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ICRA's CLIMATE SERIES

Green Credit Programme

Incentivising society's efforts towards sustainable lifestyles; addressing challenges like greenwashing, project appraisals to help in implementation

September 2023

CLIMATE CHANGE

The biggest crisis of our time

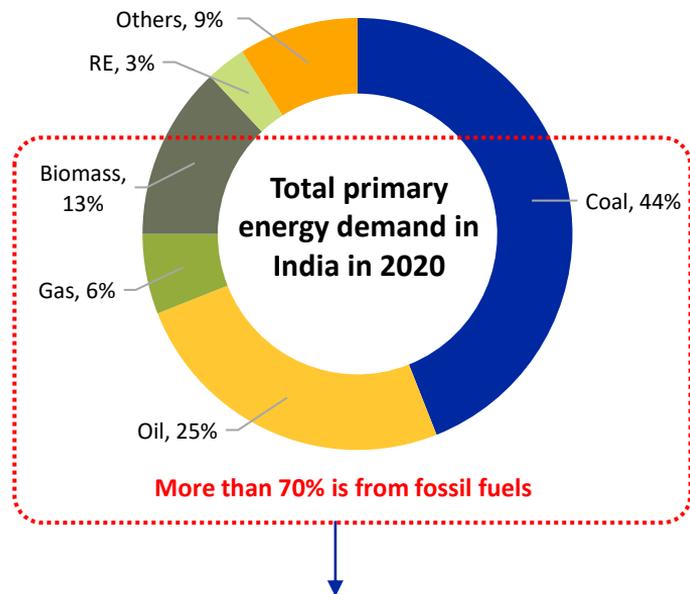
The Green Credit Programme (GCP) will be a significant step towards sustainable lifestyles by guiding society towards behavioural changes.

Addressing challenges including potential greenwashing, project appraisal, transparency, societal awareness would aid in the successful implementation of the programme.

- The Union Budget 2023-24 included 'Green Growth' as one of the seven priorities (*Saptarishi*) for the next 25 years – to reduce import dependence and increase the use of green energy going forward. Moreover, it provided Rs 350 billion for capital investment in green infrastructure under the policy.
 - The GCP is one of the initiatives under 'Green Growth'. Its objective is to encourage sustainable lifestyles by driving consumers/communities to undertake behavioural changes towards environment-friendly practices. The Ministry of Environment, Forest and Climate Change notified draft rules for the GCP in June 2023.
- While carbon trading will address reduction of existing emissions for India's climate goals, the GCP will address decelerating the pace of future emissions.
 - By encouraging voluntarily activities undertaken by society to promote sustainable lifestyles, the GCP will help encourage behavioural changes.
 - Like carbon trading, the Green Credit trading platform will encourage entities to cooperate with one another for achieving climate goals.
- Globally, major countries are actively promoting sustainable development undertaken on a voluntary basis, by offering various incentives. China, the US, the European Union and the UK have provided incentives to individuals and businesses to promote environmental-friendly projects on a voluntary basis.
- Once notified, the GCP will be a significant step towards promoting environmental conservation and sustainability through recognising and incentivising individual and community efforts, in addition to the private sector's actions.
 - This could be a major accelerator towards India's aim of becoming net zero by the year 2070. Addressing challenges on greenwashing, project appraisal, transparency and societal awareness would aid in the successful implementation of the programme.

Green growth takes initiatives for next 25 years showcasing India's commitment towards Net Zero; GCP being one of them

Exhibit: Total primary energy demand in India, 2020



More than 70% is from fossil fuels

40% of the primary energy requirement in India is currently met through imports

- To reduce import dependence and increase the use of green energy going forward, the Union Budget 2023-24 included 'Green Growth' as one of the seven priorities (*Saptarishi*) for the next 25 years

Outlay - Rs 350 billion

The Union Budget has provided Rs 350 billion for capital investment in green infrastructure

Initiatives under Green Growth

1. National Green Hydrogen Mission
2. Alternative fertilizers
3. Infrastructure and Investment
4. GOBARdhan scheme
5. Green Credit Programme (GCP)
6. Amrit Dharohar
7. MISHTI
8. Bhartiya Prakritik Kheti

GCP is one of the initiatives announced in Budget 2023



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