

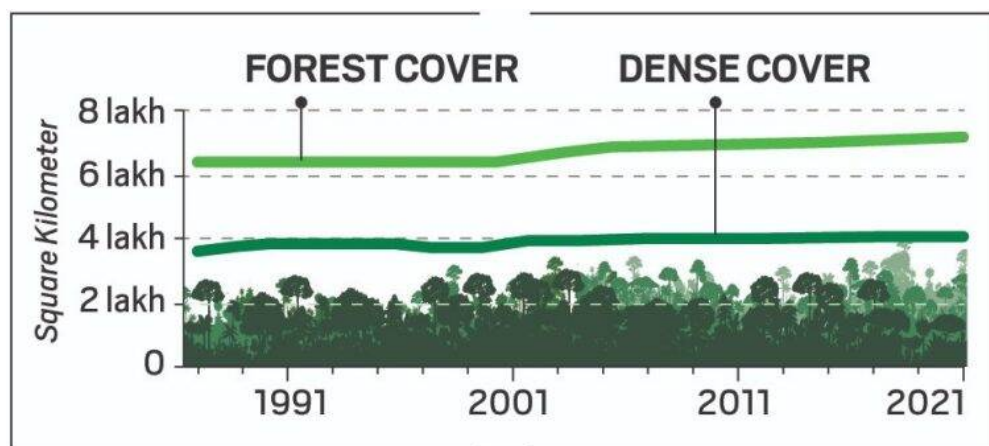
The problems with Compensatory Afforestation in India

Why in news?

India's target of increasing its forest and tree cover absorb an additional amount of 2.5 billion to 3 billion tonnes of carbon dioxide equivalent by 2030 is a relatively difficult one to achieve.

What is the issue?

- **Threat to forests** - Forests are under stress due to the need for rapid industrial and infrastructure development, and accompanying urbanisation.
- **Government initiatives** - [Green India Mission](#), national afforestation programme, and the tree plantation exercises along the highways and railways, help improve forest cover.
- The *national rural employment guarantee scheme (MGNREGS)* and *Namami Ganga* also have significant afforestation components.



[State of forest report.](#)

What is Compensatory Afforestation?

- **Afforestation** - It seeks to ensure that forest lands getting diverted for non-forest purposes, like industrial development, is mandatorily accompanied by afforestation effort.
- **Legal mandate** - It made a legal requirement through the *Compensatory Afforestation Fund Act of 2016*, does ensure that newer parcels of land are earmarked for developing them as forests.
- **Funding** - Project developers, public or private, are required to fund the entire afforestation activity on these new lands.
- **Goods & Services** - Newly afforested land cannot be expected to immediately start delivering the range of goods and services that the diverted forests were providing.

- **Net Present Value (NPV)** - Project developers are asked to pay for the NPV of the forests being cleared, based on a calculation decided by an expert committee.

What is Compensatory Afforestation Management and Planning Authority (CAMPA) fund?

- The SC in 2002 in *Godhavarman Vs Union of India* case ordered the creation of CAMPA fund.
- CAMPA was established in 2004 to manage the Compensatory Afforestation Fund (CAF) and it acts as the *custodian of the CAMPA fund*.
- National Compensatory Afforestation Fund under the Public Account of India and State Compensatory Afforestation Fund under the Public Account of each state was created.
- The State Funds will receive 90% of the payments while the National Fund will receive the remaining 10%.
- **Salient Features** - These Funds will receive payments for:
 1. Compensatory Afforestation
 2. Net Present Value (NPV) of forest
 3. Other project specific payments
- These Funds will be primarily spent on afforestation to compensate for loss of forest cover, regeneration of forest ecosystem, wildlife protection and infrastructure development.
- The Bill also establishes the *National and State Compensatory Afforestation Fund Management and Planning Authorities* to manage the National and State Funds.

COMPENSATORY AFFORESTATION FUND BILL

PRINCIPLE OBJECTIVE

SETTING UP OF A 1 National Compensatory Afforestation Fund 2 State Compensatory Afforestation Fund

These authorities will monitor the utilisation of funds

Any user agency which diverts forest land for non-forest purpose is required to deposit prescribed amount

90% of collected payments will go to state fund
10% of collected payments will go to national fund



(This provision may be amended as standing committee wants state fund to get 95% of the payments)



Funds will be used for

1. Increasing forest cover
2. Forest regeneration
3. Wildlife protection
4. Related activities to protect green cover

Bill is also meant for setting up

1. A national management and planning authority at the Centre
2. State-level authority in respective states

What are the problems associated with the compensatory afforestation practice?

- **No suitable land** - Besides the low utilisation of funds, lack of availability of suitable

land remains the biggest problem for compensatory afforestation.

- **Distributed land** - While the law mandates at least an equal area of land to be provided for compensatory afforestation, rarely is a contiguous stretch of land made available for this purpose.
- The total area of land is often distributed over 20 or more different locations.
- **Monocultures** - Companies often indulge in planting plantations in the available land, which is critical because plantations are monocultures, meaning they contain only one species of plants.
- A key element of any *forest is biodiversity*.
- **Biotic Pressure** - Forest officials point to biotic pressures, the challenge the plantations face from nearby human habitations and cattle.
- **Greenwashing** - Critics say compensatory afforestation had legitimised clearing of forests, and see it as an example of greenwashing.
- However, clearing of forests for other purpose cannot be entirely eliminated, compensatory afforestation is a good mechanism for attempting to make up for these losses to some extent.

Reference

1. [Indian Express | The problems with Compensatory Afforestation in India](#)

