

**Workshop on; “Carbon Credits Potential in Oil and Gas Sector of Pakistan”.**  
**11<sup>th</sup> & 12<sup>th</sup> September, 2007, Dream Land Motel, Islamabad**

**WORKSHOP REPORT**

The Clean Development Mechanism Cell of the Ministry of Environment organized a two- day workshop on “Carbon Credits Potential in Oil and Gas Sector of Pakistan” in collaboration with Pakistan Petroleum Explorations and Production Companies Association (PPEPCA) and the Hydro- Carbon Development Institute of Pakistan, on 11<sup>th</sup> and 12<sup>th</sup> of September 2007, at Dream Land Motel, Islamabad.

2. The workshop was attended by more than 100 participants from different national and international companies involved in oil and gas exploration, distribution and marketing. Other participants included: representatives from public sector, (officials from Ministry of Environment, Ministry of Petroleum and Natural Resources Hydro- Carbon Development Institute) and representatives from Oil and Gas Exploration Companies. This was for the first time that a number of investors, CDM project advisory companies and international validator companies were also present.

3. First day began with the recitation of Holy Quran, with welcome address by Mr. Saadullah Ayaz, Acting Head, CDM Cell. Mr. Ayaz in his address said that Pakistan had a significant potential for oil and gas sector. Developing Clean Development Mechanism projects in this sector could provide a great opportunity to domestic and foreign investors to benefit from this initiative. He said that this important sector would not only help earning additional revenue, but would also help the companies in this sector to comply with the National Environmental Quality Standards in addition to achieving the objectives of their corporate social values.

4. In the inaugural address, Mr. Khizar Hayat Khan, Joint Secretary (International Cooperation) and the Focal Person for Designated National Authority for CDM in Pakistan, Ministry of Environment, said that Government of Pakistan was undertaking all necessary initiatives to promote CDM projects in every sector so that the benefits from CDM could be obtained. This workshop on Carbon Credits Potential in Oil and Gas Sector was part of the initiative to bring all the relevant stakeholders to a platform so that CDM projects could be initiated in this highly potential sector. Dr. Muhammad Pervaiz, Principal Scientist, Hydro-Carbon Development Institute of Pakistan gave a review of Oil and Gas Sector in Pakistan.

5. On first day, presentations and discussions were held on introduction to climate change and how to face its challenge. The concept of Clean Development Mechanism (CDM) was introduced and benefits of developing CDM projects in oil and gas were discussed. The presentations by CDM Experts Mr. Irfanullah and Syed Amjad Hussain highlighted Pakistan

National Operational Strategy of CDM and also focused on the current CDM initiatives of the Government of Pakistan and various activities at national level. Mr. Hussain also presented the guidelines for development of CDM projects. Presentations were also made by representatives from Oil and Gas Development Company Ltd. and Attock Refinery Ltd which focused on upstream oil and gas policies of Pakistan and refining & marketing of oil in Pakistan.

6. On the second day, presentations were delivered by different project advisory companies which included EcoSecurities, Carbon Services, Axis Environmental Services, Global Emission Management Services. These companies gave an overview of their company activities and presented their company profiles for Pakistan and abroad. They also presented their strategy for CDM projects in oil and gas sector of Pakistan. Representative from World Bank also delivered a presentation of the role of World Bank in promoting carbon business and the World Bank's Carbon Fund. The validator companies (Designated Operational Entities) i.e. Det Norske Veritas (DNV- Pakistan) and TUV NORD also presented their company profiles and elaborated the adopted procedure for validation of CDM projects.

7. The participants and representatives asked different questions regarding potential of developing CDM projects in oil and gas sector and various issues in this regard were also discussed. The presenters also responded to the queries of the participants.

8. The workshop ended with a panel discussion conducted by all the presenters during which different possibilities in promoting the CDM business in oil and gas sector and the strategy for carbon market of Pakistan were discussed.