

Agricultural Finance Corporation Ltd

NATIONAL CONFERENCE ON CLIMATE CHANGE AND CDM: OPPORTUNITIES AND CHALLENGES

AUGUST 13, 2009, IIC, NEW DELHI

AFC Foundation, a unit of Agricultural Finance Corporation Ltd. (AFC) had organized a national conference on **Climate Change and CDM: Opportunities and Challenges** on 13th August, 2009 at India International Centre (IIC), New Delhi.

At the outset, Shri M Manjunatha, DGM and Incharge, Northern Regional Office, AFC, New Delhi welcomed the participants. In his welcome address Shri Manjunatha explained the workshop objectives particularly to explore opportunities and challenges foreseen for the post Copenhagen scenario in the sector. About AFC, he informed that it is an agriculture, forestry, watershed, rural development and allied sectors consultancy organization promoted by Indian Banking Industry. AFC possess the status of deemed government company and has flexibility of corporate sector. AFC Foundation is a subsidiary of AFC that looks after the project implementation and training and capacity building segment. In Climate Change and CDM sector, AFC is already conducting a few studies, launched a diploma course on CDM and have developed business network with other organizations working in the same sector in the country.

Key note address was delivered by Dr. Inderjeet Singh, Price Waterhouse Coopers, New Delhi. Dr. Singh in his address highlighted the scope of CDM in agriculture sector. The three GHGs that had the potential to be mitigated in agriculture sector include CO₂, CH₄ and N₂O. Methane is 21 times more potent than CO₂. So far no agriculture project has been taken up in the country on CDM. Dr. Singh mentioned in detail about the agriculture waste management project for biogas production as one of the potential agriculture sector CDM projects. Likewise other agriculture related project can be developed.

The conference had total four technical plenary sessions as below:

- Carbon finance and trading – approach and risk barriers
- REDD – New initiatives to combat climate change
- Clean technology perspectives – Renewable energy and municipal solid wastes
- Existing experiences in CDM projects in India

Speakers of the first plenary session on “Carbon finance and trading – approach and risk barriers” included Mr. Kundan Burnwal, Technical Expert (Forestry) GTZ, New Delhi and Ms. Usha Rao, Manager (South Asia), KfW Carbon Fund. Mr. Kundan spoke about basics of CDM its processes and how the mechanism works. Types of projects that can be eligible for C trading were also briefed. Sustainable development criteria and steps in project realization were also mentioned. Determinant different types of units such as CER, VER, EUA, AAU, RMU, and ERU were also highlighted. Mr. Kundan in the last

briefed about the trading mechanism and the constraints in CDM. Ms. Usha Rao informed about the factors affecting CDM market and the transaction strategies. The issues in financing carbon projects in India were also highlighted. KfW is one of carbon project financing organisations and supports in Development of CDM Projects, CDM Programmes, identification of CDM potential, advance payments and development of new financing products / programmes for CDM revenues. The PoA Support Centre, Germany disseminates information on CDM/JI and enable the public/private entities to identify PoA potential.

Speakers of the second plenary session on “Reduced Emission of Degradation and Deforestation of Forests (REDD) – New initiatives to combat climate change” included Dr. Promode Kant, International Centre for Climate Change and Ecology (ICCCCE), New Delhi and Dr. T.R. Manoharan, WWF India, New Delhi. Dr. Promode Kant in his presentation highlighted the international scenario of climate change and India’s defacto position. Forests play a major role in C sequestration. The AR4 report of IPCC has also emphasized the need of immediate action on emission from forest areas to help stopping C stocks reaching the atmosphere. Deforestation rate has been reduced significantly in India but degradation continues. The issues of consideration in operationlising REDD were also cited by Dr. Kant. Dr. T.R. Manoharan in his presenation briefed about the ecosystem services of forests, and C markets/funds for forests. In India forest foot prints and forest certification will play an important role in future in mitigating climate change.

Speakers of the third plenary session on “ Clean technology perspectives – Renewable energy and municipal solid wastes” included Mr. Ashish Kulkarni, Emergent Ventures, New Delhi and Dr. Somnath Mukherjee, Sr. Vice President, IL&FS Ecosmart Ltd., Gurgaon. Mr. Ashish Kulkarni in his presentation highlighted the growth in renewal energy efficiency. Policies are already in place for wind, biomass, cogen and small hydro project and being established for WTE and solar projects. Major roadblocks to energy projects include global financial crisis, uncertainties in C finance, and project barriers. Various financing options that can help curtail the road blocks in such projects were also detailed. Dr. Somnath presented to CDM potential in waste management. Huge amount of waste is generated in the country with inadequate practices of its management including minimization, reuse and recycling. Waste processing projects avoids methane emissions from anaerobic decomposition of MSW in a landfill and can earn Rs 100 -150 per ton of waste processed or Rs 500 – 800 per ton of compost produced. CDM can be an effective tool to deal with different barriers in waste management. Two case studies were also presented by Dr. Somnath including (i) Upgradation, Operation and Maintenance of 200 TPD Composting facility at Okhla, Delhi (ref.: UNFCCC 2470) and (ii) Gorai Landfill Closure and Gas Capture Project, Mumbai.

Speaker of the fourth session on “Existing experiences in CDM projects in India” was Mr. Lak Tewari, Project Director, VEDAMACS, New Delhi. VEDAMACS had developed a CDM AR project in Orissa and A.P. states in partnership with J.K. Paper Industries, Raygada, Orissa. Project area covered was about 3600 ha. and anticipate to generate tCERs over 30 years – 107,00,876 to benefit 6,000 farmers. The project has cleared the stage of revision of PDD based on validator’s comments. The CERs are expected

to issue by March, 2010. Mr. Tewari also highlighted the social, environmental, and economic benefits of the project.

The conference ended with the vote of thanks to the speakers, participants and organizers by Mr. Ashish Deepankar, Head Environment and Livelihood Division, AFC, New Delhi. The conference was coordinated and conducted by Dr. Vandana Tatra, Project Manager, Training and Capacity Building, AFC Foundation, New Delhi.
