

MINISTRY OF ENVIRONMENT AND FORESTS**(Climate Change Division)****ORDER**

New Delhi, the 16th April, 2004

S.O. 515(E).— *whereas, India is a Party to the United Nations Framework Convention on Climate Change (UNFCCC) and the objective of the Convention is to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;*

And whereas, to strengthen the developed country commitments under the Convention, the Parties adopted Kyoto Protocol in 1997 which commits developed country Parties to return their emissions of greenhouse gases to an average of approximately 5.2% below 1990 levels over the period 2008-12;

And whereas, the Kyoto Protocol provides for quantified emission limitations and reduction commitments for the developed countries and mechanisms to facilitate compliance with these targets, reporting and review and it lists six greenhouse gases – Carbon dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆);

And whereas, India acceded to the Kyoto Protocol in August 2002 and one of the objectives of acceding was to fulfill prerequisites for implementation of Clean Development Mechanism (hereinafter referred to as CDM) projects, in accordance with national sustainable priorities, where-under, a developed country would take up greenhouse gas reduction project activities in developing countries where the costs of greenhouse gas reduction project activities are usually much lower with the purpose to assist developing country parties in achieving Sustainable Development and in contributing to the ultimate objective of the Convention and to assist developed country Parties in achieving compliance with their quantified emission limitation and reduction commitments;

And whereas, the Seventh Conference of Parties (COP-7) to the UNFCCC decided that Parties participating in CDM should designate a National Authority for the CDM and as per the CDM project cycle, a project proposal should include written approval of voluntary participation from the Designated National Authority of each country and confirmation that the project activity assists the host country in achieving sustainable development;

And whereas, the Central Government considers it necessary and expedient to constitute a National Clean Development Mechanism (CDM) Authority for the purpose of protecting and improving the quality of environment in terms of the Kyoto Protocol;

Now, therefore in exercise of the powers conferred by sub-sections (1) and (3) of section 3 of the Environment (Protection) Act, 1986 (29 of 1986), the Central Government hereby constitutes the "National Clean Development Mechanism (CDM) Authority" with the following composition, namely:-

1.	Secretary (Environment and Forests)	Chairperson
2.	Foreign Secretary or his nominee	Member
3.	Finance Secretary or his nominee	Member
4.	Secretary, Industrial Policy and Promotion or his nominee	Member
5.	Secretary, Ministry of Non Conventional Energy Sources or his nominee	Member
6.	Secretary, Ministry of Power or his nominee	Member
7.	Secretary, Planning Commission or his nominee	Member
8.	Joint Secretary (Climate Change), Ministry of Environment and Forests	Member
9.	Director (Climate Change), Ministry of Environment and Forests	Member-Secretary

II. The National Clean Development Mechanism (CDM) Authority shall exercise and perform the following powers and functions, namely:-

- (i) to take measures with respect to matters referred to in the clauses (viii), (ix), (x), (xii) of sub-section (2) of section 3 of the said Act and may issue directions under section 5 thereof.
- (ii) (a) To receive projects for evaluation and approval as per the guidelines and general criteria laid down in the relevant rules and modalities pertaining to CDM in addition to the guidelines issued by the Clean Development Mechanism Executive Board and Conference of Parties serving as Meeting of Parties to the United Nations Framework Convention on Climate Change.

(b) The evaluation process of CDM projects would include an assessment of the probability of eventual successful implementation of CDM projects and evaluation of extent to which projects meet the sustainable development objectives, as it would seek to prioritize projects in accordance with national priorities.
- (iii) (a) To recommend certain additional requirements to ensure that the project proposals meet the national sustainable development priorities and comply with the

legal framework so as to ensure that the projects are compatible with the local priorities and stakeholders have been duly consulted.

(b) To ensure that in the event of project proposals competing for same source of investment, projects with higher sustainable development benefits and which are likely to succeed are accorded higher priority.

(iv) Financial review of project proposals to ensure that the project proposals do not involve diversion of official development assistance in accordance with modalities and procedures for Clean Development Mechanism and also ensure that the market environment of the CDM project is not conducive to under-valuation of Certified Emission Reduction (CERs) particularly for externally aided projects.

(v) (a) To maintain a registry of CDM projects approved, and their Certified Emission Reduction potential and confirm that these have been realized.

(b) To carry out activities to ensure that the project developers have reliable information relating to all aspects of Clean Development Mechanism which include creating databases on organizations designated for carrying out activities like validation of CDM project proposals and monitoring and verification of project activities, and

(c) To collect, compile and publish technical and statistical data relating to CDM initiatives in India.

III. The Member-Secretary of the National Clean Development Mechanism (CDM) Authority shall be responsible for day-to-day activities of the Authority including constituting committees or sub-groups to coordinate and examine the proposals or to get detailed examination of the project proposals conducted through experts or by consulting organizations for consideration by the Authority or to engage or hire any consultant or specialist on contract basis on such remuneration as may be approved by the Central Government and submission of report to UNFCCC and other authorities.

IV. The National Clean Development Mechanism (CDM) Authority shall have power

(a) to invite officials and experts from Government, financial institutions, consultancy organizations, non-governmental organizations, civil society, legal profession, industry and commerce, as it may deem necessary for technical and professional inputs and may co-opt other members depending upon need.

(b) to interact with concerned authorities, institutions, individual stakeholders for matters relating to CDM.

- (c) to take up any environmental issues pertaining to CDM or Sustainable Development projects as may be referred to it by the Central Government, and
 - (d) to recommend guidelines to the Central Government for consideration of projects and principles to be followed for according host country approval.
- V. The National Clean Development Mechanism (CDM) Authority shall furnish report about its activity at least once in three months to the Central Government.

[F. No. 4/5/2003-CCC]

R. K. VAISH, Jt. Secy.