India Serves

A Monthly Newsletter by

SEPC

SERVICES EXPORT PROMOTION COUNCIL

Setup by Ministry of Commerce & Industry, Govt. of India

VOL II, ISSUE IX- January, 2022

CARBON CREDIT

TICKET TO A BETTER WORLD

SERVICES EXPORT PROMOTION COUNCIL

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India Serves is a monthly magazine published by SEPC from DPT - 417, 4th Floor, DLF Prime Towers, Plot No. 79 & 80, Pocket - F, Okhla Phase-I, Okhla Industrial Area, New Delhi - 110020. India Serves is for private circulation only. Material in this publication may not reproduced without the written permission from SEPC.

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SERVICES EXPORT PROMOTION COUNCIL

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MESSAGE From the CHAIRMAN

CA. SUNIL H. TALATI

Wish you all a Happy Republic Day!

I am pleased to inform you that Hon'ble Commerce Minister took a review meeting on the export performance and way forward on 17th Jan 2022. Hon'ble Minister appreciated the services exports performance during the period April-Dec 2021-22 (taking into account the project of services export in the month of Dec 2021 by DGFT).

Services exports have been performing well despite the pandemic in the financial year 2021-22. In the first 8 months of the financial year 2021-22 Services exports have already touched USD 155 billion during April to November 2021 and are well on course to achieve the target of USD 240 billion for the current financial year.

On behalf of the services exporters, I made a fervent appeal once again to continue the SEIS for 2020-21 and 2021-22 while we all would work towards formulating sector specific incentive scheme. Hon'ble Minister mentioned that it should be also market linked. SEPC has initiated discussions with every sector mandated under our fold. Please actively participate in those deliberations and give valuable inputs on incentives beyond SEIS.

Hon'ble Minister gave the directions to all Export Promotion Councils/Trade bodies on the following specific points:

1. **FTAs:** It was urged that the industry should start looking at FTAs as two-way traffic. It cannot always be a selling approach. Now that Services sector gets featured in all FTAs, industry should come forward and offer their valuable inputs.
2. **Market Access:** Hon'ble Minister mentioned that we should aim at market issues from equal/reciprocal treatment perspective.
3. **Compliance/Self Regulations:** It was mentioned that Industry hasn't yet fully utilised the potential as imbibed in one of the portal www.nsws.gov.in – a single window platform for clearances and approvals.
4. **Projection for 2022-23:** He requested Councils to undertake stakeholders meet and come up with projections on exports for the year 2022-23.
5. **New Markets:** Hon'ble Minister urged the Councils to identify new markets.

Currently we are collecting inputs from the industry on issues to be negotiated and addressed under the ongoing FTA negotiations with some very important countries and blocs like UK, Australia, Canada, EU, GCC, etc. We are helping government of India in preparing vision for 2047 through proposed strategy and roadmap for exports from services industry. I humbly request SEPC members to kindly take out sometime and respond to the emails which are sent by SEPC from time to time requesting for inputs on different issues because it helps us preparing policy recommendations to the government on behalf of the industry.

I am happy to present to you the current issue of India Serves for the month of January 2022 with special focus on environmental services especially, Carbon Credit. According to the latest report by Refinitiv, the global carbon market value has jumped to USD 277 billion in 2021 from as low as USD 54 billion in 2015. It clearly reflects the growth and potential of the sector.

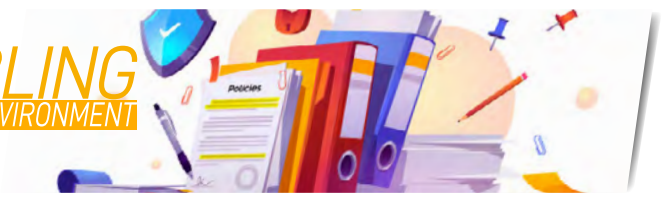
I request members to participate in our endeavours because it can not be successful without industry participation. With best wishes.

SEPC
SERVICES EXPORT PROMOTION COUNCIL

Yours Sincerely

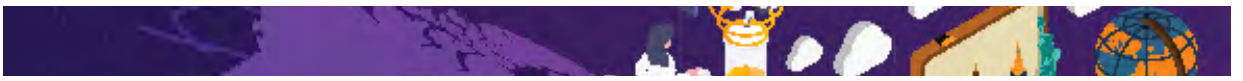
C.A. Sunil H. Talati

OVERVIEW OF SERVICES OFFERED BY SEPC



Services Export Promotion Council set up in 2006 by Ministry of Commerce & Industry, Government of India is an apex trade body to promote exports of services from India.

- ✓ Key role in Foreign Trade Policy, Export Strategy formulation by Department of Commerce and related Govt Departments.
- ✓ Interface between Services Sector and Government
- ✓ Provides inputs on Trade Negotiations
- ✓ Represents Services Sector in various Joint Trade Committees, Joint Business Councils and Joint Working Groups of Government of India to facilitate export.
- ✓ Creates Business opportunities in global market place for services exporters
- ✓ Providing commercially useful information and assistance to members in increasing exports.
- ✓ Organising visits of delegation of its members abroad to explore overseas market opportunities.
- ✓ Organising participation of Services exporters in specialised International Trade Fairs.
- ✓ Dissemination of government notification, orders, information on trade and other relevant information to members.
- ✓ Facilitates execution of Government Schemes like SEIS.

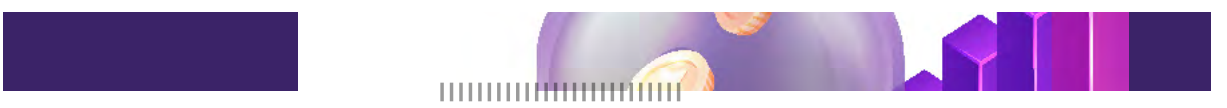


Services Covered under SEPC

In order to enhance the competitiveness of services exports and enable services industry to generate employment, the Union Cabinet chaired by Honourable Prime Minister Shri Narendra Modi in 2018 identified 12 Champion Services Sector.

The following table provides the mapping of identified Champion Services vis-a vis the services covered under SEPC and BPM6 classification. Sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) is developed by IMF in collaboration with compilers and other interested parties worldwide and used by most of the countries to record and report services trade data.

S.N.	Services covered under SEPC	Champion Services	BPM6 Classification
1	Accounting/Auditing and Bookkeeping Services	Accounting and Finance Services	Other business services
2	Consultancy Services	-	
3	Legal Services	Legal services	
4	Architectural Services and related services	Construction and related Engineering services	
5	Environmental services	Environmental services	
6	Marketing Research and Public Opinion Polling Services/ Management services	-	
7	Advertising Services	-	
8	Printing and Publishing services	-	
9	Other services (IT & ITES, Communication Services)	IT & ITES, Communication services	Telecommunications, computer, and information services
10	Hotel and Tourism Related Services	Tourism and Hospitality Services	Travel
11	Education Services	Education services	
12	Healthcare services including services by nurses, physiotherapist and paramedical personnel	Medical Value Travel Services	
13	Maritime Transport Services	Transport and Logistics services	Transport
14	Distribution Services		
15	Other services (Financial Services)	Financial Services	Financial services
			Insurance and pension services
16	Entertainment services including Audio-visual services	Audio-visual services	Personal, cultural, and recreational services
17	Other Services	-	Charges for the use of intellectual property n.i.e.
		-	Government goods and services n.i.e.
		-	Manufacturing services on physical inputs owned by others
		-	Maintenance and repair services n.i.e.
		Construction and related Engineering services	Construction
			Services not allocated



TICKET TO A BETTER WORLD

A carbon credit represents ownership of the equivalent of one metric ton of carbon dioxide that can be traded. If an organization is regulated under a cap-and-trade system, it likely has an allowance of credits that it may use towards its cap. If the organization produces fewer tons of carbon emissions than it is allocated, the organization gets the option to sell the remaining carbon credits. When a credit is sold, the buyer actually purchases seller's allowance of emissions. The reduction in emissions is from an activity you might sometimes not be aware of such as flying less or turning equipment off at night. In other words, carbon credit is a tradable permit or certificate that provides the holder of the credit the right to emit one ton of carbon dioxide or an equivalent of another greenhouse gas. The main goal and objective for the creation of carbon credits is the reduction of emissions of carbon dioxide and other greenhouse gases from industrial activities to reduce the effects of global warming.

Following are some of the commonly used types of carbon offset projects:

01 Forestry and Conservation

Reforestation and conservation have become very popular offsetting schemes. Credits are created based on either the carbon captured by new trees or the carbon not released through protecting old trees. These projects are based all across the world, from growing forests right here in India to replanting mangroves in Africa, to “re-wilding” the rainforests of Brazil.

Humbo village, Ethiopia

In Humbo village, in southwestern Ethiopia, rural communities are benefiting from an innovative carbon reduction project that has successfully restored 2,728 hectares of biodiversity-rich land, bringing cash into their hands in some of the remotest parts of the continent.

The project won global recognition last week when it was awarded Africa’s first temporary Certified Emission Reductions, commonly called carbon credits, for reforestation. On October 5, 73,000 credits were issued under the UN’s Clean Development Mechanism (CDM), which allows developing countries to sell carbon credits to industrialized nations to help them fulfil their obligations to reduce greenhouse gas emissions under the Kyoto Protocol.

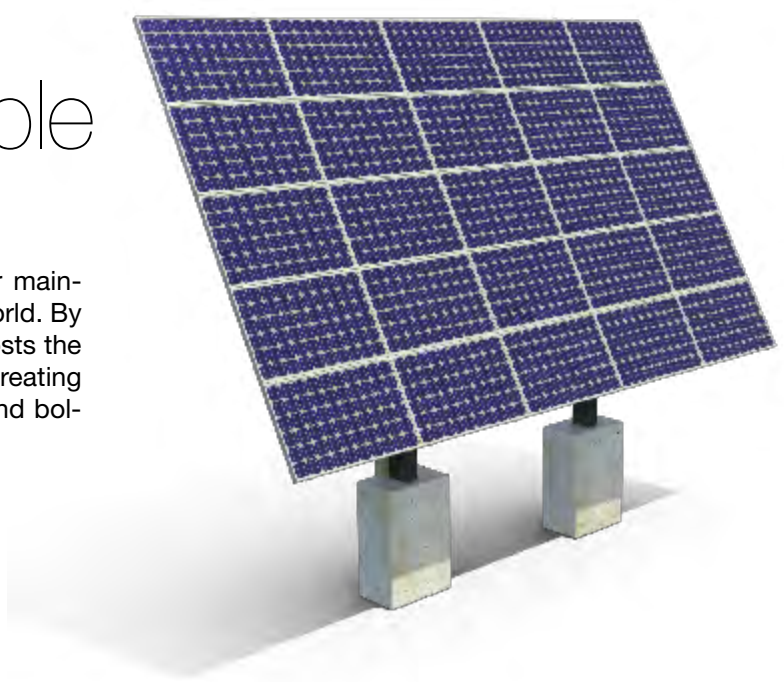
The credits were purchased by the World Bank’s BioCarbon Fund, creating an important revenue stream for Humbo residents and setting an example for similar projects to be scaled up across the continent.

Source: World Bank

Forestry projects are not the cheapest offset option, but they are often chosen for their many benefits outside of the carbon credits they offer. Protecting eco-systems, wildlife, and social heritage is significant for companies offsetting their carbon emissions for the corporate social responsibility (CSR) element.

02 Renewable Energy

Renewable energy offsets help to build or maintain solar, wind or hydro sites across the world. By investing in these projects, a company boosts the amount of renewable energy on the grid, creating jobs, decreasing reliance on fossil fuels, and bolstering the sector’s global growth.



Bokhol Senegal Solar Project

This is the first ever solar photovoltaic (PV) project in Senegal and one of the largest in West Africa providing 160,000 people with access to renewable energy. Senegal is ranked 164th in the Human Development Index and over 43 per cent of the population do not have access to electricity. What energy the country does supply is CO2 intensive and expensive, such as diesel, coal and gas. The Bokhol plant, one of the largest of its kind in West Africa, covers 50 hectares and is equipped with 77,000 modules which are connected to the national grid. Its supply of renewable solar energy saves the government USD 5 million per year. It also provides Senegalese people with jobs and makes sure that the sale of carbon credits fund investments into the local community to improve the quality of living conditions.

The result:

- 160,000 beneficiaries in Northern Senegal.
- 25 jobs have been created within operation and maintenance, and priority given to women.
- The sale of carbon credits is funding investments in the local community to improve living conditions.
- Construction of housing has been funded.
- Medical equipment has been purchased for the local midwife who is in charge of 12 villages and 5,861 patients, and who assisted in the birth of 80 babies in 2017.
- School rooms have been renovated to improve conditions for study.

Source: www.eco-act.com

03 Community Projects

Community projects help to introduce energy-efficient methods or technology to undeveloped communities around the world. There are many potential benefits to these projects that far surpass carbon credits. Projects like this do not only help to make entire regions more sustainable, they can provide empowerment and independence that can lift communities out of poverty. This means that projects that were, at one time, purely philanthropic can now provide organisations with direct benefits like carbon credits.

Water, Sanitation and Hygiene (WASH), Ethiopia:

The female-led Water, Sanitation and Hygiene (WASH) project in Ethiopia provides clean water to communities by fixing and funding long-term maintenance for boreholes. How does this reduce carbon emissions? Families will no longer have to burn firewood to boil water, which will protect local forests, prevent carbon emissions and reduce indoor smoke pollution. In addition to the health and environmental benefits, the project is managed by female-led committees that provide work to local women.

Darfur Sudan Cookstove Project:

The Darfur Sudan Cookstove Project replaced traditional cooking methods like burning wood and charcoal often inside the home, with low smoke stoves in Darfur, Sudan. This works to reduce the damaging health effects and emissions of indoor smoke, as well as the impacts of deforestation. This project also employs women in the region and helps to empower women and girls who now spend less time collecting firewood and cooking.

Source: EIC, UK

04 Waste to Energy

A waste to energy project often involves capturing methane and converting it into electricity. Sometimes this means capturing landfill gas, or in smaller villages, human or agricultural waste. In this way, waste to energy projects can impact communities in the same way efficient stoves or clean water can.

The introduction of such credits was ratified in the Kyoto Protocol. The Paris Agreement validates the application of carbon credits and sets the provisions for the further facilitation of the carbon credits markets.

Types of Carbon Credits

There are two types of credits:

Voluntary emissions reduction (VER): VERs are carbon credits provided by emission reduction projects that have attained voluntary third-party approval but have not been certified by official UN-backed offsetting schemes such as the Clean Development Mechanism. They are voluntary market equivalent of the certified emission reductions (CERs) awarded under the CDM. VERs tend to be awarded by smaller scale community-based emission reduction projects that cannot afford to go through the CDM approval process. They are typically purchased by businesses and individuals seeking to offset their own carbon emissions.

Certified emissions reduction (CER): Verified emission reductions are also known as carbon offsets, carbon credits, or carbon offset credits. Verified emission reductions (VERs) are essentially a reduction in greenhouse gas emissions (GHGs) from a project that is independently audited (i.e., verified) against a third-party certification standard. Each verified emission reduction represents one metric tonne of carbon dioxide equivalent emissions (mtCO2e). The most common greenhouse gas emissions that are reduced by such VER projects are carbon dioxide emissions and methane emissions.

The main difference between the two is that there is a third-party certifying body that regulates the CER as opposed to the VER.

What is Clean Development Mechanism (CDM)?

The CDM allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of CO2. These CERs can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol. The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

The CDM is the main source of income for the UNFCCC Adaptation Fund, which was established to finance adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change. The Adaptation Fund is financed by a 2 per cent levy on CERs issued by the CDM.

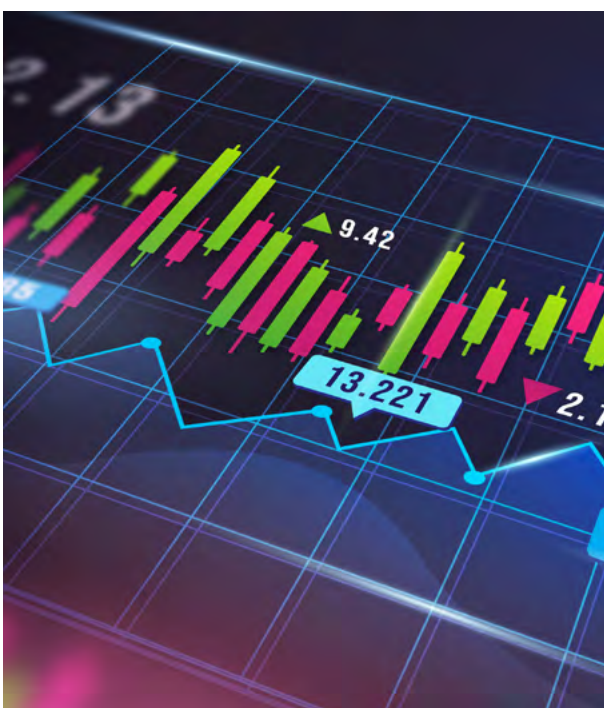
The central feature of the Kyoto Protocol is its requirement that countries limit or reduce their greenhouse gas emissions. By setting such targets, emission reductions took on economic value. To help countries meet their emission targets, and to encourage the private sector and developing countries to contribute to emission reduction efforts, negotiators of the Protocol included three market-based mechanisms;

- Emissions trading
- Clean development mechanism (CDM)
- Joint Implementation (JI)

Source: United Nations Climate Change

Trading Credits

Carbon credits can be traded on both private and public markets. Current rules of trading allow the international transfer of credits. The prices of credits are primarily driven by the levels of supply and demand in the markets. Due to the differences in the supply and demand in different countries, the prices of the credits fluctuate.



However, it is not easy for an average investor to start using them as investment vehicles. The certified emissions reductions (CERs) are the only product that can be used as investments in the credits and CERs are sold by special carbon funds established by large financial institutions. The carbon funds provide small investors with the opportunity to enter the market.

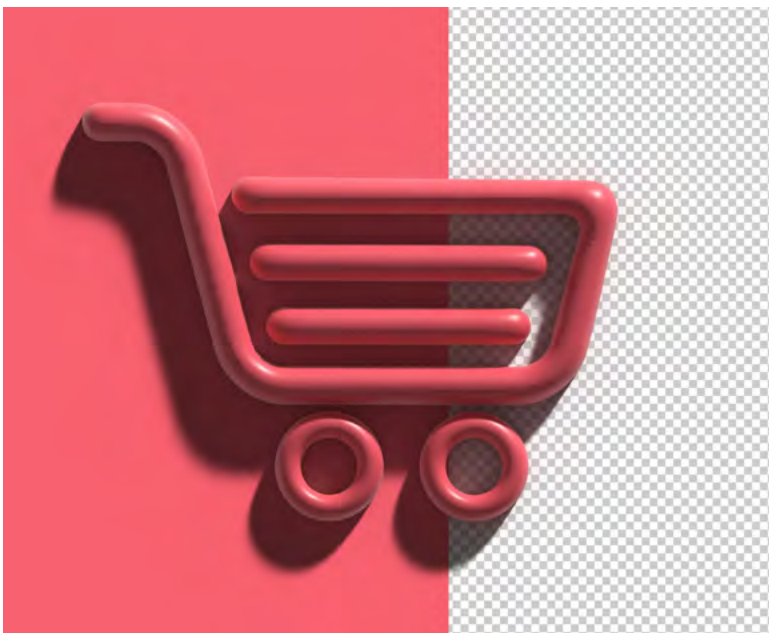
There are special exchanges that specialize in the trading of the credits, including the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange.

Carbon Markets:

Carbon credits are market mechanisms for the minimization of greenhouse gases emission. Governments or regulatory authorities set the caps on greenhouse gas emissions. For some companies, the immediate reduction of the emission is not economically viable. Therefore, they do purchase carbon credits to comply with the emission cap. Companies that achieve the carbon offsets (reducing the emissions of greenhouse gases) are usually rewarded with additional carbon credits. The sale of credit surpluses may be used to subsidize future projects for the reduction of emissions.

Carbon markets enable the trading of emission units (carbon credits), which are certificates representing emission reductions. Trading enables entities that can reduce emissions at a lower cost to be paid to do so by higher-cost emitters. By putting a price on carbon emissions, carbon market mechanisms raise awareness of the environmental and social costs of carbon pollution, encouraging investors and consumers to choose lower-carbon paths.

The Paris Agreement provides for a robust and ambitious basis for the use of international markets and reinforces international targets, transparency and the accountability of Parties.



Recognising the importance of international carbon markets, Article 6 of the agreement allows Parties to use international trading of emission allowances to help achieve emissions reduction targets establishes a framework for common robust accounting rules, and creates a new, more ambitious market mechanism.

There are two main categories of carbon markets; cap-and-trade and voluntary. Cap-and-trade sets a mandatory limit (cap) on greenhouse gas emissions and organizations that exceed these limits can purchase excess allowances to fill the gap or pay a fine. Voluntary markets enable the trading of carbon credits outside of the regulatory environment.

The Taskforce on Scaling Voluntary Carbon Markets (TSVCM), sponsored by the Institute of International Finance (IIF) with knowledge support from McKinsey, estimates that annual global demand for carbon credits could reach up to 1.5 to 2.0 gigatons of carbon dioxide (GtCO2) by 2030 and up to 7 to 13 GtCO2 by 2050. Depending on different price scenarios and their underlying drivers, the market size in 2030 could be between USD 5 billion and USD 30 billion at the low end and more than USD 50 billion at the high end.

Voluntary Carbon:

The market for carbon credits purchased voluntarily (rather than for compliance purposes) is important for other reasons, too. Voluntary carbon credits direct private financing to climate-action projects that would not otherwise get off the ground. These projects can have additional benefits such as biodiversity protection, pollution prevention, public-health improvements, and job creation. Carbon credits also support investment into the innovation required to lower the cost of emerging climate technologies.
Given the demand for carbon credits that could ensue from global efforts to reduce greenhouse-gas emissions, it's apparent that the world will need a voluntary carbon market that is large, transparent, verifiable, and environmentally robust.

Challenges:

- Today's market, though, is fragmented and complex.
- Some credits turn out to represent emissions reductions that were questionable.
- Limited pricing data make it challenging for buyers to know whether they are paying a fair price, and for suppliers to manage the risk they take on by financing and working on carbon-reduction projects without knowing how much buyers will ultimately pay for carbon credits.

Paris Agreement:

Under the 2015 Paris Agreement, nearly 200 countries have endorsed the global goal of limiting the rise in average temperatures to 2.0 degrees Celsius above preindustrial levels, and ideally 1.5 degrees. Reaching the 1.5-degree target would require that global greenhouse-gas emissions are cut by 50 per cent of current levels by 2030 and reduced to net zero by 2050. More companies are aligning themselves with this agenda: in less than a year, the number of companies with net-zero pledges doubled, from 500 in 2019 to more than 1,000 in 2020.

Purchasing carbon credits is one way for a company to address emissions it is unable to eliminate. Carbon credits are certificates representing quantities of greenhouse gases that have been kept out of the air or removed from it. While carbon credits have been in use for decades, the voluntary market for carbon credits has grown significantly in recent years. McKinsey estimates that in 2020, buyers retired carbon credits for some 95 million tons of carbon-dioxide equivalent (MtCO2e), which would be more than twice as much as in 2017.

California Cap-And-Trade

The California Cap-and-Trade Program was created as a way to lower the state's greenhouse gas emissions. It is a compliance carbon market. It is a key part of California's strategy to reduce total GHG emissions to pre-1990 levels. About 450 businesses that are responsible for 85 per cent of the state's total GHG emissions are required to comply, including large electric power plants, large industrial plants, and distributors of fuels such as natural gas and petroleum. The program is expected to reduce GHG emissions in the state by 16 per cent between 2013 and 2020 and another 40 per cent by 2030. A key component was the creation of Offset Project Registries to issue offset credits and help facilitate the listing, reporting and verification of offset projects.

There are three approved registries: the American Carbon Registry (ACR), Climate Action Reserve (CAR) and Verra.

- California's carbon cap-and-trade program is one of the largest multi-sectoral emissions trading systems in the world.
- The program is central to meeting California's ambitious goals to reduce greenhouse gas emissions to 1990 levels by 2020 (which it met in 2016), 40 per cent below 1990 levels by 2030, and 80 per cent below 1990 levels by 2050. California also has additional goals of achieving 100 per cent carbon-free electricity by 2045 and economy-wide carbon neutrality by 2045.
- Revenues that California receives from the program are deposited into the state's Greenhouse Gas Reduction Fund and then appropriated to state agencies to implement programs that further reduce greenhouse gas emissions. 35 per cent of the revenues are required by law to be directed to environmentally disadvantaged and low-income communities. Since it commenced, the program has generated5 billion dollars of total revenue.
- The program is linked with the Canadian province of Quebec's cap-and-trade system through the Western Climate Initiative.
- State-wide greenhouse gas emissions decreased 5.3 per cent from the start of the program in 2013 to 2017. While it is difficult to establish causality between emissions reductions and any specific policy or market condition, at least some of this reduction can likely be attributed to California's cap-and-trade program, which covers about 85 per cent of the state's emissions and invests billions of dollars in emission reducing projects.

Source: Centre for Climate and Energy Solutions (C2ES)

Status of global emissions and scope for environmental services

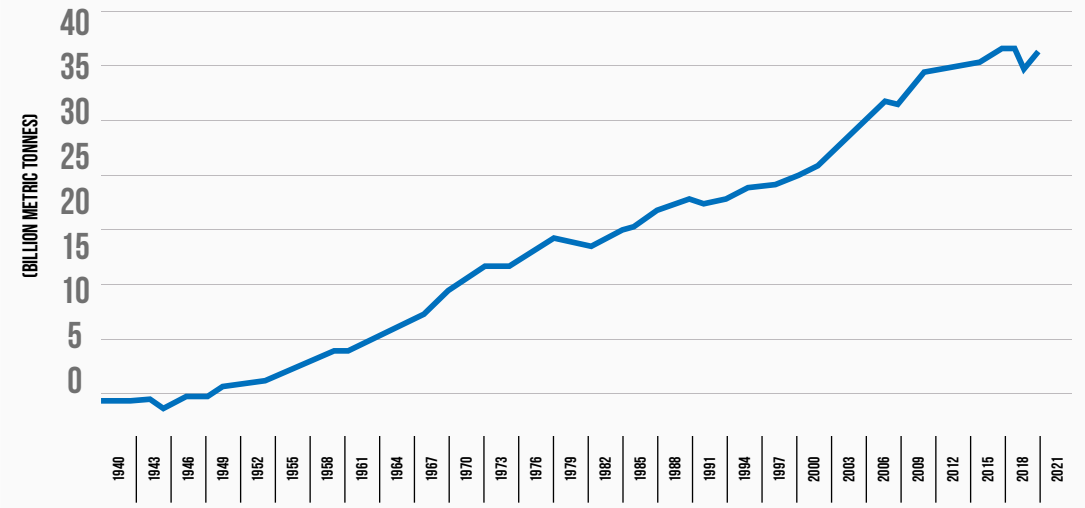
Global carbon dioxide (CO_2) emissions from fossil fuels and industry have increased considerably since 2000, and in 2019 reached a record high of 36.7 billion metric tons. In 2020, the COVID-19 pandemic caused global CO_2 emissions to plummet five per cent to 34.81 billion metric tons. It is projected that emissions may rebound in 2021 as lockdowns are eased.

Historically, major global events have caused reductions in emission. The global recession of 2009 caused worldwide CO_2 emissions to fall by approximately 460 million metric tons. But this is much lesser in comparison to the emission reductions in 2020. During COVID-19 pandemic, Countries around the world were put under strict lockdowns, leading to significant decline in transportation and industrial activities.

CO_2 emission levels in India dropped for the first time in four decades in the year 2020. Global CO_2 emissions per capita also experienced a substantial decline in 2020, falling to an average of 4.47 metric tons per person.

The energy sector is the main cause for the rise in CO_2 emissions, and global energy demand is expected to continue increasing in the coming decades, as populations and economies are constantly growing.

Figure 1: Annual global emissions of carbon dioxide 1940-2020

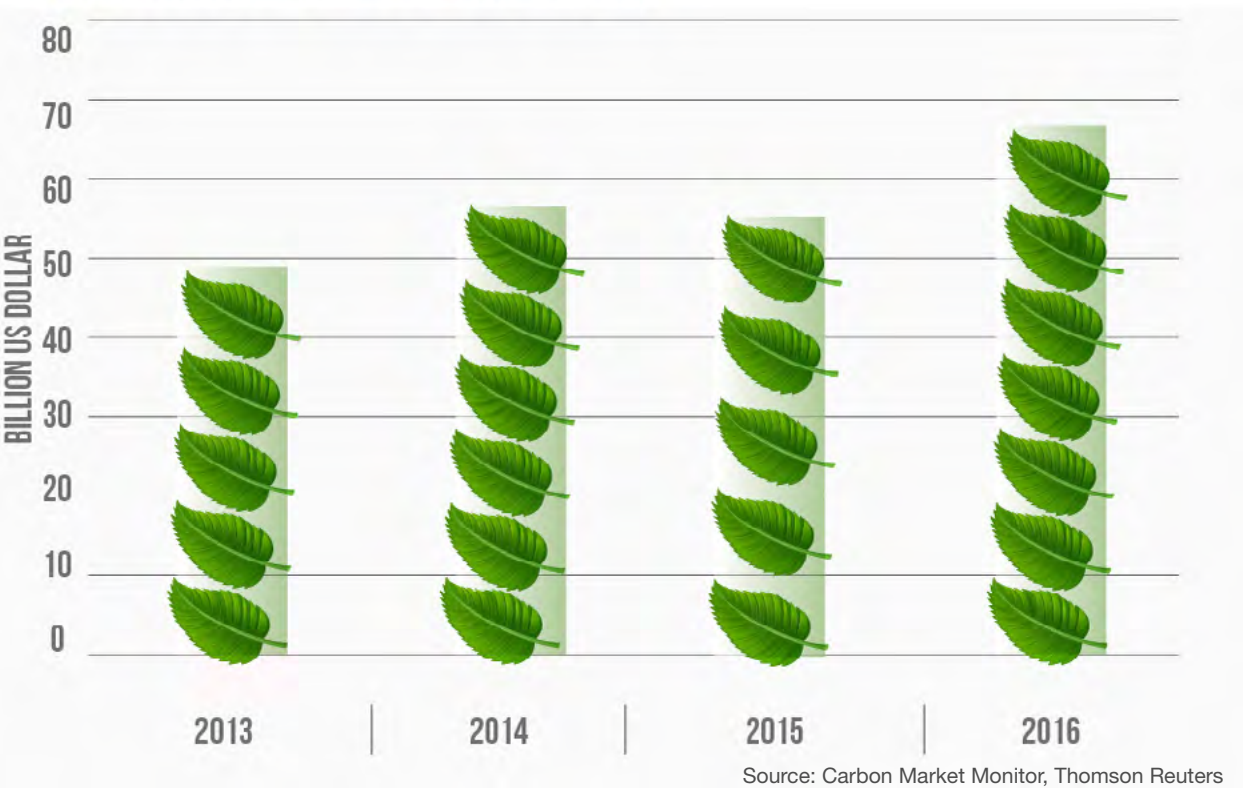


Source: Global Carbon Project (https://data.icos-cp.eu)

According to Carbon Market Monitor, Thomson Reuters, the global carbon market, where CO2 emission certificates like EU allowances and UN certificates are traded, was forecast to reach a value of around 67 billion US Dollars in 2016.

There are various types of emission policies that aim to curb greenhouse gas emissions. The carbon emissions trading or cap and trade, which generally targets carbon dioxide (CO2), is one of the most common methods used around the world. The global carbon market has reached some 54 billion US Dollar in 2015. Over the last few years, the cost of permits has risen which have increased the cost of activities that are greenhouse gas emission-intensive.

Figure 2: Global carbon market value 2013-2016



Source: Carbon Market Monitor, Thomson Reuters

Voluntary carbon markets are on track to exceed USD 1 billion in trades for the first time in 2021, according to an annual report from Forest Trends' Ecosystem Marketplace.

Carbon pricing

Carbon pricing is an instrument that captures the external costs of greenhouse gas (GHG) emissions—the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise—and ties them to their sources through a price, usually in the form of a price on the carbon dioxide (CO_2) emitted. A price on carbon helps shift the burden for the damage from GHG emissions back to those who are responsible for it and who can avoid it. This is mostly done at the national levels. The world Bank Group maintains a detailed database on the carbon pricing and may be accessed by logging in to the website link: https://carbonpricingdashboard.worldbank.org/what-carbon-pricing

International carbon pricing or carbon credit refers to carbon pricing initiatives that have the potential to cover the whole world.

This includes:

Initiatives under the United Nations Framework Convention on Climate Change (UNFCCC):

- International Emissions Trading (IET),
- Joint Implementation (JI) and Clean Development Mechanism (CDM)
- New approaches under Article 6 of the Paris Agreement
- Initiatives outside of the UNFCCC:
- The voluntary carbon market
- Result-based Climate Finance (RBCF)
- Global sectoral initiatives

Table 1: Information on carbon crediting mechanisms around the world- as on April 2021

Name of the mechanism	Year of Implementation	Sectors covered	Price range	Price year
Alberta Emission Offset System	2007	Agriculture, CCS/CCU, Energy Efficiency, Forestry, Fugitive emissions, Industrial gases, Manufacturing, Renewable Energy, Waste	US$16–21/tCO2e	2020
Australia ERF	2012	Agriculture, Energy efficiency, Forestry, Fugitive emissions, Other land use, Transport, Waste	US$12/tCO2e - average auction price from March to September 2020	2020
Beijing Forestry Offset Mechanism	2014	Forestry	US$2.1-9.28/tCO2e	2020
Beijing Parking Offset Crediting Mechanism	2017	Transport	US$7-9/tCO2e	2019-2020
British Columbia Offset Program	2016	Energy efficiency, Forestry, Fuel switch, Waste	US$6-12/tCO2e	2020
California Compliance Offset Program	2013	Agriculture, Forestry, Fugitive Emissions, Industrial gases	US$13.71/tCO2e (weighted average)	2020
Chile Crediting Mechanism	2020			
China GHG Voluntary Emission Reduction Program	2014	Energy efficiency, Forestry, Fuel switch, Renewable energy, Waste	US$1.5–3tCO2e	2020
Chongqing carbon offset mechanism	2021	Forestry, Renewable energy, Waste	Not available	
Fujian Forestry Offset Crediting Mechanism	2017	Forestry	US$1–3/tCO2e	2019
Guangdong Pu Hui Offset Crediting Mechanism	2017	Forestry, Renewable energy	US$2/tCO2e—unweighted average	2019

Name of the mechanism	Year of Implementation	Sectors covered	Price range	Price year
J-Credit Scheme	2013	Forestry, energy efficiency, waste, renewable energy, industrial gases, agriculture, fuel switch, fugitive emissions, transport, manufacturing	US$20/tCO2e - Renewable energy US$13.5/tCO2e - Energy saving and others	2020
Joint Crediting Mechanism	2012	Energy efficiency, Renewable energy, Transport	Not available	2020
Kazakhstan Crediting Mechanism	Not available	Renewable energy	Not available	2020
Mexico Crediting Mechanism				
Quebec Offset Crediting Mechanism	2013	Industrial gases, Waste	US$14.59/tCO2e (weighted average)	2020
RGGI CO2 Offset Mechanism	2005	Waste	US$5/tCO2e	2020
Republic of Korea Offset Credit Mechanism	2015	Energy efficiency, Industrial gases, Manufacturing, Renewable energy, Transport, Waste	US$20-36/tCO2e	2020
Saitama Forest Absorption Certification System	2010	Forestry	Not available	2020
Saitama Target Setting Emissions Trading System	2011	Renewable energy	US$4/tCO2e	2019
South Africa Crediting Mechanism				
Spain FES-CO2 Program	2011	Agriculture, industrial gases, energy efficiency, transport, waste, buildings, and fluorinated gases	US$11.39/tCO2e	2020
Switzerland CO2 Attestations Crediting Mechanism	2012	Energy efficiency, Forestry, Fuel switch, Fugitive emissions, Industrial gases, Transport, Waste	US$59-160/tCO2e	2020
Taiwan GHG Offset Management Program	2018	Energy efficiency, manufacturing, transport, fugitive emissions, waste	Not available	
Thailand Voluntary Emission Reduction Program	2014	Energy efficiency, renewable energy, waste, transport, forestry, agriculture	US$0.64-9.46/tCO2e	2020
Tokyo Cap-and-Trade Program	2010	Energy efficiency, Renewable energy	US$1.62-8.12/tCO2e - Excess emission reductions US$43-58/tCO2e - Renewable energy credits	2020

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IN the NEWS

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- Thailand plans to start collecting a 300 baht ($9) entry fee from foreign holidaymakers as the tourism-reliant nation predicts a recovery for the pandemic-hobbled travel industry once the current Covid wave eases. The fee will help fund the development of local tourist attractions and an insurance program for visitors. The levy will be added to air ticket prices from April, while the method of collections from entry by land has yet to be determined. *(Bloomberg)*

- The spike in Omicron cases has brought back the spectre of restrictions on gatherings and movement of people, which is likely to impact the reviving service sector. The medical tourism industry, which started reviving last quarter, is now witnessing a drop in medical value travel patients in hospitals across India. The education sector was pinning hopes on vaccination of children aged 15-18, but is again expected to step back. The rising epidemic curve may severely hit revenues of restaurants, airlines, cinema halls, among others. (Business Today)

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- Logistics activity picked up in December 2021, helped by a healthy uptick in consumer spending, higher exports and wedding-related shopping. Higher activity aided freight rates which were up 4-5 per cent despite fuel prices remaining unchanged. However, as India faces a third wave of Covid infection, analysts expect logistics activity to get impacted on account of disruption in supply chains and movement of labour. (The Hindu Business Line)

- Italian largest business association, Confcommercio, has stressed that there was recorded a decrease of 60 million tourist arrivals and a total of 120 million overnight stays this year, compared to the pre-pandemic figures. In addition, of the 25 million trips scheduled by citizens of Italy during the holiday season, a total of five million were cancelled, and 5.3 million others were shortened. The business association believes that Italy's government must support the tourism industry through financial interventions as well as facilitate access to credit. (Schengen Visa Info News)

- The latest surge in Covid cases has led to a dip in demand for air travel, forcing airlines to rework their domestic schedules — and even cancel flights. On Sunday, the country's largest airline IndiGo announced the withdrawal of 20 per cent of its scheduled flights due to reduced demand. Full-service carrier Vistara said it is adjusting capacity in sync with changing demand. And, an Air India official said some flights on routes with multiple daily services are being merged based on the load factor. On January 8, Ministry of Civil Aviation logged 2.41 lakh air passengers, down from 3.85 lakh on December 26. In terms of load factor, which is representative of demand, IndiGo reported 65.8 per cent on January 8; SpiceJet and GoFirst reported load factors of 68.5 per cent and 62.8 per cent, respectively. Air India's load factor on Saturday was 67.4 per cent, while those of Vistara and AirAsia India were 53.6 per cent and 59.6 per cent, respectively.

EVENTS & ACTIVITIES

IATO Annual Convention

Chairman, SEPC gave a special address at the 36th Annual Convention of Indian Association of Tour Operators on 17th December 2021 at Gandhi Nagar, Gujarat, talked about the SEPC services and the need for sector specific incentives on exports.

Swachhta Pakhwada

Services Export Promotion Council (SEPC) jointly with the Department of Commerce, Ministry of Commerce and Industry, Govt. of India celebrated Swachhta Pakhwada 2021 during 16th – 23rd December, 2021 across India. This is a Government of India initiative to drive the 7 years long Swachh Bharat Mission of the Hon'ble Prime Minister of India. As a part of Mass Mobilization and Community participation under Swachhta Pakhwada 2021, SEPC organized a series of Nukkad Natak to create awareness towards cleanliness and single use plastic to commuters at Central Market Connaught Place, Mandi House, Rajiv Chowk, DLF Prime Tower Okhla Phase – I and New Delhi Railway Station.

Interactions/Webinars

BIS MEETINGS

Bureau of Indian Standards (BIS) is rigorously working on the standardization of services in India to bring it in line with international standards. SEPC is actively contributing in this endeavor with participation in almost all major committees working on the standardization of different services sectors. Some of the meetings held in the month of December 2021 are listed below;

1. Conformity Assessment Advisory Committee (CAAC)

SEPC represented in the 3rd meeting of the Conformity Assessment Advisory Committee (CAAC) of BIS held on 21st December 2021. The Scope of Work of the Committee are as follows:

- Policy matters relating to the conformity assessment;
- Development of conformity assessment activity of the Bureau in country and abroad;
- Coordination of conformity assessment activity with other organizations in the country and abroad; Surveys and surveillance;
- Review conformity assessment schemes and suggest improvements;
- Other matters regarding conformity assessment.

The agenda items covered in the meeting included overview of conformity assessment activity at BIS including strengthening surveillance, adherence to time norms, product certification process, concession on marking fee, certificate of conformity, new draft conformity assessment schemes, participation in ISO Committee on conformity assessment, registration scheme, management system certification and Hallmarking Schemes.

2. Business Services Sectional Committee (SSD 09)

SEPC represented in the 4th meeting of Business Services Sectional Committee (SSD 09) of BIS to be held on 22nd December 2021. The Committee deliberated over the new suggested area of "services standards on after sales services" and reviewed the work done by sub committees and panels under SSD 09 and also reviewed the status of the new projects discussed in the second meeting of SSD 09.

3. E-Learning Services

SEPC represented in the 2nd meeting of sub-committee on E-Learning Services on 24th December 2021. The members discussed about the Scope and Composition of Sub-Committee on E-Learning Services SSD 04:5, Status of working draft and new subjects and BIS connect to its standardization process.

4. Communication Services

SEPC participated in the Third meeting of Communication services sectional committee SSD – II 08 on 29th December 2021. Members discussed the review of composition of SSD 08, Outcome of the panel SSD 08/P-1, Recommendation of Panel SSD 08/P-1 and the subjects for standardization.

Solutions for Cross Border Payments

SEPC organised Master Class series webinar on "Solutions for Cross Border Payments" on 1st December 2021 to create awareness of latest market information and trends related to cross border payments and foreign exchange. The following topics were covered in the session:

- Accessing International Bank Accounts
- International Account Management
- Handling International Vendor Payments
- Payment Methods
- Tax Payment
- Payment Closure (FIRA)

India: The remaking of a Vishwaguru

SEPC participated in the Education Webinar on "India: The remaking of a Vishwa guru" which was organised from 14 – 16 December 2021 in the line with the World Expo's Thematic week of "knowledge and Learning from 12 – 18 December 2021 in the India Pavilion where India's strengths in Education through virtual sessions happened.

Outcome of Cop26 for India and abroad

SEPC organised a webinar on "outcome of Cop26 for India and abroad" on 15th December 2021 to create awareness about the changes happen in business environment due to climate policy, also how an organization can encash the carbon credits and how these points help in business growth and financing especially for developing countries.

The following topics were covered in the webinar:

- Introduction to climate change and the need for mitigation
- Climate policy and climate financing
- Carbon asset management - carbon credit generation, supply and offsetting
- Outcomes of COP26
- India's commitment to becoming carbon neutral by 2070

GOVERNMENT NOTIFICATION

- The due date for furnishing annual return in FORM GSTR-9 & self-certified reconciliation statement in FORM GSTR-9C for the financial year 2020-21 has been extended from 31.12.2021 to 28.02.2022. Notification No.40/2021-Central Tax dated 29.12.2021 to this effect has been issued.
- DGFT has extended the last date of filing for SEIS for the FY 2018-19 and FY 2019-20 till 31 January 2022 via notification no. 48/2015-2020 dated 31 December 2021. Earlier the last date was 31 December 2021.

SERVICES TRADE DATA

SERVICES EXPORTS FROM INDIA (MONTHLY DATA) (MILLION USD)			
	2020-21	2021-22	YOY GROWTH
APRIL	16,450	18,056	10%
MAY	16,766	17,861	7%
JUNE	16,995	20,299	19%
JULY	17,031	18,524	9%
AUGUST	16,441	19,574	19%
SEPTEMBER	17,285	20,680	20%
OCTOBER	16,583	19,845	20%
NOVEMBER	17,080	20,136	18%
TOTAL (APRIL - NOVEMBER)	134,631	154,975	15%

Sources: Reserve Bank of India

SERVICES EXPORT PROMOTION COUNCIL
Setup by Ministry of Commerce & Industry, Govt. of India

SERVICES EXPORT PROMOTION COUNCIL

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