

Note for Record

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Subject: **Community Development Carbon Fund (CDCF)**

A chance meeting with the Programme Manager CDCF in the World Bank Building Islamabad resulted in my being nominated on the Advisory Group of the Fund which is being managed by the World Bank from Washington DC.

The first meeting of the Advisory Group which I attended was scheduled to be held at Agra with field visits planned in Gwalior (India) from March 12-15, 2005.

On the morning of March 12 when I reached the Delhi Nizamuddin Railway Station, I saw the Taj Express leaving the platform on the dot at 0715 a.m. I was informed wrongly that the scheduled time was eight O'clock. Anyway I had no problem in hiring a taxi to take me to Agra but it took more than four hours to cover the 200 km despite a dual carriageway. The traffic and the ribbon development alongside the road were unbelievable.

The organizers also arranged for us some sightseeing. The visit to the Taj at six in the morning was out of this world. The first glimpse of the Taj cannot be described in words. I was visiting the Taj after 64 years. No building has ever affected me as Taj did. It seemed like a mirage covered in mist. One just stood dazed and riveted at this "thing of beauty a joy forever".

I had even more adventures in store. Returning from Fatehpur Sikri after visiting Akbar's palaces and Tansen's place of music which used to mesmerize the listeners and after paying homage at the beautiful marble mausoleum of Sheikh Saleem Chishti with the Buland Darwaza (Akbar's Victory Gate), we encountered a most strange and incredible event. Our hotel brand new car was cruising at 60 km an hour when suddenly I espied from the corner of my eye, a magnificent horse like animal at full speed making a dash to cross the road. Finding the car blocking its way, it tried to jump over the car and was caught full length by the windscreen of the car which broke into smithereens. The car by sheer impact veered to the right. Fortunately the driver controlled it from overturning and at that moment, there was no oncoming traffic which would certainly have collided with our car. The car stopped and the animal which was a wild blue bull slid down the bonnet. I could see it was injured and bleeding but no sooner it fell on the road, it was up again on its feet and limped away in the fields from where it had made the dash.

My companion the GM of Reliance and I who were sitting at the back felt only a jolt. Our guide in the front seat had a few glass splinters embedded in his hand and the driver was totally unscathed and slowly drove us back to the hotel where half the people felt we were making up the story till they saw the battered car with the shattered windscreen.

My friend from Reliance had a lot of stories to tell me about the founder of Reliance Dherubhai Ambani. He was full of praise of his business acumen and human relations. He would give a raise to his employees of Re. 1.00 before they asked him Rs. 2 raise. When he launched the Reliance cellular phones, he argued that the Indians may not be very fond of reading and writing but they love talking. He wanted to make Reliance phones as cheap as the postcard.

Community Development Carbon Fund was opened in July 2003 and targets small scale Clean Development Mechanism (CDM) projects only which must have community development benefits. With the ratification of Kyoto Protocol by Pakistan, the potential role for Pakistan is to demonstrate , credibility and benefits of project based mechanisms to sustainable development in key economic sectors, such as, energy, infrastructure, waste management, agriculture and forestry and to initiate climate change in a measurable and transparent way. Thus Renewable Energy Projects (hydropower, solar, wind); Waste-to-Energy Projects (municipal solid waste clean up for recycling and gas capture and power generation, Agribusiness waste to Energy (rice husk power plant), Community Agro forestry etc. should be areas of interest to organised communities. The Rural Support Programmes are best suited to take advantage of CDCF for community benefits.

The World Bank is offering to (i) invest in Showcase projects and make the first round of Clean Development Mechanism (CDM) investments to build confidence in the Pakistani market, (ii) build capacity in the Pakistan economy through the experience of actual transactions and projects, (iii) advise on the most effective administration and legal structures for carbon trading and (iv) help promote Pakistan's market if conditions are right.

The first step is to submit a Project Idea Note (PIN) stating description of project component, type of project, location of project, expected schedule, financing sought, technical summary of project and expected environmental benefits.

Initially I felt totally lost as to what was being discussed but slowly I started getting the drift of the issues being discussed. I would strongly commend to CDCF management an orientation session for new members before they are thrown at the deep end. Learning by doing is an excellent methodology but to derive maximum benefit from this adage also needs some orientation.

Besides an Advisory Group (AG), CDCF has also a Partners Committee (PC). After the meeting of the AG, a joint meeting with PC members was held followed by a separate meeting of the PC.

There was a lot of discussion on the issue of inclusion of forestry and land development projects for CDCF entitlement. The CDCF management made a strong case for inclusion of sinks and sequestration projects under the purview of CDCF. I strongly supported the management viewpoint by citing examples of massive forestry projects undertaken by communities including watershed management, reclamation of degraded and saline lands and thereby contributing to clean environment. I was happy to note that both the CDCF management as well as the Chairman of AG and most of the members held similar views on the subject.

The field visit to three brick kilns in Gwalior was most informative and in some ways encouraging. The first kiln where families work as a unit with women and children, also contributing their share of labour to making maximum number of bricks, as the owner of the kiln makes payment on the basis of bricks made. This work especially for women and children is not only very hard but highly degrading and I was told the contractors treat the labour with indescribable hauteur and exploitation.

At the second site, we found a vertical shaft brick kiln (VSBK) which was a great improvement on the traditional one and it restored some honour and dignity to the labour especially the women and children. The owner of the kiln also seemed an educated kindhearted man who, the labour said, looked after their welfare.

The third site was the state of the art VSBK with the labour working with real dignity. The carbon emissions here were said to be one fourth of the traditional kiln and the consumption of coal was also about one third. This site was clean, calm and seemed free of exploitation and hardship associated with the traditional one.

We were told India needs 180 billion bricks annually and there are 60,000 brick kilns spread over the country. How many of these would adopt the state of the art VSBK remains to be seen. The traditional brick kiln owner told us that he lost money when he switched over to VSBK. The proponents of VSBK contested this statement. Although initially instead of Rs. 500,000-700,000 VSBK required about Rs. 1.5 million investment but in the long term it is more economical and above all it is humane and preserves dignity of labour. The other issue is of nearly 50% of 400,000 labour now engaged in traditional brick making to be thrown out of the brick making market because VSBK needs skilled labour and only a handful of unskilled one. Whatever may be the pros and cons, it was heartening to see that there is technology available to rid the brick kiln industry of indignity, exploitation and humiliation of labour especially women and children. The State has a responsibility towards these unfortunate citizens and the sooner some solution is found to this complex problem the better it would be not only for the oppressed labour in brick kiln industry but also for reducing carbon emissions from thousands of brick kilns.

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