

GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

LOK SABHA
UNSTARRED QUESTION NO. 336
TO BE ANSWERED ON 02.02.2026

National Designated Authority for Carbon Credit Market

336. SHRI DUSHYANT SINGH:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

- (a) whether the Government has envisaged any specific timeline to operationalise India's first Carbon Market, if so, the details thereof including the expected impact on emission reduction;
- (b) the details of the sectors proposed to be brought under the aforesaid mechanism and the manner in which their inclusion is being prioritised;
- (c) whether the Government has recently reconstituted the National Designated Authority (NDA) in pursuance of the launch of India's first carbon market; and
- (d) if so, the details thereof including its expanded composition and the manner in which this reconstitution is expected to strengthen India's position in global climate negotiations, particularly in view of India's proposal to host 33rd Conference of Parties of United Nations Framework Convention on Climate Change (CoP-33) in 2028?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE
(SHRI KIRTI VARDHAN SINGH)

(a) & (b): The 'National Framework for Indian Carbon Market (ICM) i.e. Carbon Credit Trading Scheme (CCTS) was notified vide S.O. 2825 (E) dated 28th June 2023 and amendment notification S.O. 5369(E), dated 19th December 2023 under the powers conferred by clause (w) of section 14 of the Energy Conservation (Amendment) Act, 2022.

The scheme defines two mechanisms, namely, compliance mechanism and offset mechanism.

In the compliance mechanism, the obligated entities shall comply with the prescribed Green House Gas emission reduction norms in each compliance cycle of Carbon Credit Trading Scheme (CCTS). Under this mechanism, the Greenhouse Gas Emission Intensity Reduction (GEI) Targets for seven sectors - Aluminum, Cement, Chlor-Alkali, Pulp & Paper, Petrochemicals, Petroleum refinery and textiles covering 490 obligated entities have been notified by the Central Government for the compliance years 2025-26 and 2026-27, using fiscal year 2023-24 as the baseline.

In the offset mechanism, the non-obligated entities can register their projects for Green House Gas emission reduction or removal or avoidance for issuance of Carbon Credit Certificate (CCCs). Under this mechanism, the government has approved ten sectors, which include Energy, Industries, Agriculture, Waste handling and disposal, Forestry, Transport, Fugitive Emissions, Construction, Solvent use and Carbon capture and storage of CO₂ and other removals.

(c) & (d) The Government has also notified the National Designated Authority for the Implementation of Article 6 of the Paris Agreement (NDAIAPA), vide S.O.2504 (E), dated 30th May, 2022 and subsequent amendment (vide G.S.R. 569 (E)) dated 22nd Aug 2025, to ensure effective operationalization of Article 6 mechanisms of the Paris Agreement. The Authority has updated and finalized the list of 13 activities under Green House Gas (GHG) mitigation, alternate materials, and removal activities, which are eligible for trading of international carbon credits under bilateral/ cooperative approaches, under Article 6.2 and Article 6.4 of the Paris Agreement.
