

meeting

India, the world's second largest producer of chlorofluorocarbons (CFCs), is due to phase out its use of them, as well as halons and carbon tetrachloride, in three years time. But will it meet the target?

The country ratified the Montreal Protocol in September 1992 and, thereafter, the amendments adopted at meetings in Copenhagen, Montreal and Beijing. It accepted the basic contention that the thinning of the ozone layer put the entire world at risk. It concurred with the need to phase out ozone-depleting substances (ODS), such as CFCs, and accepted funding provided by the Multilateral Fund, set-up under the Protocol, to finance the switch to cleaner technologies.

In 1993, the Government established a special Ozone Cell as part of its country programme. This was specifically tasked with overseeing the phase-out of ODS, advising industry its choice of technologies, facilitating the flow of funds for the switchover and creating general awareness about the process. By 2003, India had received an estimated US\$ 137 million from the Multilateral Fund for over 349 ODS phase-out projects

The Government provided technical assistance and funds, and brought in the ODS (Regulation and Control) Rules 2000 under the 1986 Environment Protection Act, specifying the time frame for the phase out. In 1995, as part of a package of incentives, it granted full exemption from customs and excise duties to capital goods imported for ODS phase-out projects funded by the Multilateral Fund, and, the next year, extended this concession to new projects based on non-ODS technologies.

India produces 20,000 metric tonnes (MT) of CFCs every year; only China makes more. Some 6,700 MT are consumed in the domestic market, the rest exported. It also produces 100 MT of halons and around 18,000 MT of carbon tetrachloride.

After 15 years of the country programme, and two decades after the Montreal Protocol was signed, there are few independent studies to assess whether its effort is working. On paper everything appears to be on track. The phase out programme is being implemented by all major industries that use ODS. The millions of dollars made available through the Multilateral Fund have been disbursed. It would seem that there is no hitch.

On the ground, however, the situation is not quite so simple. In the first place, it is not just the big industries that use ODS: so do hundreds of small

units that are part of India's burgeoning informal sector. This sector is little regulated because it is so dispersed. Large units, for example, are not usually part of the informal sector, but in small workshops, often in rural areas, these continue to use CFC-11 and other ODS. The country programme document makes clear that the bulk of ODS consumption is in small and medium-sized units in the informal sector.

While bigger enterprises have the ability to apply for funding to switch to substitutes, the vast majority of them fall below the minimum size eligible for such help. Without financial help, none of them will voluntarily switch.

Second, the technology being offered to India is becoming obsolete. Indian industries that used to produce CFC-12, but have switched to HCF-134a, will find themselves in a bind in order to move away from this greenhouse gas. They are the first place to a technology that will not quickly become obsolete. Representatives also complain that the funding is slow and too late and that the multinational companies that produce these technologies charge too much for them. Many small businesses, such as air conditioners, for instance, complain that the government is slow on the additional costs to consumers because of the high cost of the market, greatly reducing their profit margins.

Third, though the Protocol pays for technology innovation, the Hyderabad-based Technology Development Centre has indigenously produced HCF-134a. The Indian government and two enterprises that produce it are now working. Scientists argue that India could become a net exporter of HCF-134a rather than being dependent as an importer. However, the alternatives to CFCs were available through the Montreal Protocol.

Finally, there is the challenge of stopping the leakage of ODS. Sources estimate that several thousand tonnes of ODS are leaked into the country each year across India's porous borders. This is then used by small units in the informal sector.

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by Kalpana Sharma

growing informal sector, which is so scattered. Aerosol sprays, produced on big assembly lines, are often located in slums. Most of them use CFC-12. The India country report says that 66 per cent of ODS are produced by small scale enterprises and in the

deal with the paperwork required for these smaller units do not. Indeed, they are not eligible for funding anyway. And they do not voluntarily make the changeover.

Indian companies is expensive and they are companies that once used CFC-11 and they have to change again by 2030 in some cases. It would be better to switch in time before they quickly become outdated. Industry says that the funding they receive is often too little to cover the costs. Companies who control the non-ODS production of refrigerators and air conditioners, they have not been able to pass on the cost of intense competition in the market.

technology transfer, it does not support the Indian Institute of Chemical Technology (IICT) in using HFC-134a, with funding from the World Bank. They were looking for CFC substitutes. IICT is a net exporter of new technologies and they are not eligible for funding for basic research in the area from the Multilateral Fund.

the illegal trade in CFCs. Industry says that a large amount of CFC are smuggled into the country from the borders with Nepal and Bangladesh. The informal sector to produce aerosols.

Even if the quantities are not very large, they undercut the effort to phase out ODS completely within the stipulated time frame.

In contrast to the recent spurt of activity and media coverage over global warming, the issue of ozone depletion and its consequences has remained fairly low key. There is little evidence of official efforts to disseminate the facts of the problem to the general public and, in my experience, it is hard even to get responses to routine questions.

India's efforts to phase out ODS need to be critically evaluated. A major advantage of the Montreal Protocol is its recognition of the need to fund technology transfer but it has not realised the potential of countries like India to devise their own alternatives to ODS at a much lower cost. India's experience also suggests that independent monitoring and evaluation are needed to ensure that official programmes are borne out by the reality on the ground.