Green Credit Programme (GCP)

Why in news?

The Union Ministry of Environment, Forests and Climate Change has notified draft rules for 'Green Credit Programme'.

What is Green Credit?

- 'Green credit' is a singular unit of an incentive provided for a specified activity, delivering a positive impact on the environment.
- It can be earned by individuals, farmer-producer organisations (FPO), industries, rural and urban local bodies, among other stakeholders for their environment positive actions.
- **Programme -** The Green Credit Programme (GCP) launched, was first announced in the ***2023-24 budget*** under Mission LiFE.
- The Ministry of Environment issued the draft '*Green Credit Programme Implementation Rules 2023*' under the Environment Protection Act of 1986.

How will the program be implemented?

- The Green Credit Programme (GCP) aims to leverage a competitive market-based approach and incentivise voluntary environmental actions of various stakeholders.
- The environment ministry has identified 8 select activities for which green credit can be earned.
- **The 8 sectors**

1. Tree plantation-based green credit
2. Water-based green credit
3. Sustainable agriculture-based green credit
4. Waste management-based green credit
5. Air pollution reduction-based green credit
6. Mangrove conservation and restoration-based green credit
7. Eco mark based green credit
8. Sustainable building and infrastructure-based green credit

- Thresholds and benchmarks will be developed for each green credit activity under the programme.
- The mechanism will be implemented in a phased manner.
- **Trade Market -** The green credits will be tradable and be made available for trading on a domestic market platform.
- The Trading Service Provider accredited by the GCP administrator will establish the trading platform for the exchange of Green Credit Certificates.
- **Implementation -** A steering committee headed by the environment secretary will

govern the implementation of GCP.
- The steering committee will not only approve procedures for institutionalising the GCP.
- It also approve its rules and regulations and make recommendations to the central government for issuance of Green Credit Certificate.
- **Administrator -** The Indian Council of Forestry Research and Education (ICFRE) will be the administrator of the programme.
- ICFRE will manage, monitor and operate the entire programme.
- The institute will develop guidelines, processes and procedures for implementation of the programme.

What are the advantages of GCP?

- It accounts for and *incentivise individual* and *community actions*, besides corporate and businesses.
- The environmental activity generating Green Credits under Green Credit Programme (GCP) may have *climate co-benefits* such as reduction or removal of carbon emissions.
- Such activity may accrue both *green credits* as well as *carbon credits* which may be sold under Green Credit market or carbon market respectively.
- Helps to realise the vision of '*Mission LiFE*' through pro-planet people and entities.
- The GCP will encourage private sector industries and companies as well as other entities to meet their *existing obligations*, stemming from other legal frameworks.

What are the concerns around GCP?

- There is a strong risk of greenwashing through such market based mechanisms.
- It also raises serious questions about how rigour of monitoring will be maintained.

References

1. DTE - Centre proposes draft rules for Green Credit Programme
2. Business Standard - Government starts Green Credits scheme under Mission LiFE

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