



Revised Norms of Green Credit Programme (GCP)

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Why in News?

The **MoEFCC** has revised its **Green Credit Programme (GCP)** methodology for **awarding green credits for tree plantation**, now linking them to the **survival and canopy cover of the trees**, rather than just the number of trees planted.

What are the Key Highlights of the Revised Framework under the Green Credit Programme?

- **Credits Awarded After 5 Years:** Green credits are given **only after 5 years** if the restored land has **more than 40% canopy cover**, with **1 credit per surviving tree**, focusing on real ecological improvement.
 - The **2024 notification** grants credits based on the **number of trees planted**, while the **2025 notification requires evaluation** of vegetation status and canopy density.
- **Verification Process:** Applicants submit **claim reports** with a **verification fee**. Designated agencies check tree survival and canopy before issuing credits, using **third-party verification**.
- **Non-Transferable Credits:** Credits are **non-tradable/non-transferable**, except between a company and its subsidiaries.
- They can be exchanged only once for **Compensatory Afforestation (CA)**, **CSR**, or **project-linked obligations**; Once exchanged, credits cannot be reused.

What is the Green Credit Programme (GCP)?

- **About:** **Green Credit Rules, 2023** provides for a market-based mechanism to **promote voluntary plantation and create an inventory of degraded land for afforestation by individuals, communities, industries, and companies**.
 - Notified under the **Environment Protection Act, 1986**, it awards credits for environmental actions to support compliance, CSR, and climate-positive initiatives.
- **Key Objectives:**
 - Develop a **dynamic inventory of degraded forest lands** through a **web portal**, accessible for plantation activities.
 - Encourage **Govt. institutions, PSUs, NGOs, private companies, philanthropies, and individuals** to adopt **plantation blocks** for afforestation.
 - Ensure **transparent registration, verification, and monitoring** via **technology-enabled platforms and registries**.
- **Governance Structure:** **GCP** is overseen by the **Indian Council of Forestry Research and Education (ICFRE)** and executed by **State Forest Departments**.
 - After plantation, **ICFRE reviews the site**, and each surviving tree is counted as **one Green Credit**.
 - Credits can be used for **compensatory afforestation** or **ESG/CSR obligations**;
 - A **Green Credit Registry** tracks credits, and a **domestic platform** manages their exchange.

The eight avenues under the GREEN CREDIT PROGRAMME



Tree plantation—to promote activities for increasing the green cover across the country



Water management—to promote water conservation, water harvesting and water use efficiency or water savings, including treatment and reuse of wastewater



Sustainable agriculture—to promote natural and regenerative agricultural practices and land restoration to improve productivity, soil health and nutritional value of food produced



Waste management—to promote circularity, sustainable and improved practices for waste management, including collection, segregation, and environmentally sound management



Air pollution reduction—to promote measures for reducing air pollution and other pollution abatement activities



Mangrove conservation and restoration—to promote measures for conservation and restoration of mangroves



Ecomark label development—to encourage manufacturers to obtain ecomark label for their goods and services



Sustainable building and infrastructure—to encourage the construction of sustainable buildings and other infrastructure using environment friendly technologies and materials

Green Credit Vs Carbon Credit

Aspect	Green Credits	Carbon Credits
Focus	It is a unit of incentive awarded for an activity that positively impacts the environment.	Primarily reducing greenhouse gas emissions. ▪ Carbon credits allow the holder to emit 1 ton of

	Governed by GCP, operating under The Environment (Protection) Act, 1986.	CO₂ (or equivalent GHGs) per credit. It is governed by the Energy Conservation Act, 2001 in India.
Eligibility	Open to individuals and communities.	Typically for entities reducing emissions or investing in projects
Incentives	Monetary rewards for eco-friendly actions	Revenue from international credit trading

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. 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)

Q. 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

Q. 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)