



Green Credit Program

For Prelims: [Green Credit program](#), [LiFE campaign](#), [Carbon credits](#), [Kyoto Protocol](#), [Sovereign Green Bond](#), [Green Energy Corridor](#)

For Mains: Covered Activities under Green Credit Programme, Concerns Regarding Green Credit Programme

Source: [BL](#)

Why in News?

The government has recently unveiled an innovative and voluntary [Green Credit program](#) designed to **reward and incentivize individuals** and entities for their positive **environmental contributions**.

- Participants can earn Green Credits for a wide range of activities that promote environmental sustainability.

What is Green Credit?

▪ About:

- **Green Credit** refers to a unit of **incentive** provided to individuals and entities engaged in activities that deliver a **positive impact on the environment**.
 - It is a voluntary program initiated by the government to incentivize **various stakeholders in contributing to environmental preservation** and sustainable practices.
- This program is part of the broader ['LiFE' campaign \(Lifestyle for Environment\)](#), and it encourages and rewards voluntary environmentally-positive actions.

▪ Covered Activities:

- The Green Credit program encompasses **eight key types of activities** aimed at enhancing environmental sustainability:
 - **Tree Plantation:** Planting trees to increase [green cover](#) and combat deforestation.
 - **Water Management:** Implementing strategies to efficiently manage and conserve water resources.
 - **Sustainable Agriculture:** Promoting eco-friendly and sustainable agricultural practices.
 - **Waste Management:** Implementing effective [waste management](#) systems to reduce environmental pollution.
 - **Air Pollution Reduction:** Initiatives aimed at **reducing [air pollution](#)** and improving air quality.
 - **Mangrove Conservation and Restoration:** Protecting and restoring [mangrove ecosystems](#) for ecological balance.

▪ Earning and Calculation of Green Credit:

- To earn Green Credits, participants need to register **their environmental activities**

through a dedicated website. The activities will then be subject to verification by a designated agency.

- Based on the agency's report, the administrator will grant the applicant a certificate of Green Credit.
- The calculation of Green Credit is determined by factors such as **resource requirements, scale, scope, size, and other relevant parameters** necessary to achieve the desired environmental outcomes.
- **Green Credit Registry and Trading Platform:**
 - A critical component of the program is the establishment of a **Green Credit Registry**, which will help track and **manage earned credits**.
 - Additionally, the administrator will create and maintain a trading platform, enabling the **trading of Green Credits on a domestic market**.
- **Independence from Carbon Credits:**
 - It is important to note that the **Green Credit program operates independently of the [carbon credits](#)** provided under the **Carbon Credit Trading Scheme, 2023**, which is governed by the Energy Conservation Act of 2001.
 - An environmental activity generating **Green Credits may have climate co-benefits**, such as **reducing or removing carbon emissions**, which can potentially lead to the acquisition of carbon credits in addition to Green Credits.

Note

A **carbon credit** is a unit of exchange that can be used to **offset greenhouse gas emissions**. One carbon credit is equivalent to **one metric ton of carbon dioxide or equivalent greenhouse gases** removed from the atmosphere.

- The concept of carbon credit originated from the [Kyoto Protocol](#).

What are the Concerns Regarding Green Credit Programme?

- **Verification and Validation Complexity:** The process of verifying and validating environmentally-positive actions can be complex and time-consuming.
 - Concerns exist regarding the administrative burden on both participants and regulatory bodies.
- **Risk of Greenwashing:** There is a risk that **some participants may engage in greenwashing**, where they falsely claim environmentally-friendly activities to earn Green Credits without genuinely contributing to environmental conservation.
- **Compatibility with Carbon Credits:** While the program is intended to be independent of carbon credits, there are **concerns about potential overlaps** and the complexity of evaluation between the two types of environmental credits.
- **Accounting for Regional Differences:** The program may **struggle to account for regional variations in environmental impact**, making it challenging to establish uniform credit values for diverse geographical areas.

What are the Other Government Initiatives to Promote the Green Economy?

- [Sovereign Green Bond](#)
- [Green Energy Corridor](#)
- [National Green Hydrogen Mission](#)

Conclusion

- Advancing the Green Credit Mechanism requires a **multi-faceted approach**, focusing on

standardization, transparency, regional customization, and regulatory oversight while promoting long-term sustainability and public awareness. By doing so, the program can contribute to achieving **the United Nations Sustainable Development Goals, including SDG 12** (Responsible Consumption and Production), **SDG 13** (Climate Action) and **SDG 15** (Life on Land).

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q1. The concept of carbon credit originated from which one of the following? (2009)

- (a) Earth Summit, Rio de Janeiro
- (b) Kyoto Protocol
- (c) Montreal Protocol
- (d) G-8 Summit, Heiligendamm

Ans: (b)

Q2. Regarding “carbon credits”, which one of the following statements is not correct? (2011)

- (a) The carbon credit system was ratified in conjunction with the Kyoto Protocol
- (b) Carbon credits are awarded to countries or groups that have reduced greenhouse gases below their emission quota
- (c) The goal of the carbon credit system is to limit the increase of carbon dioxide emission
- (d) Carbon credits are traded at a price fixed from time to time by the United Nations Environment Programme.

Ans: (d)

Mains

Q1. Should the pursuit of carbon credits and clean development mechanisms set up under UNFCCC be maintained even though there has been a massive slide in the value of a carbon credit? Discuss with respect to India’s energy needs for economic growth. (2014)

Q2. Discuss global warming and mention its effects on the global climate. Explain the control measures to bring down the level of greenhouse gases which cause global warming, in the light of the Kyoto Protocol, 1997. (2022)