

GOVERNMENT POLICY REPORT

Policies Covered In The Edition



India Moving Towards Climate Justice With Updated Nationally Determined Contribution

Aim for Enhancement of Biodiversity and Strengthening of Circular Economy Under India's G20 Presidency



Energy Conservation (Amendment) Bill, 2022 Making Way for Carbon Crediting in India

01 | India Moving Towards Climate Justice With Updated Nationally Determined Contribution

The Government of India while aggressively combating the fight against climate change has updated its Nationally Determined Contribution (NDC) in the United Nations Framework Convention on Climate Change (UNFCCC) to achieve climate justice. It is the obligation set under the Paris Agreement, 2015, according to which each party needs to communicate its updated NDC every five years and India's response is thus in line to strengthen the global strategy to address the climate change scenario in a time bound collaborative framework.



The updated provisions will be focused on India's policies towards climate action up to 2030. These are to save the interest of its citizen while safeguarding the socio-economic development of the country for future generations. The aforesaid provisions in the updated NDC are as under:

India's Updated NDC Provisions	Putting Forward the Mass Movement for 'LiFE'- Lifestyle for Environment for propagating a Healthy and Sustainable Way of Living Based on Traditions and Values of Conservation and Moderation
	To Reduce Emissions Intensity of its GDP by 45% by 2030, from 2005 Level.
	To Achieve about 50% Cumulative Electric Power Installed Capacity from Non-fossil Fuel-based Energy Resources by 2030 with the Help of Transfer of Technology and Low-cost International Finance including from Green Climate Fund (GCF)

The updated provisions would protect and safeguard India's future development needs based on the principles and provisions of the UNFCCC. These provisions will strengthen India's fight against climate action and help to bring climate justice. Its earlier provisions under NDC have quantitative targets to achieve up to 2030 such as the country's total electric power installed capacity from

non-fossil sources of energy to bring 40%, reduction in the emission intensity of GDP by 33%-35% from 2005 levels, etc as under:

Provisions Under India's First NDC

To Adopt a Climate Friendly and a Cleaner Path than the One Followed Hitherto by Others at Corresponding Level of Economic Development.

To Create an Additional Carbon Sink of 2.5 to 3 Billion tonnes of CO₂ Equivalent through Additional Forest and Tree Cover by 2030.

To Better Adapt to Climate Change by Enhancing Investments in Development Programmes in Sectors Vulnerable to Climate Change, Particularly Agriculture, Water Resources, Himalyan Region, Coastal Regions, Health and Disaster Management.

To Mobilize Domestic and New & Additional Funds from Developed Countries to Implement the Above Mitigation and Adaption Actions in View of the Resources Required and the Resource Gap.

To Build Capacities, Create Domestic Framework and International Architecture for Quick Diffusion of Cutting Edge Climate Technology in India and for Joint Collaborative R&D for Such Future Technologies.

To bring these provisions into reality, India at the Conference of the Parties (COP26) in Glasgow has articulated five elements (Panchamrit) to achieve the outcomes of the Paris Agreement. Along with this, the Long-Term Low Carbon Development Strategy is to fulfill Common but Differentiated Responsibilities and achieve net zero emissions by 2070 as per the principle of equity to mitigate climate change while realizing the national circumstances and interests.

Five Nectar Elements (Panchamrit) of India's Climate Action

Achieve the Target of 500 GW Non-Fossil Energy Capacity by 2030

50% of India's Energy Requirement Fulfilled by Renewable Energy by 2030

Reduction of Total Projected Carbon Emissions by 1 Billion Tonnes From Now to 2030.

Reduction of the Carbon Intensity of India's Economy by 45% by 2030, Over 2005 Levels.

Achieving the Target of Net Zero Emissions by 2070

Additional measures across the sectors like agriculture, forest, environment, energy, industry, housing, sustainability, etc are needed at the policy level to make these provisions work into reality within the set timeline. The measures to promote waste-to-energy, circular economy and resource efficiency along with advanced technology support and investments will play a pivotal role in this path toward a sustainable, equitable and cleaner future.

India has aggressively put its best foot forward to meet the commitments while playing the key role in the climate action framework by leading innovative ways to tap the potential of renewable energy sources and traditional knowledge of science for the betterment of planet earth and the

sustainability of the environment through LiFE Mission.

India is also moving forward to decouple its economic growth from unconscious green house emissions. India leading the International Solar Alliance (ISA), is working diligently to tap its geographical advantage to meet its obligation towards climate change while working on setting up the domestic carbon market to reduce emissions.

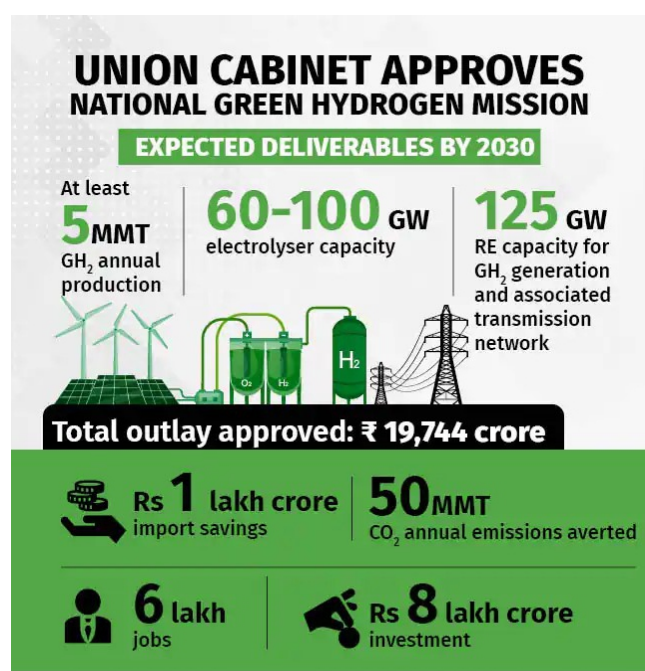
Besides this, the Government of India with progressive policy reforms such as the Ujjwala Scheme to shift coal-based cooking fuel to LPG connections, and the FAME scheme to provide financial assistance and to promote the adaption of electric mobility solutions by the masses to address the greenhouse gas emissions and move forward.

To date, India's fight against climate change is financed domestically. The tax provisions and production-linked incentives to promote the use of renewable energy in the manufacturing sector through the Government of India are gradually changing the scenario for good. This is also in turn increasing the export of India's manufactured products into the global market and bringing fresh green jobs into the employment market.



But as per the provisions and commitments made under Paris Agreement under UNFCCC, India is due to receive its additional financing resources along with the transfer of adequate technology to accelerate its efforts to address the global challenges arising due to climate change.

Still, India is moving forward with strong policy interventions in the fields like hydrogen energy missions. The continuous sensitization among customers for green mobility solutions increased investor awareness of the green economy along with firm and clear regulatory reforms making the environment more supportive towards meeting the challenges of climate change for a sustainable future and achieving the ambitious commitments under NDC.

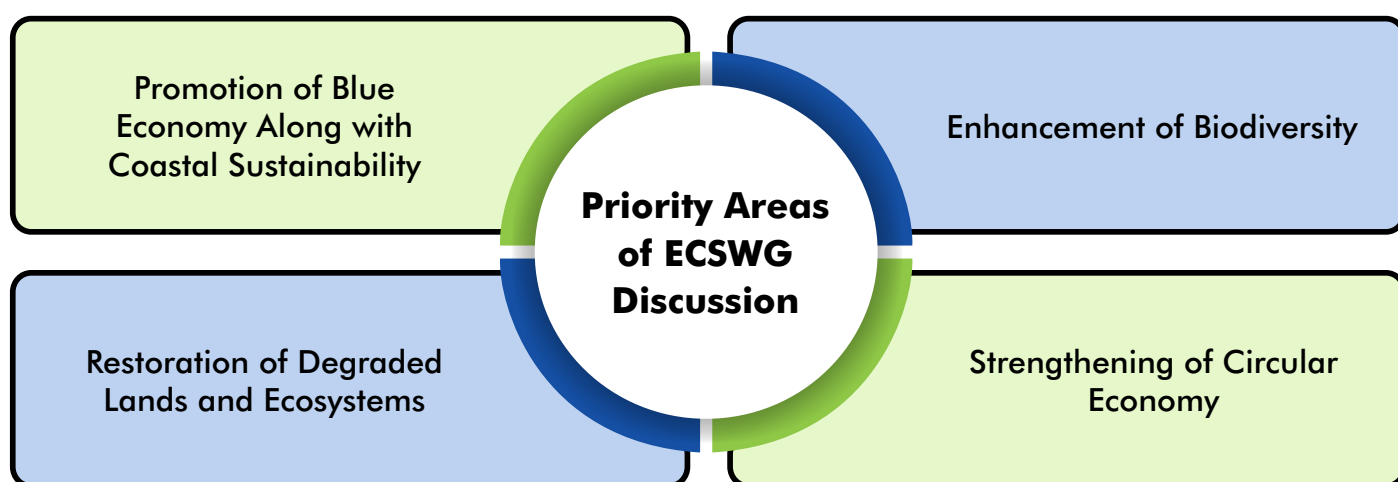


02 | Aim for Enhancement of Biodiversity and Strengthening of Circular Economy Under India's G20 Presidency

India resumed G20 Presidency for the first time on 1st December 2022 till 30th November 2023 with the theme 'One Earth, One Family, One Future' to promote India's traditional belief of 'Vasudhaiv Kutumbkam' at this eminent global platform of economic cooperation. During its tenure, India will host G20 member countries, guest countries and other international organizations that will discuss the priorities and agenda with due recommendations to address the global challenges.



The Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India has also scheduled to host four meetings of the Environment and Climate Sustainability Working Group (ECSWG). It is one of the 13 working groups under the Sherpa Track to meet under India's presidency between 9th February to 11th February 2023 in Bengaluru. The meeting will also witness a parallel event related to the local ecosystem restoration and biodiversity practices followed in Bengaluru, Karnataka. The later three ECSWG meetings are scheduled in Gandhi nagar, Mumbai and Chennai throughout India's G20 Presidency.



These priority areas are in line with India's vision of the LiFE mission which has the power to lead environmental sustainability while addressing climate change. The 'Ocean Track' of ECSWG has been co-chaired by the Ministry of Earth Sciences. It has planned to discuss the priority issues related to the Blue economy and resource efficiency to restore the ecosystem in and around the ocean and enrich the biodiversity in an integrated and consensus-driven approach to lead sustainable growth in G20 economies.

Priority Issues & Deliverables of Ocean Track under ECSWG

Arresting Land Degradation, Accelerating Ecosystem Restoration and Enriching Biodiversity	Promoting a Sustainable and Climate Resilient Blue Economy	Encouraging Resource Efficiency and Circular Economy
<ul style="list-style-type: none">• Address Land Degradation and Work towards Restoring Ecosystems and Increasing Biodiversity• Promotion of Sustainable Use of Land and Water Resources• Focus on Financing Mechanisms and Frontier Technologies	<ul style="list-style-type: none">• Addressing Marine Litter for a Sustainable Blue Economy• Coastal and Marine Spatial Planning for a sustainable Blue Economy• Conservation of Marine Ecosystems	<ul style="list-style-type: none">• Adopt sustainable production and consumption practices through resource efficiency and circular economy strategies, including the use of Extended Producer Responsibility (EPR) systems• Advancement of Circular Economy Principles

Being the center stage of around 85% of global GDP with 78% of the global trade share, G20 is a strong economic intergovernmental forum. India holding the G20 presidency will make it more special as the country is playing a lead in the evolving geopolitics of the new normal world post covid. India's vision for environmental sustainability while addressing the ongoing deepening crisis of climate change amid rising geopolitical tensions and economic slowdown as an evil post-effect of the Covid 19 pandemic globally is welcomed at multiple forums.

India itself has a long and rich coastline and thus promotion of the blue economy, arresting land degradation and encouraging circular economy through sustainable production and consumption practices will help the country to achieve its goal to develop US\$ 100 billion worth of blue economy through the Deep Ocean Mission by the efficient use of ocean resources.

Under its Presidency, India is also proposing to bring an international legally binding agreement to end plastic pollution by 2024 and restore its marine ecosystem. India is all set to lead the path through goal-oriented actions and bring long-term action-oriented, ambitious and decisive changes across G20 economies for inclusive and sustainable growth. India has also planned to conduct awareness campaigns regarding beach cleaning activity in G20 countries in a coordinated manner that can bring best practices forward for the management of blue assets and co-benefit the economies.

This will give strength to the efforts of the member countries to mitigate climate change scenarios while addressing the impact of land degradation on billions of people. As the G20 countries host almost 2/3rd of the population of the world and thus need to work on sustainable and resilient water management to tap the benefits of its valuable resources as well as human assets with a focus on rising energy and food security issues to contribute towards the 2030 agenda.

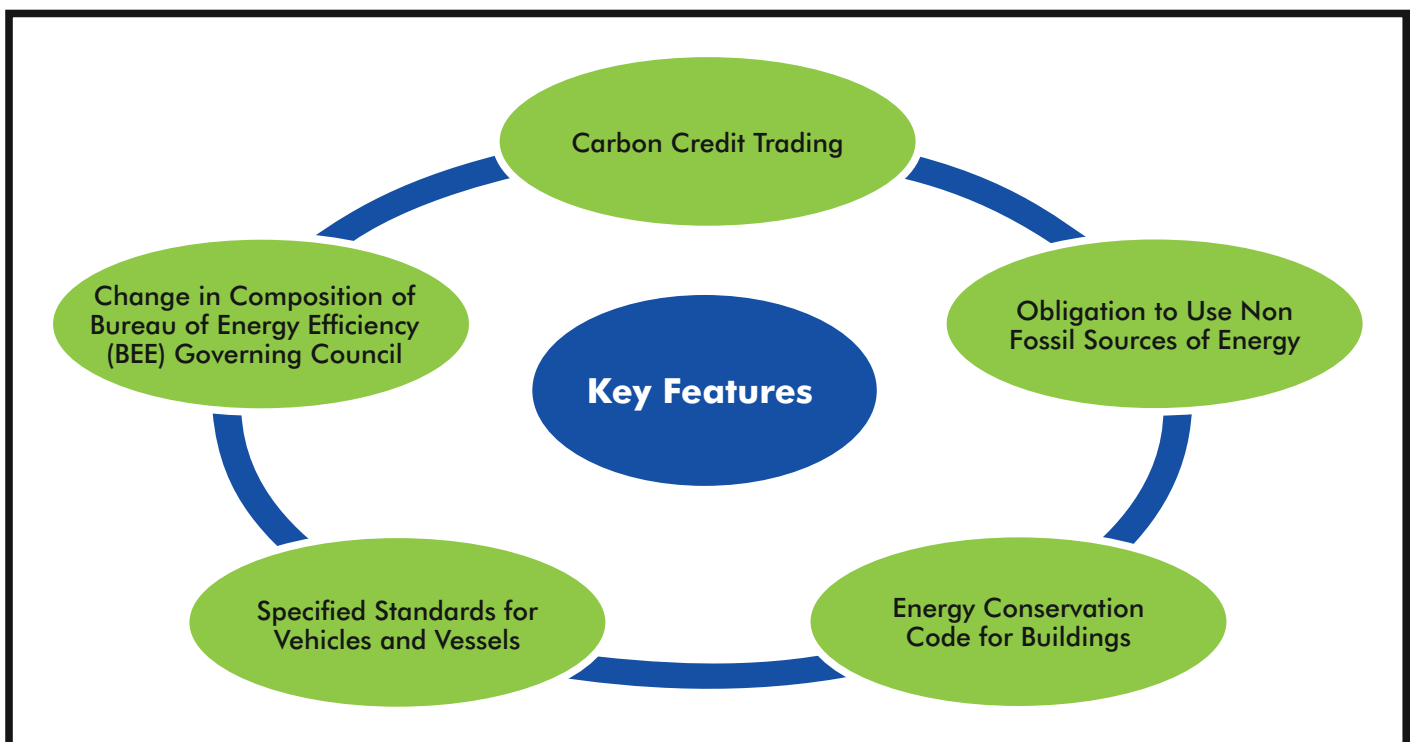


India being the home to the second largest population in the world needs an inclusive framework to address energy transition to fulfill India's commitment under the updated NDC communicated to the UNFCCC. In this regard, the Government of India has presented the Energy Conservation Amendment Bill 2022, which majorly includes three provisions and is coherent with the framework document of MOEF&CC "India's Long-term Low-Carbon Development Strategy" submitted to UNFCCC.

Provisions Under Energy Conservation (Amendment) Bill, 2022



The bill will encourage the use of carbon trading in the domestic market concerning the framework laid down by the Conference of the Parties (COP) to not include carbon credit trade outside the country in meeting the NDCs of the originating country except in special cases where the carbon credits are created through high technology expensive assets. Thus, it will place a domestic carbon credit market in India that will ensure faster decarbonization in the country with sustainable growth.



The amendments will address the current scenario of energy security and the expansion of the capacity of non-fossil fuel-based energy sources to support the smooth energy transition. The bill empowers the Government of India to further make a carbon trading scheme that can help the country to meet its commitments under NDC and designate the consumers to meet the set minimum share of its energy needs through fossil fuel sources. It will help to increase the non-fossil fuel-based energy generation capacity of the country over time and reduce the dependency on fossil fuels gradually for electricity generation along with fewer emissions across the sectors of the Indian economy.

Sector-wise India's Total Emission (In Million Tonnes CO2 Equivalent) Year -2016

Sector	Amount	%Share
Energy	2,129%	75%
<i>of which</i>		
<i>Energy Industries</i>	<i>1,207</i>	<i>43%</i>
<i>Manufacturing Industries and Construction</i>	<i>398</i>	<i>14%</i>
<i>Transport</i>	<i>274</i>	<i>10%</i>
Agriculture	408	14%
Industrial Processes and Product Use	226	8%
Waste	75	3%
Total	2,839	100%
Land Use, Land-Use Change and Forestry	-308	
Net Total	2,531	

Source: <https://prsindia.org/billtrack/the-energy-conservation-amendment-bill-2022>

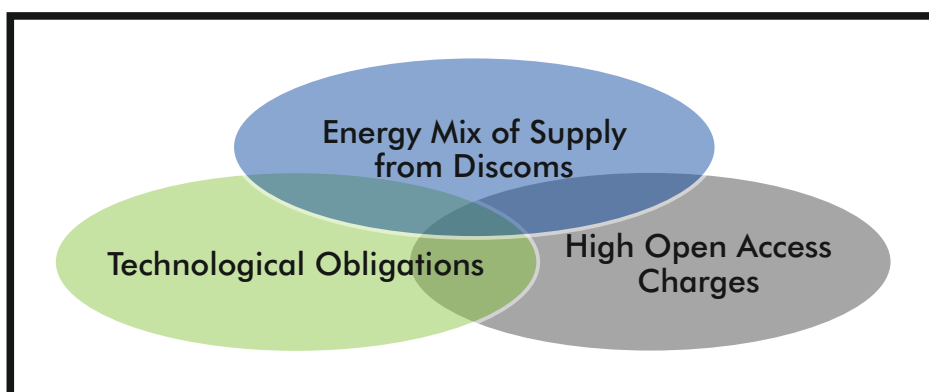
The proposed amendment to the Energy Conservation Act 2001 will certainly empower the union government to further bring schemes related to carbon trading along with increasing the coverage of the Energy Conservation Code. It is bringing the offices and residential buildings with a connected load of 100 KW or above under the ambit of energy conservation and thus bringing more efficacy in the implementation through carbon credits.

This will promote the use of non-fossil fuel-based energy generation and reduce the dependence on fossil fuels in electricity generation to move towards clean and green economic growth. As per the study conducted by the Central Electricity Authority (CEA), India's non-fossil fuel-based energy generation capacity is going to increase more than 64% of its total installed capacity by 2029-30 in comparison to the level of 42% as on October 2022.

Energy is used everywhere and thus the bill affects the range of consumers across the sectors. The bill also distinguished between non-fossil fuel sources such as biomass, green hydrogen, green

ammonia and ethanol from renewable sources of energy such as solar, wind, etc. Besides, it will bring more clarity for the stakeholders such as consumers, Discoms, etc, this also brings obligations for technological advancements to implement these provisions and smooth transition for energy trading in India through energy-saving certificates important to fulfill the commitments made under its NDC by 2030.

Challenges to Meet Non-fossil Energy Use



Resources

1. <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1847812>
2. <https://unfccc.int/sites/default/files/NDC/202208/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>
3. <https://climateactiontracker.org/countries/india/>
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16. <https://www.mondaq.com/india/energy-law/1263320/energy-conservation-amendment-bill-2022-passed-by-the-parliament-of-india>
17. <https://www.thehindu.com/news/national/parliament-passes-energy-conservation-amendment-bill-2022/article66254794.ece>



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