

The EVI Newsletter

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Carbon Advisory Business

COP 14, Poznan, Poland

The United Nations Climate Change Conference of Parties (COP 14) was held in the city of Poznań, Poland from 1-13 December. The Conference was a milestone on the road to success for the processes which were launched under the Bali Road Map. The meeting came midway between COP 13 in Bali, which saw the launch of negotiations on strengthened international action on climate change, and COP 15 Copenhagen, at which the negotiations are set to conclude. Over eleven thousand participants and delegates attended the Poznań meeting. Three main issues to be discussed were review of the implementation of the Kyoto Protocol, Formulation of the long-term cooperation strategy aimed at tackling the challenge posed by climate change and Preparation of the possible actions by developed countries under their obligations after 2012. Four key ar-

reas are basic for the negotiations: mitigation of greenhouse gas emissions, adaptation to climate change, technology transfer and financing activities in developing countries and economies in transition. The conference ended with a clear commitment from governments to shift into full negotiating mode next year in order to shape an ambitious and effective international response to climate change, to be agreed in Copenhagen at the end of 2009. At Poznań, the finishing touches were put to the Kyoto Protocol's Adaptation Fund, with Parties agreeing that the Fund would be a legal entity granting direct access to developing countries. Progress was also made on a number of important ongoing issues that are particularly important for developing countries, including reducing emissions from deforestation and forest degradation (REDD) and disaster management. A key event at the

Conference was a ministerial round table on a shared vision on long-term cooperative action on climate change. Ministers gave a resounding commitment to achieving an ambitious and comprehensive deal in Copenhagen that can be ratified by all. A little disappointing due to lack of a positive outcome on the share of proceeds issue in the group considering the second review of the Protocol under Article 9, Poznań had still been productive and provided momentum towards Copenhagen especially with the resolution of the issue of the legal capacity of the Adaptation Fund Board as an important achievement, which he said will help move forward on adaptation action. There was also progress in discussions on REDD and the LDC Fund.

The next major UNFCCC gathering will take place next from 29 March to 8 April next year in Bonn, Germany.

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The 20/20/20 Climate Deal

European Union leaders reached a deal popularly called as 20/20/20 deal to fight global warming at the Brussels Summit. The deal focuses on three areas: emissions cuts, renewables and energy efficiency.

It sets target for the 27 member-countries to cut carbon emissions by 20% by 2020, compared with 1990 levels. The target will rise to 30% if an international agree-

ment is reached committing other developed countries and the more advanced developing nations to comparable emission reductions. The deal also calls for 20% increase in use of renewable energy by 2020 from around 8.5% presently, within which, 10% of transport fuels will have to come from biofuels. The third target is a 20% cut in energy consumption through improved energy efficiency by 2020.

It is seen as the most ambitious proposals in the world today. The European Union have approved a €200 billion (\$267 billion) stimulus plan for the same. The UN Chief welcomed the EU deal. "The EU's climate deal sends a clear message to the negotiations in Poznan and onwards to Copenhagen that difficult roadblocks can be overcome and resolved," said Yvo de Boer, Executive Secretary, UNFCCC

"The world is watching us. The next generation is counting on us. We must not fail"

CDM Reforms Underway

Project developers may now have the right to appeal to the CDM Executive Board (CDM EB) for project activity being refused registration or a requested quantity of certified emission reductions not being issued. The UN will study different options and a procedure of appeal for CDM projects developers will be adopted within a year. The CDM EB has also been asked to speed up registration of projects and issuance of credits. This is a major step forward in the CDM reforms.

In this regard, CDM EB has been requested to improve transparency and consistency in decision-making, to classify, index and publish decisions, clarifying the hierarchy of its decisions, to demonstrate the relationship between new and previous decisions, to further substantiate decisions and make public the rationale for its decisions, taking into account that the information provided may encompass background information, examples, depending upon the nature of the decision. The EB will soon develop a dedicated document compiling the major criteria for decision-making during the review process and make it publicly available through the UNFCCC CDM website. It will systematically summarize the major issues that trigger a request for review and corresponding justification.

EVI News

Jami Hossain, Managing Director, WindForce Management, Received the Best Media Publication award (2006-08), in the Wind India International Conference and exhibition organized by World Institute of Sustainable Energy.

WindForce Management is promoted by Emergent Ventures India and is a Wind Energy Development-cum-Technical services company that offers End-to-End turnkey Wind Farm project development solutions for large Wind Farm projects.



Jami Hossain is a known international expert in wind energy and over the last 20 years has carried out pioneering work in this field. He is credited for having initiated some of the most flourishing businesses in Wind Energy in India.

Adaptation to Climate Change

One of the important achievements in Poznan was the resolution of the issue of the legal capacity of the Adaptation Fund Board. The discussions stressed on the importance of operationalizing the Adaptation Fund to enable eligible Parties to submit project proposals for funding directly to the Adaptation Fund Board. Also, the Adaptation Fund Board would start processing proposals for funding projects, activities or programmes, as applicable.

The Adaptation Fund Board would start monetizing the certified emission reductions in early 2009. The Council of the Global Environment Facility (GEF) would provide secretariat ser-

vices to the Adaptation Fund Board on an interim basis and the International Bank for Reconstruction and Development (the World Bank), as trustee for the Adaptation Fund on an interim basis.

The sale of CERs from the account established and maintained at the CDM registry for the Adaptation Fund has been authorized to hold and transfer CERs collected as the share of proceeds to assist in meeting the costs of adaptation. The sale of CERs from the CDM Account shall be administered under the instructions, direction and guidance of the Adaptation Fund Board consistent with its responsibility to supervise and manage the Adaptation

Fund and for the monetization of the CERs. The Trustee may execute contracts of sale with the relevant third party CER purchasers and such other contracts necessary in connection with the sale or the facilitation of the sale of CERs.

The Adaptation Fund shall assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation and finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties.

In assessing project and programme proposals,

the Adaptation Fund Board shall give particular attention to Consistency with national sustainable development strategies; economic, social and environmental benefits from the projects; meeting national technical standards, where applicable; cost-effectiveness of projects and programmes; arrangements for management, including for financial and risk management; arrangements for monitoring and evaluation and impact assessment; avoiding duplication with other funding sources for adaptation for the same project activity; moving towards a programmatic approach, where appropriate.

CCS at COP 14

Carbon capture and storage (CCS) emerged as one of the most controversial and discussed issues at the CoP 14. CCS involves capturing carbon dioxide (CO₂) emissions from coal and other fossil-fuel based power plants and industrial plants and store it permanently in geological formations underground. In this technology atmospheric CO₂ is absorbed by growing modern biomass and non-agricultural land and use it in power plants fitted with CCS to achieve net negative emissions. The technology however is at a very nascent stage US and some EU countries setting up of demonstration CCS facilities.

Developed countries like Norway and the EU, Australia and Japan, with strong support from Saudi Arabia, are stressing that CCS should be included as technology under the Clean Development Mechanism (CDM). Developing countries like Brazil, Venezuela and Jamaica are on the other hand protesting its inclusion on account of being a nascent and yet to be fully developed technology. Also, several environmental groups have vehemently opposed such a plan asking for trading mechanism to be focused on renewable instead.

Practically, it would lead large quantities of cheap credits and destabilize the carbon market and prevent small-scale projects from the developing countries. It will also take away funds from cleaner technologies like renewable. Thereby diverting the central idea of the CDM to promote sustainable projects. Owing to strong protests from some groups it was decided not to adopt the inclusion of CCS under CDM. However, CCS is still one of the most promising technologies to reduce emissions and will definitely be discussed in the coming years.

Sustainable Solutions for Environment



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Emergent Ventures India is a global Consulting firm providing Climate Change Mitigation solutions. our solutions entail emissions reduction & management advisory, clean technology implementation, development of renewable energy projects and carbon finance. At EVI, we pride ourselves on a potent mix of rigorous analytical skills, boundless creativity, and a roving eye for "*Sustainable Solutions for the Environment.*" We work with more than 150 clients and are managing more than 75 million Carbon Credits for our clients. We provide services to clients in Pakistan, Thailand, Indonesia, Malaysia, Bangladesh, Sri Lanka, Africa and Europe. Recognizing that clients must adapt to the low-carbon society of the future, EVI helps companies understand potential risks & opportunities arising from climate change and provides solutions in the area of risk mitigation and clean technology adoption. Our insights into clean technologies for greater Energy Efficiency are drawn from a deep well of knowledge resulting from tireless, meticulous research. In collaboration with our clients, we strive to turn those insights into on-the-ground sustainable development by using innovative financial solutions like Carbon-backed financing and debt-equity sharing, making otherwise expensive technological changes possible by attracting greater investment

FE-EVI Green Business Survey Launch



The FE-EVI Green Business Survey 2008 is all set to be released on December 19. As climate change is gradually becoming a business strategy issue, there are many businesses world over which are going for environmental friendly strategies by addressing the risks and utilizing the opportunities arising from climate change. The survey hence promises to offer an insight into the perceptions, policies and practices of corpo-

rate India in its endeavour to convert the risks of climate change into business opportunities. Around 200 companies were surveyed from the FE 500 list of 2007 to assess the climate change awareness of corporate India and the gap between awareness and the follow up action. Nobel laureate, **Dr. R.K. Pachauri** of the IPCC and **Mr. Deepak Gupta**, Secretary, Ministry of New and Renewable Energy will unveil the report and are the chief guests of the event to be held at the Amphitheatre, TERI University Campus, Vasant Kunj Institutional area, New Delhi. The event will host a panel discussion on the findings of the report and major climate change challenges and opportunities for Indian businesses. This will be followed by an open session which will seek participation

of guests to make the discussion further meaningful. The Panelists include Mr. Sarthak Behuria, Chairman, Indian Oil Corporation; Mr. Harshpati Singhania, Managing Director, JK Paper; Ms. Naina Lal Kidwai, Group General Manager and Country Head, HSBC India; Mr. Kamal Meattle, CEO, Paharpur Business Centre & Software Technology Incubator Park; Mr. Mark Runacres, Senior Visiting Fellow at TERI & Former British Deputy High Commissioner; Mr. Puneet Dalmia, Managing Director, Dalmia Cement (confirmation awaited).

The report would be made available on thereafter.