National Designated Authority (NDA) to Enable Carbon Emissions Trading Regime

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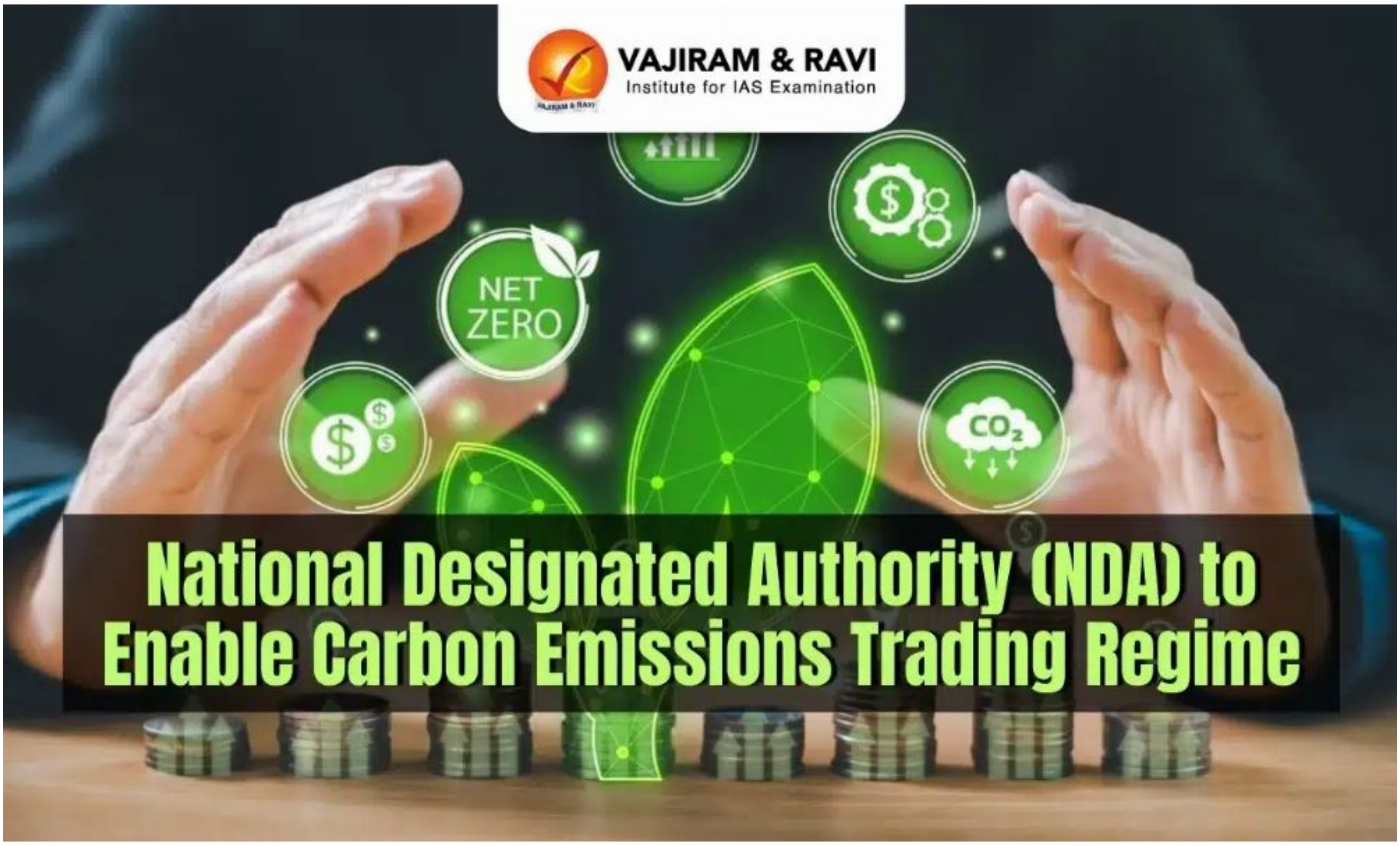

National Designated Authority (NDA) to Enable Carbon Emissions Trading Regime Latest News

The Ministry of Environment, Forest and Climate Change recently announced a National Designated Authority (NDA), a mandatory requirement under the provisions of the 2015 Paris Agreement, to enable a carbon emissions trading regime.

About National Designated Authority (NDA) to Enable Carbon Emissions Trading Regime

- Within the **Paris Agreement**, a section called **Article 6 defines the contours under which** such an **emissions trading regime** or a market **can take shape.**
- A long-standing bone of contention among countries, **Article 6 was finally passed** at the 29th edition of the climate Conference of the Parties **(COP29) in Baku, Azerbaijan, in November 2024.**

- The **creation of an NDA** is a **mandatory requirement under Article 6.**
- NDA will be a **21-member committee headed by** the **Secretary of the Environment Ministry.**
- **Representatives** include **officials from the Ministries of External Affairs, Steel, and Renewable Energy, and NITI Aayog.**
- The NDA's **responsibilities include**
  - **recommending** to the Union government a **list of activities that can be considered for the trading of emission reduction units** from projects under Article 6;
  - **modifying them from time to time** in line with national sustainable goals, country-specific criteria, and other national priorities;
  - **receive projects** or activities **for evaluation, approval, and authorisation;**
  - **authorise the use of emission reduction units** from projects **for use towards achievement of Nationally Determined Contributions (NDC).**
- The **NDC** refers to **commitments by countries to reduce emissions** by diverting their energy consumption towards renewable energy sources and taking action to reduce carbon concentrations in the atmosphere.
- **India's NDC commits** to **reducing its GDP's emission intensity by 45% by 2030 from 2005 levels**, achieving **50% electric power capacity from non-fossil fuel sources by 2030,** and **creating an additional carbon sink equivalent to 2.5-3 billion tonnes of carbon dioxide by 2030 through afforestation.**

Source: TH
