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Ministry for Ecology, Sustainable Development and Energy
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OPEN LETTER regarding authorization and approval letter for CDM project 2716 “Grid connected energy efficient power generation”

16 October 2013

Dear Mr Laurent,

The undersigned organisations are writing to you regarding the authorization and approval letters for CDM project 2716 “Grid connected energy efficient power generation” issued in June 2011.

The authorization and approval letters allow EDF Trading to participate in the aforementioned CDM project activity. However, on 13 August 2013, the following clarifying statement was issued in *Enerpresse* on page 3: "Suite à l'éditorial du n°10882 intitulé « Carbone : EDF ne manque pas de crédits en Inde », EDF a envoyé à *Enerpresse* un rectificatif que nous reproduisons ici. ' « 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 » indique le groupe.

With the exception of this statement, EDF Trading has not made any information about the decision to distance itself from this CDM project publicly available. Given that the project has already issued more than 600.000 carbon offset credits, it is in the public interest to know whether this decision is formal, when this decision was made, based on which reasoning, how the involvement was ended and whether the contract was sold to another entity who might have purchased the carbon offsets, in case it was not EDF Trading.

We would like to take the opportunity to highlight that the situation of the Mundra project in India is very concerning. According to the Kyoto Protocol, a CDM project activity must contribute to the sustainable development of the host country. As no general criteria are defined on an international level, it is for the Indian government to determine these criteria. However, on 27 September, 25 Indian NGOs have sent a letter to the Indian National CDM Authority demanding to withdraw the letter of approval for the CDM project 2716 in question. This demand is based on the Ministry of Environment and Forest's (MoEF) own report that finds non-compliance with national legislation and evidence that the project is not meeting the criteria of sustainable development set up by National CDM Authority.

The report reveals that the Project Design Document (PDD) was conducted on the basis of an erroneous social and environmental impact assessment that failed to recognize fishing communities, salt-pan workers and pastoralists as potentially affected stakeholders. These communities have not been consulted before the implementation of the project and no relevant information has been made accessible in the local languages. Due to the depletion of groundwater and the destruction of mangroves as a result of the constructions for the project, the availability and accessibility of fish is negatively influenced, constituting a threat to the livelihood of the local population.

The report of the MoEF further points out that there is a large amount of air pollution due to fugitive emissions in form of flying ash. The flying ash makes the fish unmarketable and is a threat to the environment, the climate in general as well as the health of the population. The consuming of the

affected fish has to be considered unsafe, as confirmed by a recent study. For more information about this letter please see here: <http://carbonmarketwatch.org/letter-to-dr-a-duraisamy-director-member-secretary-ministry-of-environment-and-forests-national-cdm-authority-indian-dna/>

Finally, the eligibility of coal power under the CDM has not only been criticized for its negative environmental and human health impacts. Several studies show that the construction of coal power plants in the CDM is business as usual and does not depend on the additional CDM revenue. On top of dubious additionality of the project, credits issued to CDM project 2716 are likely to be exaggerated. This is because the project was registered on the basis of a flawed crediting methodology in 2009, which was subsequently suspended in 2011 because of flaws identified by the technical panel of the CDM Executive Board.

The threat that coal power poses to ecosystems has already been recognized by the British and Norwegian government as well as the World Bank that have announced to stop endorsing investments in coal power under the CDM.

To summarise, the Mundra CDM project does not contribute to India's sustainable development and has negative consequences for the fragile environment and living conditions of the local population. Furthermore, evidence exists that the project is not additional, even worse, that offset credits from the project are based on a flawed methodology. The undersigned organisations therefore urge you to:

- Provide transparency about the involvement of EDF Trading in the CDM project 2716; and
- Withdraw the authorization and approval letters for project 2716; and
- Support the exclusion of coal power projects from the CDM at the upcoming COP-19 climate change conference in Poland.

We look forward to your response.

Yours sincerely,

1. Morgane Creach, Réseau Action Climat - France | Climate Action Network – France
2. Hélène Connor, HELIO International, France
3. Wendel Trio, Climate Action Network Europe, Belgium
4. Genon Jensen, Health & Environment Alliance (HEAL), Belgium
5. Eva Filzmoser, Carbon Market Watch, Belgium
6. Christopher Brandt, The Climate Concept Foundation, Germany
7. Sean Kidney, The Climate Bonds Initiative, United Kingdom
8. Dr. Hazel Henderson, Ethical Markets Media, USA and Brazil
9. Visar Azemi, Kosovo Civil Society Consortium for Sustainable Development, Kosovo
10. Samir Mehta, International Rivers, India
11. Dr Leena Gupta, Society for Promotion of Wasteland Development, New Delhi
12. Mahesh Pandya, ParyavaranMitra, Ahmedabad
13. Alka Palrecha, Ahmedabad
14. Himanshu Banker, Vikalp, Ahmedabad
15. Viren Lobo, ICAN, India
16. Myron Mendes, Laya, Vishakapatnam
17. Bikash Rath, Regional Centre for Development Cooperation, Orissa
18. Persis Ginwalla, Ahmedabad
19. Herry Ranva, Bahujan Samajik trust, Rajkot
20. Dipal Dabhi, Adivasi Sarvangi Vikas Sangh, Danta, Gujarat

21. Nirmal Parmar, Charitable Pragati Prayas Kendra, Godhra, Gujarat
22. Chetan Vyas, Paryavaran Gauchar Bachao Samiti, Rajula (Amerli), Gujarat
23. Tushar Pancholi, Paryavaraniya Vikas Kendra, Rajkot
24. Naran B. Gadhavi, Kheti Vikas Seva Trust, Mundra
25. Gautam Thakar, PUCL, Ahmedabad
26. Arvind Padhiyar, Mahisagar Shakti Sangathan, Padra
27. Falguni Joshi, Gujarat Forum on CDM, Ahmedabad
28. Kiran Shaheen, Convener, Right to water campaign, India
29. Mahesh Parmar, Gujarat Social Watch, Ahmedabad

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