. All the five tranches have been approved by the Executive Committee and released to UNDP.

A total of 122 foam manufacturing enterprises under this sector plan have phased out 702 MT of CFC and have shifted their process to HCFC 141 b based technology.

The process completion verification as decided by ESC in its 33rd meeting has been initiated. The trial and commissioning costs due to the enterprises shall be disbursed after due verification.

The Committee may kindly take note that the project is progressing on time and all the efforts are to ensure that the project is completed by 31st December, 2008.

b) Progress of Implementation Status of Umbrella Project in Commercial Refrigeration Sector

The Plan for Phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India project was approved in 38th Meeting of the Executive Committee of the MLF held in November 2002, at a total funding level of US\$ 3,609,186 to be provided in five tranches, leading up to the complete phase-out of CFCs in the Refrigeration (Mfg.) sector in India. The Project is implemented by the UNDP and UNIDO. All the five tranches have been approved by the Executive Committee and released to the UNDP.

A total of 157 enterprises for commercial refrigeration have phased out 593 MT of CFC-11 and 258 MT of CFC-12. The process completion verification as decided by ESC in its 33rd meeting has been initiated. The trial and commissioning costs due to the enterprises shall be disbursed after due verification.

The Committee may kindly take note that the project is progressing on time and all the efforts are to ensure that the project is completed by 31st December, 2008.

c) Implementation Status of the National CFC Consumption Phase-out Plan (NCCoPP)

The National CFC Consumption Phase-out Plan was approved at 42nd meeting of the Executive Committee held in April 2004 at a total cost of US\$ 6.388 million. The Government of Germany, as the Lead Implementing Agency, has initiated the implementation process. The UNDP has taken steps for procurement of equipments. The UNEP has also initiated activities to launch the awareness programme and National Academy of Customs, Excise and Narcotics (NACEN) is coordinating for the Customs and Policy Training. So far, the MLF has approved two tranches amounting to US\$ 6 million.

All training and awareness activities were conducted as per the schedule given in the action plan. The action plan is placed at **Annex-B, pages 13-38**.

The Committee may kindly take note of the above information.

d) Implementation Status of CFC Production Phase out Project.

The Executive Committee of the MLF in its 29th meeting approved a total of US \$ 82 million for the phased reduction and cessation of the entire CFC production in India. In this project, it has been agreed to reduce total CFC production in accordance with an agreed upon schedule. The 54th ExCom approved the Accelerated CFC Production Closure proposal for India. As per the decision of the 54th ExCom CFC production has to be completely phased out as on 1st August, 2008. A maximum production of 690 MT for MDI manufacture and 135 MT for the reprocessing from existing stockpile has been allowed.

The CFC producers have phased out CFC production completely from 22,564 MT in 1999 to zero in 2008. Annual Program for 2008 has been approved by the 54th Executive Committee held in April, 2008. The Annual Program is placed at **Annex-C, pages 39-49.**

e) Implementation Status of National CTC Phase out Plan.

The Executive Committee of the Montreal Protocol at Its 40th meeting held in 2003 approved the CTC National Phase out Plan at a total funding level of US\$ 52 million to phaseout 11535 ODP tons of CTC production and 11525 ODP tons of CTC consumption by 31st December 2009. This includes US\$ 10 million under the bilateral assistance program with the Governments of Germany, France and Japan contributing US\$ 2 million, US\$ 3 million and US\$ 5 million respectively. The World Bank is the lead Implementing Agency, the Governments of Germany, France and Japan and UNIDO are cooperating agencies for Implementation of the National CTC consumption phase-out activities. Besides, UNDP on behalf of Government of Japan is responsible for executing conversion activities in large and medium metal cleaning sub-sectors.

The 2008 annual program including the annual verification report for CTC phaseout plan has been approved by the 55th ExCom held in July, 2008. A copy of the annual program is placed at **Annex-D pages 51-62.**

Item No. 5 : Consideration of the applications received for Duty exemption in respect of new or expanded activities with non-ODS technology.

(i) The Technology and Finance Steering Committee (TFSC) in its meetings held on 9th June, 21st July and 19th August, 2008 considered the following applications and recommended for exemption of Customs Duty:-

- M/s. Sanden Vikas India Ltd., Faridabad.
- M/s. B.A. International, Raipur, Roorkee (Uttarakhand)
- M/s. Zeppelin Mobile System India Ltd., Noida, U.P.
- M/s. Anu Solar Power Pvt. Ltd., Bangalore.
- M/s. Subros Ltd., Noida.
- M/s Nilkamal Ltd. Pondicherry
- M/s Nilkamal Ltd, Barjora (West Bengal)
- M/s Nilkamal Ltd., Silvasa (UT of D&NH)
- M/s Nilkamal Ltd., Phase II Samba (J&K)
- M/s Asahi India Glass Ltd., Latherdeva Hoon, Roorkee.
- M/s. Sanden Vikas India Ltd., Faridabad
- M/s Jaycee Autofab Pvt. Ltd., Faridabad

A copy of Minutes of the TFSC meetings is placed in **Annex-E, pages 64-118.**

Certificates for exemption of customs duty were issued in respect of enterprises listed above with the approval of Secretary (E&F), Chairman of the ESC.

- M/s. DLF Utilities Private Limited, Gurgaon (Not recommend)

The ESC may accord the Ex post facto approval on the above.

Item No. 6 : Accelerated CFC production closure.

Based on the proposal submitted to the MLF by India for CFC management and accelerated CFC production closure, the 54th ExCom at its meeting held in April, 2008 decided the following:

- (a) India will produce no more than 690 MT of CFC primarily for the manufacturing of (MDIs) up until 1st August, 2008
- (b) India's CFC producers would sell no more than 825 MT of CFCs for MDI production in the years 2008 and 2009, comprising 690 MT of new production and 135 MT reprocessed from existing stock.
- (c) India would export 1228 MT of CFCs no later than 31st December, 2009.
- (d) India would not import any more virgin/new CFCs.

- (e) To approve in principle US \$ 3.17 million as compensation for closing down CFC production in India by 1st August, 2008, 17 months ahead of the existing phaseout schedule.
- (f) To request the Fund Secretariat and the World Bank to prepare and submit a draft agreement on accelerating the CFC production closure project to the 55th meeting of the Executive Committee.

Based on the decision of the 54th ExCom, CFC producers were communicated to stop production by 1st August, 2008 and submit monthly reports on the status of stockpile and sale of CFCs. Production quota for 690 MT was issued to the CFC producers for production of CFCs for MDI manufacturing only. A draft agreement for accelerated CFC production closure was prepared in consultation with industries and after approval from Chairperson, ESC, was submitted to the 55th ExCom for its consideration.

The 55th ExCom meeting held in July, 2008 considered the draft agreement and sought clarification on whether the penalty clause covers activities of sale and stock of CFCs apart from CFC production. The Government of India requested for more time to examine the implications of the comments of the Secretariat and would resubmit the draft agreement at the 56th meeting of ExCom.

The revised draft agreement with inclusion of the penalty clause covering the activities of stock and CFCs and deletion of the word 'reprocessing' based on the request of the CFC producers, has been resubmitted to the MLF Secretariat after approval from Chairperson, ESC. A copy of draft agreement is placed in **Annex-F, pages 119-121**.

The committee may take note of the above information.

Item No. 7 :

MDI Transition Strategy Proposal.

The 52nd meeting of the Executive Committee in its meeting held from 23rd to 27th July 2007 had approved the request for project preparation in the CFC MDI sector for India at a funding of US \$ 100,000 with an understanding that the resulting project proposal would include written commitments for significant counterpart funding from the companies requesting assistance.

UNDP was designated as a Lead Agency for preparation of National Strategy for transition to non-CFC MDIs and Plan for Phaseout of CFCs in the Manufacture of MDIs in India. The UNDP in association with other cooperating agencies, UNEP and Italy (bilateral agency) and in

consultation with the MDI manufacturing industries has prepared the strategy document.

The project articulates India's National Strategy for Transition to non-CFC MDIs gradually without affecting the patients and the result in the elimination of CFC consumption in manufacture of MDIs in India by 2012. The commitment for counterpart funding amounts to approximately US \$ 34,942,615. The total cost of the plan is US \$ 61,701,934 and the requested MLF grant is US \$ 28,785,517. A summary of the project proposal is placed at ***Annex-G, pages 122-125.***

The TFSC considered and deliberated the project proposal in detail in its meeting held on 26th August, 2008. UNDP made a presentation on the salient features of the project document to the Members of the TFSC. The TFSC recommended that the project proposal be submitted to the Executive Committee of the MLF for its consideration. Keeping in view the shortage of time, it was proposed to seek approval of Secretary (E&F) and Chairperson of the ESC and ex-post facto approval of the ESC would be obtained at its future meeting.

The Minutes of the TFSC meeting held on 26th August, 2008 are placed at ***Annex-H, pages 126-134.***

Keeping in view that CFCs for MDI will not be available beyond 31st December, 2009, the Government of India is proposing to seek EUN with Meeting of the Parties (MOP) for use of CFCs in MDIs beyond 2009. Since the request for EUN must be filed before end of the calendar year 2008, Ozone Cell convened a meeting with the MDI manufacturers on 27th August, 2008, to initiate the process of EUN. The MDI manufacturers have agreed to provide necessary information for filing the EUN application. The draft EUN prepared by the MDI manufacturers was further discussed in the South Asia Network Meeting held in Tokyo in September, 2008. The manufacturers were advised to submit the EUN to the Ozone Cell by 30th November, 2008 for onward transmission to the Ozone Secretariat for its consideration.

The committee may accord Ex post facto approval of the above.

Item No. 8 :

HCFC Phaseout Strategy

In accordance with the decision of the 19th MOP and the subsequent decision of the 54th ExCom, the ESC at its 33rd meeting held on 21st November, 2007 initiated activities relating to the phaseout of HCFC production and consumption in India. UNDP as the Lead Agency has prepared the consolidated HCFC Phaseout Management Plan (HPMP) preparation funding request for India to be submitted to the 56th ExCom meeting scheduled to be held in November, 2008. After approval of funding request the HPMP for India will be prepared with detailed activities and time line.

A stakeholder meeting to discuss India's HPMP and the activities to be initiated to determine the base-level production and consumption was organized on 4th June, 2008 at India Habitat Centre, New Delhi. The meeting was attended by all implementing agencies, bilateral agencies, and representatives of industries. Pursuant to the outcome of the meeting, a Road Map to address the phaseout strategy for HCFCs has been prepared and placed at ***Annex-I, pages 135-143.***

The committee may consider the above.

Item No. 9 :

Submission of Article 7 Data

As per Article 7 of the Montreal Protocol, the data on production, import, export and feedstock of CFCs, Halons, CTC, HCFC and methyl bromide for the year 2007 is to be submitted to the Ozone Secretariat by 30th September of each calendar year. Accordingly, the data has been collected and collated for the year 2007 for consideration of the Standing Committee on Monitoring.

The Meeting of Standing Committee on Monitoring was held on 15th September, 2008 under the chairmanship of Shri J. M. Mauskar, Chairman, Central Pollution Control Board (CPCB). The data on production, import, export and feedstock of CFC-11, CFC-12, CFC-113, Halon-1211, Halon-1301, Halon-2402, CTC, HCFC-22, HCFC-123 and HCFC-141b and methyl bromide for the year 2007 was considered in the meeting

The Committee, taking note of the detailed information and explanation on production, export, import and feedstock use of CFC-11, CFC-12, halon-1211, halon-1301, halon-2402, CTC, HCFC and methyl bromide for the year 2007, recommended that the data for the year

2007 may be submitted in the format prescribed by the MOP to the Ozone Secretariat with the approval of ESC.

Keeping in view the last date for submission of data is 30th September, 2008, it was recommended by Monitoring Committee that data be sent to the Ozone Secretariat with the approval of Secretary (E&F) and Chairperson of the ESC and Ex post facto approval of the ESC could be obtain at its future meeting.

Article 7 data for the calendar 2007 has been submitted to the Ozone Secretariat with the approval of Secretary & Chairperson, ESC.

A copy of the Minutes of the Standing Committee on Monitoring and Article 7 data is placed at ***Annex-J, pages 144-153.***

The committee may accord Ex post facto approval of the above.

Item No. 10 :

Any others matters with the permission of the Chair.

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List of Annexes with Agenda of XXXV ESC (29.10.08)

- A.** Minutes of the XXXIV ESC meeting held on 05.03.2008. **(Pages 1-12).**
- B.** Action Plan of National CFC Consumption Phase-out Plan 2008. **(Pages 13-38).**
- C.** 2008 Annual Program for CFC Phaseout Plan **(Pages 39-49).**
- D.** 2008 Annual Program for CTC Phaseout Plan **(Pages 51-62).**
- E.** Minutes of the TFSC meetings held on 09.06.08 **(Pages 64-118).**
- F.** Draft Agreement of Accelerated CFC production closure **(Pages 119-121).**
- G.** Project Proposal of MDI Transition Strategy **(Pages 122-125).**
- H.** Minutes of the TFSC meeting held on 26.08.08 **(Pages 126-134).**
- I.** HCFC Phaseout Strategy **(Pages 135-143).**
- J.** Minutes of the Standing Committee on Monitoring and Article 7 data meeting held on 15.09.08 **(Pages 144-153).**