



Press Release

EDF Trading backs away from Adani's carbon offsetting coal project

Brussels/Ahmedabad, 5 September 2013 – NGOs welcome that EDF Trading, one of the top buyers of carbon credits from carbon offsetting projects, distanced itself from the controversial Adani Mundra CDM coal power project. Following a report commissioned by the Indian Ministry of Environment and Forests that found violations and non-compliance with environmental conditions by Adani Group's Mundra Port, NGOs are now calling on the Indian government to withdraw the CDM approval for the project.

With coal-fired power continuing to lose broad support within the U.N.'s Clean Development Mechanism (CDM), EDF Trading published a clarifying statement in response to an article in the French energy daily "Enerpresse" stating that "*EDF Trading is no longer associated contractually under the CDM, with this [Adani Mundra] supercritical coal power project in India and has never purchased carbon credits from the project.*"

The project is a new super-critical coal fired power plant at Mundra, Gujarat, India with an installed capacity of 1320 MW. It claims that it was built more efficiently because of the CDM offset revenue. Despite heavy criticism, the project was registered in 2009 under the UN's offsetting mechanism. Because coal is inherently climate damaging and also causes numerous other environmental and human health impacts, NGOs have long been calling for the exclusion of coal power projects from the CDM.

"Following the announcement from the British government to stop endorsing investments in coal power, this decision clearly underscores the controversial nature of awarding carbon credits to coal power plants" stated Eva Filzmoser from Carbon Market Watch. *"We welcome this move and call on Parties to set a definite end for climate finance for coal power at the upcoming climate change conference in Warsaw".*

The statement by EDF Trading comes as a surprise because the company is listed as the beneficiary of the carbon credits from Adani's Mundra project in an authorization letter issued by the French environment ministry. The Mundra project is also the first out of six registered projects that has already received carbon credits. Given EDF Trading's statement that it has not purchased any of the credits it is unclear which entity has purchased the 600,000 carbon credits issued for the period February 2011 to March 2012.

Meanwhile, the Economic Times India reported yesterday that the Indian Ministry of Environment and Forests (MoEF) fined Adani Group's Mundra Port and Special Economic Zone (components of the project area of which also the thermal power plant is part of) for damaging mangroves, creeks and the local environment at the project site. The fine was issued as a consequence of a report by an inspection committee set up by the MoEF that found that the Adani Group is in violation with various national regulations.

However, the project remains registered as a CDM project until the Indian national authority withdraws their approval letter. This letter, that must approve that the CDM project contributes to sustainable development, is a fundamental requirement of the CDM.

“Adani’s Mundra project not only harms the climate, it also threatens the health of local communities and fails to deliver sustainable development, as mandated by the CDM” says Falguni Joshi from the Gujarat Forum on the CDM, India. *“We call on our government to take the findings of their report seriously and withdraw the letter of approval”* she added.

ENDS.

Information for journalists:

- Corrigendum by EDF Trading in French energy daily *Enerpresse* #10885 of 13 August 2013 in response to the article: *“Carbone : EDF ne manque pas de crédits en Inde”* in issue #10882 of 8 August 2013: *“EDF Trading n’est plus associé contractuellement et dans le cadre des MDP, à ce projet de centrale charbon supercritique en Inde et n’a jamais acheté de crédits carbone provenant de ce projet”*.
- Website of [Enerpresse](#)
- Information at the UNFCCC CDM website about the [Mundra project](#)
- [Authorization letter](#) entitling EDF Trading as beneficiary for carbon credits from the Mundra project
- [Approval letter](#) of the Indian Ministry of Environment and Forests, confirming that the Mundra project contributes to sustainable development
- [Report](#) of the committee for inspection of m/s adani port & sez ltd. mundra, Gujarat
- The Economic Times, India: [Environment ministry slaps Rs 200 crore fine on Adani group](#)

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