

PROVISIONAL AGENDA OF XXXX MEETING OF THE EMPOWERED STEERING COMMITTEE FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL

- Date** : 1-4-2016
- Time** : 11.30 A.M.
- Venue** : Kaveri Conference Hall, Prithvi Block, 4th Floor
Ministry of Environment, Forest and Climate Change
Indira Paryavaran Bhawan,
Jor Bagh Road,
New Delhi – 110 003
- Item No. 1** : Adoption of the Agenda
- Item No. 2** : Confirmation of Minutes of XXXIX meeting of the Empowered Steering Committee (ESC)
- Item No. 3** : Action taken on decisions of the XXXIX ESC
- Item No. 4** : Progress of Implementation status of the Projects:
- a) National Strategy for Transition to Non-Chlorofluorocarbon (CFC) Metered Dose Inhalers (MDIs) and Plan for Phase-out of CFCs in the Manufacturing of Pharmaceutical MDIs in India
 - b) Hydrochlorofluorocarbon (HCFC) Phase-out Management Plan (HPMP) Stage-I
 - c) HPMP Stage- II
- Item No. 5** : Fiscal Incentives Scheme
- Item No. 6** : Organization of the International Day for the Preservation of the Ozone Layer for the years 2014 and 2015
- Item No. 7** : Any other matters with permission of the Chair

ANNOTATED AGENDA OF XXXX 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 XXXIX Empowered Steering Committee (ESC) Meeting.

Minutes of the XXXIX meeting of the ESC held on 5th March, 2014 were circulated to all the Members (**Enclosure-A, pages 1-6**). No comments have been received. The minutes may be confirmed.

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

S. No	Decision taken in XXXIX ESC	Action taken on the decision
1.	<p><u>Agenda Item No. 3</u></p> <p>Audit of production of Hydrochlorofluorocarbon (HCFC)-22 to be undertaken by the Ozone Cell, Ministry of Environment, Forest and Climate Change (MoEF&CC) for pricing of domestically produced HCFC-22</p>	<p>Meetings were organized among the HCFC-22 producers as well as the users. The price issue of HCFC-22 has been resolved to the satisfaction of both producers and users. As such, there has been no issue either from the HCFC-22 producers or the users.</p>
2.	<p><u>Agenda Item No. 4</u></p> <p>To examine in detail, the need for continuance of the fiscal incentive scheme. In particular, it may be specifically examined if the industries in question, given their financial resources, would have undertaken/would undertake such expansion/modernization even in the absence of financial incentives in the form of exemptions.</p>	<p>Details on the fiscal incentive scheme are explained in Agenda Item No. 5.</p>

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

a) National Strategy for Transition to Non-Chlorofluorocarbon (CFC) Metered Dose Inhalers (MDIs) and Plan for Phase-out of CFCs in manufacturing of Pharmaceutical MDIs in India

The Executive Committee (Ex-Com) of the Multilateral Fund (MLF) for Implementation of the Montreal Protocol in its 56th meeting held in November, 2008 approved the National Strategy for Transition to Non-CFC MDIs and Plan for Phase-out of CFCs in manufacturing of Pharmaceutical MDIs with a total funding of US \$10.2 million to phase-out 704.03 ODP tonne of CFCs. This

project articulated India's national strategy for transition to non-CFC MDIs gradually without affecting the Asthma and Chronic Obstructive Pulmonary Disease (COPD) patients and the elimination of CFC consumption in manufacturing of MDIs in India.

The National Strategy for phase-out of CFCs in MDIs had been implemented successfully by United Nations Development Program (UNDP) as lead implementing agency in association with Government of Italy (bilateral agency) and United Nations Environment Program (UNEP), in close cooperation with the MDI manufacturers under the guidance of Ozone Cell, MoEF&CC.

The pharmaceutical grade CFCs were needed during transition phase in 2010 and beyond by the MDI manufacturing industry. The same were obtained through the Essential Use Nomination (EUN) process of the Montreal Protocol for 2010. India submitted the EUN for 2010 for 350.6 MT of pharmaceutical grade CFCs and the 21st Meeting of the Parties (MOP) held in November, 2009 approved 343.6 MT of CFCs for India for 2010. India had also submitted the EUN for the year 2011 for 192.3 MT, but the same was withdrawn in consultation with MDI manufacturers as the progress made by MDI manufacturers was commendable and the MDI manufacturers decided not to seek any CFCs for manufacturing of MDIs for 2011 and beyond. The MDI manufacturers have converted all the CFC based MDI formulations to CFC-free and placed in the market. Currently, all the formulations of MDIs available in the market are CFC-free since 2011.

Several National Awareness Workshops were organized for the stakeholders, especially the MDI manufacturers and physicians treating the asthma and COPD patients in association with UNEP, as the Cooperating Agency. These workshops were well attended by the stakeholders including medical representatives.

India was one of the first countries to phase-out the use of CFCs in the manufacturing of MDIs. The 22nd MOP to the Montreal Protocol held in November, 2010 congratulated India for its outstanding achievement in early phase-out of the use of pharmaceutical grade CFCs in manufacturing of MDIs.

UNDP, as lead implementing agency, carried out an independent verification through a MDI International Expert in November, 2012 for all the 4 MDI manufacturing facilities to verify the phase-out of use of CFCs in manufacturing of MDIs. The verification confirmed that conversion from CFC

based MDIs to CFC-free MDIs has already been achieved in India.

A verification-cum-review of progress made by each of the manufacturers was undertaken by the MLF through an independent expert along with UNDP to ascertain the implementation of CFC phase-out in the manufacturing of MDIs in February, 2014. It was reported that CFCs have been phased-out in manufacturing of MDIs in the country.

b) HCFC Phase-out Management Plan (HPMP) Stage-I

The 19th MOP held in September 2007 decided to accelerate the phase-out of HCFCs by 10 years with following reduction schedule both in Article 5 and non-Article 5 Parties for the early recovery of Ozone Layer:-

Reduction Schedule for Article 5 Parties

- Base-level for production & consumption: the average of 2009 and 2010.
- Freeze=2013 at the base-level
- 10% reduction in 2015
- 35% reduction in 2020
- 67.5% reduction in 2025
- 100% reduction in 2030 with a service tail of 2.5% annual average during the period 2030-2040.

Reduction Schedule for non-Article 5 Parties

- Base-level : Average of 1989 HCFC production and consumption + 2.8% of 1989 CFC production and consumption
- By 2010 of 75%;
- By 2015 of 90%;
- While allowing 0.5% for servicing the period 2020–2030;

The 56th meeting of the Ex-Com of the MLF held in November, 2008 approved the preparation of HPMP Stage-I for India with UNDP as the lead implementing agency in association with UNEP and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Government of Germany.

The Sectoral Working Group meeting was organized as early as in September, 2009 which was very well attended by the stakeholders from Industry, Industry Associations, Research Organizations, Non-Governmental Organizations (NGOs) and concerned line Ministries. The major Sectoral Groups represented were Refrigeration and Air-Conditioning (RAC) manufacturing, foam manufacturing and servicing of RAC equipment. The Sectoral Groups deliberated for 2 days and made recommendations for future action plan. The Sectoral Working Groups meeting also served the objective of

creating awareness among the stakeholders and take them on board.

Based on the outcome of the Sectoral Working Groups, the MoEF&CC 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 the accelerated 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 HCFC consuming sectors namely the RAC Manufacturing Sector, Polyurethane Foam Manufacturing Sector and RAC Servicing Sector.

Considering Refrigeration and Air-Conditioning Manufacturers Association (RAMA) and Indian Polyurethane Association (IPUA) are the technical professional associations of the industry which have subject expertise and close networking with the industry, UNDP has appointed these associations for the preparation of sectoral strategies for RAC manufacturing and polyurethane foam manufacturing.

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.

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&CC.

A two-day stakeholder workshop was organized in October, 2011 for finalization of sectoral strategies and overarching HPMP Stage-I. A large number of stakeholders, especially from industry, industry associations, defence forces, NGOs, R&D organizations, and implementing agencies actively participated in the deliberation and provided their inputs for the preparation of 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&CC, based on the inputs provided by the stakeholders during the workshop held in October, 2011.

The HPMP Stage-I is to phase-out the HCFCs 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- Ozone Depleting Substance (ODS) technologies in the enterprises with large consumption of HCFC-141b, technical assistance to the systems houses for developing HCFC-free low-Global Warming Potential (GWP) pre-blended polyols and activities in the RAC servicing sector. In order to ensure that the phase-out actions are carried out on time and phase-out of HCFCs remain sustainable, targeted policy and regulatory actions and awareness programs are also being implemented during the HPMP Stage-I.

The Ex-Com of the MLF in its 66th meeting held in April 2012 approved the HPMP Stage-I for India for the period from 2012 to 2015 for phase-out HCFCs in the consumption sector to meet the 2013 and 2015 targets at the total funding of US\$23,011,537 including the implementing agency support cost to reduce 341.77 ODP tonne of HCFCs from the starting point of 1691.25 ODP tonne.

Since the approval of the HPMP Stage-I, a number of activities have been conducted by the MoEF&CC in close cooperation with the implementing agencies and stakeholders.

The Ozone Depleting Substances (Regulation and Control) Rules, 2000 have been amended to align with the accelerated phase-out of HCFCs. A draft amendment to the ODS Rules was prepared and circulated among the concerned stakeholders, including industry associations. Subsequently, a consultative meeting was organized in October, 2012 where a large number of stakeholders participated in the meeting to further discuss the salient features of the amendment.

The draft amendment was updated incorporating the inputs received from the participants during the meeting and written comments sent by the participants.

The draft of amendment of Ozone Depleting Substances (Regulation and Control) Rules was published in the Gazette of India in May, 2013 for inviting comments/suggestions from the public on the draft Rules. Subsequently, the Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2014 were published on 4th April, 2014 in the Gazette of India.

A Stakeholders Workshop was organized in February, 2013. The Workshop was well attended by the stakeholders especially the industry representatives from foam manufacturing, RAC manufacturing and RAC servicing sectors. On this occasion, the HPMP Stage-I was also launched.

Conversion projects from HCFCs to non-ODS technologies are being successfully implemented in 8 enterprises in domestic refrigeration sub-sector, 2 enterprises in continuous sandwich panel sub-sector and 5 enterprises in discontinuous sandwich panel sub-sector. 15 systems houses are successfully developing pre-blended polyols using low-GWP blowing agents.

Several Regional awareness workshops have also been organized across the country in close cooperation with UNEP, the cooperating agency for implementing the non-investment component of India's HPMP Stage-I. These workshops have been well attended by the spare parts and refrigerant dealers who are the key stakeholders in establishing contacts with the servicing technicians and would enhance the reach-out of the training programs.

A number of Training of Trainers workshops on good servicing practices have been organized to create a pool of trainers for training the technicians in the RAC sector in the country. The training workshops have also been organized for RAC servicing technicians across the country which has successfully trained more than 11000 technicians through over 400 training programmes.

India has successfully achieved the freeze as on 1.1.2013 and 10% reduction of production and consumption of HCFCs as on 1.1.2015, in line with the accelerated phase-out schedule of the Montreal Protocol.

The Ex-Com of the MLF during its 75th meeting held during November, 2015 approved the release of the third and final tranche of funding approved under the HPMP Stage-I, based on an independent verification conducted by UNDP, which confirmed the achievement of the phase out targets for both production and consumption sectors respectively.

c) HPMP Stage-II

The 72nd meeting of the Ex-Com held in May, 2014 has approved US \$490,000 for the preparation of HPMP Stage-II for India with UNDP as the lead implementing agency in association with UNEP and GIZ, Proklima, Government of Germany as cooperating agencies. The HPMP Stage-II would address phase-out of HCFCs in various sector of foam manufacturing including Extruded Polystyrene (XPS), various sub-sectors of RAC manufacturing and RAC servicing sector. The HPMP Stage-II would also include strategy for awareness among the stakeholders and training of enforcement officers across the country.

The Stage-II of HPMP will be addressing a large number of MSMEs especially in foam manufacturing sectors as large HCFC consuming enterprises have already been

addressed under HPMP-I. However in case of RAC sector, both large HCFC consuming as well as MSMEs will be addressed under HPMP Stage-II wherever safe, technically proven, commercially viable and environment friendly, non-ODS technologies are available.

The Ex-Com of the MLF during its 74th meeting held in May, 2015 approved the policy guidelines for HPMP Stage-II in the consumption sector.

UNDP has appointed RAMA and the IPUA for preparation of sectoral strategies in the RAC and foam manufacturing sectors respectively.

RAMA and IPUA organized 3 awareness workshops each for RAC and Foam Manufacturing Sectors at Chennai, New Delhi & Mumbai. All the workshops were well attended and resulted in creation of awareness on HPMP.

RAMA and IPUA are currently in the process of conducting survey for collection of data for the preparation of HPMP Stage-II. The data collected will be analyzed and a draft strategy will be developed.

The draft sectoral strategy developed by the RAMA and the IPUA will be discussed in the National Stakeholder consultative meeting and based on the inputs received, the sectoral strategies for the foam and RAC sectors will be finalized for submission to the Ex-Com of the MLF.

Item No. 5 :

Fiscal Incentives Scheme.

The ESC in its XXXIX meeting held on 5th March, 2014 considered the recommendations of the Technology and Finance Standing Committee (TFSC) in its meeting held on 25th November, 2013 with regard to applications submitted by the following 5 enterprises for exemption of Customs duty in accordance with Sl. No. 364 of Ministry of Finance Notification No. 21/2002-customs, dated 1st March, 2002 and amended notification No. 12/2012-customs, dated 17th March, 2012. The TFSC recommended to ESC for the grant of exemption from customs duty only for four enterprises except M/s. Whirlpool of India Ltd., Pune :-

- (i) M/s. Subros Ltd., Noida (Expansion of capacity) – **recommended** by TFSC
- (ii) M/s. Whirlpool of India Ltd., Pune (Substitution of HFC-134a by isobutene) – **not recommended** by TFSC
- (iii) M/s. Whirlpool of India Ltd., Faridabad (Substitution of ODS, MLF funded project) – **recommended** by TFSC

(iv) M/s. Bharat Seats Ltd., Gurgaon (Expansion of capacity) – **recommended** by TFSC

(v) M/s. Zeco Aircon Industries Ltd., Thane, Mumbai (Expansion of capacity) – **recommended** by TFSC

A copy of the minutes of the TFSC meeting held on 25th November, 2013 are placed at **Enclosure-B, pages 7-24.**

After detailed discussion, the ESC decided to examine in detail, the need for continuance of the fiscal incentive scheme. It was also decided that in particular, it may be specifically examined if the industries in question, given their financial resources, would have undertaken/would undertake such expansion/ modernization even in the absence of financial incentives in the form of exemptions.

In line with the above said decision of the ESC, a detailed note on the subject giving complete background of the scheme along with the views of industry associations as well as the recommendations of the committee's constituted from time to time to review the scheme has been prepared and placed at **Enclosure-C, pages 25-33.**

The ESC may accord approval for the following:

- (i) To continue the fiscal incentive scheme till the complete phase out of both production and consumption of HCFCs as per the accelerated phase out schedule of the Montreal Protocol.
- (ii) To approve in accordance with the recommendations of the TFSC for availing benefit of customs duty exemption to the above said 4 enterprises.

Item No. 6 :

Organization of the International Day for the Preservation of the Ozone Layer for 2014 and 2015.

The UN General Assembly adopted a resolution 49/114 which proclaims 16th September as the International Day for the Preservation of the Ozone Layer, to commemorate the signing of the Montreal Protocol on the Substances that Deplete the Ozone Layer which was signed on 16th September. In line with the resolution, the Ozone Cell, MoEF&CC, Government of India has been celebrating the International Ozone Day for the Preservation of the Ozone Layer since 1995 at the National and State levels.

Twentieth International Day for the Preservation of the Ozone Layer – 16th September, 2014.

The Ozone Cell, MoEF&CC, Government of India celebrated the International Ozone Day on 16th September, 2014 at Hyderabad, India. The Theme for the 20th International Day for the Preservation of the Ozone layer for the year 2014 was "Ozone Layer Protection: The Mission Goes On".

On the occasion the Ozone Cell, MoEF&CC organized the following activities:

- (a) Painting, poster, Slogan writing competitions for school children.
- (b) Publication of a poster, painting and sticker for distribution to industry, institutions, Government Departments, schools and students and others with a view to raise public awareness.
- (c) Publication of booklet Titled "The Montreal Protocol : India's Success Story" highlighting the initiatives undertaken and achievements made by the Ozone Cell, MoEF&CC, Government of India, on implementation of the Montreal Protocol in India.
- (d) Telecasting of a video film on the Montreal Protocol and Ozone layer by the Doordarshan.

More than 250 students from over 32 schools in Hyderabad actively participated in the competitions organized by the Ozone Cell, MoEF&CC.

The winners of the competitions in various categories were presented awards comprising of cash award, mementoes and merit certificates at the function organized on the occasion.

Thirtieth anniversary of the Vienna Convention for the Protection of the Ozone Layer and 21st International Day for the Preservation of the Ozone Layer – 16th September, 2015.

The year 2015 marks the 30th anniversary of the Vienna Convention for the Protection of the Ozone Layer, an important milestone in the protection of the Ozone layer. The theme for the celebration of the anniversary and this year's International Day for the Preservation of the Ozone layer was "**30 Years of Healing the Ozone Together**". The theme is supported by the slogan, "**Ozone: All there is between you and UV**". The theme highlights the collective efforts of the Parties to the Vienna Convention

and the Montreal Protocol in protecting the ozone layer over the past three decades and the supporting slogan signifies the importance of the ozone layer in protecting life on Earth from the harmful effects of UV-B radiation.

The Ozone Cell, MoEF&CC, Government of India celebrated the 30th anniversary of the Vienna Convention and the 21st International Ozone Day on 16th September, 2015 at Stein Auditorium, Convention Centre, India Habitat Centre, Lodhi Road, New Delhi, India. Shri Prakash Javadekar, Hon'ble Minister of State for Environment, Forest and Climate Change (Independent Charge) Government of India was the Chief Guest.

On the occasion, the Ozone Cell, MoEF&CC organized the following activities:

- (a) Painting, poster, Slogan writing competitions for school children.
- (b) Publication of a poster, painting and sticker for distribution to industry, institutions, Government Departments, schools and students and others with a view to raise public awareness.
- (c) Publication of booklet titled "The Montreal Protocol : India's Success Story" highlighting the initiatives undertaken and achievements made by the Ozone Cell, MoEF&CC, Government of India, on implementation of the Montreal Protocol in India.

Over 1300 students from 172 schools from Delhi and National Capital Region actively participated in the competitions organized by the Ozone Cell, MoEF&CC.

The winners of the competitions in various categories were presented awards comprising of cash award, mementoes and merit certificates at the function organized on the occasion.

Item No. 7 :

Any other matters with permission of the Chair.

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