

## **Indian corporates seek clarity from Doha for market mechanisms, CDM Policy Dialogue makes key recommendations including a stabilization fund for carbon credits**

**Doha, December 4, 2012:** The second day of the second week in the climate change negotiations has not yet yielded progress on key issues that industry sees as milestones. Industry members in the FICCI delegation voiced their individual companies' viewpoints during the Doha climate conference bringing Indian industry's expectations to the fore.

**Mr Prashant Modi, President and COO of Great Eastern Energy Corporation and a Member of the FICCI Business Delegation to Doha** said "The Doha Round has run aground. But the basic objectives of the Doha Round, that is, carrying the least developed nations, poverty alleviation on a global scale and trade access for the weakest nations should not be given up. Even if a new Round is now launched, it should also include these agenda. After all, fair trade agenda should not be thrown out when competition from the emerging and developing world come home at the door step of the developed world. The standards should not become a moving goal post".

**Mr B L Chandak, Executive Director, CESC, and a Member of the FICCI Business Delegation to Doha** said "The power sector looks for a strong policy support, technology transfer and multilateral funding which could lead to rapid development of a financially viable renewable energy market in India."

**Mr A B Chakraborty, Chief of ONGC's Carbon Management Group** stated "We look forward to developments with respect to access to low carbon technologies, strong regulatory signal from Doha and incentives for private sector to engage."

Meanwhile, there is very little progress in terms of structuring discussion around the principle of common but differentiated responsibilities under the Durban Platform discussions. This is the central focus of India at COP18.

At the event of High Level Panel of CDM Policy Dialogue held on Dec 3 at Doha, Vice Chair of the high-level panel on the CDM policy dialogue gave a brief background on the recommendations of the CDM policy dialogue. The four outcomes of the dialogue conducted worldwide were on –

- Immediate addressal of future of CDM
- CDM must adapt to the new mechanisms
- Reduction in the process time and cost
- Strengthening the CDM governance

From various consultations, it became clear that the major issue was the crisis of demand. There was no demand for CERs hence the prices were rock bottom. What was recommended was to have open access to the CERs where those not having binding targets too can buy the CERs. This will improve the demand and prices would go up.

Also, what was suggested was having a stabilization fund, which would act like a reserve bank for CERs.

Speaking of the need for such a fund, **Joan McNaughton, Vice Chair of the High-level Panel on the CDM Policy Dialogue** suggested that it becomes important to have it because if the CDM ceases to exist then all the knowledge which has been gathered over the years will be lost. Money would be needed also to stabilize the market until the prices rise and it gets revived with transaction happening in the market.

**FICCI Media Division**