

---

# Take a ride on the green side: How do CDM projects affect Indian manufacturing firms' environmental performance?

Oliwia Kurtyka\*<sup>1</sup>, Jurate Jaraite-Kazukauske , and Helene Ollivier

<sup>1</sup>GAEL – Université Grenoble Alpes, INP Grenoble Genie Industriel – France

## Résumé

This study examines the causal impacts of the Clean Development Mechanism (CDM) on the environmental performance of Indian manufacturing firms, as measured by their energy use, carbon dioxide (CO<sub>2</sub>) emissions and respective intensities. The impacts of the CDM projects are estimated by combining statistical matching with the difference-in-differences approach. We found that the CDM projects significantly reduced firm CO<sub>2</sub> intensity and energy intensity, but had no effect on total CO<sub>2</sub> emissions. Our results also reveal different channels through which firm CO<sub>2</sub> intensity was likely to be improved. We showed that firms hosting CDM projects increased the use of clean fuels and energy sources. These results suggest additionality of the CDM projects hosted by manufacturing firms in India had the firms' sales expanded in a similar fashion absent the CDM projects.

**Mots-Clés:** CDM projects, CO<sub>2</sub> emissions, firm performance, India, micro level data, offsets

---

\*Intervenant