

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.2021
ANSWERED ON 31.07.2025**

GUIDELINES FOR OPERATION OF VOLUNTARY CARBON MARKETS

**2021. SHRI B K PARTHASARATHI:
SHRI MOHIBBULLAH:**

**Will the Minister of POWER
be pleased to state:**

- (a) whether the Government has issued/established any legal framework or guidelines for the operation of voluntary carbon markets in the country;**
- (b) if so, the details thereof and if not, the reasons therefor;**
- (c) whether the Government has set up a unified set of rules, accounting protocols and verification mechanisms applicable across all sectors under the Indian Carbon Market framework;**
- (d) if so, the details thereof and if not, the reasons therefor;**
- (e) whether the Government has specified critical components such as the baseline year, emission factors and the types of eligible projects under various sectors for the issuance of carbon credits;**
- (f) if so, the details thereof and if not, the reasons therefor;**
- (g) whether the Government has formulated or is considering any plans to align India's carbon market with international standards or global carbon markets to ensure compatibility and enable cross-border credit transfer or trading; and**
- (h) if so, the details thereof and if not, the reasons therefor?**

A N S W E R

**THE MINISTER OF STATE IN THE MINISTRY OF POWER
(SHRI SHRIPAD NAIK)**

(a) to (d) : The Central Government in consultation with Bureau of Energy Efficiency (BEE) notified Carbon Credit Trading Scheme (CCTS) which defines two mechanism namely – compliance mechanism and offset mechanism.

Under the compliance mechanism, emission-intensive industries designated as 'Obligated Entities' are required to comply with the assigned Greenhouse Gas Emission Intensity (GEI) targets. Under the offset mechanism, non-obligated entities may register their projects aimed at greenhouse gas emission reduction, removal, or avoidance for the purpose of seeking issuance of Carbon Credit Certificates. The detailed procedures

for both the mechanism have already been published which cover Measurement, Reporting, and Verification (MRV) framework to ensure accurate, transparent, and credible compliance.

(e) & (f): The Government of India has already specified the baseline year, emission factors and various sectors for the issuance of carbon credits. Draft notifications specifying GEI targets for obligated entities across eight different sectors namely - Pulp & Paper, Aluminium, Cement and Chlor-Alkali, Iron & Steel, Petroleum Refinery, Petrochemicals and Textile have been published. Further, eight methodologies for different project activities under offset mechanism have also been published.

(g) & (h): The aforesaid procedures, published for implementation of CCTS, are in alignment with global standards. However, decisions regarding the cross-border transfer or trading of Carbon Credit Certificates shall be taken by the National Designated Authority for Implementation of Article 6 of Paris Agreement (NDAIAPA), as per emerging requirements.
