Green Credit Programme (GCP) – Revised Rules for Tree Plantation

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Green Credit Programme (GCP) Latest News

- The Union Environment Ministry has recently notified a **new methodology** for awarding green credits under the Green Credit Programme (GCP).
- This replaces the earlier methodology, with **significant changes in eligibility, time frame, and use of credits.**

Overview of the Green Credit Programme (GCP)

- **Launched**: In November **2023**, at the UN Climate Conference (COP28, Dubai) by the Prime Minister of India.
- **Objective**: To **promote voluntary environmental protection actions** such as tree plantation, water conservation, waste management, etc.
- **Mechanism**: Under GCP, the environment ministry seeks ‘voluntary actions’ from companies, individuals, or groups for environmental protection activities, and awards credits in return.

Key Changes in Rules

- **Awarding of credits:**
    - **Earlier system:** The earlier benchmark awarded green credit subject to a minimum density of **1,100 trees per hectare, within two years of plantation**. It is **criticized** for not focusing on survival, and quality and density of canopy.
    - **New methodology:**
        - Those who have invested in tree plantation activities will **earn green credits on completion of a minimum of five years** of restoration activities on degraded forest land.
        - The green credit shall be calculated based on the vegetation status, including the change in the canopy density (after achieving a **minimum canopy density of 40%**) and the number of surviving trees.
- **Tradability of credits:**
    - **Earlier system**: Market-based trading of credits.
    - **New methodology:** The credit for tree plantation will be **non-tradable and non-transferable**, except in the case of transfer between the holding company and its subsidiary companies.
- **Permissible uses of green credits:**
    - Those involved in tree plantation under GCP will still be allowed a **one-time exchange of green credit** for compensatory afforestation obligations,
        - To meet corporate social responsibility requirements or
        - For other legal tree planting obligations.
    - The credit will cease after exchanging it for compliance with legal obligations.
    - The credit for tree plantation may be used for reporting under **environmental, social, and governance (ESG) leadership indicators.**

Rationale Behind Changes

- **Focus on quality and survival:**
    - Moves away from just counting trees per hectare.
    - Emphasizes **long-term health of plantations** (minimum 5 years).
    - Addresses criticism of government afforestation drives that focus on quantity over survival and canopy quality.
- **Focus on credibility:**
    - So far, **57,986 hectares** of degraded forest land have been registered under GCP, as per government data.
    - Revised rules expected to **improve credibility and long-term sustainability**.

Conclusion

- The revised Green Credit Programme marks **a shift from tokenistic tree-plantation drives to sustainable ecological restoration** with a focus on quality, survival, and canopy growth.

- Going forward, this approach can strengthen India’s climate resilience, improve biodiversity, and enhance corporate accountability in environmental stewardship.

Source: IE
