Oxford Climate Policy Monitor 2024 Survey

Jurisdiction India

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Policy Tool Name: Business Responsibility and Sustainability Report

3. Source material link(s):

http://web.archive.org/web/20240224053351/https://www.sebi.gov.in/sebi_data/commondocs/jul-2023/Annexure_I-Format-of-BRSR-Core_p.pdf#expand

http://web.archive.org/web/20240819100700/https://www.sebi.gov.in/sebi_data/commondocs/jul-2023/Annexure_II-Updated-BRSR_p.PDF

http://web.archive.org/web/20240622013805/https://www.sebi.gov.in/sebi_data/commondocs/may-2021/Business%20responsibility%20and%20sustainability%20reporting%20by%20listed%20entitiesAnnexure2_p.PDF

http://web.archive.org/web/20240814125819/https://www.sebi.gov.in/legal/regulations/jul-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-july-10-2024-_84817.html

4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
☐ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
✓ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
☐ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force

o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2021</u>
10. Do so the gradient to all house one and distance
10. Does the policy tool have an end date?
No
∘ Yes

12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

The Business Responsibility and Sustainability Report (BRSR) was issued by the Securities and Exchange Board of India (SEBI) as part of the regulatory framework under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to promote sustainable and responsible business practices among listed companies in India. The primary objective of BRSR is to enhance transparency in corporate sustainability reporting and to align Indian companies with global standards for Environmental, Social, and Governance (ESG) disclosures.

The BRSR framework mandates top listed entities in India to provide comprehensive disclosures concerning their performance in relation to ESG factors, with both mandatory and voluntary disclosures. Mandatory disclosures include employee demographics like gender ratios and turnover rates, stakeholder engagement metrics including grievance redressal mechanisms, environmental impact data such as greenhouse gas emissions and water usage, and Corporate Social Responsibility initiatives. Conversely, voluntary disclosures allow companies to report on sustainability goals, diversity and inclusion initiatives, supply chain transparency, community engagement efforts, and innovative sustainability practices.

The BRSR became mandatory for the top 1,000 listed companies in India starting from the fiscal year 2022-2023, replacing the earlier Business Responsibility Report (BRR) that was voluntary. This transition was part of SEBI's efforts to enhance corporate transparency and accountability regarding

environmental, social, and governance (ESG) practices, aligning with the National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs in 2019.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. <u>Securities and Exchange Board of India (SEBI)</u>
○ 3.
o 4 .
o 5.
15. To provide contextual information, rate the capacity of Securities and Exchange Board of India (SEBI) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
● 3- High Capacity (Please explain) <u>The SEBI is the principal authority responsible for the implementation and enforcement of the BRSR and its core framework. SEBI has the power to mandate compliance with BRSR for various entities, supported by its ability to impose penalties, require corrective actions, and utilize established mechanisms for monitoring and evaluation.</u>
While SEBI possesses the legal authority and resources to strengthen the BRSR framework, the consistent enforcement of these standards remains a challenge due to the lack of clear reporting guidelines, limited monitoring capacity, resistance to change from some companies, and the absence of strict penalties for non-compliance. SEBI also faces challenges related to data limitations, non-comparability of climate risk assessment methodologies, and resource constraints. Notably, there have been few instances of penalties imposed for non-compliance, indicating that while SEBI has the legal framework in place, the actual enforcement of these provisions remains inadequate.
o Prefer not to answer
o Not Applicable

- 16. To provide contextual information, rate the capacity of Ministry of Corporate Affairs, Government of India to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) <u>The Ministry of Corporate Affairs (MCA) plays a crucial role in the implementation and enforcement of the BRSR framework in India, primarily by establishing the legal and regulatory foundation under the Companies Act, 2013, and the SEBI Act.</u>

However, the MCA's role is somewhat limited, as the primary oversight of compliance and reporting for listed companies falls under the jurisdiction of SEBI. This division of responsibilities constrains the MCA's capacity to enforce BRSR effectively. Additionally, the MCA faces significant resource challenges, including insufficient staffing and expertise to monitor compliance across a diverse range of industries, which complicates its ability to ensure adherence to the framework. Consequently, while the MCA is positioned to support BRSR's objectives, its limited enforcement capabilities and resource constraints hinder its overall effectiveness in implementing the BRSR.

o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	\		
entities			
2. Private companies		✓	
3. Financial institutions			
4. Small and medium-		✓	
sized enterprises			
5. State-owned		✓	
companies			
6. Not-for-profit		✓	
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)		_	
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)		<u> </u>	
11. Government			~
agencies and/or			
departments			
(unspecified)		✓	
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			✓
Agriculture, forestry, and fishing			
Mining and quarrying			\checkmark
Manufacturing			✓
Electricity, gas, steam, and air conditioning supply			⊘
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			\
Accommodation and food service activities			\
Information and communication			
Financial and insurance activities			\
Real estate activities			✓
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			\
Arts, entertainment and recreation			
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly-traded entities
Minimum number of employees (Enter min	Not explicitly mentioned.
number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	Not explicitly mentioned.
Minimum assets (Enter minimum assets)	Not explicitly mentioned.
Minimum contract value (Enter minimum	Not explicitly mentioned.
contract value)	
Entity is headquartered in the jurisdiction	Not explicitly mentioned.
Entities are subjected to disclosure or reporting	Top 1,000 listed companies in India based on
requirements	market capitalization, must comply with BRSR.
	Additionally, starting from the fiscal year 2024-
	2025, the BRSR Core KPIs will also apply to the
	top 250 listed entities by market capitalization.

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?
No No
o Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable

32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.

Monetary fine The BRSR framework does not specify explicit penalties for non-compliance; however, companies that fail to meet its requirements may face sanctions from SEBI under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These sanctions can include monetary penalties (up to INR 5,000 (approx. USD 60) per day) for failure to submit report within the prescribed timeframe and, in more severe cases, restrictions on business activities that limit operations until compliance is achieved.

☐ Restriction on business activities
□ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to answer

36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The assessment of compliance with the BRSR framework among regulated entities indicates a positive trend, particularly among the top 100 companies. Data reveals that there has been a steady increase in the number of companies adhering to BRSR disclosure requirements over the past few years. For instance, in the initial year of implementation, approximately 70% of these companies submitted their BRSR reports, and this figure has risen to over 85% in the most recent reporting cycle. This upward trend reflects a growing recognition of the importance of ESG compliance.

As per information in public domain, a significant majority of companies not only fulfill mandatory
disclosure requirements but also actively report on voluntary indicators, including leadership
indicators. By aligning with both mandatory and voluntary indicators, these companies clearly
prioritize compliance and responsibility in their operations.
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain) There are currently no publicly available specific cases of non-compliance
with the BRSR framework in the market.
o Voa
○ Yes
20. And the control is a section of the control in t
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the
policy tool?
o No
● Yes
● res
40. Describe the manifesting excluse in place. Dispersively and the valey and
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
section/subsection/paragraph of the policy tool where monitoring systems are set.
Monitoring systems are in place to oversee the implementation and enforcement of the BRSR
framework. Listed entities are required to regularly report on their ESG performance, which is
reviewed by the SEBI. Furthermore, entities are also required to provide detailed compliance reports
that are subject to audits and reviews by SEBI.

41. Does the policy tool recommend or require periodic impact assessments?
● No
o Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
∘ No -
 Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
 Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No
∘ Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in
Question 3), provide a web-archived link to the source material.
SEBI and other relevant authorities have implemented various initiatives to enhance the capacity of
targeted entities in complying with the BRSR framework, including organizing seminars and
workshops to educate companies on proper implementation, conducting outreach campaigns to raise
awareness and provide guidance materials, and introducing specific capacity-building efforts such as
offering technical assistance, collaborating with experts to provide training, and establishing
dedicated support channels, all of which aim to equip companies with the necessary skills and
knowledge to effectively implement the BRSR framework and fulfill the disclosure requirements
efficiently, although these initiatives are not explicitly mentioned in the current BRSR framework.

Domain-Specific Questions: I	Disclosure Questions		
What is being disclosed?			

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1.0	_		nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions			
offsets or removals	_		
3. GHG emissions reduction targets			\
4. Other climate-			✓
related targets 5. Physical climate risk			
6. Transition risk			>
7. Transition plan			\checkmark
54. Which GHG emission	s must be disclosed? S	Select all that apply.	
Carbon dioxide (CO ₂)			
✓ Methane (CH4)			
☑ Nitrous oxide (N₂O)			
☑ Hydrofluorocarbons (HFCs)			
Perfluorocarbons (PFC	cs)		
Sulphur hexafluoride (\$	SF6)		
Nitrogen trifluoride (NF	=3)		
Carbon dioxide equiva	lent (CO ₂ e)		
55. Are entities recomme	nded or required to dis	sclose gross emissions	?
No			
o Recommended			
Required			

EC Are entities recommended or required to displace not emissions?
56. Are entities recommended or required to disclose net emissions?
No Page removed and Page removed a
Recommended
o Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No
○ Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

The BRSR framework requires entities to disclose their Scope 1 and Scope 2 GHG emissions, which
represent direct emissions and energy indirect emissions, respectively. While reporting on Scope 3
emissions—covering other indirect emissions in the value chain—is not mandatory, organizations are
encouraged to voluntarily disclose these figures if they are relevant or material to their operations.
The framework mandates that companies specify the standards, methodologies, and calculation
tools used to determine their GHG emissions, enabling comparisons between entities. However, it is
important to note that the BRSR does not require or recommend third-party verification of GHG
inventories, allowing companies the discretion to manage their emissions reporting internally.
Other disclosures
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related	✓		
opportunities			
2. Remuneration			
based on achieving			
climate-related goals			
3. Taxonomies			\checkmark
4. Capital allocation	✓		
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
			✓
6. Assumptions and Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial			✓
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			✓
9. Stewardship (e.g., whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			~
ownership in the			
context of climate			
change 12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			✓
emissions or			
information on			

emissive assets with long lifespans				
15. Dirty asset			✓	
divestiture				
16. Nature-related				
impacts 17. Just transition			✓	
indicators				
106. Is third-party verifica	ation of climate-related op	portunities recommendec	d or required?	
No				
o Recommended				
o Required				
109. Describe and reference the section/subsection/paragraph of the policy tool relevant to capital allocation and/or expenditure plans disclosures. The BRSR framework includes specific provisions wherein the companies are required to disclose the percentage of capital expenditure and investments made in specific technologies, particularly those that promote sustainable practices and innovation. For instance, it mandates that entities report on their investments in research and development (R&D) as well as capital expenditures that align with their sustainability goals [Clause 23].				
122. Describe and referer of nature-related impacts		/paragraph of the policy t	ool relevant to disclosure	
The BRSR framework add				
significant adverse enviro	-		•	
6]. This includes reporting		•		
biodiversity conservation, companies are encourage	_		-	
sustainable sourcing prac		i their enorts to restore ec	osystems una promote	
productioning productioning				

Standards, Frameworks, and Guidelines

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

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Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The BRSR framework plays a crucial role in aligning Indian businesses with the country's sustainable development goals, including the target for net-zero emissions. By mandating the disclosure of ESG metrics, the BRSR facilitates listed entities in integrating sustainability into their core business strategies. While it does not explicitly require alignment with international frameworks such as the Task Force on Climate-related Financial Disclosures or the Global Reporting Initiative, it establishes a comprehensive reporting structure that includes essential components like GHG emissions, energy usage, and social impacts. This framework encourages transparency and accountability, prompting companies to consider their environmental footprint and social responsibilities in their decision-making processes.
Although the BRSR does not impose predefined net-zero obligations, it indirectly supports India's goal of achieving net-zero emissions by fostering a corporate culture that prioritizes sustainability. Over time, the emphasis on uniformity and transparency in reporting will likely create a foundation for better integration of net-zero targets into corporate policies.
Comparatively, disclosure programs outside India, often require more stringent compliance measures, including third-party verification and detailed climate transition plans. In contrast, while the BRSR encourages transparency, it currently lacks a requirement for third-party verification of GHG inventories, which may limit the robustness of the disclosures.
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material. None

Policy Tool Name: Carbon Credit Trading Scheme

3. Source material link(s):

http://web.archive.org/web/20240819102700/https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771da77391355749f3/uploads/2023/10/202310051944289922.pdf

 $http://web.archive.org/web/20240819102051/https://beeindia.gov.in/sites/default/files/Draft_Compliance_Procedure_October_2023.pdf$

4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
☑ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
✓ Ministry/Department/Agency
☐ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
O Norman of Antonia and Antonia to Forest and a second of the little of the latest and the lates
9. Year of (planned) entry into force or year of publication
ZVZ

10. Does the policy tool have an end date?
No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Carbon Credit Trading Scheme (CCTS) was notified by the Government of India on June 28, 2023 under the Energy Conservation Act, 2001. Its primary goal is to reduce greenhouse gas (GHG) emissions by establishing a market-based framework for trading carbon credit certificates. This initiative encourages industries to lower their carbon footprints and comply with India's Nationally Determined Contributions (NDCs) as outlined in the Paris Agreement.
By allowing companies to buy and sell carbon credit certificates, the CCTS aims to create financial incentives for emission reductions, thereby promoting cleaner technologies and sustainable practices across various sectors, particularly those that are energy-intensive. Notably, the CCTS includes provisions for both a voluntary market and a compliance market. While the compliance segment is scheduled to commence in 2025-26, the specific sectors covered under this market have not yet been notified.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
⊕ 1. <u>Bureau of Energy Efficiency (BEE)</u>
© 2. National Steering Committee for Indian Carbon Market (NSC-ICM)
⊕ 3. <u>Grid Controller of India</u>
o 5.

15. To provide contextual information, rate the capacity of Bureau of Energy Efficiency	(BEE)	to
undertake the policy tool's implementation and/or enforcement.		

- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Bureau of Energy Efficiency (BEE) has been entrusted with powers to implement and enforce the CCTS. As the designated Administrator of India's carbon market, BEE is responsible for identifying key sectors for greenhouse gas emission reductions, setting compliance targets, and issuing carbon credit certificates. Additionally, it oversees the accreditation of carbon verification agencies and ensures market stability.

of carbon vernication agencies and ensures market stability.
However, CCTS is yet to be implemented and procedures for operational matters are awaited. In this
context, the authority's actual capacity will become clearer over time once CCTS is implemented.
o Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of National Steering Committee for Indian Carbon Market (NSC-ICM) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
• 2- Medium Capacity (Please explain) As the primary advisory body to the BEE, the National
Steering Committee for the Indian Carbon Market (NSCICM) recommends procedures, rules, and
regulations for institutionalizing the carbon market, advises on setting greenhouse gas emission
targets, and supervises market operations. As such, the committee's role is limited to giving
recommendations. However, its recommendations are likely to influence implementation of CCTS by
BEE. Accordingly, NSCICM appears to have a moderate capacity to implement and enforce the CCTS.
Further, as the CCTS evolves, the actual capacity of the NSCICM will become clearer over time.
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

- 17. To provide contextual information, rate the capacity of Grid Controller of India to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The Grid Controller of India (GCI) has been designated as the Registry under the CCTS. As the Registry, GCI is responsible for registering obligated and non-obligated entities, maintaining transaction records, and sharing them with the ICM administrator and power exchanges. It also assists in developing the IT platform for maintaining the database of Carbon Credit Certificates and establishing linkages with other registries.

We understand that GCI's capacity is primarily focused on registry-related functions, which are crucial for the efficient tracking and trading of carbon credits. However, its role is limited to maintaining the registry and database, while the broader implementation and enforcement of the CCTS fall under the purview of other authorities like the Bureau of Energy Efficiency (BEE) and the Central Electricity Regulatory Commission. Accordingly, GCI appears to have a moderate capacity to implement and enforce the CCTS in its role as the registry operator for the Indian carbon market. Further, as the scheme evolves, the actual capacity of GCI in relation to the overall implementation and enforcement of the CCTS will become clearer over time.

o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

- 18. To provide contextual information, rate the capacity of Central Electricity Regulatory Commission (CERC) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) <u>Under the CCTS</u>, the <u>Central Electricity Regulatory Commission</u> (<u>CERC</u>) has been designated as the regulator for trading activities in the Indian carbon market. <u>CERC</u> is responsible for approving the business regulations of power exchanges, ensuring market oversight, and taking corrective actions to prevent fraud and mistrust.

Its capacity to enforce compliance is significant, as it can impose penalties on non-compliant entities and safeguard the interests of both buyers and sellers. While CERC's primary focus is on regulating trading activities, it plays a crucial role in the broader implementation and enforcement of the CCTS alongside other authorities, mentioned before.

0 F	refer not to answer
01	lot Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			\checkmark
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			✓
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

30

● No
∘ Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine The CCTS enforces compliance by requiring obligated entities to surrender an equivalent number of carbon credit certificates (CCCs) if they fail to meet their GHG emission intensity targets. While there are no direct monetary penalties for non-compliance under the CCTS, entities that do not possess sufficient CCCs must purchase additional credits from the market, which can be expensive, particularly during high-demand periods. Notably, the CERC may impose penalties for non-compliance with the CCTS under the Electricity Act, 2003 including fines of up to INR 15,00,000/-(approx. USD 17,900/-). As the CCTS is still in its early implementation phase, the effectiveness of this compliance mechanism will become clearer over time.
☐ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
☐ Not applicable (e.g. in cases of voluntary tools)
□ Other

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain) No, the climate-specific provisions in the CCTS have not yet been enforced. Although the CCTS was notified on June 28, 2023, it is yet to be implemented, with necessary procedures and compliance mechanisms being developed.
o Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
○ No
● Yes

section/subsection/paragraph of the policy tool where monitoring systems are set. Yes, the CCTS framework does provide for monitoring systems to oversee the implementation and enforcement of the scheme, however they are not operational yet. The scheme outlines the establishment of a robust monitoring and verification system, which will be enforced by accredited carbon verification agencies. These agencies will conduct thorough verification activities, including site visits, data sampling, and independent technical reviews, to ensure that obligated entities comply with their GHG emission intensity targets. 41. Does the policy tool recommend or require periodic impact assessments? \circ No o Recommended Required 42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool. o 0-2 years ● 2-5 years 5-10 years o 10 or more years Not specified Other 43. Does the policy tool recommend or require periodic reviews? \circ No Recommended Required

40. Describe the monitoring systems in place. Please reference the relevant

44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
∘ No
Yes
46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.
The CCTS establishes several mechanisms to enhance regulatory coordination with subnational governments [section 3]. The National Steering Committee for the Indian Carbon Market includes representatives from both national and state governments, facilitating vertical coordination across various levels of governance. This committee is tasked with setting emission intensity targets that account for the diverse economic and environmental conditions across regions, ensuring that subnational governments are actively involved in the policy's implementation. Additionally, the CCTS mandates regular consultations with state governments and has established working groups that include state-level authorities to address region-specific challenges and opportunities related to carbon trading and emission reductions.

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or

comply with the policy tool (e.g. industry working groups, outreach campaigns, education and

training, etc.)?

∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Yes, the Indian government has initiated several measures to enhance the capacity of entities to
comply with the CCTS, including stakeholder workshops and consultations, the formation of technical committees to assist in setting ambitious emission targets, training and capacity building for
accredited carbon verifiers, and outreach campaigns to educate industry stakeholders.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
∘ Recommended
Required

monitoring progress in achieving targets. The monitoring process for CCTS requires obligated entities to develop a comprehensive monitoring plan for GHG emissions, which includes quidelines for data collection, analysis, and reporting [section 5]. Accordingly, obligated entities are required to create and submit a monitoring plan that outlines specific procedures for measuring emissions, verification methods, and the frequency of data submissions. Additionally, accredited verification agencies are responsible for conducting routine reviews and audits of the monitoring plan to ensure compliance with the standards set forth in the CCTS. 138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets? o No o Recommended Required 139. What is the recommended or required frequency of progress reports related to the achievement of targets? Yearly o Every two years Every three years Every four years Every five years o Every ten years or more Other No prescribed frequency

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based	✓		
emissions reduction			
target			
A net zero target			V
Interim targets (e.g. 2030, 2050)			✓
Targets covering non-			✓
carbon GHG emissions			
A Scope 3 emissions			✓
target			
A target derived using			✓
a sectoral			
decarbonization			
approach			
A level of ambition for			\checkmark
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is			
measured	П		✓
A target timeframe			
(e.g. by 2040) Targets for renewable			✓
energy procurement			
Targets for fossil fuel			✓
phase down/phase up			
Separate targets for			✓
GHG offsets and/or			
removals			
Targets or goals			\checkmark
related to climate			
adaptation			
Targets or goals			✓
related to nature and			
biodiversity			
Other targets related			>
to sustainability			

142. What is the recommended or required scope of emissions for intensity-based reduction targets? Select all that apply.

☐ Scope 1 emissions

No
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
Transition Plans
∘ Yes
No No
152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
• Other The baseline year for entities filing under the Carbon Credit Trading Scheme (CCTS) refers to the financial year used as a reference point for establishing and assessing greenhouse gas (GHG) emissions. Specifically, it is the year from which GHG emissions intensity is calculated based on verified data submitted by the obligated entities.
o 2016-2020
o 2011-2015
o 2006-2010
o 2001-2005
○ 1990-2000
151. What is the recommended or required baseline year from which progress is to be measured?
✓ Not specified
☐ Scope 3 emissions, all
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, relevant or material
☐ Scope 2 emissions

Recommended	
Required	
Monitoring, Oversight, and Implementation	
	-

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			\checkmark
implementing their			
transition plan			
Develop financial			⊘
plans for the			
implementation of			
their transition plan			
Integrate climate-			✓
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations			
into their investment			
decision making			
and/or asset planning			✓
Incorporate climate			
change considerations into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			✓
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the following	ng
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement			\checkmark	
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance				
structure for transition				
and verification				
Climate-related			\checkmark	
financial incentives for				
employees and board				
members				
185. Does the policy tool recommend or require targeted entities to disclose how they have used due diligence and/or stewardship to achieve their targets and/or implement their transition plans?				
No No No				
o Recommended				
○ Required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			V
IFRS S2			✓
Task Force on			✓
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			V
Integrated Reporting			
Framework	_		✓
Global Reporting			
Initiative (GRI)			✓
Sustainability			
Accounting Standards			
Board (SASB)			✓
Science Based Targets			
initiative (SBTi)			✓
Science Based Targets			
initiative (SBTi) Net Zero Standard			
			✓
European Sustainability			
Reporting Standards			
(ESRS)			
Other			
Other		_ L	
Additional Important Inf	- www.cuti.c.u		
Additional Important Inf	ormadon		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

While CCTS has been issued in 2023, however it is not yet fully enforced as it requires further elaboration of procedures, including the specification of obligated sectors and compliance mechanisms. Enforcement is expected to begin in the compliance market starting in 2025-26.

The CCTS provides for both a voluntary market and a compliance market, allowing entities to participate based on their operational needs and emission reduction goals. However, the specific entities that will be covered under the compliance market have not yet been notified, leaving some uncertainty regarding which sectors will be targeted for compliance. As the CCTS continues to develop, further clarity on these aspects will be crucial for its effective implementation and for achieving India's climate goals.

Policy Tool Name: Green Credits Programme

3. Source material link(s): http://web.archive.org/web/20240819105141/https://d28fok4odypdh0.cloudfront.net/green-credit-program-notification-closfgkg900070pzje19v4o4k-clsbiczk6000m0iym1pie4fik.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
☑ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☑ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2023</u>

10. Does the policy tool have an end date?
No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
Green Credit Program Rules, 2023 (GCP) is amarket-based instrument whereby green credits are issued to individuals and entities for undertaking environment-friendly activity, which credits may be monetized by trading or utilized for accounting as part of environmental, social and governance (ESG) and corporate social responsibility framework. GCP has been notified by Government of India, under the Environment Protection Act, 1986, to incentivise voluntary environment positive actions and to build an inventory of degraded land which may be utilised for afforestation programmes. GCP encompasses actions including planting trees, managing water resources, cultivating sustainably, managing waste, reducing air pollution, protecting mangroves, creating ecomark labels, and developing sustainable infrastructure and buildings.
The program aims to enhance environmental sustainability by,
 Incentivising entities for undertaking pro environmental actions. Allowing the trading of Green Credits on domestic platforms. Promoting sustainable lifestyle by engaging society to focus on actions that reduces carbon emissions.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
• 1. Administrator (Indian Council of Forestry Research and Education)
© 2. Other Designated Agencies
© 3. <u>Steering Committee</u>
o 4.
o 5.

- 15. To provide contextual information, rate the capacity of Administrator (Indian Council of Forestry Research and Education) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Indian Council of Forestry Research and Education (ICFRE) is the Administrator under the GCP and is responsible for the effective implementation, management, and operation of the Green Credit Programme. ICFRE is responsible for developing guidelines, processes, and procedures; establishing methodologies and processes for the issuance of green credits; and maintaining the Green Credit Registry and trading platform. ICFRE is also responsible to regulate matters relating to trading of green credit certificates and to safeguard interest of sellers and buyers; and take preventive and corrective actions to prevent fraud or mistrust.

Given the comprehensive responsibilities assigned to ICFRE under GCP, it appears that ICFRE has high capacity to ensure implementation, enforcement and achieving the objectives of the Policy tool. However, GCP has been recently notified and therefore the effectiveness of ICFRE will be evaluated over time.

o Prefer not to answer	
o Not Applicable	

- 16. To provide contextual information, rate the capacity of Other Designated Agencies to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- © 2- Medium Capacity (Please explain) <u>Under the GCP Framework, the Designated Agencies, are designated by the ICFRE to conduct verification of activities, submit reports, and file annual returns with the Administrator in accordance with the guidelines to be established by the Administrator. The role of the designated authority is more technical i.e. verification, filing returns etc. and therefore has limited role with respect to implementation and enforcement of policy tool. For actions towards enforcement, the designated authorities will be dependent on the Administrator (ICFRE) therefore, capacity of designated authorities may be rated as medium.</u>
- o 3- High Capacity (Please explain)
- o Prefer not to answer

o Not Applicable
17. To provide contextual information, rate the capacity of Steering Committee to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
● 1- Low Capacity (Please explain) The Steering Committee has been established under the Green Credit Rules to monitor and review the implementation of the GCP, recommend activities and sectors to be included, develop guidelines for various aspects of the programme, regulate the trading of green credit certificates, and oversee audits of the Administrator and related entities. Its enforcement capabilities are low and primarily indirect, i.e. limited to recommendations to the Central Government.
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded		✓	
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned		✓	
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			>
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			~
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city) 11. Government			✓
agencies and/or departments			
(unspecified)			
12. Sectoral actors		✓	
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓
10. 00101	<u> </u>	_ <u>_</u>	

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			\checkmark
Agriculture, forestry, and fishing		\checkmark	
Mining and quarrying			✓
Manufacturing		✓	
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			∀
Transportation and storage			>
Accommodation and food service activities			⋄
Information and communication			
Financial and insurance activities			~
Real estate activities		\checkmark	
Professional, scientific and technical activities			\checkmark
Administrative and support service activities			
Public administration and defense; compulsory social security			>
Education			✓
Human health and social work activities			⋄
Arts, entertainment and recreation			\checkmark
Other service activities		✓	
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own			
Activities of extraterritorial organizations and bodies			
28. Can entities for whom comply or explain)?	n compliance with the poli	cy tool is mandatory opt c	out of the obligation (e.g.
No			
∘ Yes			
30. Does the policy tool exentities' operations beyon		s' domestic operations, or	does it also apply to
Operations within juriso	diction only		
o Operations beyond the	jurisdiction		
o Not applicable			
32. What are the sanction	ns for non-compliance? Se	elect all that apply and de	scribe in the text field.
☐ Monetary fine			
☐ Restriction on business	activities		
☐ Voiding or setting aside	e of contract		
☐ Exclusion from governm	ment contracts		
☐ Award of damages or d	compensation		
☐ Penalty for senior man	agers		
☐ Criminal penalties			
☐ Not specified			
Not applicable (e.g. in a	cases of voluntary tools)		
☐ Other			

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
∘ Average
Above average
∘ Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain) GCP was notified recently on October 12, 2023. The programme is currently in initial stages with structures being set up for its administration, verification, and operation.
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
o No
Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The GCP incorporates several monitoring systems to ensure effective implementation and evaluation of its initiatives. The ICFRE is responsible for establishing guidelines, processes, and procedures for the program's implementation, (Section 7(3)). This includes the development of electronic platforms for the registration, evaluation, verification of activities, and issuance of green credits for accredited activities [Section 6(3)].
A Steering Committee constituted by the Central Government plays a crucial role in overseeing and monitoring the program's progress [Section 8 (1)]. , The committee is required to conduct periodic reviews and provide recommendations to the Central Government regarding the GCP, [Section 8 (3)]. Designated agencies involved in the GCP are required to submit annual returns to the ICFRE, ensuring accountability and transparency in the program's operations [Section 13 (3)].
41. Does the policy tool recommend or require periodic impact assessments?
No
∘ Recommended
o Required
43. Does the policy tool recommend or require periodic reviews? No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years

o 5-10 years
o 10 or more years
Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No
∘ Yes

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No No
∘ Recommended
o Required

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176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their transition plan			
Develop financial			✓
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			✓
Incorporate climate change considerations			
into their investment			
decision making			
and/or asset planning			
Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying, o	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			✓
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			\mathbf{C}
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board members			
members			
	recommend or require tar ship to achieve their targe		
No			
o Recommended			
o Required			
Standards, Frameworks	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The GCP is a market-based initiative that encourages voluntary environmental actions by various stakeholders. It is governed by an inter-ministerial committee, with the ICFRE as the Administrator.

In its initial phase, the GCP focuses on water conservation and afforestation. Draft methodologies for awarding credits are being developed for stakeholder consultation. A digital platform will facilitate project registration, verification, and credit issuance, including a trading registry. To obtain credits, individuals and entities must register activities via a government app or website. Verified activities will receive tradable Green Credit certificates.

[http://web.archive.org/web/20240816195239/https://moefcc-gcpregistry.in/]

Policy Tool Name: National Green Hydrogen Mission

3. Source material link(s): http://web.archive.org/web/20240819105339/https://cdnbbsr.s3waas.gov.in/s3716e1b8c6cd17b771
da77391355749f3/uploads/2023/01/2023012338.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2022</u>

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The National Green Hydrogen Mission, launched by the Indian government in January 2023, aims to position India as a global hub for green hydrogen production and utilization, targeting the development of at least 5 million metric tonnes per annum (MMTPA) of green hydrogen by 2030. With an investment of ₹19,744 crore, the mission seeks to add around 125 GW of renewable energy capacity, generate approximately six lakh jobs, and significantly reduce greenhouse gas emissions by nearly 50 million metric tonnes annually. It includes initiatives like the Strategic Interventions for Green Hydrogen Transition Programme (SIGHT) to support domestic manufacturing and the establishment of Green Hydrogen Hubs to facilitate large-scale production and utilization. Overall, the mission is designed to decarbonize various sectors, reduce reliance on imported fossil fuels, and foster indigenous technological development.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. Ministry of New and Renewable Energy (MNRE)
○ 2.
o 3.
o 4 .
⋄ 5.
15. To provide contextual information, rate the capacity of Ministry of New and Renewable Energy (MNRE) to undertake the policy tool's implementation and/or enforcement.

o O- No Capacity (Please explain)

1- Low Capacity (Please explain)
2- Medium Capacity (Please explain)
3- High Capacity (Please explain)
Prefer not to answer
Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded		✓	
entities			
2. Private companies			
3. Financial institutions			✓
4. Small and medium-		✓	
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			✓
organizations			
7. Government		✓	
agencies and/or			
departments			
(supranational)			
8. Government		✓	
agencies and/or			
departments (national)			
9. Government		V	
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)	_		_
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			✓
Agriculture, forestry, and fishing			
Mining and quarrying			✓
Manufacturing		✓	
Electricity, gas, steam, and air conditioning supply		>	
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage		Y	
Accommodation and food service activities			>
Information and communication			~
Financial and insurance activities			Y
Real estate activities			\checkmark
Professional, scientific and technical activities			~
Administrative and support service activities			>
Public administration and defense; compulsory social security			
Education			>
Human health and social work activities			«
Arts, entertainment and recreation			
Other service activities			\checkmark
Activities of households as employers; undifferentiated goods-and services-			
nroducing activities of	·		

households for own use				
Activities of extraterritorial organizations and bodies				
28. Can entities for whom comply or explain)?	a compliance with the poli	cy tool is mandatory opt c	out of the obligation (e.g.	
No				
∘ Yes				
30. Does the policy tool exentities' operations beyon		s' domestic operations, or	does it also apply to	
Operations within jurisa	diction only			
o Operations beyond the	jurisdiction			
o Not applicable				
32. What are the sanction	ns for non-compliance? Se	elect all that apply and de	scribe in the text field.	
☐ Monetary fine				
☐ Restriction on business	activities			
☐ Voiding or setting aside	e of contract			
☐ Exclusion from governm	nent contracts			
☐ Award of damages or compensation				
☐ Penalty for senior man	agers			
☐ Criminal penalties				
☐ Not specified				
Not applicable (e.g. in a	cases of voluntary tools)			
☐ Other				

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance: Below average Average Above average Not applicable Unknown or prefer not to answer 35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority. Below average Average Above average Not applicable Unknown or prefer not to answer Not applicable Unknown or prefer not to answer No (If relevant, explain) The climate-specific provisions in the National Hydrogen Mission have not yet been enforced, as the mission is still in its initial phase. While the mission outlines a framework fo establishing legal provisions to ensure enforceability of consumption targets for green hydrogen and its derivatives, actual enforcement mechanisms are still being developed. The mission includes plans for periodic reporting by obligated entities and the establishment of a regulatory framework to monitor compliance. However, as of now, the specific climate-related regulations and their enforcement have not been fully realized, as the mission is focused on creating the necessary	
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infrastructure and guidelines for future compliance. Yes	yet been enforced, as the mission is still in its initial phase. While the mission outlines a framework for establishing legal provisions to ensure enforceability of consumption targets for green hydrogen and its derivatives, actual enforcement mechanisms are still being developed. The mission includes plans for periodic reporting by obligated entities and the establishment of a regulatory framework to monitor compliance. However, as of now, the specific climate-related regulations and their enforcement have not been fully realized, as the mission is focused on creating the necessary infrastructure and guidelines for future compliance.

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
NGHM has established a comprehensive monitoring system for implementation of its policies. An Empowered Group consisting of senior officials from various ministries will oversee mission activities, provide guidance, monitor progress, and recommend policy adjustments as needed. The Mission Secretariat will coordinate the overall program, formulate policies, manage pilot and R&D projects, and continuously monitor the sector's exposure to various risks. Additionally, the MNRE, in consultation with the Department of Fertilizers, the Ministry of Petroleum and Natural Gas, and other relevant ministries, will develop guidelines and methodologies for tracking progress across sectors. A National Portal will be established to facilitate project monitoring and tracking under the mission, while continuous monitoring and mid-course corrections will be emphasized to strengthen the mission's overall objectives.
41. Does the policy tool recommend or require periodic impact accessments?
41. Does the policy tool recommend or require periodic impact assessments?
No
○ Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
∘ No
Recommended
∘ Required

	J, ,			
o No				
⊚ Ye	S			

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or

comply with the policy tool (e.g. industry working groups, outreach campaigns, education and

training, etc.)?

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

NGHM is introducing several initiatives aimed at enhancing the capacity of targeted entities, including public awareness campaigns, coordinated skilling programs, stakeholder outreach, and a framework for public-private partnerships in research and development. A coordinated skilling program will be developed in collaboration with the Ministry of Skill Development and Entrepreneurship, linking institutions, skill development centers, universities, and industry to address the skill requirements in various segments, with Green Hydrogen topics integrated into the National Skill Development Mission's efforts [section 7.12]. Additionally, emphasizes the importance of public awareness and stakeholder outreach, focusing on disseminating knowledge about Hydrogen and Fuel Cell technologies through workshops, seminars, and exhibitions aimed at students, researchers, businesses, policymakers, and the general public [section 7.13]. To foster innovation, a public-private partnership framework for research and development, known as the Strategic Hydrogen Innovation Partnership (SHIP), will be established, which will include a dedicated R&D fund supported by contributions from industry and government institutions [section 7.11e].

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Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
o Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
 Recommended
Required

monitoring progress in achieving targets.

To achieve their goals, entities are required by the policy tool to track and report their progress, which includes submitting periodic reports to the designated monitoring agency and utilizing technology interventions for online, real-time monitoring of targets [section 7.3]. This process is complemented by ongoing oversight and risk management from the Mission Secretariat, which will continuously assess

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

includes submitting periodic reports to the designated monitoring agency and atmizing technology
interventions for online, real-time monitoring of targets [section 7.3]. This process is complemented b
ongoing oversight and risk management from the Mission Secretariat, which will continuously assess
the sector's exposure to various risks, categorize them, and address them promptly with guidance
from the Empowered Group [section 9.6].
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
● No
○ Recommended
o Required

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			
emissions reduction			
target			
A net zero target	✓		
Interim targets (e.g.	✓		
2030, 2050)			
Targets covering non-			lacksquare
carbon GHG emissions			
A Scope 3 emissions			
target			
A target derived using			\checkmark
a sectoral			
decarbonization			
approach			✓
A level of ambition for emissions reductions			
(e.g. 80% reduction)			
A baseline year from			⊘
which progress is			
measured			
A target timeframe			✓
(e.g. by 2040)	_	_	
Targets for renewable	\checkmark		
energy procurement			
Targets for fossil fuel	✓		
phase down/phase up			
Separate targets for			✓
GHG offsets and/or			
removals			
Targets or goals			
related to climate			
adaptation			
Targets or goals			\checkmark
related to nature and			
Other targets related			✓
Other targets related to sustainability			
to sustainability			

143. Does the policy tool recommend or require a scope of emissions which should be covered by the net zero target? Select all that apply.

☐ Scope 1 emissions

☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
✓ Not specified
144. What is the recommended or required year for the net zero target (e.g. net zero by)?
o Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
● Other <u>2070</u>
o Not specified
145. What is the recommended or required year for interim targets?
○ 2025-2030
o 2031-2040
o 2041-2050
● Other <u>2030</u>
o Not specified
146. What is the recommended or required level of ambition for interim targets?
○ Reduction between 1-25%

o Reduction between 51-75%
o Reduction of over 76%
o Other
o Not specified
154. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for renewable energy procurement.
The National Green Hydrogen Mission provides target of renewable energy capacity addition of 125 GW in context of achieving green hydrogen production capacity of 5 MMT per annum. The policy document specifies- "India's Green Hydrogen production capacity is likely to reach at least5 MMT per annum, with an associated renewable energy capacity addition of about 125 GW."
155. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for fossil fuel phase down/phase out.
The National Green Hydrogen Mission promotes the use of green hydrogen to gradually replace fossifuels across various industries, including steel production, mobility, fertilizer production, petroleum refining, city gas distribution, shipping, and aviation. For instance, green hydrogen can directly substitute fossil fuel-derived feedstocks in petroleum refining, fertilizer production, and steel manufacturing, while hydrogen-fueled long-haul vehicles and marine vessels can enable the decarbonization of the mobility sector. The mission also supports the replacement of fossil fuels with renewable fuels based on green hydrogen, including blending green hydrogen into city gas distribution systems and using green hydrogen-derived synthetic fuels like green ammonia and green methanol to replace fossil fuels in mobility, shipping, and aviation.
Transition Plans
164 December wellow tool recommend or require torrected antition to have an develop a transition when
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?No
Recommended Required
o Required

Mor	nito	rir	ıg,	Ον	/er	siç	jht	, aı	nd	lm	ple	me	ent	ati	ion	1											

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			\checkmark
implementing their			
transition plan			
Develop financial			⊘
plans for the			
implementation of			
their transition plan			
Integrate climate-			\checkmark
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations			
into their investment			
decision making			
and/or asset planning			✓
Incorporate climate			
change considerations into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the following	ng
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			\checkmark
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			\checkmark
financial incentives for			
employees and board			
members			
185. Does the policy tool diligence and/or stewards	recommend or require tar ship to achieve their targe	-	•
No			
o Recommended			
o Required			
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The National Green Hydrogen Mission plays a significant role in India's quest for achieving net-zero by addressing not only fossil fuel substitutes but also developing a sustainable framework for green hydrogen manufacturing. This mission lays out plans for developing domestic electrolyzers

manufacturing capabilities aimed at cost reduction; establishing green hydrogen hubs which serve as regional centers for production/consumption; and promoting international cooperation initiatives intended to facilitate technology transfer and market development. The elaborate measures under the National Green Hydrogen Mission lays emphasis on how crucial this initiative is in guiding India towards achieving its goal of net-zero emissions by providing structures through which green hydrogen can be absorbed and integrated into the economy.

Policy Tool Name: Vehicular emission standards under Central Motor Vehicles Rules

3. Source material link(s): http://web.archive.org/web/20240819110137/https://ebook.commerciallawpublishers.com/fa/cmvr/m obile/index.htmlv
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
✓ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
✓ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
O Approved, not yet in force
Other (Please describe)
9. Year of (planned) entry into force or year of publication 1989

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Motor Vehicles Act, 1988, ("Act") and the Central Motor Vehicles Rules, 1989, ("Rules") serve as the regulatory framework for road transport in India. These regulations aim to ensure the safe and efficient movement of vehicles while addressing critical environmental concerns. The Act establishes a comprehensive system that enhances road safety, streamlines traffic management, and promotes sustainable practices within the automotive sector.
A key focus of the Rules is emissions control. These rules set stringent standards to mitigate the environmental impact of motor vehicles, particularly on air quality and public health. The regulations specifically target the discharge of harmful pollutants, such as smoke, vapour, nitrogen oxides (NOx), particulate matter (PM), and hydrocarbons (HC). By limiting these emissions, the rules aim to reduce the adverse effects of vehicle pollution on both human health and the environment. To ensure compliance, the rules mandate regular inspections and testing of vehicles, encouraging the adoption of cleaner technologies and practices within the automotive industry.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. <u>Ministry of Road Transport and Highways</u>
© 2. <u>Technical Standing Committee (CMVR-TSC)</u>
© 3. Standing Committee on Implementation of Emission Legislation (SCOE)
● 4. Regional Transport Office (RTO)
o 5.

- 15. To provide contextual information, rate the capacity of Ministry of Road Transport and Highways to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The Ministry of Road Transport and Highways (MoRTH) demonstrates a strong capacity to implement and enforce the provisions of the Rules, particularly those related to emissions control. MoRTH has established guidelines for setting up inspection and certification centers and has proposed to create one model center in each state with central assistance. Additionally, the ministry has linked Pollution Under Control (PUC) data with the VAHAN database to facilitate electronic uploading of emissions test data, enhancing compliance monitoring. MoRTH has also issued advisories to state authorities to rigorously enforce regulations and take strict action against overloading by goods vehicles, thereby reinforcing its commitment to effective enforcement.

However, the enforcement of emission norms can be inconsistent due to varying capacities among state enforcement authorities (Regional Transport Office). While MoRTH's initiatives reflect a proactive approach to improving enforcement capabilities, the effectiveness of implementation may differ across states based on resource availability and coordination with local authorities. Furthermore, the actual enforcement of these regulations is largely dependent on the capacity and commitment of state agencies. Therefore, despite MoRTH's strong foundational measures, the overall capacity for consistent implementation and enforcement of the Rules is rated as moderate.

o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

- 16. To provide contextual information, rate the capacity of Technical Standing Committee (CMVRTSC) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The Central Motor Vehicles Rules-Technical Standing Committee (CMVR-TSC) is a specialized body established to ensure compliance with emissions and safety standards outlined in the Act. Comprising representatives from key government departments, including the Ministry of Road Transport and Highways, Bureau of Indian Standards, and the Automotive Research Association of India, the committee leverages diverse expertise to effectively address issues related to the Motor Vehicle Rules. Additionally, the CMVR-TSC has the authority to finalize, endorse, and implement both national and international standards, which enhances its capacity to adapt regulations to the Indian context.

However, the CMVR-TSC's is not directly involved in the on-ground enforcement of policies; that responsibility lies with state authorities, which may have varying levels of resources and capabilities. While the CMVR-TSC fosters cooperative relationships with industry stakeholders and testing authorities to tackle regulatory challenges, the effectiveness of implementation can be inconsistent across different states. Therefore, while the CMVR-TSC has a solid foundation, the CMVR-TSC's has moderate capacity to undertake the implementation and enforcement of the Rules.

3- High Capacity (Please explain)
Prefer not to answer
Not Applicable

- 17. To provide contextual information, rate the capacity of Standing Committee on Implementation of Emission Legislation (SCOE) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The Standing Committee on Implementation of Emission Legislation (SCOE) plays a crucial role in creating emission standards and testing procedures, collaborating with technical experts from various governmental institutions. This diverse representation allows SCOE to develop comprehensive regulations that address the complexities of emission control. However, the committee's reliance on the Ministry of Road Transport and Highways for approvals can lead to delays and inconsistencies in the enforcement of regulations. Hence, while SCOE has a solid foundation and trained personnel, this challenge indicates that its capacity for effective implementation and enforcement is best described as moderate.
- o 3- High Capacity (Please explain)
- o Prefer not to answer
- Not Applicable

- 18. To provide contextual information, rate the capacity of Regional Transport Office (RTO) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) <u>Regional Transport Offices (RTOs) are responsible for various functions related to vehicle registration, driving licenses, fitness and pollution certificates, tax</u>

collection, permits, and transport regulations. They actively enforce traffic rules and regulations to ensure road safety. RTOs also handle accident investigations, dispute resolution, and support legal proceedings. However, RTOs face several challenges in carrying out their responsibilities effectively, including managing a large volume of work, lack of infrastructure, and proper training and resources.

Despite their important role, RTOs have a medium capacity for implementation and enforcement due to inconsistent enforcement across states, reliance on manual processes, lack of advanced tools and equipment, and training and skill development needs. The effectiveness of RTO enforcement can vary depending on factors such as resource availability, coordination with state authorities, and capacity building of enforcement personnel.

o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

		Mandatory	Voluntary	Not targeted
1.	Publicly-traded	~		
en	tities			
2.	Private companies			
3.	Financial institutions			✓
4.	Small and medium-			
siz	zed enterprises			
5.	State-owned			\checkmark
	mpanies			
6.	Not-for-profit			\checkmark
	ganizations			
	Government			\checkmark
_	jencies and/or			
	partments			
	upranational)			
	Government			✓
_	jencies and/or			
	partments (national)			
_	Government			✓
_	jencies and/or			
	partments (regional			
	e.g., state, province,			
	gion, metropolitan ·			
-	gion)			✓
). Government			
_	jencies and/or			
	partments (local - g., county, district,			
_	unicipality, city)			
	Government			✓
	encies and/or			
	partments			
	nspecified)			
	. Sectoral actors			✓
	g., healthcare,			
	fense, utilities,			
	ucation)			
	B. Other			✓
1			l —	_

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly-traded entities	Private companies	Small and medium- sized enterprises						
Minimum number of employees (Enter min number of full-time employees - FTEs)	No threshold provided	No threshold provided	No threshold provided						
Minimum revenue (Enter minimum revenue)	No threshold provided	No threshold provided	No threshold provided						
Minimum assets (Enter minimum assets)	No threshold provided	No threshold provided	No threshold provided						
Minimum contract value (Enter minimum contract value)	No threshold provided	No threshold provided	No threshold provided						
Entity is headquartered in the jurisdiction	No threshold provided	No threshold provided	No threshold provided						
Entities are subjected to disclosure or reporting requirements	It mandatory for companies in the business of manufacturing of transport and related systems	It mandatory for companies in the business of manufacturing of transport and related systems	It mandatory for companies in the business of manufacturing of transport and related systems						

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?
No No
∘ Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable

32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine <u>Under the Act, authorities are empowered to impose sanctions for non-compliance</u>
with emission norms as specified in the Act and the Rules. Monetary penalties are levied on
individuals for violations such as driving a vehicle without a valid Pollution Under Control (PUC)
certificate, operating an unregistered vehicle, or failing to meet prescribed emissions standards. In
cases where a vehicle does not comply with safety or emissions regulations, officials have the
authority to suspend its registration until the necessary compliance measures are taken. The fines
and penalties can vary based on the specific violation and the regulations set forth by the respective
state or region. Key examples of these penalties include a fine of INR 1,000 (approx. USD 12) for the
first offense of driving without a valid PUC certificate, which may increase for subsequent violations.
Violating emission standards can result in fines ranging from INR 1,000 to INR 2,000 (approx. USD 12
to 24), depending on the severity of the violation. Failure to comply with noise and air pollution
standards can result in fines of INR 1,000 (approx. USD 12) for the first offense, increasing to INR
2,000 (approx. USD 24) for repeat violations.
□ Restriction on business activities
□ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
□ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other In addition to monetary penalties, the enforcement mechanisms include the requirement for vehicles to undergo regular inspections and obtain certification of compliance with emission standards. The Motor Vehicles (Amendment) Act, 2019, introduced stricter penalties and higher fines for various traffic violations, including those related to emissions. For instance, failure to produce a valid PUC certificate can lead to the suspension of the vehicle's registration.
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
Above average

o Not applicable
o Unknown or prefer not to answer
34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The cost of compliance with emission norms under the Rules is relatively high is due to several factors, including the need for specialized testing and certification processes, and the frequent updates to emission norms that require constant adjustments from manufacturers and other stakeholders.
Automotive manufacturers have to invest heavily in technology, testing facilities, and administrative procedures to ensure that vehicles meet the required emission norms. For instance, they must submit prototypes for testing to designated agencies, which can be tedious and expensive. The introduction of stricter emission norms, such as the Bharat Stage VI (BS-VI) standards, has further increased compliance costs. Manufacturers must adapt their vehicles to meet these new requirements, which involves research and development, testing, and certification. Compliance with emission norms can impact the profitability of manufacturers, especially small and medium enterprises, and hinder innovation due to the high costs involved.
The increased compliance costs for manufacturers are often passed on to consumers in the form of higher vehicle prices. Accordingly, the cost of compliance with emission norms under the Rules is considered high relative to other compliance activities in India, as it requires significant investments from both manufacturers and consumers to meet the stringent requirements and adapt to frequent updates in regulations.
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
o Unknown or prefer not to answer

36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Regulated entities in India have increasingly made compliance with emission norms a priority, driven by stringent regulations such as the adoption of Bharat Stage VI standards. These standards require significant technological advancements and manufacturing improvements, prompting manufacturers to invest in research and development to meet the new requirements. As consumers demand cleaner and more fuel-efficient vehicles, manufacturers are focusing on compliance to align with market expectations and avoid penalties associated with non-compliance.

Additionally reversement initiatives such as the Factor Adoption and Manufacturing of Libbrid and
Additionally, government initiatives, such as the Faster Adoption and Manufacturing of Hybrid and
<u>Electric Vehicles (FAME) scheme, further encourage companies to prioritize compliance with emission</u>
norms. This scheme supports the development and adoption of eco-friendly vehicles, reinforcing the
industry's commitment to sustainability. However, challenges remain, including the high costs
associated with compliance and the need for ongoing technological innovation.
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)
● Yes

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

One exemplary case of enforcement of emission norms under the Motor Vehicles Rules occurred in Delhi in 2019 when the government launched a significant crackdown on polluting vehicles to combat the city's severe air pollution crisis. During this initiative, over 5,000 vehicles were penalised for violating emission standards, resulting in fines exceeding INR 1 crore (approx. USD 120,000). The enforcement action targeted both commercial and private vehicles that were found to be emitting excessive smoke or lacked valid PUC certificates. This rigorous approach underscored the authorities' commitment to ensuring compliance with emission norms and highlighted the importance of maintaining air quality in urban areas.

Another notable instance took place in Pune, where the RTO suspended the registration of several vehicles that failed emission tests conducted by the Maharashtra Pollution Control Board. This enforcement action involved both private cars and commercial trucks that were found to exceed permissible pollution limits. Under the Rules, the RTO has the authority to suspend registrations for non-compliant vehicles, demonstrating a proactive stance in enforcing emission regulations. By taking such decisive actions, the authorities conveyed a strong message about the necessity of

health and the environment.
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant
section/subsection/paragraph of the policy tool where monitoring systems are set.
MoRTH has established the Standing Committee on Implementation of Emission Legislation as a primary agency responsible for compliance monitoring of emission standards. This committee plays a crucial role in setting guidelines and ensuring that manufacturers adhere to the established emission norms.
Moreover, specialized testing agencies, such as the Automotive Research Association of India, contribute significantly to the certification process by conducting rigorous tests on vehicles before they are allowed into the market. These agencies verify that vehicles conform to the required standards, providing an additional layer of oversight.
41. Does the policy tool recommend or require periodic impact assessments?
No No
○ Recommended
○ Required
43. Does the policy tool recommend or require periodic reviews?
∘ No
Recommended
o Required

44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
○ 10 or more years
Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No
Yes

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

The Rules incorporate mechanisms that facilitate collaboration between MoRTH and subnational governments to enhance policy and regulatory coordination. One significant way this collaboration occurs is through the establishment of committees, such as the Standing Committee on Implementation of Emission Legislation. This committee includes representatives from both central and state governments, allowing for direct dialogue and alignment on emission standards and enforcement strategies. Regular meetings and discussions within this framework enable stakeholders to share insights, address challenges, and develop cohesive approaches to implementing vehicle regulations across different jurisdictions.

Additionally, state governments are actively involved in the decision-making process through consultations and working groups organized by MoRTH. These working groups often focus on specific issues, such as emissions compliance or safety standards, and include representatives from various state transport departments.

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Several initiatives aimed at enhancing the capacity of entities to comply with emission norms under
the Rules have been implemented in India. MoRTH has developed various programs focused on improving adherence and implementation capabilities. These initiatives include public education campaigns, the creation of detailed guidelines and manuals, and the establishment of working groups that bring together stakeholders from different sectors. Additionally, MoRTH has produced educational materials to raise awareness about compliance requirements, ensuring that both
manufacturers and consumers understand their responsibilities.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No No
∘ Recommended
o Required

														 	 -															
Мо	Monitoring, Oversight, and Implementation																													
														 	 _															

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			\checkmark
implementing their			
transition plan			
Develop financial			
plans for the			
implementation of			
their transition plan			
Integrate climate-			\checkmark
related matters into			
their financial			
accounting			
Incorporate climate			\checkmark
change considerations			
into their investment			
decision making			
and/or asset planning Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			✓
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			\mathbf{C}
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board members			
members			
	recommend or require tar ship to achieve their targe		
No			
o Recommended			
o Required			
Standards, Frameworks, and Guidelines			

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The Rules along with the provisions under the Act are crucial measures for aligning India's transportation sector with net zero goals. Vehicle emissions are a significant source of greenhouse gas emissions in the country, and these regulations play a vital role in reducing pollutants such as

nitrogen oxides (NOx) and particulate matter through the enforcement of stringent emissions standards like Bharat Stage VI.

Moreover, these regulations foster technological developments within the automotive industry, pushing the boundaries of cleaner technologies. From advanced catalytic converters to the adoption of electric vehicles (EVs), the Rules and the Act have been catalysts for innovation in the sector.

Although the Rules and Act do not explicitly require firms to develop climate targets or transition plans, they are key components of India's low-carbon economy strategy and alignment with net zero. By regulating vehicle emissions and promoting the adoption of cleaner technologies, these measures contribute significantly to reducing greenhouse gas emissions from the transportation sector, which is crucial for India to achieve its ambitious climate commitments, including the goal of net zero emissions by 2070.

Policy Tool Name: Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) Scheme

3. Source material link(s): http://web.archive.org/web/20240819172033/https://fame2.heavyindustries.gov.in/content/english/11_1_PolicyDocument.aspx
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
☐ Transition planning
Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
☑ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2015</u>

10. Does the policy tool have an end date?
∘ No
11. What is the anticipated end year of the policy tool?
<u>2024</u>
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The FAME Scheme, launched under the National Electric Mobility Mission, aims to promote the adoption of reliable, affordable, and efficient electric and hybrid vehicles (xEVs) in India. Its primary objectives include reducing dependency on fossil fuels, minimizing pollution, and fulfilling India's commitments under international climate agreements. Additionally, the scheme seeks to establish a robust domestic electric vehicle manufacturing sector by providing incentives for the production and purchase of EVs and hybrid vehicles. The scheme has been implemented in a phased manner.
Phase I (2015-2019): This initial phase focused on creating a market for electric and hybrid vehicles through demand incentives and support for pilot projects, alongside the development of charging infrastructure.
Phase II (2019-2024): The second phase expanded its scope to encourage large-scale adoption of electric vehicles, particularly in public transport, and aimed to establish a comprehensive national charging network. It also emphasizes local manufacturing and technological advancements to position India as a global hub for EV production.
Phase III: The government is planning to introduce a third phase of the FAME Scheme soon, aimed at further accelerating the adoption of electric vehicles across the country.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not

• 1. Ministry of Heavy Industries (MHI), Government of India

applicable, leave blank.

2. <u>Department of Heavy Industry (DHI)</u>
3. <u>National Automotive Board (NAB)</u>
o 4 .
o 5.
- -
15. To provide contextual information, rate the capacity of Ministry of Heavy Industries (MHI), Government of India to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
● 3- High Capacity (Please explain) <u>Under the FAME scheme</u> , <u>MHI is responsible for the administration</u> , <u>funding</u> , <u>and oversight of the scheme</u> , <u>including providing incentives for electric vehicles (EVs)</u> , <u>establishing EV charging infrastructure</u> , <u>and collaborating with various stakeholders in the industry</u> . MHI has demonstrated its effectiveness in managing the FAME scheme through the approval and disbursement of funds for numerous electric vehicles and charging stations. Under Phase I, approximately 2.8 lakh hybrid vehicles received support, with total demand incentives amounting to Rs 359 crore. Additionally, 425 electric and hybrid buses were deployed across various cities, and 520 charging stations were sanctioned. In Phase II, which commenced in April 2019 with a budget of
Rs 10,000 crore, MHI focused on supporting the electrification of public and shared transportation. As of December 2023, the ministry had sanctioned 6,862 electric buses and approved claims for over 11.5 lakh electric vehicles, amounting to Rs 5,228 crore in subsidies. The ministry also allocated Rs 800 crore as capital subsidy for the establishment of 7,432 public charging stations.
MHI has effectively collaborated with other government departments and industry stakeholders to promote electric transportation across the country. This collaborative approach is essential for the successful implementation of the upcoming Phase III of the FAME scheme, which is currently in
preparation. Accordingly, MHI has a high capacity to implement and enforce the FAME scheme effectively and align with India's broader goals for sustainable and electric transportation.
• Prefer not to answer
o Not Applicable

16. To provide contextual information, rate the capacity of Department of Heavy Industry (DHI) to undertake the policy tool's implementation and/or enforcement.

o 0- No Capacity (Please explain)

- 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Department of Heavy Industries (DHI), under the MHI, has the responsibility to implement and enforce the FAME scheme. DHI manages the administration and funding of the scheme, which includes providing incentives for EVs and establishing charging infrastructure. The department has overseen the approval and disbursement of funds for various electric vehicles and charging stations. For example, under Phase I, DHI sanctioned approximately 520 charging stations and supported around 2.8 lakh hybrid vehicles. In Phase II, as of July 2023, claims for over 16.7 lakh electric vehicles have been submitted, totaling Rs 6,825 crore in subsidies. DHI also manages large-scale projects and adjusts to changing market conditions. The ministry has sanctioned 6,862 electric buses for intra-city operations, with 4,853 e-buses supplied as of July 2024. Additionally, DHI has modified incentives, such as increasing the demand incentive for electric two-wheelers. The department collaborates with other government bodies and industry stakeholders to promote electric transportation initiatives, contributing to the implementation of the FAME scheme and supporting India's sustainable transportation objectives.

o Prefer not to ans	swer		
o Not Applicable			

- 17. To provide contextual information, rate the capacity of National Automotive Board (NAB) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain) The National Automotive Board (NAB) has a limited capacity to implement and enforce the FAME scheme. While NAB coordinates with MHI to provide technical guidance, manage data, and ensure compliance, the actual enforcement and decision-making authority primarily rests with MHI. NAB's role is focused on establishing technical standards rather than on the strategic implementation of the policy, which restricts its ability to directly influence the execution of the scheme.

NAB operates under the direction of MHI and does not possess autonomous authority to implement the FAME scheme. Its responsibilities include facilitating the technical aspects of the scheme, such as monitoring compliance with standards and managing data related to electric vehicles. Consequently, while NAB plays a supportive role, its capacity to directly implement and enforce the FAME scheme is limited, with significant reliance on MHI for strategic decisions and overall management.

- o 2- Medium Capacity (Please explain)
- o 3- High Capacity (Please explain)
- Prefer not to answer
- Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			✓
entities			
2. Private companies		✓	
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned			\checkmark
companies			
6. Not-for-profit			\checkmark
organizations			
7. Government			>
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			✓
11. Government			
agencies and/or			
departments (unspecified)			
12. Sectoral actors		✓	
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓
13. Other		⊔	

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			\checkmark
Agriculture, forestry, and fishing			
Mining and quarrying			✓
Manufacturing		✓	
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			
Accommodation and food service activities			Y
Information and communication			>
Financial and insurance activities			Y
Real estate activities			✓
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			
Arts, entertainment and recreation			\checkmark
Other service activities			\checkmark
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own					
Activities of extraterritorial organizations and bodies					
28. Can entities for whom comply or explain)?	compliance with the poli	cy tool is mandatory opt c	out of the obligation (e.g.		
No					
∘ Yes					
30. Does the policy tool exentities' operations beyon		o' domestic operations, or	does it also apply to		
Operations within juriso	diction only				
o Operations beyond the	jurisdiction				
o Not applicable					
32. What are the sanction	ns for non-compliance? Se	elect all that apply and de	scribe in the text field.		
☐ Monetary fine					
☐ Restriction on business activities					
☐ Voiding or setting aside	e of contract				
☐ Exclusion from governm	☐ Exclusion from government contracts				
☐ Award of damages or compensation					
☐ Penalty for senior managers					
☐ Criminal penalties					
☐ Not specified					
Not applicable (e.g. in a promoting the adoption a penalties for non-complia	nd manufacturing of elec	tric vehicles in India. As su	ıch, it does not impose		

to specific conditions outlined by the MHI. For example, participants are required to comply with the Phased Manufacturing Programme (PMP) guidelines, which dictate the localization levels of components used in electric vehicles. Additionally, manufacturers must ensure that the subsidies claimed are in line with the established criteria and that they do not engage in misappropriation of funds. While there are no explicit penalties for non-compliance with the FAME scheme, recent incidents have highlighted the consequences for those who violate its conditions. MHI has received complaints regarding the misappropriation of subsidies, leading to instructions for manufacturers to reimburse improperly claimed amounts. Some companies that violated PMP guidelines were also asked to pay penalties. Looking ahead, the anticipated FAME Phase III scheme is expected to introduce clearer penalty provisions for non-compliance with localization norms, indicating a shift towards stricter enforcement measures in future iterations of the scheme.

□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
Not applicable
o Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
o Above average
Not applicable
o Unknown or prefer not to answer

37. Have the climate-specific provisions in this instrument ever been enforced?

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● Yes
38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Since the FAME scheme is a voluntary initiative, enforcement actions are limited to entities that choose to participate in the program. The MHI has taken enforcement actions against electric vehicle manufacturers for violations of the scheme's guidelines.
One notable case involved complaints against 17 original equipment manufacturers (OEMs) under the FAME India Scheme Phase-II, primarily related to non-compliance with the Phased Manufacturing Programme (PMP) guidelines and breaches of ex-factory prices. Following an investigation, it was determined that seven OEMs were not adhering to PMP norms. As a result, four of these manufacturers agreed to refund the excess amounts they had claimed inappropriately.
In another instance, MHI suspended incentive payments to certain OEMs pending detailed investigations. After reviewing reports from testing agencies, it was found that six OEMs were fully compliant with PMP requirements, while seven others were not. MHI instructed the non-compliant manufacturers to reimburse the improperly claimed subsidies, highlighting the ministry's commitment to enforcing the scheme's guidelines and ensuring proper fund utilization.
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
○ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant

No (If relevant, explain)

section/subsection/paragraph of the policy tool where monitoring systems are set.

The FAME scheme includes a structured monitoring mechanism to oversee its implementation and enforcement. The Project Implementation and Sanctioning Committee (PISC), headed by the Secretary of the Department of Heavy Industry, is responsible for the overall monitoring, sanctioning, and implementation of the scheme. This committee is empowered to sanction assistance for projects, modify parameters for various components, and resolve issues that arise during implementation. The guidelines for the scheme specify that the PISC will ensure compliance with the established

standards and facilitate the smooth execution of the initiative.

In addition to the PISC, the FAME scheme incorporates compliance monitoring through testing
agencies to ensure adherence to the Phased Manufacturing Programme (PMP) and other conditions
necessary for availing demand incentives. This includes the establishment of a robust framework for
data management and reporting, which helps track the progress of electric vehicle adoption and
<u>infrastructure development. The combination of these monitoring systems provides a comprehensive</u>
approach to overseeing the implementation of the FAME scheme, ensuring that participants meet the
required standards and contribute effectively to the scheme's objectives.
41. Does the policy tool recommend or require periodic impact assessments?
No No
∘ Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
o No
o Recommended
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
○ Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No
46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.
The FAME scheme emphasizes the need for coordination with subnational governments, particularly state governments, to effectively promote electric mobility in India. While the scheme does not specify formal mechanisms such as appointing coordinating agencies or forming working groups, it encourages states to provide a combination of fiscal and non-fiscal incentives that complement the central government's efforts [Section 11].
The scheme also highlights the involvement of state transport undertakings (STUs) in the deployment
of electric buses and charging infrastructure, implicitly relying on the engagement of state governments to align their policies with the central framework and establish governance structures at the state level to oversee the implementation of electric vehicle policies.
It may be noteworthy that all the information provided is based on the documents available for Phase II of the FAME scheme, which outlines its implementation and operational guidelines. Specific provisions for Phase III will be assessed once the details are officially issued.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or
comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The FAME scheme has implemented several initiatives aimed at enhancing the capacity of targeted entities to comply with and effectively implement the policy. One key initiative is the establishment of the Project Implementation and Sanctioning Committee (PISC), an inter-ministerial empowered committee responsible for overseeing the scheme's implementation. The PISC provides guidance, makes necessary modifications, and resolves issues that arise, ensuring that participating entities have the support they need to meet the scheme's objectives.

Additionally, the FAME scheme includes a structured Information, Education, and Communication (IEC) program to educate stakeholders about the scheme's requirements. This program involves conducting business meets, seminars, conferences, and training sessions to ensure that all parties are well-prepared to comply with the scheme. Furthermore, the policy emphasizes the involvement of technical experts and knowledge partners to provide logistical and technical support, facilitating smooth implementation.

It may be noteworthy that all the information provided is based on the documents available for Phase
Il of the FAME scheme, which outlines its implementation and operational guidelines. Specific
provisions for Phase III will be assessed once the details are officially issued.
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero
alignment not captured in the above questions. If referencing new sources (i.e. not referenced in
Question 3), provide a web-archived link to the source material.
None
<u>inone</u>

Domain-Specific Questions: Public Procurement Questions
200. Does the policy tool allow, recommend, or require the alignment of public procurement spending with national and/or subnational climate targets?
No No
o Allowed and/or recommended
o Required

202. Does the police	v tool set taraets in re	lation to climate-aligned	procurement? Select	all that apply.

	Allowed/recommended	Required	Not applicable
A minimum percentage of tenders/contracts which must include climate-related criteria			V
A minimum number of climate-related criteria to be included in purchases/tenders			
A minimum value of procurement spend which must include climate-related criteria			
A maximum amount of greenhouse gas emissions associated with tenders/contracts (i.e. a carbon ceiling/envelope)			
Targets for the reduction of fossil fuel energy consumption associated with tenders/contracts			
Targets for the procurement of products which have a third-party sustainability certification/ ecolabel/ voluntary sustainability standard			
Other (Please describe and reference the section/subsection/paragraph of the policy tool relevant to other climate-aligned procurement targets)			
Other Text:			
Procurement Cycle			

204. Does the policy tool make recommendations or allowances or set requirements related to climate change mitigation at the procurement planning stage? Select all that apply.

	Allowed/	Required	Not applicable
	recommended		
Procuring entities			\checkmark
consider climate			
change mitigation			
and/or GHG emissions			
reductions goals when			
defining their			
procurement needs			
Procuring entities have			
a strategy, plan, or			
policy regarding the			
alignment of			
procurement practices			
with climate objectives			
Procuring entities set			
aside a portion of their			
procurement budgets			
for climate-aligned			
procurement			
Procuring entities			
include emissions from			
procurement in their			
carbon budget			
Procuring entities			
follow guidance on			
calculating			
procurement-related			
emissions			
Procuring entities			
inform and/or consult			
with market actors in			
advance of publishing			
the formal call for			
tenders, in relation to			
climate considerations			
(i.e. pre-procurement			
consultation,			
engagement, or dialogue)			
Other allowances,			✓
recommendations or			
requirements related			
to climate change			
mitigation or GHG			
emissions at the			
procurement planning			
stage			

Life-cycle or Whole-life Costing
217. Does the policy tool recommend or require the use of life-cycle costing or whole-life costing to capture climate-related impacts (e.g. energy or fuel consumption, monetized emissions or other environmental costs, end-of-life costs, etc)?
No No
o Allow and/or recommend
∘ Require
Tendering or Solicitation Stage

222. Does the policy tool make allowances, recommendations or set requirements at the tendering or solicitation stage? Select all that apply.

	Allowed/recommended	Required	Not applicable
Exclusion or debarment grounds based on compliance with climate obligations			
Qualification or selection criteria related to climate change			
Including climate or environmental considerations when calculating value for money, including through the use of lifecycle or whole-life costing			
Technical specifications (e.g. setting minimum levels of energy efficiency or maximum product carbon emissions)			
Contract award criteria or value for money evaluation frameworks (e.g. minimum scores/performance levels under climate- related criteria, preferences for climate or sustainable products)			
Other procurement stage allowances, recommendations or requirements			
Contract Performance			

included to monitor and report on emissions or other metrics)?
No
o Allowed and/or recommended
o Required
Monitoring and Reporting
252. Does the policy tool include allowances, recommendations or requirements to monitor and/or report upon climate-aligned procurement?
No No
o Allowed and/or recommended
o Required
Standards, Frameworks, and Guidelines

249. Does the policy tool make allowances, recommendations or set requirements at the contract performance stage (e.g. contract clauses, key performance indicators or conditions which must be

262. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. Paris Agreement			✓
2. The jurisdiction's			✓
Nationally Determined			
Contribution (NDC)			
3. IFRS S1			>
4. IFRS S2			✓
5. Task Force on Climate-			✓
related Financial Disclosures			
(TCFD)			
6. GHG Protocol Corporate			
Accounting and Reporting			
Standard			
7. GHG Protocol Corporate			
Value Chain (Scope 3)			
Accounting and Reporting Standard			
8. CDP (formerly known as			✓
Climate Disclosure Project)			
reporting framework			
9. Science Based Targets			✓
initiative (SBTi)			
10. Science Based Targets			✓
initiative (SBTi) Net Zero			
Standard			
11. United Nations			
Sustainable Development			
Goals (SDGs)			
12. ISO 20400 Sustainable			
Procurement			
13. EU Green Public			
Procurement criteria and			
guidance 14. UNEP Sustainable Public			✓
Procurement			
Implementation Guidelines			
15. OECD MAPS -			✓
Supplementary Module on			
Sustainable Public			
Procurement			
16. Asian Development			✓
Bank Guidelines for			
Sustainable Procurement			
17. African Development			
Bank Sustainable Public			
Procurement Guidance Note			

18. Inter-American		
Development Bank Green		
Procurement Guidelines		
19. EDBR Project		
Requirements/Environmental		
and Social Action Plan		
20. World Bank		
Environmental and Social		
Framework		
21. Other		\checkmark
Additional Important Informat	tion	

265. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme is a government initiative aimed at promoting the adoption and manufacturing of electric and hybrid vehicles in India. Launched in 2015, it consists of two phases. Phase I, which ran from 2015 to 2019, focused on technology development, demand creation, and charging infrastructure, with a budget of approximately Rs 895 crore. Phase II commenced in April 2019 and is set to continue until March 2024, with a budget of Rs 10,000 crore. This phase primarily supports the electrification of public and shared transportation, providing demand incentives for electric buses, three-wheelers, four-wheeler passenger cars, and two-wheelers, alongside the establishment of necessary charging infrastructure.

While the FAME scheme itself is designed for climate change mitigation, it does not include specific climate-related requirements applicable to all tenders under the scheme. Instead, the specifications regarding climate-related requirements may vary from tender to tender, reflecting the unique needs of each project. For instance, the tenders for electric buses and charging stations under Phase II of FAME include conditions that require compliance with certain technical standards and localization norms. These initiatives are crucial for aligning with India's broader climate goals, as they facilitate the transition to electric mobility, reduce greenhouse gas emissions, and support sustainable urban transport solutions. Overall, the FAME scheme plays a significant role in advancing India's efforts toward achieving net-zero emissions while enhancing the capacity and infrastructure necessary for electric vehicle adoption.

Policy Tool Name: Environment (Protection) Act, 1986

3. Source material link(s): http://web.archive.org/web/20240819094725/https://moef.gov.in/uploads/2017/06/eprotect_act_198 6.pdf
http://web.archive.org/web/20240819123113/https://moef.gov.in/uploads/2018/03/THE_ENVIRONMENT.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
✓ Legislature
□ Judiciary
Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
1086

10. Does the policy tool have an end date?
No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the
recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Environment Protection Act is an endeavor for environmental protection and its improvement. It
vests the central government with powers to lay down standards for emissions and discharge,
handling of industrial sites, and ensuring environment quality. It provides for sustainable development by integrating environment-related concerns into the formulation and implementation of any policy.
The Environment Protection Rules are a set of regulations based on the Environment Protection Act.
The Rules contain standards for emissions and effluents, prescribe procedures for sampling and analysis of samples, and guidelines in handling hazardous substances. Their role is to ensure
compliance with the environmental norms and to promote good sustainable practices in various
sectors of activities.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
1. <u>Central Pollution Control Board (CPCB)</u>
© 2. Ministry of Environment, Forest and Climate Change (MoEFCC)
o 3.
o 4 .
o 5.

- 15. To provide contextual information, rate the capacity of Central Pollution Control Board (CPCB) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The Central Pollution Control Board (CPCB) in India has a moderate capacity to implement and enforce the Environment Protection Act, 1986. The CPCB is structured with a robust institutional framework, including regional offices across the country, which enhances its operational reach. It has adopted advanced technologies such as Continuous Emission Monitoring Systems (CEMS) and the SAMEER application for real-time air quality monitoring, enabling it to better track pollution levels and address environmental challenges with increased precision.

Despite these advancements, the CPCB faces significant challenges. Limited resources and the complexities of managing heavily polluted areas, particularly in urban centers like Delhi-NCR, hinder its effectiveness. The enforcement of environmental regulations is often inconsistent, especially due to varying capacities among State Pollution Control Boards (SPCBs). This fragmentation can dilute the overall effectiveness of environmental law enforcement on a national scale.

3- High Capacity (Please explain)	
Prefer not to answer	
Not Applicable	

- 16. To provide contextual information, rate the capacity of Ministry of Environment, Forest and Climate Change (MoEFCC) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Ministry of Environment, Forest and Climate Change (MoEFCC) in India demonstrates a significant capacity to implement and enforce the Environment Protection Act, 1986. It plays a pivotal role in developing policies and regulations that promote environmental protection and sustainable development. The MoEFCC has established a comprehensive framework, including recent amendments that enhance emission standards and encourage cleaner technologies across various industries. Its robust institutional structure facilitates effective coordination with State Pollution Control Boards (SPCBs) and other stakeholders, enabling a more unified approach to addressing environmental challenges nationwide. Additionally, the MoRTH has taken significant steps to enhance governance and facilitate business operations, such as amending regulations to accelerate the consent process for industries and enforcing Green Credit

Rules. However, these initiatives have sparked controversy, particularly regarding recent moves toward the decriminalization of environmental offenses. As per discussion in the public domain, such changes could weaken penalties, diminishing their deterrent effect and ultimately leading to reduced enforcement of environmental laws.

Further, despite its strengths, the MoEFCC faces considerable challenges that can impede its effectiveness. Resource constraints and the need for improved enforcement mechanisms are critical issues that hinder comprehensive environmental governance. Additionally, the varying capacities of SPCBs can lead to inconsistencies in the implementation of environmental regulations across different states.

Prefer not to answer	
Not Applicable	

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	✓		
entities			
2. Private companies			
3. Financial institutions	✓		
4. Small and medium-	✓		
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit			
organizations			
7. Government	✓		
agencies and/or			
departments			
(supranational)			
8. Government	✓		
agencies and/or			
departments (national)			
9. Government	✓		
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			_
10. Government	✓		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city) 11. Government	✓		
agencies and/or departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			
			_

125

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors	✓		
Agriculture, forestry, and fishing	V		
Mining and quarrying	✓		
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply	V		
Water supply; sewerage; waste management and remediation activities			
Construction	✓		
Wholesale and retail trade: repair of motor vehicles and motorcycles	✓		
Transportation and storage			
Accommodation and food service activities			
Information and communication			
Financial and insurance activities			
Real estate activities	\checkmark		
Professional, scientific and technical activities			
Administrative and support service activities	>		
Public administration and defense; compulsory social security	>		
Education	✓		
Human health and social work activities			
Arts, entertainment and recreation			
Other service activities	\checkmark		
Activities of households as employers; undifferentiated goods-and services-producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

Minim	Pub licly - trad ed enti ties	Priv ate com pani es	Fina ncial instit utio ns	Sma II and medi um- size d ente rpris es	Stat e- own ed com pani es	Not- for- profit organ izatio ns	Gover nment agenci es and/or depart ments (supra nation al)	Gove rnme nt agen cies and/ or depa rtme nts (nati onal)	Gove rnme nt agen cies and/ or depa rtme nts (regi onal - e.g. state, provi nce, regio n, metr opolit an regio n)	Gove rnme nt agen cies and/ or depa rtme nts (local - e.g. count y, distri ct, muni cipali ty, city)	Gove rnme nt agen cies and/ or depa rtme nts (unsp ecifie d)	Sect oral acto rs (e.g. heal thca re, defe nse, utiliti es, educ atio n)
Minim um numb er of emplo yees (Enter min numb er of full-time emplo yees - FTEs)	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.
Minim um reven ue (Enter minim um reven ue)	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.

Minim um assets (Enter minim um assets)	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.
Minim um contra ct value (Enter minim um contra ct value)	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.
Entity is headq uarter ed in the jurisdi ction	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.
Entitie s are subjec ted to disclo sure or reporti ng requir ement s	No thre shol d pro vide d.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thre shol d prov ided.	No thres hold provi ded.	No thresh old provid ed.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thres hold provi ded.	No thre shol d prov ided.

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

No															
o Yes															

entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine The Environment Protection Act 1986, as well as the corresponding Environment Protection Rules in 1986, offer a thorough framework for non-compliance with environmental standards. Under the provisions of the Act itself, any individual or organization that contravenes its mandates or any guidelines, orders or directives made pursuant to this will incur such penalties. The penalties may take the form of fines amounting to Rs. 1,00,000 (approximately 1200 US dollars) for each offence whilst there is an additional fine of five thousand rupees (approximately 60 US dollars) for every day the violation persists following the first conviction.
□ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
Penalty for senior managers The Act also lay down the provisions to makes senior management accountable for infringements of mandates, to ensure that environmental responsibilities are respected by all levels of organizations.
Criminal penalties In cases where the con-compliance last for more than one year, imprisonment sentences can be imposed for seven years, or even more depending on the nature of the crime.
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
○ Below average

o Average
Above average
o Not applicable
o Unknown or prefer not to answer
34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Compliance with environmental policies involves several costs, including periodic monitoring of emissions, adherence to pollutant discharge standards, obtaining environmental clearances, and maintaining detailed records. While central and state pollution control boards provide guidance and support to help mitigate these costs, heavy industries and manufacturing face significantly higher expenses due to the need for advanced pollution control technologies and substantial infrastructure improvements. Consequently, while there are opportunities for cost reduction through regulatory assistance, the financial burden of compliance remains considerable for these sectors.
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
• Average
o Above average
o Not applicable
o Unknown or prefer not to answer

36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Regulated entities in India have increasingly prioritized compliance with environmental regulations, driven by stringent laws and the potential for significant penalties. This trend is particularly evident in sectors such as manufacturing and heavy industry, where operations are inherently linked to pollution risks. Initiatives like the Business Responsibility and Sustainability Reporting (BRSR) framework introduced by SEBI have further compelled companies to disclose their environmental,

social, and governance (ESG) practices, which promotes greater transparency and accountability in
compliance efforts.
Despite these advancements, challenges persist. Large corporations and multinational companies
generally exhibit stronger compliance due to global scrutiny and the necessity of maintaining a
positive public image. In contrast, small and medium enterprises (SMEs) often struggle with
compliance due to limited resources and insufficient knowledge of regulations.
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)
Yes
38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not
referenced in Question 3), provide a web-archived link to the source material.
Sterlite Copper Case (2018): In 2018, the Tamil Nadu Pollution Control Board (TNPCB) ordered the
closure of the Sterlite Copper plant in Thoothukudi due to severe violations of environmental norms.
following massive protests from local residents who claimed that the facility was causing significant
health issues. The National Green Tribunal upheld this decision, demonstrating strong enforcement of
environmental regulations. The Supreme Court later confirmed the closure, emphasizing the
importance of public health and the need for compliance with environmental standards. []
Volkswagen Emission Scandal (2015): The Automotive Research Association of India discovered
discrepancies in the emission levels of Volkswagen vehicles, leading to a recall and substantial fines.
This case highlighted the enforcement of emission standards under the Environment (Protection)
Rules, 1986, reinforcing the regulatory framework aimed at controlling vehicular pollution and
ensuring compliance with environmental laws.
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No

section/subsection/paragraph of the policy tool where monitoring systems are set. The Environment Protection Act of 1986 is implemented and enforced in India by these very strong methods of supervision. The Ministry of Environment, Forest and Climate Change (MoEFCC), along with the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs), utilize a
methods of supervision. The Ministry of Environment, Forest and Climate Change (MoEFCC), along
combination of real-time monitoring tools, regular inspections, and reporting mechanisms to ensure compliance. Continuous Emission Monitoring Systems (CEMS) and Continuous Ambient Air Quality Monitoring Systems (CAAQMS) provide real-time data on pollution levels that are necessary for regulatory oversight. Moreover, regulated entities are required to submit periodic reports under the Environmental Impact Assessment (EIA) process which are examined by committee such as the Expert Appraisal Committee (EAC). In addition to this, the MoEFCC's PARIVESH portal makes it easier to monitor by serving as a central hub for tracking environmental clearances and compliance.
41. Does the policy tool recommend or require periodic impact assessments?
o No
○ Recommended
Required
Required
 Required 42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
42. Select the option that best describes the frequency of periodic impact assessments recommended

• Other Entities are required to undertake Environmental Impact Assessment (EIA) with respect to projects before obtaining clearance for the same and periodically through compliance reports that

∘ No

43. Does the policy tool recommend or require periodic reviews?

 \circ 5-10 years

 \circ 10 or more years

must be submitted every six months.

o Not specified

o Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
○ Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

The environment protection act and the environment protection rules provide for improved regulatory coordination with sub-national governments through various mechanisms. Among these is section 3(2), which empowers the Central Government to coordinate actions by State Governments for pollution control and abatement. According to Section 4, the appointment of officers will be in charge of the implementation and will ensure cooperation between the central and state authorities.

Moreover, at a time when Rule 5 involves both levels of government in binding industrial activities on environmental protection, the inspection and enforcement are coordinated between the CPCB and SPCBs, and thus vertical regulatory coordination is reinforced.

Disclosure of Plans and Targets 132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans? No Recommended Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No Recommended
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans? No Recommended Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans? No Recommended Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No
transition plans? No Recommended Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No
Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No
Required Targets 135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets? No
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135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
one No
o Recommended
○ Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No
© Recommended
○ Required

Monitori	ng, Oversi	ight, and Imp	olementation			

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			\checkmark
implementing their			
transition plan			
Develop financial			⊘
plans for the			
implementation of			
their transition plan			
Integrate climate-			✓
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations			
into their investment			
decision making			
and/or asset planning			✓
Incorporate climate			
change considerations into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the following	ng
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain			\checkmark	
engagement				
Investor engagement			✓	
Consumer			\checkmark	
engagement				
Policy engagement			\checkmark	
and lobbying practices				
Corporate governance				
structure for transition				
and verification				
Climate-related				
financial incentives for				
employees and board members				
members				
· · ·	recommend or require tar	~	•	
diligence and/or stewards	ship to achieve their targe	ts and/or implement their	transition plans?	
⊕ Na				
No				
o Recommended				
Required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			V
IFRS S2			✓
Task Force on			✓
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			V
Integrated Reporting			
Framework	_		✓
Global Reporting			
Initiative (GRI)			✓
Sustainability			
Accounting Standards			
Board (SASB)			✓
Science Based Targets			
initiative (SBTi)			✓
Science Based Targets			
initiative (SBTi) Net Zero Standard			
			✓
European Sustainability			
Reporting Standards			
(ESRS)			
Other			
Other		_ L	
Additional Important Inf	- www.cuti.c.u		
Additional Important Inf	ormadon		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The Environment Protection Act, 1986, and the Environment Protection Rules, 1986, are pivotal in supporting net-zero goals by establishing a robust legal framework for environmental protection and sustainability. They provide comprehensive guidelines and standards that promote the adoption of

best practices for reducing emissions and ensuring sustainable operations. The requirement for annual environmental statements facilitates ongoing monitoring of environmental performance and enhances transparency, allowing organizations to make timely interventions to meet their net-zero targets.

[http://web.archive.org/web/20240622170705/https://morth.nic.in/motor-vehicles-act-1988]

Policy Tool Name: The Air (Prevention and Control of Pollution) Act, 1981

3. Source material link(s): https://web.archive.org/web/https://cpcb.nic.in/displaypdf.php?id=aG9tZS9haXltcG9sbHV0aW9uL05vLTE0LTE5ODEucGRm
https://web.archive.org/web/20240819172439/https://cpcb.nic.in/displaypdf.php?id=aG9tZS9haXItcG9sbHV0aW9uL0dTUi03MTJFLnBkZg==
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
✓ Legislature
□ Judiciary
✓ Ministry/Department/Agency
☐ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication

<u>1981</u>

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") aims at preventing, controlling, and reducing air pollution in India by the formation of air quality standards, regulation of emission, and promotion of cleaner technologies and fuels. The Air Act provides for the establishment of Central and State Pollution Control Boards that have the charge of implementing and enforcing the Act's provisions.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. <u>Central Pollution Control Board (CPCB)</u>
∘ 3.
o 4.
o 5.
15. To provide contextual information, rate the capacity of Central Pollution Control Board (CPCB) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)

• 2- Medium Capacity (Please explain) The CPCB has a moderate capacity to implement and enforce the Air Act, essential for tackling air quality issues in India. It operates under a solid legal framework that allows it to set air quality standards, monitor pollution, and take action against violators. The CPCB's technical expertise supports regular assessments and guidelines for pollution control, and it plays a key role in the National Clean Air Programme aimed at improving air quality in non-attainment cities through tailored action plans.

However, challenges such as understaffing, with very few personnel managing air quality across a vast country, limit its effectiveness in monitoring and enforcement. There is also a significant shortage of skilled officers in both the CPCB and SPCBs, affecting the quality of enforcement and monitoring. Coordination with SPCBs is crucial, yet varies across states, leading to inconsistencies in implementation. Additionally, the CPCB's operational budget of approximately ₹400 million (around \$4.8 million) constrains its capacity for extensive monitoring and enforcement activities.

In summary, while the CPCB possesses a robust legal and technical foundation for implementing the Air Act, addressing practical challenges such as staffing, skill shortages, funding limitations, and coordination issues is vital for enhancing its effectiveness in air quality management in India.

3- High Capacity (Please explain)	
Prefer not to answer	
Not Applicable	

- 16. To provide contextual information, rate the capacity of State Pollution Control Boards (SPCBs) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain) The SPCB has a moderate capacity to implement and enforce the Air Act, essential for tackling air quality issues in India. It operates under a solid legal framework that allows it to set air quality standards, monitor pollution, and take action against violators.
 Additionally, the SPCB's technical expertise supports regular assessments and guidelines for pollution control, and it plays a key role in the National Clean Air Programme aimed at improving air quality in non-attainment cities through tailored action plans.

However, a performance audit conducted by the CPCB during 2019-20 revealed significant challenges faced by the SPCB. Despite minimum financial constraints, the functioning of SPCBs is hampered by inadequate infrastructure, a shortage of trained staff, and a lack of necessary law enforcement resources, particularly in the North-eastern States. The underperformance of SPCBs is largely attributed to manpower shortage, which impacts the efficacy of environmental monitoring and enforcement.

reality, has various deficiencies, which lower down its capacity to implement and enforce the policy
<u>tool.</u>
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

Though the SPCB has a significant role in curbing the air pollution control under the Air Act, but in

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies	\checkmark		
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned	\checkmark		
companies			
6. Not-for-profit	\checkmark		
organizations			
7. Government	✓		
agencies and/or			
departments			
(supranational)		_	_
8. Government	•		
agencies and/or			
departments (national)	✓		
9. Government			
agencies and/or departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government	✓		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government	✓		
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	\checkmark		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			⊘

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors	✓		
Agriculture, forestry, and fishing	V		
Mining and quarrying	✓		
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply	V		
Water supply; sewerage; waste management and remediation activities			
Construction	✓		
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			
Accommodation and food service activities			
Information and communication	•		
Financial and insurance activities	\checkmark		
Real estate activities			
Professional, scientific and technical activities			
Administrative and support service activities	✓		
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			
Arts, entertainment and recreation	✓		
Other service activities	✓		
Activities of households as employers; undifferentiated goods-and services-producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publ icly- trad ed entit ies	Priv ate com pani es	Fina ncial insti tutio ns	Sma II and medi um- size d ente rpris es	Stat e- own ed com pani es	Not- for- profit organ izatio ns	Gover nment agenci es and/or depart ments (supra nation al)	Gove rnme nt agen cies and/ or depa rtme nts (nati onal)	Gove rnme nt agen cies and/ or depa rtme nts (regi onal - e.g. state, provi nce, regio n, metr opolit an regio n)	Gove rnme nt agen cies and/ or depa rtme nts (local - e.g. count y, distri ct, muni cipali ty, city)	Gove rnme nt agen cies and/ or depa rtme nts (unsp ecifie d)	Sect oral acto rs (e.g. heal thca re, defe nse, utiliti es, educ atio n)
Minim um numb er of emplo yees (Enter min numb er of full-time emplo yees - FTEs)	No thre shol d crite ria prov ided	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided. No thre shol d crite ria prov ided.	No thres hold criteri a provi ded.	No thresh old criteri a provid ed.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thre shol d crite ria prov ided.
Minim um reven ue (Enter minim um reven ue)	No thre shol d crite ria prov ided	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided. No	No thre shol d crite ria prov ided.	No thres hold criteri a provi ded.	No thresh old criteri a provid ed.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thre shol d crite ria prov ided.

Minim um assets (Enter minim um assets)	No thre shol d crite ria prov ided	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	thre shol d crite ria prov ided. No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thres hold criteri a provi ded.	No thresh old criteri a provid ed.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thre shol d crite ria prov ided.
Minim um contra ct value (Enter minim um contra ct value)	No thre shol d crite ria prov ided	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thres hold criteri a provi ded.	No thresh old criteri a provid ed.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thre shol d crite ria prov ided.
Entity is headq uarter ed in the jurisdi ction	No thre shol d crite ria prov ided	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thre shol d crite ria prov ided.	No thres hold criteri a provi ded.	No thresh old criteri a provid ed.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thres hold criteri a provi ded.	No thre shol d crite ria prov ided.
Entitie s are subjec ted to disclo sure or reporti ng requir ement s	App lica ble to entit ies emit ting poll utan ts into the air, duri	Appl icabl e to entit ies emit ting poll utan ts into the air, duri ng	Appl icabl e to entit ies emit ting pollu tant s into the air, duri ng	Appl icabl e to entit ies emit ting pollu tant s into the air, duri ng	Applicable to entities emiting pollutan ts into the air, during	Appli cable to entiti es emitti ng pollut ants into the air, durin g the cours	Applic able to entitie s emitti ng pollut ants into the air, during the course	Appli cable to entiti es emitti ng pollut ants into the air, durin g the cours	Appli cable to entiti es emitti ng pollut ants into the air, durin g the cours	Appli cable to entiti es emitti ng pollut ants into the air, durin g the cours	Appli cable to entiti es emitti ng pollut ants into the air, durin g the cours	Applicable to entities emiting pollutant sinto the air, during

	ng the cour se of their busi ness	the cour se of their busi ness	the cour se of their busi ness	the cour se of their busi ness	the cour se of their busi ness	e of their busin ess	of their busine ss	e of their busin ess	e of their busin ess	e of their busin ess	e of their busin ess	the cour se of their busi ness
28. Can e comply o No Yes			om com	ıpliance	with th	ne policy	tool is mo	andatory	/ opt ou	t of the c	bligatio	n (e.g.
30. Does entities' o Operat Operat Not ap	pperations wo	ons bey ithin jui	ond the	jurisdi		entities' c	lomestic (operatio	ns, or do	oes it als	o apply	to
32. Wha	t are th	e sanct	ions for	non-co	omplian	ce? Sele	ct all that	: apply a	nd desc	ribe in th	ne text fi	eld.
Monet provision (approx. contrave	s. Pend USD 12	alties pr	ovided	in the A	ir Act i	nclude fi		enalty ro	anging f	rom Rs 1	0,000/-	
□ Restric	ction or	busine	ess activ	vities								
☐ Voiding or setting aside of contract												
☐ Exclusion from government contracts												
□ Award	l of dar	nages o	or comp	ensatio	n							
Penalt	can be	<u>penaliz</u>	ed by d	<u>eductio</u>		_	_		-			

Criminal penalties In cases of more serious noncompliance criminal penalties too have been provided including imprisonment for a term ranging from one and half years to seven years along with a substantial fine.
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to answer
34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The cost of compliance under the Air Act is high due to its strict regulations and air quality standards. The requirement for industries to install and maintain advanced pollution control equipment leads to high operating as well as capital costs. Continuous air quality monitoring involves equipment costs, data analysis, and frequent reporting requirements. The extensive scope and strict standards of the Air Act mean that overall, the costs of compliance are higher than those of other regulatory requirements.
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
 Above average

o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)
Yes
38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not
referenced in Question 3), provide a web-archived link to the source material.
Compliances under the Air Act and the established standards are mandatory in nature. These
compliances are also one of the bases for directions issued by pollution control boards under the Act.
The Delhi Pollution Control Committee, for instance, issued a ban on selling and busting of
firecrackers to prevent the air pollutants from going beyond the prescribed established
standards.Furthermore, different courts and tribunals in India enforce the standard and mandate
provided under the Act to prevent the degradation of the air quality. For instance, in Charudatt Koli
vs. Sea Lord Containers Ltd. (07.03.2019), the National Green Tribunal looked into air pollution in the
periphery of Mumbai city, specifically Ambapada and Mahul settlements which was affected by the
emissions released by oil firms. The Tribunal instructed the Maharashtra Pollution Control Board
(MPCB) to come up with an elaborate action plan, which would also account for health impact
assessments and Volatile Organic Compound (VOC) assessments. Additionally, the Tribunal noticed
that substantial VOCs were being emitted by the respondents, so it ordered them to implement more
rehabilitation measures and created a fund for provisional compensations as well as environmental
<u>restoration.</u>
In another case of Satpal Singh vs.Indian Oil Corporation Ltd. (2019), significant environmental harm
has been caused by IOCL Panipat Refinery affecting its compliance with statutory norms, as ruled by
the National Green Tribunal. It was confirmed by an investigation carried out by a committee
appointed by the Tribunal that air and water pollution occurred from refinery activities due to pipeline
leakages, which also contaminated groundwater. The Tribunal therefore ordered IOCL to pay Rs.

17.31 crore for restoring the environment and compensating those who had suffered, making clear

that serious legal consequences flow from environmental offenses.

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?

 $\circ \, \mathsf{No}$

Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The monitoring system established under the Air Act empowers SPCBs to oversee air quality and pollution control; including, the authority to collect air samples from various sources to assess compliance [Section 24]; requiring SPCBs to report air quality and pollution control measures to the CPCB [Section 25]; and allowsing authorized officers to enter and inspect premises and equipment to ensure adherence to the Air Act and evaluate the effectiveness of air pollution control measures [Section 26].
Additionally, the CPCB has established the National Air Quality Monitoring Programme (NAMP) to track air quality across India through 804 stations in 344 cities and towns (as of 2021). It monitors key pollutants like SO2, NO2, PM10, and PM2.5 by collecting data twice weekly. NAMP aims to assess air quality statistics, identify non-compliant cities, and guide corrective actions to improve the quality of air and move towards a pollution-free environment.
41. Does the policy tool recommend or require periodic impact assessments? No
Recommended
o Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
Other Policy Tools does not explicitly talk about periodic impact assessment, but Central and State Pollution Control Boards, have authority to obligate the entities to engage in periodic impact

assessments. Having, said that different Courts and Tribunal in India, have also directed the Pollution
control Boards, to undertake impact assessment, on the case-to-case basis. Additionally, the
Ministry of Environment, Forest and Climate Change has sanctioned various projects to assess the
impact of air pollution on human health across various selected cities under the National
Environmental Health Profile Study (NEHPS). NEHPS is the comprehensive assessment of
environmental factors that can affect public health within the specified region which includes air
pollution.
43. Does the policy tool recommend or require periodic reviews?
o No
Recommended
o Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
o No
● Yes

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

The Air Act has mechanisms to enhance regulatory coordination with subnational governments. These have been provided for under various sections of the Air Act: Section 16 lays down the functions of the CPCB, which coordinates the activities of SPCB and provides technical assistance and guidance. Section 17 provides for the functions of SPCBs for local-level coordination with the local authorities in the implementation of measures for air pollution control within the premises under their jurisdiction. Further, Section 18 authorizes the Central Government to issue directions to SPCBs, thus ensuring uniformity in policy execution in all the states.

The Air Act has also fostered the joint management of air quality by the CPCB and SPCB through
National Clean Air Programme (NCAP) where CPCB and SPCB work hand in hand on city-specific
plans targeting pollution alleviation in non-attainment areas via various local initiatives among non-
attainment cities. The CPCB and SPCB have also jointly monitored and regulated emissions from
industrial units to ensure compliance with pollution limits, especially in states like Gujarat and
<u>Maharashtra.</u>
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
o No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The Government and the regulatory authority at different levels are empowered under the Act, to organising various Initiatives to enhance the capacity of targeted entities to implement or comply with the mandates set out under the Air Act. For instance, the Central Government has launched 'National Clean Air Programme (NCAP)" as an initiative to tackle air pollution by 20% to 30% across the country.

The government has also launched the Smart Cities Mission, under which the list of the non-attainment cities is published. Under the mission, the city specific action plans have been prepared which include measures for strengthening the monitoring network, reducing vehicular/industrial

Additionally, the CPCB and SPCB with the help of other institutes also organises various training
programs for various stakeholder to enhance their capacities to perform and effectively discharge
duties assigned to the public interest.

emissions, and most importantly increasing public awareness.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
● No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No
○ Recommended
○ Required

-						_	-	-	-	_	-	-	_	_	_	-		-	-	-	-			-	-	-	-		-	-	-	-	-	-	_	_	_	-	-	 	 -	-	-	-	-	-	-	 	-	-	-	 -	-	 -	-	-	-	-	-		_	-	-	-	-	-	-	 	 	-	-	-		
N	10	n	it	or	rir	าดู	j,	(יכ	v	e	r	si	į	gŀ	1	t,	c	זג	1(b	b	m	ıŗ	ol	e	r	n	e	er	nt	:c	ıt	ti	o	n	1																																					
_									-	_	_	_	_	_					-	_						_	_	_	_	-	_	_	_	-	_	_	_	_		 	 	_	_	_	_	_		 		_		 	-	 	-	_		_	-	 	_	_			-	_		 	 		_	_	_	

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their transition plan			
Develop financial			✓
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			✓
Incorporate climate			
change considerations into their investment			
decision making			
and/or asset planning			
Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			\checkmark
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			\checkmark
financial incentives for			
employees and board			
members			
185. Does the policy tool diligence and/or stewards	recommend or require tar ship to achieve their targe	-	•
No No No			
o Recommended			
o Required			
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The Air Act plays a crucial role in achieving net zero alignment by focusing on the control and abatement of air pollution. It establishes mandatory emission standards that must be adhered to and requires consents for the establishment of industrial plants, thereby ensuring compliance with

environmental regulations. To facilitate this, the law has created State Boards and Central Boards responsible for controlling, enforcing, and coordinating efforts related to air quality management. Additionally, the Act includes penalties for non-compliance to encourage adherence to rules aimed at improving air quality and reducing pollution.

Key aspects of the Act that contribute to net zero alignment include emission standards and control, where it prohibits the operation of any industrial plant without prior consent from the State Board, ensuring compliance with emission standards [Section 21]. Moreover, monitoring and enforcement are emphasized, as State Boards have the authority to inspect air pollution control areas and industrial plants, conduct tests, and collect samples to verify adherence to air quality standards [Section 24]. The Act also prescribes penalties for non-compliance, including monetary fines and criminal penalties against entities that fail to follow air pollution control measures [Sections 37, 38, and 39D]. Finally, the Act fosters regulatory coordination between Central and State Boards, enhancing the effectiveness of implementation and enforcement of air pollution control measures [Sections 16, 17, and 18].

Policy Tool Name: The Energy Conservation Act, 2001

3. Source material link(s): http://web.archive.org/web/20240819134054/https://powermin.gov.in/sites/default/files/upt2001.pdf	oloads/ecac
4. Which of the following governance domains does this policy tool relate to? Select all the	at apply.
☐ Climate-related disclosure	
✓ Transition planning	
☐ Public procurement	
6. Select the category which best describes the author/issuer of the policy tool.	
☐ Head of state and/or government	
☐ Independent regulatory or supervisory body	
✓ Legislature	
□ Judiciary	
✓ Ministry/Department/Agency	
☐ Other (Please describe)	
7. Status of the policy tool	
Approved, in force	
o Approved, not yet in force	
o Other (Please describe)	
9. Year of (planned) entry into force or year of publication	
<u>2001</u>	

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Energy Conservation Act of 2001 aims to promote energy efficiency and conservation across various sectors in India, thereby reducing the overall energy intensity of the economy. The Act establishes a framework for implementing energy conservation measures and mandates the creation of standards for energy consumption. It also facilitates the establishment of the Bureau of Energy Efficiency (BEE), which is responsible for enforcing energy-saving initiatives and promoting sustainable practices. Key initiatives under the Act include the Perform, Achieve, and Trade (PAT) Scheme, which targets high-energy-consuming industries, and the Standards & Labelling (S&L) Program, which encourages consumers to adopt energy-efficient appliances. The Act is designed to address the increasing energy demands in India and mitigate the environmental impacts associated with energy consumption. It encompasses various measures, including the Energy Conservation Building Code (ECBC) for new commercial buildings and Demand-Side Management (DSM) programs aimed at optimizing energy use in agriculture and municipal services. Overall, the Energy Conservation Act serves as a critical legislative tool to enhance energy efficiency, promote sustainable development, and ensure energy security in the country.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. <u>Bureau of Energy Efficiency (BEE)</u>
o 2.
o 3.
o 4 .
⋄ 5.

- 15. To provide contextual information, rate the capacity of Bureau of Energy Efficiency (BEE) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Bureau of Energy Efficiency (BEE) has a strong capacity to implement and enforce the Energy Conservation Act, supported by a well-established institutional framework and a diverse range of programs across multiple sectors. Operating under the Ministry of Power as a statutory body, BEE has successfully launched key initiatives such as the Standards and Labelling (S&L) program, the Perform, Achieve, and Trade (PAT) scheme targeting high-energy-consuming industries, and the Energy Conservation Building Code (ECBC). These initiatives have significantly advanced energy efficiency in India. BEE collaborates effectively with both central and state governments to coordinate energy conservation efforts and enhance compliance. Additionally, it provides training and capacity-building programs for Distribution Companies (DISCOMs) and other stakeholders to strengthen enforcement capabilities.

Despite these strengths, BEE faces challenges in implementation at the state level due to variations in resources and infrastructure among different states. While larger corporations often demonstrate a commitment to compliance, smaller enterprises may struggle due to limited awareness and capacity. Overall, while BEE has made considerable progress in promoting energy efficiency and enforcing the Energy Conservation Act, addressing these challenges is essential for enhancing its capacity and ensuring uniform compliance across all sectors.

o Prefer not to answer		
o Not Applicable		

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	✓		
entities			
2. Private companies	\checkmark		
3. Financial institutions			\checkmark
4. Small and medium-			
sized enterprises			
5. State-owned	\checkmark		
companies			
6. Not-for-profit			
organizations			
7. Government	✓		
agencies and/or			
departments			
(supranational)			
8. Government	•		
agencies and/or			
departments (national)			(
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province, region, metropolitan			
region)			
10. Government			✓
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			₹

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			
Agriculture, forestry, and fishing			
Mining and quarrying	✓		
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply	✓		
Water supply; sewerage; waste management and remediation activities			
Construction	✓		
Wholesale and retail trade: repair of motor vehicles and motorcycles	9		
Transportation and storage	V		
Accommodation and food service activities			
Information and communication			
Financial and insurance activities			~
Real estate activities			
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			
Arts, entertainment and recreation	\checkmark		
Other service activities			\checkmark
Activities of households as employers; undifferentiated goods-and services-producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicl y- traded entitie s	Private compa nies	Small and medium -sized enterpri ses	State- owned compa nies	Not-for- profit organizat ions	Governme nt agencies and/or departmen ts (supranati onal)	Governm ent agencies and/or departm ents (national)	Sectora I actors (e.g. healthc are, defense , utilities, educati on)
Minimum number of employees (Enter min number of full-time employees - FTEs)	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d
Minimum revenue (Enter minimum revenue)	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d
Minimum assets (Enter minimum assets)	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d
Minimum contract value (Enter minimum contract value)	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d
Entity is headquart ered in the jurisdiction	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d

Entities are subjected to disclosure or reporting requireme nts	No specifi c thresh old provid ed	No specific thresho Id provide d	No specific threshol d provide d	No specific thresho Id provide d	No specific threshold provided	No specific threshold provided	No specific threshol d provided	No specific threshol d provide d						
	28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g.													
No	comply or explain)?													
o Yes														
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?														
Operations within jurisdiction only														
o Operations	Operations beyond the jurisdiction													
o Not applica	Not applicable													
32. What are	the sanc	tions for no	on-complic	ınce? Seled	ct all that ap _l	oly and descri	be in the tex	ct field.						
certain provis conservation they shall be additional per recently ame	Monetary fine The Energy Conservation Act, 2001 imposes penalties for non-compliance with certain provisions. Specifically, if any person fails to comply with clauses related to energy conservation building codes, energy efficiency standards, energy audits, and reporting requirements, they shall be liable to a penalty not exceeding INR 10,000 (approx. USD 120) for each failure, and an additional penalty of up to INR 1,000 (approx. USD 12) per day for continuing failures. The Act was recently amended in 2022 to increase the maximum penalty to INR 10 lakh (approx. USD 11,900) for certain violations. The penalties can be recovered as arrears of land revenue if not paid.													
☐ Restriction	□ Restriction on business activities													
☐ Voiding or	□ Voiding or setting aside of contract													
☐ Exclusion f	□ Exclusion from government contracts													
☐ Award of a	lamages (Award of damages or compensation												

☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to answer
34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Compliance with the Energy Conservation Act, 2001 entails several key activities, including conducting periodic energy audits, implementing energy-saving measures, and adhering to established energy consumption norms and standards. These activities typically require significant investments in energy-efficient technologies and infrastructure, which can result in moderate to considerable upfront costs, particularly for energy-intensive industries. However, it is important to recognize that these initial expenses are often offset by long-term savings achieved through enhanced energy efficiency and reduced operational costs. Thus, while the compliance costs may appear substantial at first, the Act ultimately promotes a sustainable approach that benefits stakeholders by fostering energy conservation and leading to financial savings over time.
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority. o Below average

Average
o Above average
o Not applicable
o Unknown or prefer not to answer
36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The assessment of the extent to which regulated entities prioritize compliance with the Energy Conservation Act of 2001 can be categorized as average. Although the government and regulatory authorities have implemented various measures to promote energy efficiency, compliance among obligated entities has been inconsistent across different sectors. The Bureau of Energy Efficiency (BEE) has actively enforced compliance through initiatives such as the Perform, Achieve, and Trade (PAT) scheme and the Standards and Labelling (S&L) program. However, instances of non-compliance have been noted, particularly in manufacturing and heavy industries, where entities often struggle to meet stringent energy efficiency standards. Additionally, challenges such as inadequate infrastructure, lack of awareness, and limited enforcement capacity at the state level contribute to ongoing compliance issues. While some sectors have prioritized adherence to the Act, others continue to face significant obstacles. This disparity results in an overall average assessment of compliance efforts among regulated entities under the Energy Conservation Act.
37. Have the climate-specific provisions in this instrument ever been enforced?
• No (If relevant, explain) <u>Sufficient information is not available in the public domain.</u>
o Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.

Monitoring systems are in place to track the implementation and enforcement of the Energy Conservation Act of 2001. The Bureau of Energy Efficiency (BEE) utilizes various mechanisms to ensure compliance with this legislation, including the Perform, Achieve, and Trade (PAT) scheme, which monitors energy consumption among designated consumers and assesses their adherence to energy reduction targets. The Standards and Labelling Program involves regular testing and inspections to verify that appliances and equipment meet established energy conservation standards. Additionally, BEE and State Designated Agencies (SDAs) oversee routine energy audits conducted by designated consumers, which identify instances of non-compliance and highlight opportunities for energy savings.

designated consumers, which identify instances of non-compliance and highlight opportunities for
energy savings.
Organizations are required to submit periodic reports detailing their energy usage and conservation
measures, which BEE evaluates to ensure compliance with the Act's provisions. These monitoring
efforts are essential for promoting accountability and fostering a culture of energy efficiency among
<u>regulated entities.</u>
41. Does the policy tool recommend or require periodic impact assessments?
41. Does the policy tool recommend of require periodic impact assessments:
○ No
○ Recommended
Required
e nequired
42. Select the option that best describes the frequency of periodic impact assessments recommended
or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
○ Other

43. Does the policy tool recommend or require periodic reviews?

∘ No
∘ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
Not specified
○ Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
o No
Yes

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

The Energy Conservation Act of 2001 includes provisions aimed at enhancing policy and regulatory alignment with subnational governments through the establishment of State Designated Agencies (SDAs). These agencies play a vital role in implementing state-level energy efficiency programs. Although they operate under the jurisdiction of their respective state governments, they are established pursuant to the Act. SDAs collaborate with various organizations, including distribution companies, renewable energy agencies, and power departments, to execute the Act's provisions and tailor regulations to meet local needs.

<u>Furthermore</u>, the Act allows for the creation of state-level energy conservation funds and the adaptation of energy conservation building codes by state governments. This framework fosters

vertical coordination between the central government, represented by the Bureau of Energy Efficiency
(BEE), and state governments, ensuring comprehensive implementation of energy efficiency policies
across different levels of governance.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with
the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where
capacity-building initiatives are established. If referencing new sources (i.e. not referenced in
Question 3), provide a web-archived link to the source material.
The Bureau of Energy Efficiency (BEE) actively conducts various capacity-building programs through
state-nominated agencies to support identified stakeholders. These initiatives include training
programs and workshops aimed at educating industry practitioners about best practices and
requirements for ensuring energy efficiency. Additionally, BEE runs public awareness campaigns to
highlight the significance of energy conservation and the provisions of the Act. Furthermore, the
Bureau provides technical assistance and guidelines to help organizations align with energy
efficiency standards, fostering a comprehensive approach to capacity building in this critical area.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No
∘ Recommended
∘ Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
● No
 Recommended
o Required

																				 	 	-	 -	 	-	 -	 	-	 	 	 	 		 -	 	 	-	 	
							-																																
Mor	nito	rin	g, (Οv	ers	igl	nt,	ar	nd	In	np	le	m	eı	nt	at	tic	or	1																				
																				 	 	-	 	 	-	 	 	-	 	 	 	 	-	 _	 	 	-	 	

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

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184. Does the policy tool recommend or require targeted entities align any of the following	ng
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			\checkmark
engagement			
Investor engagement			V
Consumer			
engagement			
Policy engagement			\checkmark
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board			
members			
185. Does the policy tool recommend or require targeted entities to disclose how they have used due			
diligence and/or stewardship to achieve their targets and/or implement their transition plans?			
● No			
o Recommended			
o Necommended			
• Required			
•			
Standards, Frameworks, and Guidelines			
Standards, Frameworks,	and Guidelines		
Standards, Frameworks,	and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

While the Act does not explicitly mandate transition plans or specific climate-related goals, it establishes a robust framework that indirectly supports the achievement of net zero targets through regulatory measures aimed at reducing energy consumption and enhancing energy efficiency across

diverse sectors. By promoting the adoption of energy-efficient technologies, fostering public awareness, and providing technical assistance, the Act creates an enabling environment for organizations and individuals to make sustainable choices that contribute to the overall reduction of greenhouse gas emissions.

Policy Tool Name: Renewable Purchase Obligations

 $3. \ \ Source\ material\ link(s): https://powermin.gov.in/sites/default/files/webform/notices/Tariff_Policy-Resolution_Dated_28012016.pdf$

http://web.archive.org/web/20240819134100/https://www.cercind.gov.in/regulations/REC-Regulations-2022.pdf

http://web.archive.org/web/20240819103154/https://powermin.gov.in/sites/default/files/uploads/The %20Electricity%20Act_2003.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
☑ Legislature
□ Judiciary
☑ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication

<u>0</u>

15. To provide contextual information, rate the capacity of Central Electricity Regulatory Commission

(CERC) to undertake the policy tool's implementation and/or enforcement.

- 0- No Capacity (Please explain)
- o 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The Central Electricity Regulatory Commission (CERC) is tasked with enforcing environmental regulations and overseeing the transition to sustainable energy practices within the power sector, as mandated by the Electricity Act. This includes ensuring compliance with environmental norms established by the Ministry of Environment, Forest and Climate Change, monitoring the implementation of conditions from environmental clearances for power projects, and issuing directives to power plants to adhere to emission standards. Additionally, CERC plays a crucial role in the enforcement of Renewable Purchase Obligations (RPO) which require power distribution companies and other large electricity consumers to purchase a specified percentage of their electricity from renewable sources.

However, CERC faces significant challenges in effectively implementing and enforcing RPOs, particularly due to inconsistent compliance across states. Many states have struggled to meet their RPO targets, with some achieving less than 60% compliance. Recent developments, such as the draft regulations released by the Delhi Electricity Regulatory Commission (DERC), highlight the need for stricter compliance measures, including specific RPO targets of 29.91% for 2024-25 and 30.01% for 2025-26, along with penalties for non-compliance.

o Prefer n	ot to a	nswer						
o Not App	olicable	!						

- 16. To provide contextual information, rate the capacity of State Electricity Regulatory Commissions (SERCs) to undertake the policy tool's implementation and/or enforcement.
- o 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) <u>State Electricity Regulatory Commissions (SERCs)</u> are statutory bodies under the Electricity Act, with the mandate to regulate the electricity sector within their respective states. A critical function of SERCs is to promote renewable energy by establishing RPOs for distribution licensees, which specify the percentage of electricity that must be procured from renewable sources. This obligation is intended to facilitate the growth of renewable energy generation and ensure that states contribute to national renewable energy targets. SERCs are also responsible for overseeing compliance with these obligations and can impose penalties for non-compliance, thereby incentivizing adherence to renewable energy procurement.

However, the capacity of SERCs to effectively implement and enforce RPOs is often limited by several

reported at only 46.7% and 28.5%, respectively. Additionally, the REC market has faced issues such
as a surplus of unsold certificates, largely due to inadequate enforcement of RPOs.
o Prefer not to answer
o Not Applicable

challenges. Many states struggle to meet their RPO targets, resulting in significant non-compliance rates. For example, compliance rates in states like Karnataka and Andhra Pradesh have been

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	V		
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-	✓		
sized enterprises			
5. State-owned	\checkmark		
companies			
6. Not-for-profit			\checkmark
organizations			
7. Government	✓		
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government	✓		
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government	\checkmark		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			\checkmark
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly -traded entities	Private compani es	Small and medium- sized enterpris es	State- owned compani es	Government agencies and/or departments (supranation al)	Governme nt agencies and/or departme nts (regional - e.g. state, province, region, metropolit an region)	Governme nt agencies and/or departme nts (local - e.g. county, district, municipali ty, city)
Minimum number of employees (Enter min number of full-time employees - FTEs)	No specific thresho Id provide d	No specific threshol d provided	No specific threshol d provided	No specific threshol d provided	No specific threshold provided	No specific threshold provided	No specific threshold provided
Minimum revenue (Enter minimum revenue)	No specific thresho Id provide d	No specific threshol d provided	No specific threshol d provided	No specific threshol d provided	No specific threshold provided	No specific threshold provided	No specific threshold provided
Minimum assets (Enter minimum assets)	No specific thresho Id provide d	No specific threshol d provided	No specific threshol d provided	No specific threshol d provided	No specific threshold provided	No specific threshold provided	No specific threshold provided
Minimum contract value (Enter minimum contract value)	No specific thresho Id provide d	No specific threshol d provided	No specific threshol d provided	No specific threshol d provided	No specific threshold provided	No specific threshold provided	No specific threshold provided
Entity is headquarter ed in the jurisdiction	No specific thresho Id provide d	No specific threshol d provided	No specific threshol d provided	No specific threshol d provided	No specific threshold provided	No specific threshold provided	No specific threshold provided
Entities are subjected to disclosure or reporting	No specific thresho Id	No specific threshol	No specific threshol	No specific threshol	No specific threshold provided	No specific threshold provided	No specific threshold provided

requirement	provide	d	d	d			
S	d	provided	provided	provided			
20.6	· · · · · ·			I I.			··· ·· ·
comply or explo		i compilanc	e with the p	olicy tool is	mandatory opt	out of the ob	igation (e.g.
No							
○ Yes							
30. Does the po				ies' domesti	ic operations, or	does it also	apply to
Operations v	within juris	diction only					
o Operations b	eyond the	jurisdiction					
o Not applicab	le						
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			-	-	the SERC. Thes USD 0.006) for	•	-
•		•	-		second year, ar	-	
		•		•	beyond two ye		-
-		_	-		Certificate price nately USD 1,20		_
☐ Restriction o			•		•		
☐ Voiding or se	etting asid	e of contrac	t				
☐ Exclusion fro	m governr	nent contra	cts				
□ Award of da	ımages or	compensati	on				
☐ Penalty for s	enior man	agers					
☐ Criminal penalties							
☐ Not specified	d						

□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to answer
34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
To assess the costs associated with compliance with RPO, it is essential to consider several factors influencing the financial implications for obligated entities. Relative to other compliance activities required of entities in India, the cost of compliance with RPO is above average due to fluctuating renewable energy prices, which can often be higher than conventional sources, particularly for solar and wind power. Furthermore, penalties for non-compliance can be substantial, with fines reaching up to INR 2.00 per kWh (approximately USD 0.024) for continued violations beyond two years, adding to the financial burden on obligated entities.
Furthermore, entities located in regions with limited renewable potential may be required to procure energy from distant sources or purchase RECs as an alternate, leading to them incurring higher transmission costs and overall compliance expenses. These combined factors make RPO compliance a relatively costly obligation compared to other regulatory requirements in India.
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
Below average
o Average

Above average
o Not applicable
o Unknown or prefer not to answer
36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The extent to which regulated entities in India have prioritized compliance with RPO is below
average, primarily due to the decentralized nature of enforcement and varying commitment levels
across states. Although the central government sets RPO targets, compliance is largely contingent on
SERCs, which impose these obligations on obligated entities within their jurisdictions. This has led to
disparities in compliance rates.
Furthermore, while RECs are intended to facilitate compliance, their effectiveness has been undermined by market inefficiencies and regulatory inconsistencies. States such as Rajasthan, Maharashtra, and Tamil Nadu, which have significant renewable energy resources, often generate power exceeding their RPO targets. In contrast, states with limited renewable energy generation capabilities tend to fall short of their obligations. Despite the established REC mechanism, many states have failed to meet their RPO targets through REC purchases. Although states like Maharashtra have introduced higher penalties for non-compliance and incentives for overcompliance, the overall regulatory uncertainty at both central and state levels continues to hinder substantial improvements in RPO adherence.
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)
Yes
38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

1. In Hindustan Zinc Ltd. v. Rajasthan Electricity Regulatory Commission, the Supreme Court maintained that the Renewable Purchase Obligation (RPO) regulations apply to Captive Power Plants (CPPs). It noted that RPOs on captive consumers are permissible under the Constitution, referring particularly to Article 51A(g) which says it is every citizen's duty to protect and improve the environment; this includes living in a healthy environment as provided for by Article 21. The case was

initiated when Hindustan Zinc Limited and others challenged RERC's imposition of RPOs on CPPs arguing that only distribution licensees should be subjected to these obligations under the Electricity Act 2003.

2. M/s Green Energy Association and M/s Indian Wind Power Association initiated a case against
Tata Power Delhi Distribution Ltd, BSES Rajdhani Power Limited, and BSES Yamuna Power Ltd.
regarding the non-compliance with RPO by Delhi-based distribution licensees, which was addressed
by the Delhi Electricity Regulatory Commission (DERC). The petitions were filed under Sections 142
and 146 of Electricity Act, 2003 centered on Discoms' failure towards RPO targets from 2012 to
2015. Even though funds were made available to facilitate buying Renewable Energy Certificates,
these Discoms did not comply with their obligations: therefore, penalties were levied on them. It was
thus ruled by DERC that fines must be levied on distribution licensees for every year they have
defaulted and further daily penalties for continued defaults without justification.
[http://web.archive.org/web/20230806223332/https://www.derc.gov.in/sites/default/files/Petition%20
No.%2019%20of%202014%20%26%20Petition%20No.%2080%20of%202015%20-%2018.09.201
9.pdf]
·
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
○ No
● Yes
40. Describe the monitoring systems in place. Please reference the relevant
section/subsection/paragraph of the policy tool where monitoring systems are set.
Each State's RPO mechanism includes a monitoring system to ensure compliance with the mandatory
renewable energy procurement targets. This system generally comprises a state-level nodal agency
i.e., the SERC responsible for monitoring and verifying compliance by obligated entities like
distribution companies, open access consumers and captive power producers. It conducts periodic
audits and assessments that require these entities to provide regular reports on their renewable
energy procurement. If they do not meet RPO requirements, penalties may be imposed on such
entities. Apart from this, some States have also formed specialized cells or committees whose
primary purpose is reviewing compliance data and addressing grievances while ensuring adherence
to RPO regulations.

41. Does the policy tool recommend or require periodic impact assessments?
No
o Recommended
∘ Required
42. Do o the malinuted recommend on no mine marie dia marie 22.
43. Does the policy tool recommend or require periodic reviews?
○ No
Recommended
o Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
 Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No
Yes

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

The Electricity Act, 2003, enhances regulatory coordination with subnational governments primarily through several key mechanisms. it mandates the formulation of a National Electricity Policy and Tariff Policy in consultation with State Governments, ensuring alignment with local needs [Section 3]. Further, Central Electricity Authority is required to prepare a National Electricity Plan, incorporating public and State inputs [Section 4]; the Act also emphasized joint rural electrification policies, developed collaboratively with States [Section 5]. Additionally, the Forum of Regulators, constituted by central government, consists of chairpersons of both central and State commissions [section 166].

The Ministry of New and Renewable Energy (MNRE) has also constituted a compliance cell to ensure
RPO Compliance. The cell will coordinate with states and central electricity regulatory commissions to
make a monthly report of RPO Compliance. Together, these provisions and efforts foster a
cooperative framework for managing the electricity sector effectively across different governance
<u>levels.</u>
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
● No
NoYes

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No No
∘ Recommended
○ Required

											-	-	-	-	 -	-		-	-	-		-	-	-	-	-				-	-	-	-	-	-	 -	-	-	 -	-	-	-	-	 -	-	 -	 -	 _	 _	 -	 -	-	 -	-	 	-	-	-	 -	 -	
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176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			\checkmark
implementing their			
transition plan			
Develop financial			⊘
plans for the			
implementation of			
their transition plan			
Integrate climate-			✓
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations			
into their investment			
decision making			
and/or asset planning			✓
Incorporate climate			
change considerations into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			lacksquare
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			\mathbf{C}
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board members			
members			
	recommend or require tar ship to achieve their targe		
No			
o Recommended			
o Required			
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			
IFRS S2			~
Task Force on			S
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)	_		
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			✓
European			
Sustainability			
Reporting Standards (ESRS)			
Other		П	П
Other	Ш	Ц	l U
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

A significant feature of the Electricity Act is the introduction of the RPO framework, which mandates that distribution licensees, captive power plants (with a capacity of 1 MW or more) and open access consumers (which typically includes consumers with a contract demand of 1 MW or above), procure a

specified percentage of their energy from renewable sources, as determined by state regulatory commissions. This framework not only incentivizes the generation of renewable energy but also aligns with the Act's broader objectives of sustainable development and environmental protection. Additionally, when obligated entities exceed their RPO requirements by purchasing additional renewable energy, they receive Renewable Energy Certificates for the surplus, which can be traded. In practice, the compliance of these obligated entities has faced some challenges. For instance, many states have reported low compliance rates with RPO targets, with some states achieving less than 50% of their mandated obligations. Additionally, the REC mechanism has also been hindered by market inefficiencies and a lack of consistent enforcement across states.