

MINUTES OF THE XXXVII MEETING OF THE EMPOWERED STEERING COMMITTEE (ESC) FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL HELD ON 6TH JUNE, 2012 AT 3.30 P.M. IN ROOM NO. 403 (CONFERENCE ROOM), MINISTRY OF ENVIRONMENT AND FORESTS, PARYAVARAN BHAWAN, CGO COMPLEX, LODHI ROAD, NEW DELHI-110003

The list of participants is annexed (*Annex-I*).

Dr. Tishya Chatterjee, Secretary (E&F) and Chairman of the ESC welcomed the participants to the XXXVII meeting of the ESC.

The Chairman then requested the Member Secretary to present the agenda for consideration of the Committee. The following agenda was presented:

Agenda Item No. 1: Adoption of the Agenda.

The Committee adopted the agenda on the basis of the Provisional agenda.

Agenda Item No. 2: Confirmation of Minutes of the XXXVI ESC meeting held on 15th October, 2010.

The Minutes of XXXVI meeting of the ESC held on 15th October, 2010 were confirmed, as there were no comments received from the Members of the Committee.

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

The action taken on the Minutes of the XXXVI Meeting of the ESC was presented and was noted by the Committee.

However, with regard to S. No. 3, a study on Socio-economic impact of CFC phase-out on Indian Industry, with particular emphasis on the issues of concern to Small and Medium Enterprises (SME) on conversion of Ozone Depleting Substance (ODS) to non-ODS technology, the Committee advised the Ozone Cell to evaluate the technical bids of the two proposals received and subject to technical competence, the financial bids may be opened and the agency with lower rates may be considered for award of the study.

Agenda Item No. 4: Progress of Implementation of Projects

The Progress of implementation of the following Projects being executed by the Ozone Cell with the support of the Multilateral Fund (MLF) for implementation of the Montreal Protocol were presented:

a) CFC Production Sector Gradual Phase-out.

The Committee was informed that India has successfully phased out the production of CFCs with effect from 1st August, 2008, 17 months prior to the Montreal Protocol Schedule for phase out of production of CFCs, in line with the Accelerated CFC Production Phase out (ACPP) schedule. The Committee noted that the second tranche of US\$1.05 million out of the total additional approved compensation of US\$

3.17 million towards the ACCP is pending for approval by the Executive Committee (Ex-Com) of the MLF as some unutilized/ contaminated stocks are lying with some of the producers without disposal. 11.74 MT of contaminated CFCs was reported to be lying with one of the four CFC producers as the part of ACPP while closing stocks of 4.58 MT and 19.82 MT of non-pharma grade CFCs co produced as part of Essential Use Nomination (EUN) for the year 2010 were reported to be lying with two CFC producers.

The Committee was informed that the producers are not able to incinerate the CFCs stock inspite of several reminders. Considering the very high degree of temperature required for incineration of the CFCs and the limitations of the existing incineration facilities in the country, the Chairman, Central Pollution Control Board (CPCB) has been requested to facilitate the matter with the help of Associated Cement Companies (ACC) Ltd.

The Member Secretary further informed that, during the margins of the 66th Meeting of the Ex-Com held in Montreal from 16-20 April, 2012, this issue was discussed with the US representatives, who have agreed to facilitate the process of incineration including of non-pharma grade CFCs of 24.40 MT incase if Indian producers find it difficult to incinerate the contaminated and non pharma grade stock of CFCs.

The Chairman advised Additional Secretary (MM) & Chairman, CPCB to intervene and issue necessary directions to the units to dispose off the contaminated/ unutilized stocks within a specific time frame at their cost and also provide them necessary technical help and guidance as necessary.

b) National CTC Phase out Plan

The Committee noted that India had successfully phased out the production and consumption of CTC with effect from 1st January, 2010 as per the Montreal Protocol schedule except for production and consumption of feedstock use, as feedstock use is not controlled under the Montreal Protocol.

c) National Strategy for Transition to non-CFC MDIs and Plan for Phase-out of CFCs in the Manufacturing of Pharmaceutical MDIs in India.

The Committee was informed that the National Strategy for Transition to Non-CFC Metered Dose Inhalers (MDIs) and Plan for Phase-out of CFCs in the Manufacturing of Pharmaceutical MDIs in India was approved at the 56th Meeting of the Ex-Com held during 8-12 November, 2008 with a total funding of US\$ 10.2 million plus implementing agencies support costs.

The Indian MDI manufacturers have made excellent progress in completely converting the CFCs based MDIs to non-ODS MDIs. An amount of US\$ 8.57 million has been released so far to the MDI manufacturers and the last tranche of US\$ 1.63 million will be released to the MDI manufacturers after the audit is carried out by the UNDP, the lead implementing agency.

The Committee noted that India had withdrawn EUN of 192.3 MT of pharma grade CFCs submitted for the year 2011 in January, 2010 for consideration by 22nd

Meeting of the Parties (MOP). It was informed to the Committee that India and Iran were the first two countries to withdraw the EUN for the year 2011.

Agenda Item No. 5: HCFC Phase out Management Plan (HPMP) Stage-I

The Committee was informed that the 66th Meeting of the Ex-Com of the MLF has approved an amount of US\$ 23,011,537 to meet the 2013 freeze and 10% reduction in 2015 to reduce 341.77 Ozone Depleting Potential (ODP) tonne of HCFCs from the starting point of 1691.25 ODP tonne as on 1st January, 2015 as per the accelerated phase-out schedule of HCFCs. The Committee was informed that the Ozone Rules will be suitably amended to provide the phase-out plan a legal basis and the process to this purpose has been initiated.

Agenda Item No. 6: Consideration of applications received for Duty Exemption in respect of new or expanded activities with non-ODS technology.

The Committee was informed that as part of the Implementation of the Montreal Protocol in India, the fiscal incentives comprising of customs and excise duty exemptions on capital goods in case of ODS phase out Projects are provided. The Technology and Finance Standing Committee (TFSC) of the Ozone Cell, reviews the proposals received and recommends the eligible proposals for grant of duty exemption to the ESC for approval.

While according ex post facto approval to 19 cases (listed in original agenda) and additional 4 cases (listed in supplementary agenda A-III) for which customs duty certificates were issued with the approval of Secretary (E&F) and Chairman, ESC on recommendations of TFSC, the Committee felt that the composition of the TFSC should be reviewed and strengthened to include professionals/technical experts in the Committee so as to enable us to examine the cases effectively. The Committee further felt that possibility for the Ministry of Finance to directly operate this scheme on the basis of approved rules without reference to the MoEF may also be explored. Ozone Cell will take necessary actions in this regard with approval of Chairman, ESC and report compliance at the next meeting.

The Committee further decided that the TFSC should formulate an improved method that will reduce or eliminate discretion in the decision-making of granting duty exemption.

Agenda Item No. 7: Submission of Article 7 Data.

The Committee was informed that the Article 7 Data for the year 2010 was reviewed and recommended by the Standing Committee on Monitoring Chaired by Chairman, CPCB and approved by Secretary (E & F) and Chairman of the ESC. The Committee accorded ex-post-facto approval.

Agenda Item No. 8: Any others matters with the permission of the Chair.

I. Formulation of policy regarding import of blends containing HCFC-22

The Committee was informed that REGMA had recently agitated before the Ministry on the issue of import permits granted in the recent past for blends containing HCFC-22. They have contended that such permits should not be granted, as such permits having blend of HCFC-22 affect the manufacturers of HCFC-22 gases adversely and are against the policy of continued restriction on imports of HCFC-22. REGMA also contended that blends containing HCFC-22 are not used anywhere by the Original Equipment Manufacturers (OEMs).

Ozone Cell reported that the blends including those containing HCFC-22 (mainly used as servicing refrigerants and in manufacturing of foams) are imported under a license to be issued by the Directorate General of Foreign Trade (DGFT) on the basis of recommendations of the Ozone Cell, MoEF. A meeting had been convened by the MoEF with all the concerned stakeholders and the DGFT on 10th April, 2012 to ascertain views of all partners in this regard and to take a view on the import of blends containing HCFC-22.

Ozone Cell presented a comparative statement of the comments received from various stakeholders after the meeting held on 10th April, 2012. The matter was also examined by the TFSC in its meeting held on 30th May, 2012, which recommended that a national level consultative meeting of the stakeholders involving REGMA, RAMA, SMEs, etc may be convened to take a well informed decision to set a threshold of HCFC-22 in the HCFC based blends. The Committee further advised that, in order to protect the interest of the consumers, a consultative meeting of the stakeholders involving REGMA, RAMA, SMEs, etc may also be convened to consider and regulate the price differential, if any, between the domestic and international prices of the HCFC-22.

In light of the discussions held in the meeting, the Committee decided that:

- (i) Members will send their comments on the permits granted and the views of the stakeholders in 3 weeks.
- (ii) In the interest of protection of interests of the users, the import permits in respect of HCFC blends above or below the threshold may be allowed only to actual users.
- (iii) A Committee comprising of independent technical experts including representatives from DST, DGFT and customs should look into the cases of imports of HCFC-22 blends permitted in 2011. Ozone Cell will form this Committee with approval of Chairman ESC and prepare a report.
- (iv) In order to protect the interest of the consumers a consultative meeting of the stakeholders involving REGMA, RAMA, SMEs, etc may be convened by the Ozone Cell, MoEF to regulate the price differential, if any, between the domestic and international prices of the HCFC-22.
- (v) Further action will be taken in the matter with approval of Chairman and reported to the ESC at its next meeting.

II. The DGFT's application of M/s Dolphin Trading Company, New Delhi for import of HFCs.

The Committee decided since the proposal does not fall under the purview of the Montreal Protocol and comes under Open General License (OGL), such proposals may not be forwarded to the MoEF for its recommendations by the DGFT. A suitable communication in this regard will be sent by Ozone Cell to DGFT.

The Meeting ended with vote of thanks to the Chair.

~*~*~*~*~*~*~*~*~*

LIST OF PARTICIPANTS OF THE XXXVII MEETING OF THE EMPOWERED STEERING COMMITTEE (ESC) HELD ON 6TH JUNE, 2012 AT 3.30 P.M. IN ROOM NO. 403, CONFERENCE ROOM, MINISTRY OF ENVIRONMENT & FORESTS, PARYAVARAN BHAWAN, CGO COMPLEX, NEW DELHI-110003

1. Dr. Tishya Chatterjee Chairman
Secretary (E&F)
Ministry of Environment & Forests
Paryavaran Bhawan
CGO Complex
Lodhi Road
New Delhi-110003

2. Ms. Mira Mehrishi Member
Additional Secretary & Chairman Central Pollution Control Board
Ministry of Environment & Forests
Paryavaran Bhawan
CGO Complex
Lodhi Road
New Delhi-110003

3. Mr. Sudhir Bhargava Representative of Secretary
Additional Secretary
Ministry of Petroleum & Natural Gas,
Room No. 207, A-Wing,
Shastri Bhawan
New Delhi-110001

4. Mr. R. R. Rashmi Member
Joint Secretary
Ministry of Environment & Forests
Paryavaran Bhawan
CGO Complex
Lodhi Road
New Delhi-110003

5. Mr. Nand Lal
Sr. Development Officer
Department of Industrial Policy & Promotion
Ministry of Commerce & Industry
Room No-460-A, Udyog Bhawan
New Delhi-110011
Representative of
Secretary
6. Mr. Pankaj Garg
Joint Development Commissioner
Ministry of Micro, Small and Medium Enterprises
Room No. 723, A-Wing,
7th Floor, Nirman Bhavan,
New Delhi – 110011
Representative of
Development
Commissioner,
7. Ms. Nisha Mendiratta
Director
Ministry of Science & Technology,
Department of Science & Technology,
Technology Bhavan,
New Mehrauli Road,
New Delhi – 110016
Representative of
Secretary
8. Ms. Seema Arora
Executive Director
Confederation of Indian Industry
CII-ITC Centre of Excellence for Sustainable Development
124, Janpath
Thapar House
2nd Floor
New Delhi-110001
Representative of
Director General
9. Mr. Jasbir Singh
Consultant
Ministry of Chemicals & Fertilizers,
Department of Chem. & Petro-Chemicals
Room No. 234
A-Wing, Shastri Bhavan
New Delhi – 110001
Representative of
Secretary

10. Mr. Hemant Kulkarni
Scientist
Council of Scientific Industrial Research (CSIR)
Anusandhan Bhawan
2, Rafi Marg
New Delhi – 110001
Representative of
Director General
11. Mr. Vikas
Under Secretary
Ministry of Finance,
Room No. 253-A,
North Block,
New Delhi-110 001
Representative of
Secretary
12. Prof. S. K. Mukerjee
Consultant
Ozone Cell
Ministry of Environment & Forests
Core 4B, 2nd Floor
India Habitat Centre
Lodhi Road
New Delhi-110003
Invitee
13. Mr. S. V. Subbarao
National Program Manager
Sector Phase-out Plan Unit, UNDP
Core 4B, 2nd Floor
India Habitat Centre
Lodhi Road
New Delhi-110003
Invitee
14. Ms. Chanchal Sharma
Technical Officer
Project Management Unit, Ozone Cell
Ministry of Environemnt & Forests
Core 4B, 2nd Floor
India Habitat Centre
Lodhi Road
New Delhi-110003
Invitee

15. Mr. Fahad Naim

Invitee

Technical Officer
Project Management Unit, Ozone Cell
Ministry of Environment & Forests
Core 4B, 2nd Floor
India Habitat Centre
Lodhi Road
New Delhi-110003

16. Dr. A. Duraisamy

Member-Secretary

Director
Ozone Cell
Ministry of Environment & Forests
Core 4B, 2nd Floor
India Habitat Centre
Lodhi Road
New Delhi-110003