

## Workshop on Clean Development Mechanism



The Fertiliser Association of India (FAI) organized a workshop on 'Clean Development Mechanism' (CDM) on 8<sup>th</sup> March 2007 at the Committee Room, National Cooperative Union of India, New Delhi. The workshop was attended by 27 participants from 19 Fertilizer Plants. The workshop was inaugurated by Shri K P Nyati, Principal Advisor, CII-ITC Centre of Excellence for Sustainable Development, New Delhi. Shri G S Ray, Consultant, Central Pollution Control Board, Shri R. K. Sethi, Director (Climate Change), Ministry of Environment and Forests, Shri Sudipta Dass, Partner, Ernst & Young, Shri Dipankar Ghosh, Managing Consultant, Ernst & Young, Shri Bratin Roy, Manager-EHS, TUV SUD South Asia, and Shri S Watanabe, Incharge (Indian Operation), Japan Carbon Finance (JCF), Japan were also present.

Shri Nyati in his inaugural address stressed the urgent need to limit the Green House Gas (GHG) emissions since climate change is for real. He informed that there has been a general agreement amongst the scientific community world over that intensification of efforts to reduce GHG from now onwards would still result in inevitable raise in global average temperature by 2<sup>0</sup>C. The implication of 2<sup>0</sup>C raise in average global temperature was stated to be excessive rain, drought, increase in all

kinds of natural calamities, etc. Shri Nyati quoted an IARI study which indicated that a 2<sup>0</sup>C raise in global temperature would reduce Indian agriculture output by 18% and expressed that this may negate all our efforts to increase agricultural production and productivity. He also mentioned that climate change will trigger processes essentially directed at adaptation to climatic change and would result in enormous loss to GDP, besides the process of adaptation could itself be a painful one. In this context, he opined that it would be prudent to make contribution towards GHG reduction. Further he apprehended that China and India may become large emitter of GHG if their economic growth continued to grow at the present rate and post 2012 China and India will be under tremendous pressure to take on emission reduction targets. Dwelling on the Kyoto protocol and CDM, he expressed that for an administered price control industry like fertilisers it would make immense sense to take up CDM projects. Foreseeing enormous CDM opportunities, particularly in urea and ammonia industry, he recounted the kind of technology that can help fertiliser plants to reduce energy and GHG emission and translate into CER's.

Speaking about the implications of EIA 2006 notification for fertilizers industry, Shri Nyati mentioned that CDM projects which essentially involve change in production process or modernization or even product mix would require environmental clearance and ways and means may have to be found to fast track it.

On the issue of Corporate Sustainability Reporting (CSR) he opined that all industries including fertilizer industry should make continuous efforts to improve economic, social and environmental performance. He urged the fertiliser companies to participate in the Corporate Sustainability Award's competition instituted by CII to enable them to find out where they are placed vis a vis others and also identify areas for further improvement.

Shri R C Gupta, Dy. Director General, FAI welcomed the chief guest Shri Nyati, invited guests and participants. Shri Gupta, in his welcome speech, narrated in brief the role of FAI in improving the productivity and efficiency of the industry. Tracing the growth of fertilizer industry, he gave an account of various activities of FAI. He mentioned that the performance of the Indian fertiliser plants was at par with the best plants located anywhere in the world. There has been significant

improvement in energy consumption and environment performance of fertiliser plants over the years. Being proactive, fertiliser industry has taken several voluntary initiatives and adopted world class management systems and practices. In line with the global objective of controlling GHG emissions, fertilisers plants have identified new energy saving schemes and projects for generating carbon credits. The present workshop on CDM was being organized to encourage and help member companies to generate more CDM projects.



Dr. (Ms) B. Swaminathan, Additional Director (E&S) proposed a vote of thanks at the conclusion of the inaugural session.

The first technical session was chaired by Shri Sudipta Das, Partner, Ernst & Young.

In all four papers were presented in the session.

Shri R. K. Sethi, Director (Climate Change), Ministry of Environment & Forests gave an 'Update on the CDM' from Indian perspective. He explained to the participants the role of the Designated National Agency and process followed by CDM executive board before issuing certified emission reductions (CER's). Shri Dipankar Ghosh, Managing Consultant, Ernst & Young presented an 'Overview on CDM' wherein he covered the CDM project requirements and discussed at length the CDM opportunities in fertiliser sector. Shri Bratin Roy, Manager-EHS, TUV SUD South Asia, in his presentation, narrated his experience of validating and verification

of CDM projects while Shri S Watanabe, In charge (Indian Operation) JCF outlined the framework on purchase of carbon credits, service provided by JCF and criteria for screening of CDM projects.

The second technical session was chaired by Shri R P Vyas, Executive Director, GNFC, Bharuch. In this session the participants from various fertiliser plants shared information on CDM projects undertaken and planned by them plants which was followed by fruitful discussion.

Concluding the workshop Dr. Swaminathan urged the participants to learn from each others experiences and capitalize on the CDM opportunity to generate revenue through carbon credits.

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