

Promoting sustainable development

Asia Carbon Group helps cut emission of greenhouse gases

ASIA can be a catalyst in the global effort to reduce the emission of greenhouse gases that cause harmful climatic changes – and Asia Carbon Group (ACG) was set up in 2003 to help realise this role.

With its global headquarters now in Singapore, ACG's mission is "to promote sustainable development by employing climate change mitigation measures in Asia and globally", according to Martha Fernandez, its senior manager for business development.

"The Singapore office is engaged primarily in carbon exchange and related activities and establishing carbon services in countries worldwide," she says.

At present, ACG has a portfolio of more than 55 Clean Development Mechanism (CDM) projects worth about 15 million Certified Emission Reductions (CERs).

"ACG is fully committed to mitigate global climate change and initiate sustainable development through the application of the Kyoto Protocol's financial mechanisms, particularly the CDM, joint implementation and emissions trading," says Ms Fernandez.

"ACG is a one-stop car-

bon solutions shop to help the public and private sectors optimise returns from clean energy projects that reduce greenhouse gas emissions."

Its integrated services include carbon advice, carbon finance and carbon trading – designed to help clients align their strategies to take advantage of any opportunity in the CDM.

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40 staff in Singapore, Malaysia, India, Indonesia, Vietnam, Myanmar, Pakistan and the Netherlands.

Because Singapore did not ratify the Kyoto Protocol – which sets binding commitments on signatory countries in the developed world to reduce emissions – until 2006, ACG was initially based in the Netherlands to gain access to Annex 1 (industrialised) carbon markets.

But it did set up a regional office here to reach out to

non-Annex 1 (developing) countries, and expanded its presence to Malaysia, Vietnam, Indonesia, Sri Lanka, Pakistan, the Middle East, Australia, India and China.

Why did ACG eventually base itself in Singapore? "Strong political stability, transparent government policies and support to the private sector, excellent trading and finance expertise, an ideal location in

as to how participation in CDM could be effected."

Ms Fernandez says that ACX-Change – the world's first CDM-focused carbon exchange platform – is already operating from Singapore. "And so far it has facilitated a total of 3.4 million CERs between European and Japanese buyers (on one hand) and Asian CDM sellers (on the other, translating to a liquidity equivalent of almost 27 million euros (S\$56.8 million)."

ACG has a team of 12 staff in Singapore working closely with ACX-Change, Asia Carbon Registry and Project Management Services Group. "CDM advisory services are usually provided to companies in Singapore and the Asean region as they consider participating in the CDM, generating or acquiring CERs for their projects," says Ms Fernandez.

ACG's major challenge has been to convince the private sector in Singapore and the rest of Asia in 2003 that the Kyoto Protocol will

be ratified in the evolving carbon market.

But growth in the number of companies covering the entire spectrum of the carbon market has emboldened ACG to differentiate itself in terms of the products it offers.

"The space itself is not without detractors," says Ms Fernandez. "There are those who are dismayed by the sheer number of carbon companies that are out to cash in on the lucrative CERs market without actually effecting the requisite reduction in carbon emissions."

ACG takes pains to ensure it delivers on its promises," she says. "The carbon market is here to stay and the role of the public and private sectors is key. ACG will continue to involve itself in participating and facilitating climate change mitigation policies. ACG will not only address the project-based emission reductions but will ensure deployment of sustainable development goals in projects it is involved in."



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