

ANNOTATED AGENDA OF XXXVII MEETING OF THE EMPOWERED STEERING COMMITTEE FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL

Item No. 1 : Adoption of the Agenda

The provisional agenda may be adopted.

Item No. 2 : Confirmation of Minutes of the XXXVI Empowered Steering Committee (ESC) meeting held on 15th October, 2010.

Minutes of the XXXVI meeting of the ESC held on 15th October, 2010 were circulated to all the Members. As no comments have been received, the Minutes placed at **Annex–A, pages 1-25** may be confirmed.

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

S. No	Decision taken in XXXVI ESC	Action taken on the decision
1.	<u>Agenda Item No. 3 (S. No. 1):</u> Steps taken for submitting the request for Essential Use Nomination (EUN) of CFC to be used in Metered Dose Inhalers (MDIs) sector for 2011.	India had submitted EUN of 192.3 MT of pharma grade CFCs for the year 2011 in January, 2010 for consideration by 22 nd Meeting of the Parties (MOP). Indian MDI manufacturers made an excellent progress in phase-out of CFCs in manufacturing of MDIs and informed the Ozone Cell, MoEF in a consultative meeting held on 25 th October, 2010 in New Delhi that they would not require CFCs for manufacturing of MDIs in 2011 and beyond, the Minutes placed at Annex-B, pages 26-29 . Accordingly, India has withdrawn the EUN for 2011. The 22 nd MOP congratulated India for its efforts in successful implementation of the National Strategy for Phase-out of CFCs in the Manufacture of Pharmaceutical MDIs.
2.	<u>Agenda Item No. 3 (S. No. 4):</u> Agreement on Accelerated CFC Production Closure	The 56 th Executive Committee (Ex-Com) of the Multilateral Fund (MLF) at its meeting held from 8-12 November 2008 had approved the Agreement between India and Ex-Com for Accelerated CFC Production Closure in India. The Agreement has already been signed between India and the Ex-Com for Accelerated Phase-out of production of CFCs. In pursuant to the latest Accelerated CFC Phase-out Plan (ACPP) Agreement with allocation of funds of US \$3.17 million by the Ex-Com of the MLF, the legal document, namely the Project Agreement was to be amended.

		<p>The amended Project Agreement has been signed by the MoEF & the World Bank and subsequently the Supplementary Performance Agreement has been signed between the Ozone Cell, MoEF and the Producers.</p> <p>Based on the endorsement by the Ozone Cell, MoEF the World Bank has released the first tranche of US \$2.113 million out of US \$3.17 million to all the 4 CFC Producers.</p>
3.	<p><u>Agenda Item No. 4</u> <u>(Bullet point h):</u></p> <ul style="list-style-type: none"> • 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 ODS to non-ODS technology. • A meeting to be held with MSME along with the representatives of CII to discuss the Modalities relating to training of SMEs, on the issues relating to non-ODS technologies. 	<p>A Meeting was convened on 24th January, 2011 in the Ozone Cell with Ministry of Micro Small and Medium Enterprises (MSME) and Confederation of Indian Industry (CII) to discuss the various aspects for the study on socio economic impact of CFC phase-out on Indian industry with particular emphasis on the issues of concern to the SMEs and modalities relating to training of SMEs on the issues relating to non-ODS technologies. Based on the discussions and in consultation with MSME and CII, Terms of Reference (TOR) was prepared and finalized. The technical and financial bids were invited two times but required numbers of proposals have not been received.</p>

Item No. 4 : Progress of Implementation Status of the Projects

a) CFC Production Sector Gradual Phase-out.

The Ex-Com of the MLF in its 29th meeting held from 24-26 November 1999 approved the India's CFC Production Sector gradual phase-out project for total grant amount of US \$82 million to phase-out 22,588 MT of CFC Production. The World Bank is the lead implementing Agency for the implementation of this Project. Subsequently, India in consultation with the CFC producers had agreed to accelerate the phase out of production of CFCs. The 54th Ex-Com held in April, 2008, approved the proposal of India to phase-out production of

CFCs with accelerated schedule with effect from 1st August, 2008 with an additional funding of US \$3.17 million. Towards implementation, an Accelerated CFC Production Closure Agreement (ACPP) between India and the Ex-Com, as approved at the 56th meeting of the Ex-Com held in November, 2008 has been signed.

In pursuant to the ACPP Agreement with allocation of funds of US \$3.17 million, the Project Agreement dated 30th June, 2000 on the project CFC Production Sector Gradual Phase-out Project (ODS-III) was amended and amended Project Agreement was signed between the MoEF and the World Bank.

It may also be mentioned that the Performance Agreement between all the 4 CFC Producers and the Ozone Cell has also been signed. Accordingly, Ozone Cell has endorsed the World Bank for releasing the first tranche to the 4 CFC Producers.

The 59th Ex-Com held during 10-14 November 2009 approved the release of first tranche of US\$2.113 million out of the approved additional compensation of US\$ 3.17 million for ACPP.

India has successfully phased out the production of CFCs as per the accelerated schedule with effect from 1st August 2008, 17 months prior to the Montreal Protocol schedule.

The ACPP agreement between India and the Ex-Com of the MLF allows to produce pharma grade CFCs for EUN approved for manufacturing of MDIs in India for asthma and COPD patients.

The Ex-Com in its 60th Meeting decided to modify the production sector agreements for China and India to allow the production for export of pharmaceutical grade CFCs for 2010, with an annual review, for purposes of meeting essential use requirements of other countries provided that exporting countries had reporting and verification systems in place and that the reporting and verification systems collected and reported. The decision seeks for documentation (transport, storage, disposal) verifying that the amount of non-pharmaceutical CFCs has been destroyed.

The 62nd Meeting of the Ex-Com of the MLF decided to defer the request for release of second tranche of the ACPP to the 63rd Meeting as 11.74 MT of contaminated CFCs is lying with M/s Navin Fluorine International Limited (NFIL).

It may be mentioned that the Ozone Cell, MoEF had advised repeatedly M/s NFIL that the stock of contaminated CFCs of 11.74 MT should be disposed off in accordance with the decision of the Ex-Com.

The Technical and Financial Audit Verification of all the 4 CFC Producers was carried out for the year 2010 by the auditors appointed by the World Bank. As per the report submitted by the World Bank to the Ex-Com of the MLF the closing stock of 4.58 MT of CFC is lying with the M/s NFIL and 19.82 MT of CFC is lying with M/s SRF. As per the audit report both the companies have reported that the material lying with them as closing stock is of non pharma grade and they are in the process of identifying suitable parties for sending this material for incineration.

On behalf of the Government of India, the World Bank had submitted the second and final tranche of the India CFC production sector phase-out programme for approval by the Executive Committee at its 66th meetings. The amount being requested is US \$1,057,000 for the accelerated phase-out.

The 66th meeting of the Ex-Com in its meeting held in Montreal from 16th to 20th April, 2012 discussed issues concerning documentation on CFC destruction. The Ex-Com decided to defer the request until its 67th meeting.

The Ozone Cell, MoEF has further advised M/s SRF and M/s NFIL to incinerate/ destroy the contaminated/ non-pharma grade CFCs lying with them on priority basis and inform the MoEF at the earliest possible as the release of second tranche is linked with the decision of the Ex-Com.

b) National CTC Phase out Plan.

The Ex-Com of the MLF at its 40th meeting held in July 2003 approved the National CTC Phase out Plan at a total funding level of US\$ 52 million to phase-out 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, 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.

As per the verification audit for Calendar Year 2010 carried out in April 2011, the total production and

consumption of CTC for non-feedstock application was Nil for calendar year 2010.

India has 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. The sustainability of phase-out of production and consumption of CTC is continued to be monitored in the country.

c) National Transition Strategy for phase-out of CFCs in MDIs.

The National Strategy for Transition to Non-CFC 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 UNDP is the lead implementing agency.

A number of consultative meetings were held with all the four MDI manufacturers in the country to workout the implementation modalities of the project.

The enterprise level funding as per the project document of National Strategy for Transition to Non-CFC MDIs and Plan for Phase-out of CFCs in the Manufacturing of Pharmaceutical MDIs in India was approved by the Secretary (E&F) and Chairman, ESC.

The Memorandum of Agreements (MOAs) were signed with each of the 4 MDI manufacturing enterprises viz; M/s. Cipla Limited, M/s. Cadila Healthcare Limited, M/s. Midas-care Pharmaceuticals Private Limited and M/s. Sun Pharmaceuticals Industries Limited for implementation of the National Strategy and Phase-out of CFCs by 2013.

National Awareness Workshops were organized. One on "Phase-out of CFCs in MDIs Transition Strategy Implementation and Adoption of CFC free Alternatives in India" which was held on 5th October, 2009 at the All India Institute of Medical Sciences in collaboration with Ministry of Health and Family Welfare (MoHFW) and UNEP. Another National Consultative Workshop on Policy and Regulations "CFC MDI Phase-out Transition Strategy Implementation and Adoption of CFC Free Alternatives in India" was held on 20th May, 2010 at Central Drugs Standard Control Organization, New Delhi. These workshops were well attended by the stakeholders including Physicians and Medical representatives who

are the main stakeholders to create awareness among the Physician across the country. During the workshops, the MDI manufacturers shared that a number of CFC free MDIs have been developed and placed in the market.

The National Strategy for Phase-out of Pharmaceutical Grade CFCs in Manufacturing of MDIs is being implemented successfully by UNDP as lead implementing agency in close cooperation with Ozone Cell, MoEF, MoHFW and MDI manufacturers. The MDI manufacturers have converted most of the formulations of MDI from CFCs to CFC-free and placed in the market after due approval of MoHFW.

Based on the performance in implementation of National Strategy for Phase-out of CFCs in each of the 4 MDI manufacturers and as per the project document approved by the Ex-Com of the MLF, UNDP has already released US \$ 8.57 million to the 4 MDI manufacturers out of the total grant of US \$10.2 million.

India had submitted EUN of 192.3 MT of pharma grade CFCs for the year 2011 in January, 2010 for consideration by 22nd MOP. Indian MDIs manufacturers made an excellent progress in phase-out of CFCs in manufacturing of MDIs and informed the Ozone Cell, MoEF in a consultative meeting held on that they would not require CFCs for manufacturing of MDIs in 2011 and beyond. Hence, India had withdrawn the EUN for 2011. The 22nd MOP congratulated India for its efforts in successful implementation of the National Strategy for Phase-out of CFCs in the Manufacture of Pharmaceutical MDIs.

Item No. 5 :

Submission of HPMP Stage-I

The 19th MOP in its meeting held in September 2007 decided to accelerate the phase-out of HCFCs by 10 years with certain reduction steps both in Article 5 and non-Article 5 Parties for the early recovery of Ozone Layer and to save the climate system.

Based on the decision of the 19th MOP, the Ozone Cell, MoEF organized a consultative stakeholders meeting on 4th June, 2008 to discuss India's HCFCs Phase-out Management Plan (HPMP) and the activities to be initiated to determine the base level production and consumption of HCFCs. This meeting was well attended by the stakeholders. Subsequently, India submitted the proposal for preparation of HPMP for the consideration of 56th Ex-Com held in November 2008. The same was approved by the Ex-Com with a total funding of US \$ 570,000.

The Sectoral Working Groups Meeting was organized on 24-25 September 2009 which was attended by the stakeholders from industry, research institutions, Government Organizations, NGOs and implementing agencies. The major Sectoral Groups represented were Refrigeration and Air-Conditioning (RAC) manufacturing, foam manufacturing and servicing of RAC equipment. The Sectoral Group deliberated for 2 days and made recommendations for future action plan.

Based on the outcome, the Ozone Cell, MoEF developed and launched a **“Roadmap for Phase-out of HCFCs in India”** describing the long term vision and action plan including the policy instruments for phase-out of production and consumption of HCFCs in India in accordance with the decision of the 19th MOP.

The Sectoral meeting identified 3 major sectors namely the Refrigeration and Air-Conditioning (RAC) Manufacturing Sector, Polyurethane Foam Manufacturing Sector and RAC Servicing Sector.

The MOAs were signed between the Ozone Cell, MoEF and Refrigeration and Air-conditioning Manufacturers Association (RAMA) and Indian Polyurethane Association (IPUA) for preparation of RAC manufacturing and Foam manufacturing Sectoral Strategies.

RAMA and IPUA organized awareness workshops in close cooperation with Ozone Cell, MoEF, one in each major industrial hub, Chennai, Delhi and Mumbai, in June/July 2010. These workshops were well attended by stakeholders especially from Foam and RAC Sectors. RAMA and IPUA made extraordinary efforts to involve SMEs in these workshops to create awareness among SMEs. Overall, these workshops proved to be very effective in reaching out to large as well as SMEs who are involved in manufacturing RAC equipment and Foam.

RAMA and IPUA also carried out detailed surveys involving market research consulting agencies for collection of data of number of enterprises using HCFCs, the date of establishment and annual consumption of HCFCs for the past three years. The information was collated and analyzed by RAMA and IPUA through their sub-sectoral committees and sectoral strategies were developed and submitted to the Ozone Cell in March/April 2011. However, the sectoral strategies submitted by RAMA and IPUA were not having complete information about enterprise-wise data on consumption of HCFCs and details of base-line equipment used by the enterprise.

The Ozone Cell in close cooperation with UNDP sent the revised questionnaire to the enterprises consuming HCFCs in manufacturing of RAC equipments and Foam manufacturing in the country and collected the necessary data on HCFC consumption and baseline equipments. The data was collated by the Ozone Cell/UNDP and finally the sectoral strategies were updated.

The RAC Servicing strategy was prepared by the Servicing Sector Group of the industry under the guidance of GIZ, Govt. of Germany as implementing agency in close cooperation with the Ozone Cell, MoEF.

A two-day stakeholder workshop was organized on 21st and 22nd October 2011 for finalization of sectoral strategies and overarching HPMP. A large number of stakeholders especially from industry, industry association, defense forces, NGOs, R&D organizations, and implementing agencies participated actively in the deliberation and provided their inputs to the HPMP.

The HPMP Stage-I was finalized by UNDP, the lead implementing agency in association with other implementing agencies, UNEP, UNIDO and GIZ and in close cooperation with Ozone Cell, MoEF, taking into account the inputs provided by the stakeholders during the workshop held in October 2011.

The HPMP Stage-I is to phase-out HCFCs in Foam manufacturing, RAC servicing sectors enabling India to meet 2013 freeze and 10% reduction in 2015.

The phase-out will address the conversions in foam manufacturing sector from HCFCs to non-ODS technologies in the enterprises with large consumption of HCFC-141b, system houses and activities in the refrigeration and air-conditioning servicing sector. In order to ensure that the phase-out actions are carried out in time and remain sustainable, targeted policy and regulatory actions, management and coordination and awareness program will also be implemented during the HPMP Stage-I.

The HPMP was submitted with the approval of the Secretary (E&F) and Chairman, ESC to the MLF Secretariat for consideration by the 66th meeting of the Ex-Com.

The 66th Ex-Com approved the HPMP Stage-I for the period from 2012 to 2015 to reduce HCFC consumption to meet the 2013 and 2015 targets at the total cost of US \$23,011,537 including the implementing agency support

cost to reduce 341.77 ODP tonnes of HCFCs from the starting point of 1691.25 ODP tonnes.

The 66th Ex-Com also approved the first tranche of US \$ 12,265,080 including the implementing agency support costs for Stage-I of HPMP and corresponding implementation plan.

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

(i) The Technology and Finance Standing Committee (TFSC) in its meetings held on 28th September, 2010, 1st February, 2011, 17th August, 2011 & 4th January, 2012 considered the following applications and recommended for exemption of Customs Duty:-

- M/s Frigoglass India Pvt. Ltd., Manesar
- M/s. Subros Ltd., Noida
- M/s Delphi Automotive Systems Pvt. Ltd., Greater Noida
- M/s. Subros Ltd., Noida
- M/s Industrial Foam Pvt. Ltd., New Delhi
- M/s Whirlpool of India Ltd., Pune
- M/s Venus Home Appliances, Pvt. Ltd., Tuticorin
- M/s Starion India Pvt. Ltd., Pune
- M/s Subros Ltd., New Delhi
- M/s Delphi Automotive Systems Pvt. Ltd., Greater Noida
- M/s Krishna Maruti Ltd, Gurgaon
- M/s Bharat Seats Ltd., Gurgaon
- M/s. Subros Ltd., Noida
- M/s Delphi Automotive Systems Pvt. Ltd., Greater Noida
- M/s Unity Appliances Ltd., Manamadurai
- M/s LG Electronics India Pvt. Ltd., Pune
- M/s SATA Vikas India Pvt. Ltd.
- M/s Sanden Vikas India Ltd., Faridabad
- M/s. Subros Ltd., Noida

The copies of Minutes of the TFSC meetings are placed in **Annex- C, pages 30-98.**

Certificates for exemption of customs duty were issued for all the above enterprises with the approval of Secretary (E&F)/ Chairman of the ESC.

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

Item No. 7 :

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, HCFCs and methyl bromide for each year 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 2010 for consideration of the Standing Committee on Monitoring.

The Meeting of Standing Committee on Monitoring was held on 26th September, 2011 for reviewing the data for the year 2010 under the Chairmanship of Prof. S.P. Gautam, the then Chairman, Central Pollution Control Board (CPCB).

The Committee, taking note of the detailed information and explanation on production, export, import and feedstock use of CFCs, Halons, CTC, HCFCs and methyl bromide recommended that the data for the year 2010 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 was 30th September, 2011, it was recommended by the Standing Committee on Monitoring Committee that data be sent to the Ozone Secretariat with the approval of Secretary (E&F) and Chairman of the ESC and Ex post facto approval of the ESC could be obtained at its future meeting.

Article 7 data for the calendar 2010 was submitted to the Ozone Secretariat before 30th September of the respective year with the approval of Secretary (E&F) and Chairman, ESC.

A copy of the Minutes of the Standing Committee on Monitoring and Article 7 data for the year 2010 is placed at **Annex- D, pages 99-111.**

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

Item No. 8:

Any others matters with the permission of the Chair.

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