

Background Theme for
NATIONAL WORKSHOP ON
CAPACITY BUILDING IN CDM PROJECTS

August 30-31, 2007; Hyderabad.

Following a prolonged debate stretching over decades, a majority of the global population reached to a conscious conclusion that the phenomenon of Global Warming is the fall out of human activity, notably the burning of fossil fuels. Pursuant to the global efforts in identifying mitigation measures, the Kyoto Protocol was signed in 1997 and, after a lull of almost eight years, ratified by a specified number of countries ultimately, satisfying the quorum, and came into force on February 16, 2005.

Clean Development Mechanism (CDM) is an arrangement under the Kyoto Protocol allowing industrialized countries that have committed to reduce their greenhouse gas emissions by 5.2% below the 1990 levels during the period 2008-2012, by investing in projects that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries. Apart from helping the industrialized countries to comply with their respective emission reduction commitments, the purpose of CDM is also to assist the developing countries in achieving sustainable development, while, simultaneously contributing to stabilization of greenhouse gas concentrations in the atmosphere.

India is one of the countries which has the greatest potential for CDM activities due to the following aspects:

- Its sizeable population.
- A country with a fast-growing economy, and improved purchasing power, which is conducive to larger investments in various sectors.
- Escalation in demand for modernization and technological advancement.
- Technological advancement promotes conservation of resources while ensuring maximum output.
- Greater potential for CDM due to modernization efforts that are pegged to new and improved technologies, which will contribute to emission reductions.

The potential of the CDM market in India has been estimated to be around US\$ 35 billion. Although India is one of the early entrants in the CDM field, it is yet to fully exploit the potential benefits. In general, there is skepticism because of a perception that the CDM process is too complicated and cumbersome.

Despite the above, it is commendable that the CDM process has been initiated and is now being implemented with progressive enhancements, resulting from experimentation and research.

What is the object of this Workshop?

In view of the above, the objective of the Workshop is to address areas of concern and to highlight the positive features and benefits of CDM.

This Workshop will discuss the case studies of a number of successful CDM projects and carry out an in-depth review of Baseline and Additionality criteria.

The first tranche payment for emission reductions for FaL-G:CDM project is expected to be received from the World Bank shortly. During the Workshop payments of over 2.00 lakh US dollars are going to be disbursed to the FaL-G entrepreneurs (Sub-Project Entities), operating from the remote villages of Andhra Pradesh, who got enrolled in the first bundle. Thus, this workshop aims at sending a message to the prospective industries throughout the country that CDM revenues are, in fact, a reality and these revenues can percolate even to the smallest enterprise at the grassroots level through effective monitoring plan and proper documentation

The following key themes will be discussed in this workshop:

- Status of CDM Projects: A National Perspective
- Successful CDM Projects: Implications of Baselines and Additionality Tools
- Salient features of successful CDM projects
- Issues with CDM projects that have failed registration.
- Tips to develop a successful CDM Project
- Vistas of monetary instruments/arrangements to promote a CDM Project
- CDM Market players – Commercial and fiscal considerations for Project Entity during negotiations.
- Taxation laws and instruments; Issues of legal comforts in articulating ERPA.

Who are associated in conducting this Workshop?

This Workshop is being organized by the Environment Protection Training & Research Institute (EPTRI) and Institute for Solid Waste Research & Ecological Balance (INSWAREB) and sponsored by the CDCF, World Bank and Eco Carbon Pvt. Ltd. (ECPL).

EPTRI is the scientific research body set up by Government of Andhra Pradesh. This institute is assigned as the nodal agency to catalyse promotion of CDM projects in India.

INSWAREB is the research-oriented NGO, specializing the use of industrial solid by-products for cement and building materials, with the aim of conservation of minerals and energy on one hand and use of industrial wastes on the other; all culminating in ecological welfare and Sustainable Development.

ECPL is the corporate body with primary objective to promote CDM projects in the international market. FaL-G is one of the first projects whereby ECPL has entered into Emission Reductions Purchase Agreement (ERPA) with the World Bank to transfer 800,000 tons of Verified Emission Reductions (VERs).

The World Bank, supported by governments and companies in the OECD countries to purchase project-based greenhouse gas emission reduction, kick started the CDM activity as

far back as in 2000, when the Kyoto Protocol was yet to be ratified, with the establishment of the Prototype Carbon Fund (PCF) in 2000. Currently, the World Bank manages nine carbon funds and facilities comprised of public and private participants: Prototype Carbon Fund (PCF); Netherlands JI and Netherlands CDM Facilities; Community Development Carbon Fund (CDCF); BioCarbon Fund; Italian Carbon Fund; Spanish Carbon Fund; Danish Carbon Fund; and the Umbrella Carbon Facility (UCF). These funds are public or public-private partnerships managed by the World Bank as a Trustee. They operate much like a closed-end mutual fund; they purchase greenhouse gas emission reductions from projects in the developing world or in countries with economies in transition, and pay on delivery of those emission reductions, etc, all with an aggregate commitment of over US \$ 1.5 billion. The World Bank, as the trustee of all these funds, is keen to identify potential CDM projects in various countries and to purchase carbon credits on behalf of each of the respective funds it manages.

Who should take advantage of this workshop!

In addition to addressing captains and executives of industry this workshop aims to sensitize:

- Officials of various Government Departments that are amenable to promote CDM Projects;
- Environmentalists and Engineers;
- Academia and faculty;
- Journalists, Correspondents and Reporters from Press and the electronic media;
- Students of technical and professional courses;
- Tax consultants, Chartered Accountants and Advocates.

Admission:

By invitation (invitation is valid only for one person).

For other desirous participants: Delegate fee: Rs. 2,000/- (payable at Registration Desk at the conference venue).

Venue:

For the First day program on 30th August 2007: Grand Ball Room I & II, Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad 500 034.

For the second day program on 31st August 2007: Conference Hall, EPTRI, 91/4. Gachibowli, Hyderabad 500 032.