New Green Credit Programme Rules

Why in news?

Recently the Ministry of Environment, Forest and Climate Change has issued further guidelines on its Green Credit Programme that will prioritise the restoration of ecosystem.

Green Credit Program (GCP)
• **About-** It is an *innovative market-based mechanism* introduced under LiFE (Lifestyle for Environment) • **Goal-** To lay an emphasis on sustainability, reduce waste and improve the natural environment • **Objective** – Incentivize voluntary environmental actions across diverse sectors by various stakeholders like individuals, communities, private sector industries, and companies. • **GCP's governance framework** – Inter-ministerial Steering Committee and GCP administrator. • **GCP Administrator** – Indian Council of Forestry Research and Education (ICFRE), it implements, manage, monitor and operate the program. • **Focus** – Water conservation and afforestation. • **Digital platform** – It will streamline registration of projects, its verification, and issuance of Green Credits. • **Green Credit Registry and trading platform** – It allows buying and selling of Green Credits. • **Green Credit Rules, 2023**- It empowers the Central Government to notify the methodology for calculating green credit based on the Administrator's recommendations. • **Condition to obtain Green Credits**-

What are the concerns with Green credit program?

- **Commodification of conservation**- The program turns environmental conservation into a commodity, this is because the industries that clear forests for non-forestry purposes are required to compensate by afforesting an equivalent area.
- **Impact on Forest ecology**- The GCP's method of identifying 'degraded land parcels' for tree plantation is criticized for potentially disrupting local ecosystems and biodiversity. The term 'degraded' is considered vague and could lead to soil degradation and loss of ecosystem services.
- **Risk of 'Green Deserts'**-The program might lead to the creation of 'green deserts,' or monoculture plantations, which lack the ecological complexity of natural forests. This could result from a forest measurement approach that focuses solely on tree count.
- **Loss of biodiversity hotspot**- The emphasis on afforestation in areas labelled as 'wastelands' is worrisome as these areas might include grasslands and other habitats that are crucial for carbon sequestration and species conservation, and their transformation into forested areas could result in biodiversity loss.

- **Impact on ecosystem**- India has diverse forest types, including grasslands and shrub-dominated areas hence inappropriate tree planting could introduce invasive species or hinder the development of a sustainable ecosystem.
- **Carbon trading issues**- The program's provision of using green credits in carbon trading is contentious due to the unclear methodology for equating stored carbon from trees with carbon credits.

How the government responded to the concerns with the new green credit programme rules?

- **Afforestation rules-** It allowed entities to fund reforestation in designated degraded areas.
- **Role of States-** The State forest departments are responsible for the tree planting. After two years and an evaluation by the ICFRE, each tree earns one 'green credit.'
- **Afforestation-** Currently, 13 States have been offered 387 parcels totalling 10,983 hectares for this purpose. Entities meeting the criteria will receive cost estimates for afforestation.
- **Updated guidelines**- The Environment Ministry issued guidelines for States to calculate the cost of restoring degraded forest landscapes.

  Previously, there was a requirement of a minimum of 1,100 trees per hectare for an area to qualify as reforested. However, the new guidelines allow flexibility, recognizing

- **Flexibility-** The new guidelines allow flexibility recognizing that not all degraded forests can support such tree density. In some areas, shrubs, herbs, and grasses may be suitable for ecosystem restoration.
- **Preference for indigenous species**- The new rules emphasized using indigenous species, and naturally growing seedlings will be retained during restoration efforts.
- **Role of public sector**- Several public sector companies, including Indian Oil, Power Grid Corporation, National Thermal Power Corporation, Oil India, Coal India, and National Hydropower Corporation, have registered to invest in the programme.
- **Pilot project mode-** The programme is currently in a "pilot project" mode and questions about quantifying shrubs and grasses in terms of green credits are still being addressed.
- **Partial offsets of obligations-** Companies won't be able to fully offset their compensatory afforestation obligations using green credits but can claim a portion of it.
- **Equivalence issues-** The relationship between green credits and carbon credits is still being determined as it is important for integrating the programme with broader carbon trading markets and ensuring that the credits represent meaningful carbon sequestration.

What lies ahead?

- Green Credit Program represents a commendable step towards fostering

environmental stewardship and sustainability.
- However, to achieve its objectives effectively, it must address the identified challenges and incorporate nuanced strategies that prioritize ecosystem restoration and biodiversity conservation.

References

1. The Hindu- Explained new credit program rules.
2. The Hindu- Centre tweaks green credit norms

