

# Review of energy and environment events

Looking back at the energy- and environment-related events that stirred India during 2002/03, major happenings came in the guise of world gatherings, national policy announcements, signing of treaties and declarations, natural disasters, and a landmark fuel discovery. From the Prime Minister's approval of the dismantling schedule of APM (administered pricing mechanism) in February; to the privatization of power distribution in Delhi in June; to severe drought crisis over the unending summer; to the Asian Brown Cloud controversy which surfaced at the end of summer; to a miracle natural gas find in November; India has been the hub for heated debate and significant events. We now turn to some of the events that have had direct and indirect implications for India's environment, society, and economy.

## Global meets on sustainable development and climate change

Two major conferences held this year attempted to tackle how mankind can close the rich-poor divide and protect the environment—and, in fact, do both at the same time. Focus was particularly on sustainable human development and the fact that billions in developing countries today still have no access to electricity or health services. Both at the WSSD (World Summit on Sustainable Development) in Johannesburg and at the CoP-8 (Eighth Conference of the Parties) in New Delhi, India pitted hard for the industrialized world to take greater responsibility for environmental degradation.

At WSSD, India was particularly vocal that developed nations should increase funding under ODA (official development assistance). In a report prepared by the Ministry of Environment and Forests and released by the prime minister, A B Vajpayee, a major reason for unsatisfactory progress on *Agenda 21* – agreed upon 10 years ago at Rio by 180 countries – was the inequitable allocation of world resources and unfulfilled financial promises. India held that, while developed countries had committed themselves to increasing ODA to 0.7% of their GNPs (gross national products), very few had met this target; most in fact had drastically reduced this proportion over a 10-year period.

Coined by many as 'Part Two of WSSD', the CoP-8 to the UNFCCC (United Nations Framework Convention on Climate Change) was held during October–November 2002. Here, there was

further divided consensus on the right to pollute. The European Union emerged as the most serious developed country party about meeting its commitment to reduce emissions. It has set an ambitious renewable energy target by 2010 and maintained that the UNFCCC flexibility mechanisms should only supplement domestic actions. All parties stressed the importance of wider participation by developing countries and many emphasized the importance of bringing the Kyoto Protocol into force as quickly as possible. Ninety-six countries—including the European Union nations, Japan, China, India, and Mexico—have ratified the Protocol. India, in fact, acceded (signed and ratified at one go) to the Protocol on 26 August 2002. Its entry into force now hinges on ratification by Russia, which would achieve the necessary provision of ratification by 55 parties accounting for 55% of developed country carbon dioxide emissions in 1990. To this end, the Delhi Ministerial Declaration drafted at the CoP urges parties who have not already ratified the Kyoto Protocol to do so soon.

## Energy reforms in effect

Energy reforms took shape this year with two major national-level government initiatives. The first came on 14 February with the go-ahead for the dismantling of the APM from April 2002. Further, in an attempt to accelerate power sector reforms in the distribution sector, the Ministry of Power stipulated in October 2002 that funds available under the APDRP (Accelerated Power Development and Reform Program) would be available only to those states implementing distribution reforms. Delhi had earlier taken a bold move in July when it privatized distribution. While two private companies (BSES Ltd and Tata Power) have a 51% share in the three distribution companies, the Delhi government still holds the remaining 49% share.

Other states in India have taken similar important reform steps by attempting to clamp down on theft and cut cross-subsidies. For example, the Rajasthan government cut-off electricity connection to villages where power was habitually being stolen this year. In fact over the past one year, the Rajasthan government has cut electricity supplies to 700 of the state's 38 000 villages where 80% of the consumers have failed to pay their bills. Further, as of October 2002, power is no longer free for farmers in Punjab.

### **RIL: a breaking news company**

In March 2002, a major merger between RIL (Reliance India Ltd) and Reliance Petroleum Ltd gave RIL the distinction of becoming India's first private sector company in the internationally tracked Fortune Global 500 list of the world's largest corporations. The merger also ranked RIL among the top energy and petrochemical companies globally.

In November 2002, RIL discovered 7 trillion cubic feet of liquefied natural gas in the Krishna-Godavari basin of India's eastern coast. A US report pegged the discovery as the biggest gas discovery for India in three decades and one of the largest in the world this year.

### **Reducing congestion and pollution in Delhi**

A new era of faster and cleaner public transport in the capital was ushered in when the DMRC (Delhi Metro Rail Corporation) was launched in December 2002. Currently with only one operational 8-km line connecting Tis Hazari and Shahdara, the full system will stretch 31 km underground, 64 km elevated, and 104 km on surface. An estimated two million people will commute on the metro after the completion of the first phase in 2005, resulting in substantial fuel savings and emission reductions. DMRC has been awarded the ISO-14001 certification for construction and operation, making it the second metro system in the world to receive this certification after the New York Metro.

### **An ever-fragile environment**

The summer of 2002 witnessed a nation-wide drought—confirmed by the Indian Meteorological Department as 'the first-ever all-India drought year' since 1987 and the driest July in 127 years. The aggregate rainfall received by the country as a whole during this year's monsoon season from June to September was 19% below the historical average for this period. Further, 29% of the area in the country recorded drought conditions, with rainfall deficiency exceeding 25%. Western and eastern Rajasthan recorded severe droughts with rainfall deficiency being much greater than 50%.

A controversial report, released in August 2002 by the United Nations Environment Programme

claimed that a deadly pollution haze 3-km thick covering South Asia could be responsible for a change in rainfall patterns. This report blamed several culprits for the cloud surrounding South Asia, including aerosol emissions, industries, and inefficient biomass fuel combustion. The report calculated that the cloud—80% of which was human-induced—could reduce rainfall up to 40% over north-west Pakistan, Afghanistan, western China, and western central Asia. However, it was met by skepticism from scientists in India, particularly by the Indian Institute of Science in Bangalore. These scientists rebuffed the UN claim by saying that the haze was not a permanent feature in the Asian region and occurred only between January and March—the period in which the UN body conducted the study. The Indian report further claimed that pollution is not only restricted to the Asian region: man-made aerosol pollutants (sulphate or soot) are also rampant in Europe and the United States.

In an effort to mitigate drought in water-deficit states, the Government of India appointed a taskforce on the ambitious 'Interlinking of Rivers' plan in December 2002. It is anticipated that interlinking India's rivers will further the goal of attaining an irrigation potential of 160 million hectares and channel water to drought-hit states. The National Water Development Agency has been entrusted with the task of studying feasibility of inter-basin water transport proposals, and has so far identified 30 inter-basin water transfer links.

In June 2002, India became a signatory to the Stockholm Convention on POPs (Persistent Organic Pollutants). This meant eliminating the dirty dozen chemicals identified under the treaty, and was done in an effort to eliminate the two most toxic chemicals on the list being produced across the country, namely dioxins and furans. These chemicals cause cancers and reproductive abnormalities, disrupt the endocrine system and are hereditary.

India became the first among 12 mega-diverse nations, when it approved the Biological Diversity legislation. As a measure to implement the United Nations Convention on Biodiversity, the Bill provides for the conservation of the country's biological diversity along with its sustainable and equitable use.