

# *Clean Development Mechanism: Policy and Institutional Framework*



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## **GoI and Climate Change**

- Kyoto Protocol – acceded in August 2002
- Hosted COP – 8 (2002)
- Presidency of COP (2002-03)
- Climate Technology Bazaar & Conferences (2003)
- Establishment of DNA ( December 2003)



# Facilitating CDM Implementation

*contd...*

## Project approval process

- Quantifiable SD indicators vs. broad conformity with developmental goals
- Interim approval criteria available at <http://envfor.nic.in/cc/cdm/criteria.htm>
- Diverse views regarding prioritisation of sectors
- DNA, however, would like to support all the eligible industry sectors

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## Types of Projects approved

- |   |    |
|---|----|
| • Biomass/ Cogeneration                       | 15 |
| • Industrial Processes /<br>Energy efficiency | 7  |
| • Municipal Solid Wastes                      | 1  |
| • Fuel Switching                              | 2  |
| • Renewables'                                 | 2  |

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## Institutional capacity requirements

- National DOEs to cut down transaction costs
- Consultants
- Public Sector Undertakings
- Financial institution - to play a proactive role
- Bundling organisations and seller's pool to protect the interests of small project developers

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## Capacity building initiatives in India

- CDM capacity building programme for Biomethanation sector, UNDP-MOEF
- National Strategy Study, World Bank - TERI – MOEF
- Climate Technology Bazaar & Conferences
- Ministry and State Governments through various Workshops/ seminars
- Industry Associations
- Foreign Governments

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## The CDM today

- Few buyers - market dominated by government and multilateral buyers
- Effect of EU – emissions trading scheme on CDM yet to be assessed
- Low carbon prices - CER revenue will rarely be the deciding factor
- High transaction costs
- Modalities and procedures not yet finalized for LULUCF projects

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## Type of projects

- Renewable energy
- Switching to Alternate Fuels
- Energy Efficiency
- Waste Management
- Oil & Gas
- Industrial Processes
- Sinks/Agriculture

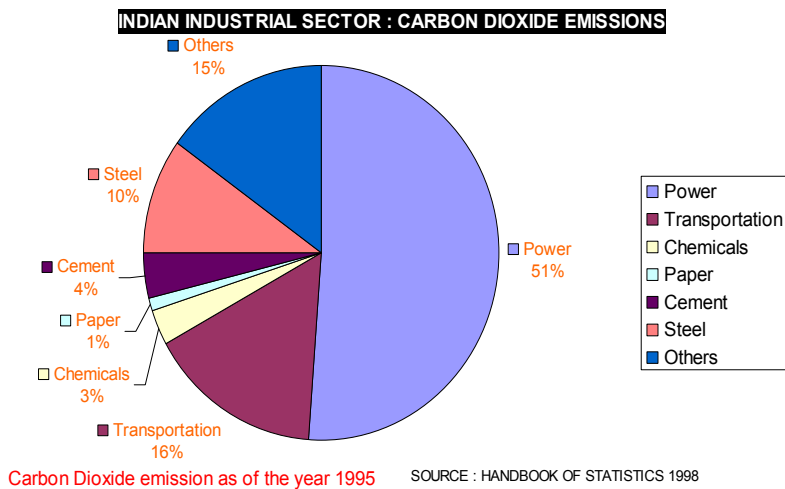
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## Potential in Renewables

<i>Technology</i>	<i>Potential</i>	<i>Cum. Installation upto March 31, 2003</i>
Wind Power	45000 MW	1870 MW
Small Hydropower (< 25 MW)	15000 MW	1509 MW
Biomass	19500 MW	484 MW
Energy from Waste	1700 MW	26 MW
Solar photovoltaic		121 MWp

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## Beneficiary Sectors-Potential



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## Potential Areas

### Average Specific Energy Consumption

Sector	1990-91	1994-1995	1999-2000 Best
Steel(G.cal/ton)	11.27	8.93	7.48
Aluminum(kWh/ ton)	16763	16606	15217
Cement(kWh/ton)	132	120.5	69
Caustic Soda(kWh/ton)	3351	3130	2196
Paper(MWh/ton)	1.255	1.003	0.985
Urea(kWh/ton)	425.6	390	-

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*Thank You*



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