

Carbon Credit Value in Reduces Emission of Green House Gases

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SUMMARY

Carbon credits, also known as carbon offsets, are permits that allow the owner to emit a certain amount of carbon dioxide or other greenhouse gases. One credit permits the emission of one ton of carbon dioxide or the equivalent in other greenhouse gases. Greenhouse gas (GHG) emissions responsible for causing global warming and climatic change.

INTRODUCTION

The burning of fossil fuels is a major source of greenhouse gas emissions, especially for power, cement, steel, textile, fertilizer and many other industries which rely on fossil fuels (coal, electricity derived from coal, natural gas and oil). The major greenhouse gases emitted by these industries are carbon dioxide, methane, nitrous oxide, hydro fluorocarbons (HFCs), etc., all of which increase the atmosphere's ability to trap infrared energy and thus affect the climate. The concept of carbon credits came into existence as a result of increasing awareness of the need for controlling emissions.

What is a Carbon Credit?

Carbon credit refers to the permission that a business gets to emit an amount of carbon dioxide and other greenhouse gases. One credit allows the emission of mass equal to one ton of carbon dioxide. The aim of carbon credit is to reduce carbon dioxide emission in order to aid the environment that is subject to global warming because of industrial activities. Regulatory authorities and government set a limit for the emission for companies. Carbon credits are traded through the private and public Market. The prices are driven on the Basis of the supply and demand in the markets. The prices of the credit are bound to fluctuate because the supply and demand in different countries are varied. In the early 1980s the concept of swapping national debt with developing countries to protect natural resources was proposed as a means of protecting biological diversity (Lovejoy, 1984). The debt-for-nature swaps became a model for carbon credits. An objective of the Kyoto Protocol was to enable developed nations, which had profited from economic development based upon high-carbon GDPs, to economically assist the growing economies of developing nations, impacted by carbon emission constraints and heavily indebted to foreign creditors.

A carbon credit system was devised that imposed national caps on greenhouse gas emissions of developed nations that ratified the Kyoto Protocol. Carbon credits and carbon markets are a component of national and international attempts to mitigate the growth in concentrations of greenhouse gases in the atmosphere. A carbon credit (often called a carbon offset) is a credit for greenhouse emissions reduced or removed from the atmosphere by an emission reduction project, which can be used by governments, industry, or private individuals to compensate for the emissions they generate elsewhere. Since GHG mitigation projects generate credits, this approach can be used to finance carbon reduction schemes between trading partners around the world.

Carbon credit implication

Its goal is to stop the increase of carbon dioxide emissions. The Kyoto Protocol presents nations with the challenge of reducing greenhouse gases and storing more carbon. A nation that finds it hard to meet its target of reducing GHG could pay another nation to reduce emissions by an appropriate quantity.

Agricultural Carbon Credits

Plants or crops form part of the entire carbon cycle. Growing almost any sort of plant is the same as practicing small-scale carbon sequestration. That's because plants use carbon dioxide (CO₂) from the air during their photosynthesis. When the plants die, their carbon-based structure begins to decay. Some of that CO₂ is released into the air, and some of it is trapped underground. Grasses and other crops draw down CO₂ from the air quickly but they also tend to release it fast when they decompose. Yet, with proper soil carbon capture and farming practices like regenerative agriculture, they can sequester CO₂ very well. Farmers can claim carbon credits for a

host of regenerative agricultural practices such as not burning paddy straw conservation agriculture such as not ploughing land, and laser levelling of land.

Need of Carbon Trading:

Carbon credit trading is one of the ways to control greenhouse emissions. Carbon dioxide, the most important greenhouse gas produced by combustion of fuels, has become a cause of concern. Major sources of greenhouse gases are industrial emissions. Gases include carbon dioxide, nitrous oxide, methane and hydro fluorocarbons. When these gases enter the atmosphere, they hold in reflected energy from the sun and emit that radiation back down to Earth. This greenhouse effect can create climatic changes. Today Global warming, climate change, ozone depletion, sea level rise, biodiversity are all affected, one way or another, directly or indirectly, by harmful 'greenhouse' gases

CONCLUSION

Its goal is to stop the increase of carbon dioxide emissions. Carbon Trading is a useful tool to earn extra benefits both for developing countries and non-developed countries. Clean Development Mechanism also offers an effective source of economic as well as technological development for developing countries with environmental sustenance. Carbon Credit Play Important role Reduces Emission Green House Gases.

REFERENCES

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