

Bill No. LXXII of 2019

THE DECARBONISATION BILL, 2019

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Bill No. LXXII of 2019

THE DECARBONISATION BILL, 2019

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to decarbonise the Indian economy and to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

- 5 1. (1) This Act may be called the Decarbonisation Act, 2019.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title,
extent and
commencement.

Definitions.

2. In this Act unless the context otherwise requires,—

(a) "Chairperson" means the Chairperson of the National Board or, as the case may be, of the State Board;

(b) "decarbonisation" means the process by which the average amount of carbon in primary energy cycle reduces over a period of time; 5

(c) "Fund" means the national Decarbon fund constituted under Section 16;

(d) "economic equality" means an economy that responds to changes in the global context, moving towards a green economy which promotes the sustainable use of natural resources;

(e) "green economy" means economy that aims at reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment. 10

(f) "local bodies" means Panchayats and Municipalities, by whatever name called, within the meaning of clause (I) of article 243B and clause (I) of article 243Q of the Constitution and in the absence of any Panchayats or Municipalities, institutions of self-government constituted under any other provision of the Constitution or any Central Act or State Act; 15

(g) "Member" means a Member of the National Board or a State Board, and includes the Chairperson;

(h) "National Board" mean the National Decarbon Board constituted under section 5; 20

(i) "notification" means a notification published in the Official Gazette;

(j) "prescribed" means prescribed by rules made under this Act;

(k) "regulations" means regulations made under this Act;

(l) "State Government" in relation to Union Territory, means the Administrator of that Union Territory appointed by the President under article 239 of the Constitution; 25

(m) "State Board" means the State Decarbon Board constituted under section 13;

(n) "sustainable use" means the use of components of natural resources in such manner and at such rate that does not lead to the long-term decline of the natural resources thereby maintaining its potential to meet the needs and aspirations of present and future generations; 30

CHAPTER II

THE NATIONAL DECARBON BOARD

Constitution
of the
National
Decarbon
Board.

3. (1) **The Central Government shall, within three months from the date of commencement of this Act, constitute a Board to be called the National Decarbon Board consisting of—** 35

(a) **the Prime Minister as Chairperson;**

(b) **the Union Minister of Environment, Forest and Climate Change as Vice-Chairperson;**

(c) **the Union Minister of Earth Sciences—Member;** 40

(d) **the Union Minister of Agriculture and Farmers Welfare—Member;**

(e) **the Union Minister of Power and New & Renewable Energy—Member;**

(f) **three Members of Parliament of whom two shall be from the House of the People and one from the Council of States—Member;**

(g) **Member, Niti Ayog in-charge of Forests and Wild Life—Member;** 45

(h) three person to represent non-Governmental organizations to be nominated by the Central Government—Members;

(i) five person to be nominated by the Central Government amongst eminent conservationists, ecologists and environmentalists—Members;

5 **(j) the Secretaries to the Government of India, in-charge of the Ministry or Department of the Central Government dealing with Environment, Forests and Climate Change—Members;**

(k) the Secretaries to the Government of India, in-charge of the Ministry or Department of the Central Government dealing with Agriculture—Members;

10 **(l) the Secretary to the Government of India, in-charge of the Department of Expenditure, Ministry of Finance—Member;**

(m) the Secretary to the Government of India, in-charge of Ministry of Power, New & Renewable Energy—Member;

15 **(n) the Secretary to the Government of India, in-charge of Ministry of Mines—Member;**

(o) the Director-General of Forests in the Ministry or Department of the Central Government dealing with Forests and Wild Life—Member;

(p) the Director-General, Indian Council for Forestry Research and Education—Member;

20 **(q) the Director, Botanical Survey of India—Member;**

(r) the Director, National Institute of Oceanography—Member;

(s) the Chairperson of the Central Pollution Control Board—Member;

(t) one representative each from nine States and Union Territories by rotation, to be nominated by the Central Government—Member; and

25 **(u) the Director of Environment Research who shall be the Member—Secretary.**

(2) The term of office of the members other than those who are members ex-officio, the manner of filling vacancies referred to in clauses (h) and (i) of sub-section (1), and the procedure to be followed in the discharge of their functions by the Members of the National Decarbon Board shall be such, as may be prescribed.

30 **(3) The members, except members ex-officio shall be entitled to receive such allowances in respect of expenses incurred in the performance of their duties as may be prescribed.**

(4) Notwithstanding anything contained in any other law for the time being in force, the office of a Member of the National Board shall not be deemed to be an office of profit.

35 **4. (1) It shall be the duty of the National Board to ensure that by 2030 and thereafter every subsequent year the decarbonisation objective is met; and the economic equality shall be met in a manner consistent with meeting the decarbonisation objective, by such measures as it thinks fit.**

Functions of
the National
Board.

40 (2) Without prejudice to the generality of the foregoing provision, the measures referred to therein may provide for—

(a) framing policies and advising the Central Government and the State Governments on the ways and means to achieve zero net India carbon emissions; and to restore, protect and prevent further loss of natural habitats and biodiversity;

45 **(b) making recommendations on achieving and management of overall social and economic well-being; and**

(c) ensuring year-on-year reductions in:—

- (i) income inequality,
- (ii) wealth inequality, and
- (iii) inequality of opportunity;

(d) carrying out or causing to be carried out impact assessment of various projects and activities on air, water, green spaces and restore natural habitats; 5

(e) reviewing the progress of decarbonisation of economy in the country and suggesting measures for improvement life in the country from time to time;

(f) promoting international policies which are consistent with the objectives in sub-section (1), while ensuring that such objectives are not met by transferring carbon emissions or economic inequality to other jurisdictions, and also promoting increased decarbonisation and the eradication of inequality internationally; 10

(g) promoting decarbonisation and the eradication of inequality in international and regional forums including—

- (i) G8 and G20 summits, 15
- (ii) the World Trade Organization,
- (iii) the International Monetary Fund,
- (iv) the World Bank,
- (v) multilateral development banks, including the Asian Infrastructure Investment Bank, 20
- (vi) the United Nations Conference on Trade and Development, and
- (vii) the United Nations; and

(h) preparing and publishing a status report at least once a year on decarbonisation in the country.

Meetings of
National
Board.

5. (1) The National Board shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings, including the quorum at its meetings, as may be prescribed. 25

(2) The Chairperson shall preside at the meetings of the National Board;

(3) If for any reason the Chairperson is unable to attend any meeting of the National Board, Vice-Chairperson of the National Board shall preside at the meeting; 30

(4) All questions which come before any meeting of the National Board shall be decided by a majority of votes of the members present and voting and in the event of equality of votes, the Chairperson or, in his absence, the person presiding, shall have and exercise a second or casting vote.

(5) Every Member who is in any way, whether directly, indirectly or personally, concerned or interested in a matter to be decided at the meeting shall disclose the nature of his concern or interest and after such disclosure, the Member concerned or interested shall not attend that meeting. 35

(6) No act or proceeding of the National Board shall be invalidated merely by reason of— 40

- (a) any vacancy in, or any defect in the constitution of, the National Board; or
- (b) any defect in the appointment of a person acting as a Member; or
- (c) any irregularity in the procedure of the National Board not affecting the merits of the case.

6. The Central Government may remove from the National Board any Member who, in its opinion, has—
- (a) been adjudged as an insolvent; or
- (b) been convicted of an offence which involves moral turpitude; or
- 5 (c) become physically or mentally incapable of acting as a Member; or
- (d) so abused his position as to render his continuance in office detrimental to the public interest; or
- (e) acquired such financial or other interest as is likely to affect prejudicially his functions as a Member.
- 10 7. The term of office and conditions of service of the Chairperson and the other Members other than *ex-officio* Members of the National Board shall be such as may be prescribed by the Central Government.
8. The Chairperson shall be the Chief Executive of the National Board and shall exercise such powers and perform such duties, as may be prescribed.
- 15 9. (1) The National Board may appoint such officers and other employees as it considers necessary for the efficient discharge of its functions under this Act.
- (2) The terms and conditions of service of such officers and other employees of the National Board shall be such as may be specified by regulations.
- 20 10. **The salaries and allowances payable to the members and the administrative expenses of the National Decarbon Board including salaries, allowances and pension payable to, or in respect of, the officers and other employees of the National Board shall be defrayed out of the Consolidated Fund of India.**
- CHAPTER III
THE STATE DECARBON BOARD
- 25 11. (1) **Every State Government shall, within a period of six months from the date of commencement of this Act, constitute a State Decarbon Board consisting of the following members, namely:—**
- (a) **the Chief Minister of State and in case of the Union Territory, either Chief Minister or Administrator, as the case may be — Chairperson;**
- 30 (b) **the State Minister of Environment, Forest and Climate Change as Vice-Chairperson;**
- (c) **the State Minister of Agriculture — Member;**
- (d) **three Members of the State Legislature or in the case of a Union Territory with legislature, two members of the Legislative Assembly of that Union Territory.**
- 35 (e) **three persons to represent non-governmental organisations dealing with Environment to be nominated by the State Government—Members;**
- (f) **ten persons to be nominated by the State Government from amongst eminent conservationists, ecologists and environmentalists including at least two agriculturists—Members;**
- 40 (g) **the Secretary to the State Government or the Government of the Union Territory, as the case may be, in-charge Environment—Member;**
- Removal of Members.
- Conditions of service of Chairperson and Members.
- Chairperson to be Chief Executive of National Board.
- Officers and employees of National Board.
- Expenses of National Board to be defrayed out of the Consolidated Fund of India.
- Constitution of State Decarbon Board.

(h) the Secretary to the State Government or the Government of the Union Territory, as the case may be, in-charge Agriculture—Member;

(i) the Secretary to the State Government, Department of Earth Sciences—Member;

(j) the Secretary to the State Government, Department of Power, New & Renewable Energy—Member; 5

(k) the Secretary of State of Ministry of Mines—Member;

(l) an officer of the State Police Department not below the rank of Inspector-General—Member;

(m) a representative of the Botanical Survey of India—Member; to be nominated by the State Government; 10

(n) the Chairperson of the State Pollution Control Board—Member.

(2) The term of office of the Members other than those who are members *ex-officio* and the manner of filling vacancies referred to in clauses (e) and (f) of sub-section (1) and procedure to be followed shall be such, as may be prescribed. 15

(3) The Member, except members *ex-officio*, shall be entitled to receive such allowances in respect of expenses incurred in the performance of their duties as may be prescribed.

Procedure to be followed by the State Board.

12. (1) The State Board shall meet atleast twice a year at such place as the State Government may direct.

(2) The State Board shall regulate its own procedure, including the quorum in such manner as may be prescribed. 20

(3) No act or proceeding of the State Board shall be invalid merely by reason of the existence of any vacancy therein or any defect in the constitution thereof or any irregularity in the procedure of the State Board not affecting the merits of the case.

Duties of State Board.

13. (1) It shall be the duty of the State Board to advise the State Governments; 25

(a) the manner to ensure that by 2030 and every subsequent year—

(i) the decarbonisation objective is met; and

(ii) the economic equality objective is met in a manner consistent with meeting the decarbonisation objective;

(b) in formulation of the policy for net India carbon emissions to be zero; 30

(c) in the manner to restore, protect and prevent further loss of natural habitats and biodiversity;

(d) in achieving the economic equality objective in relation to—

(i) increasing overall social and economic well-being; and

(ii) ensuring year-on-year reductions in— 35

(a) income inequality,

(b) wealth inequality, and

(c) inequality of opportunity;

(e) in the manner to improve the energy efficiency of every building so far as is possible, including through the incorporation of power generation; 40

(f) in the manner of building new affordable zero carbon housing to meet social needs;

(g) in the promotion of the use of walking, cycling, co-operative and public transport for all journeys;

(h) in investment in new and existing net zero carbon methods of energy generation, transmission and distribution;

5 (i) in agroecological farming;

(j) in the restoration of soil and degraded peatlands; and

(k) in alternative and reduced forms of consumption, including measures to—

(i) reduce air travel,

(ii) promote the use of low and no carbon means of transport,

10 (iii) restrict the use of carbon fuel-based transport,

(iv) restrict the use of single-use plastics and other packaging,

(v) reduce the consumption of meat and dairy foods, and

(vi) reduce the carbon impact of consumer products;

15 (l) in building enhanced flood defences, with a focus on natural flood management;

(m) in reducing the use of water;

(n) in improving the quality of that water;

(o) in reforestation, agroforestry and the planting of trees in urban areas;

(p) in rewilding the environment, creating and restoring habitats;

20 (q) in improving air quality;

(r) in improving and expanding green spaces in villages, towns and cities;

(s) in annual audits of biodiversity;

(t) in reducing pesticide use;

25 (u) in supporting the transition to farming systems that do not rely on agrochemicals;

(v) in manner of finance for carbon-neutral development;

(w) in finding ways to clean energy development;

(x) in manner to transfer of export finance from fossil fuel projects to clean energy projects; and

30 (y) in any other matter connected with the decarbonisation which may be referred to it by a State Government.

(2) The State Board shall also perform such other functions as may be necessary to carry out the provisions of this Act or as may be prescribed by the State Government.

35 **14.** The provisions of section 6 to 10 shall apply to a State Board and shall have effect subject to the following modifications, namely:

(a) references to the Central Government shall be construed as references to the State Government;

(b) references to the National Board shall be construed as references to the State Board;

40 (c) reference to the Consolidated Fund of India shall be construed as reference to the Consolidated Fund of the State.

Provisions of sections 6 to 10 to apply with modifications to State Board.

CHAPTER IV

FINANCE, ACCOUNTS, AUDIT AND REPORT OF NATIONAL BOARD

Grants or loans by the Central Government.	15. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the National Decarbon Board by way of grants or loans such sums of money as the Central Government may think fit for being utilized for the purposes of this Act.	5
Constitution of National Decarbon Fund.	16. (1) There shall be constituted a Fund to be called the National Decarbon Fund and there shall be credited thereto— (a) any grants and loans made to the National Board; (b) all charges and royalties received by the National Board under this Act; and (c) all sums received by the National Board from such other sources as may be specified by the Central Government. (2) The Fund shall be utilized for the following purposes, namely,— (a) channeling benefits to the benefit claimers; (b) promoting and to establish higher environmental standards for air, water and green spaces; or knowledge associated thereto has been accessed; (c) exploring ways and means to decarbonise economy and eradicate inequality; (d) making provision to protect and restore natural habitats and of other areas, in consultation with the local bodies concerned.	10
Annual report of National Board.	17. The National Board shall prepare, in such form and at such time in each financial year, as may be prescribed, its annual report, giving a full account of its activities during the previous financial year and furnish, to the Central Government, before such date as may be prescribed, its audited copy of accounts together with auditors report thereon.	20
Budget accounts and audit.	18. (1) The National Board shall prepare a budget, maintain proper accounts and other relevant records, including the accounts and other relevant records of the Fund and prepare an annual statement of account in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. (2) The accounts of the National Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the National Board to the Comptroller and Auditor-General of India. (3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the National Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the National Board. (4) The accounts of the National Board, as certified by the Comptroller and Auditor-General of India, or any other person appointed by him in this behalf, together with the audit report thereon, shall be forwarded annually to the Central Government.	25 30 35 40
Annual Report.	19. The Central Government shall cause the annual report and auditor's report to be laid, as soon as may be after they are received from the National Board, before each House of Parliament.	

CHAPTER V

FINANCE, ACCOUNTS, AUDIT AND REPORT OF STATE BOARD

20. The State Governments may, after due appropriation made by the State Legislature by law in this behalf, pay to the State Board by way of grants or loans such sums of money as the State Government may think fit for being utilized for the purposes of this Act.

Grants of money by State Governments to State Board.

21. (1) There shall be constituted a Fund to be called the State Decarbon Fund and there shall be credited thereto—

Constitution of State Decarbon Fund.

(a) any grants and loans made to the State Decarbon Board;

(b) any grants or loans made by the National Board; and

10 (c) all sums received by the State Board from such other sources as may be decided upon by the State Government.

(2) The State Decarbon Fund shall be utilized for the following purposes, namely:—

(a) exploring ways and means to reduce carbon emissions to be zero;

(b) finding way to achieve the goals set in sub-section (1) and (2) of section 15;

15 (c) moving towards green economy which promotes the sustainable use of natural resources;

(d) restoring, protecting and preventing further loss of natural habitats and biodiversity, in consultation with the local bodies concerned; and

(e) meeting the expenses incurred for the purposes authorized by this Act.

20 22. The State Board shall prepare, in such form and at such time, in each financial year as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the State Government.

Annual report of State Board.

23. The accounts of the State Board shall be maintained and audited in such manner as may, in consultation with the Accountant-General of the State, be prescribed and the State Board shall furnish, to the State Government, before such date as may be prescribed, its audited copy of accounts together with auditors' report thereon.

Audit of accounts of State Board.

24. The State Government shall cause the annual report and auditor's report to be laid, as soon as may be after they are received from the State Board, before the House of State Legislature.

Annual Report of State Board to be laid before State Legislature.

30 CHAPTER VI

MISCELLANEOUS

25. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

35 (2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall 40 be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

Indiscriminate exploitation of nature's resources has led to global ecological crises. The unsustainable development policies in India, have led our country into a real predicament.

India is the world's third largest emitter of greenhouse gases (GHGs) in the world, our GHG emissions in 2015 stood at 3,571 million tonnes of CO₂ equivalent (MtCO₂e), according to data compiled by the Potsdam Institute for Climate Impact Research (PIK). These emissions have increased over three-fold since 1970. Moreover our per capita emission stood at 2.7tCO₂e in 2015. We are also the world's second largest coal consumer.

According to a recent report in the Lancet Planetary Health, one in every eight deaths in India is due to air pollution. It is projected that by year 2050, the Indian industrial sector would account for one-third of India's carbon dioxide emissions.

Further India is also very vulnerable to climate change, notably due to the melting of the Himalayan glaciers and changes to the monsoon. Even sea levels risen by 1.3 millimeters annually along the Indian coasts during the past 40-50 years resulting coastal hazards such as storm surge, tsunami, coastal floods, high waves and erosion in the low-lying areas in addition to causing gradual loss of land to the sea. Because of global warming, the world is one degree Celsius warmer than it was before the industrial revolution.

Despite India portraying itself as a responsible participant in international climate politics, at domestic level, we continue to witness depletion of groundwater level and green cover.

To tackle the above mentioned problems the Bill provides for—

(a) Constitution of a National Decarbon Board and State Decarbon Board to decarbonise the Indian economy and to eradicate inequality; to establish a ten-year economic and public investment strategy that prioritizes decarbonisation, community and employee-led transition from high-carbon to low-and zero-carbon industry and the eradication of inequality;

(b) for establishment of higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for connected purposes.

(c) social responsibility towards our next generation; and

(d) preventing global warming reducing greenhouse gas emission.

Hence, this Bill.

SHANTA CHHETRI

FINANCIAL MEMORANDUM

Clause 3 provides for the constitution of the National Decarbon Board to frame policy to decarbonise the Indian economy and to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats. It also provides for appointment of representatives of non-governmental organizations, etc. to the National Decarbon Boards.

Clause 10 provides for defrayment of expenses of National Decarbon Board out of the consolidated Fund of India.

Clause 11 provides for the constitution of the State Decarbon Board to ensure that decarbonisation and the economic equality objective is met in a manner consistent with meeting the decarbonisation objective and in formulation of the policy for net India carbon emissions to be zero.

Clause 16 provide for setting up the National Decarbon Fund.

The expenditure relating to States shall be borne from the Consolidated Fund of the State concerned. Whereas the expenditure in respect of the Union territory shall be borne from the Consolidated Fund of India. The Bill, therefore, if enacted, will involve recurring expenditure of rupees One thousand crore per annum from the Consolidated Fund of India.

A non-recurring expenditure to the tune of rupees Fifteen Hundred crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 25 empowers the Central Government to make rules for carrying out the purposes of this Act. As the delegation of powers shall relate to matters of details only, the delegation of legislative power is of normal character.

RAJYA SABHA

A

BILL

To decarbonise the Indian economy and to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for matters connected therewith or incidental thereto.

(Smt. Shanta Chhetri, M.P.)