

No. K-14011/26/2007-UT
Government of India
Ministry of Urban Development
(Urban Transport)

Nirman Bhawan, New Delhi-110108

Dated the 2nd March, 2009

To,
The Chief Secretary
All States/UTs

Subject: Appointment of Clean Development Mechanism (CDM) Consultant with Ministry of Urban Development (MOUD).

Sir,

With the developing of economy it is observed that the transportation has come out to be a major contributor to the global problem of climate change. This sector is responsible for almost one quarter of carbon dioxide emissions, and is the fastest growing source of Green House Gases (GHG) emissions worldwide. Transportation emissions are growing at approximately 2.1 per cent per year worldwide, and 3.5 per cent per year in developing countries. With the urban population in developing countries expected to double by 2030, transportation emissions are of particular concern for cities.

2. In order to mitigate the GHG emission, the Clean Development Mechanism (CDM) offers the possibility to increase funding for transportation projects, enhance local planning and project evaluation capacity, and expand technology transfer opportunities. However, there are difficult challenges to overcome before these projects become more feasible to undertake. To date, very few of the projects under development for the CDM have taken place in the transportation sector, because of the difficulties in modeling, measuring and quantifying reductions in this sector.

3. It was also noticed that the capacity for understanding and dealing with issue related to CDM was also greatly varying across various Cities/States/UTs. Accordingly, in order to take up Urban Transport sector projects across India as programme of activities, MOUD Government of India through open bidding process have set up Clean Development Mechanism Cell for Urban Transportation Sector and appointed M/s Emergent Ventures India Private Ltd. (M/s EVI) to identify, pursue CDM and Voluntary Carbon market projects in transportation sector across India. The TORs for the consultants are enclosed for ready reference. There is no upfront payment of fees to the consultant as they get only the success fee on getting's Certified Emission Reduction (CERs), Voluntary Emission Reduction (VERs) and setting them at the best price.

4. Various surveys/CDM studies would be eligible for up to 80% central financial assistance under the Urban Transport Planning Scheme. M/s EVI will, in short, provide complete hand holding to all the State/UTs/Agencies for project identification, development, registration, verification for CDM and also holding the CERs/VERs so as to realize maximum benefits as their success fee is tied as a percentage to the total value which the firm is able to obtain for the project entity.

5. Ministry of Urban Development would endeavor to quicken the pace of CDM projects in transportation sector which is possible with the support by State Governments/UTs/ULBs. To start with, the projects which are in line of action or are slated in 11th Five year Plan can be estimated for a feasibility study with CDM perspective.

6. The concerned authorities may therefore be suggested to communicate the proposals so that this Ministry may take up with M/s EVI. The authorities may also share their concerns on CDM projects with the Ministry and propose a plan for region specific CDM awareness workshop.

Yours faithfully-



(S.K LOHIA)

OSD (MRTS)

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Encl:As above.

Copy to: (i) MD, All Metro Rail Corporations
(ii) Municipal Corporations of 63 JNNURM Cities
(iii) All State Road Transport Corporations.
(iv) Pr. Secy(UD) & Transport all States/UTs.

ANNEXURE

Profile of Emergent Ventures India Private Ltd :-

Emergent Ventures India (EVI) www.emergent-ventures.com is one of the leading advisory firms in the field of Climate Change Mitigation (Compliance-CDM, Voluntary) in India and South Asia. EVI is a network of professionals with Expertise in Clean Development Mechanism, Technology and Finance, managing a portfolio of > 70 million Carbon Credits (150+ CDM projects; 24 already registered).

- EVI works across a number of sectors such as renewable energy (bio-mass, hydro, and wind), waste to energy, and prevention of gases such as methane, HFC-23, N₂O, PFC, Energy Efficiency, Waste Heat Recovery, and Plantation etc. The insights gathered across Industries, coupled with our expertise in implementing a number of associated technologies helps us identify CDM opportunities better as well as structure project concepts which have strong additionality as per CDM rules.
- EVI has Experts for CDM methodologies- this helps us develop Project Design Documents (PDDs) with better articulation of baseline and additionality logic.
- CDM for Indore BRTS project, which is been implemented by Indore City Transport Services Limited (ICTSL), is handled by EVI. The project shall generate approximately 17000 CERs per annum.
- EVI is working with some of the biggest buyers for CERs hence delivering the best value for CERs to our clients owing to our strong buying-selling network. The market is rapidly evolving with appearance of forward contracts, options, derivatives, and securitization.
- EVI is also a leader in Voluntary Emission Reduction market being involved with selling the largest volume of VERs (Verified Emission Reductions) in voluntary market.



Scope of Work :-

- ✓ Identification of CDM opportunities in Transportation Sector :-
 - **Deliverable:** EVI shall Identify all possible CDM opportunities in transportation sector for all state capitals and 0.2 million + population cities in India. Apart from identification of opportunities, deliverables would also include creation of approach paper for all above city specific potential transportation CDM projects
- ✓ Creating awareness about CDM possibilities amongst various stakeholders by conducting regional workshops.
 - **Deliverable:** Transport sector people in all state capitals and 0.2 million+ population cities in India to be trained in basic concepts of CDM
- ✓ On a regular basis EVI is expected to provide
 - Inputs on CDM policy in JNNRUM
 - Resolving queries related to CDM for various stakeholders
 - Preparation of Terms of References for third party support required for CDM process like Baseline survey, Validation, Verification etc and managing process of selection of these agencies
 - Identification of areas In transportation sector where a program of activities could be launched
 - Providing technical CDM inputs during project conceptualization and DPR stage
- ✓ EVI shall facilitate registration of CDM projects such as Metro, Bus Rapid Transportation System (BRTS- currently planned in more than 20 Indian cities), Modern City Bus service, Fuel Switch, Non-Motorized mode of Transportation (NMT) etc to be taken up by various cities in India. This task shall include
 - Identification of areas where new methodologies would be required



- Development of methodology in these areas, facilitation of approval of these methodologies with CDM Methodology Panel
 - Launching CDM Programs for BRTS and other CDM projects in India
 - Development of Project Idea Note (PIN) & Project Design Document (PDD)
 - Obtaining the approval by the Designated National Authority (DNA)
 - Assisting in validation of the CDM projects by a Designated Operational Entity(DOE)
 - Assisting registration by the UNFCCC's CDM Executive Board
 - Arranging for the monitoring of emission reductions and assisting for verification and certification to be carried out by a DOE
- ✓ Apart from assisting in management of CERs/VERs EVI would help in
- Tracking the overall market dynamics for carbon credits (drivers such as demand supply balance across the globe, regulatory issues, country specific trading guidelines etc..) to understand right timing of sale , as well as most beneficial deal structure
 - Identification of high quality buyers and markets (Europe, Japan, North America or any other emission trading market) for price optimization and getting offers from them
 - Facilitation in development of Emission Reduction Purchase Agreements (ERPA), transfer of CERs/VERs to the buyer and sales revenue to seller.

