

# Green credit scheme

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**Source:** *The Hindu*

**Manifest pedagogy:** Development with scant regard to the environment is the norm of past decades. Now we are in the era of sustainable development. Countries are framing policies to maximize development with least environmental effects. The programs and policies in this direction could be asked both in prelims and main stage.

**In news:** Green credit scheme has been proposed

**Placing it in syllabus:** Forest conservation

**Static dimensions:**

- Afforestation and deforestation in India
- Issues related to developmental projects and compensatory afforestation

**Current dimensions:**

- Green credit scheme
- Pros and cons

**Content: Afforestation** is creation of forest cover in a land where there are no trees. It helps to mitigate climate change situations, reduce air pollutants and reestablish the ecosystems and natural habitats.

Since 1951, Indian government has been working on through various schemes. In 2000-2001, all afforestation and reforestation projects in India were integrated to form **National Afforestation Program Scheme(NAP)**.

NAP is being implemented through the **2-tier structure** of the forest department at the division and village levels. **Key focus areas** are increasing forest density and plantations in

barren lands and awareness and training programs for the villagers or locals so they live in coordination with the nature around them.

The UN Food and Agricultural Organization (FAO) has defined **deforestation** as the *conversion of forest to another land use or the long-term reduction of tree canopy cover below the 10% threshold*. In India the **main reasons** attributed to the reduction in forest cover are shifting cultivation, rotational felling, other biotic pressures, diversion of forest lands for developmental activities, etc.

**Compensatory Afforestation Fund Act was passed in 2016. Green India Mission by 2020** has been launched in 2010.

But the **major challenge** is the unavailability of authentic primary data about the real time impact and results of all the projects that are being implemented through out India for afforestation and deforestation.

According to the **biennial State of Forests Report 2019**, the total forest and tree cover of the country is 80.73 million hectare which is **24.56 percent** of the geographical area of the country. But Niti Aayog in 2018 has said that 21.23% of the land is under forest cover.

### **Issues related to developmental projects and compensatory afforestation:**

- According to the official data revealed by the central government in Parliament in December 2018, a **total of 20,314.12 hectares of forest land was diverted in three years 2015-2018** for developmental activities.
- **Telangana topped the list** followed by Madhya Pradesh and Odisha.
- During this period, the MoEFCC had received a total of 4,552 proposals out of which around 28.11% got approved.
- To compensate for the loss of forest area and to maintain the sustainability, the Government of India

launched **Compensatory Afforestation Fund Act.**

- Under the Act, a company diverting forest land must provide alternative land to take up compensatory afforestation and should pay to plant new trees in the alternative land provided to the state (the current economic equivalent called **Net Present Value of the forest land**).
- In 2002, the Supreme Court had observed that collected funds for afforestation were under-utilised by the states and the court had set up the ad hoc National **Compensatory Afforestation Fund Management and Planning Authority (CAMPA)** to manage the fund.
- In 2009, states had also set up **state CAMPAs** that received 10 percent of funds from the national CAMPA.
- According to **FSI collected data**, funding by the central government increased at a rate of 84.67 percent (2010-2017), but the forest cover increased by only 2.42 percent.
- Hence the **increase in CAMPA funding by the central government has clearly not resulted in significant increase in forest cover.**

#### ***Drawbacks of CAMPA:***

1. The law says that land selected for afforestation should preferably be contiguous to the forest being diverted so that it is easier for forest officials to manage it. In several states like Chhattisgarh, Odisha and Jharkhand where the intensity of mining is very high, to find the non-forest land for afforestation to compensate the loss of forest is a big task.
2. Several state governments are not utilising it properly. An amount of Rs 86 lakh from CAMPA funds meant for afforestation was reportedly spent on litigation work in Punjab.
3. At several places, the loss of natural species is compensated with plantation of non-native species which

serves as a threat to even the existing ecosystem.

4. Monitoring of conditions on the basis of which forest land is diverted is poorly done.

### **Green credit scheme:**

- The **Forest Advisory Committee (FAC)**, an apex body tasked with adjudicating requests by the industries to raze forest land for commercial projects has approved a **scheme that could allow “forests” to be traded as a commodity.**
- This allows the **Forest Department** to **outsource** one of **its responsibilities** of reforesting to **non-government agencies.**
- Under the ‘Green Credit Scheme’, **agencies** like private companies, village forest communities can **identify land and begin growing plantations.**
- After three years, if they meet the **Forest Department’s criteria**, they would be eligible to be considered as **compensatory forest land.**
- An industry needing forest land could then approach the agency and pay it for parcels of forested land, and it would then be transferred to the Forest Department and be recorded as forest land.
- In 2015, a ‘Green Credit Scheme’ for degraded forest land with public-private participation was recommended, but was not approved by the Union Environment Minister, the final authority.

### **Pros:**

- As industries find it hard to acquire appropriate non-forest land, which has to be contiguous to existing forest. the new scheme helps the industries in solving the problem.
- The funds which were lying unspent because States were not spending the money on regrowing forests would be utilised now under CAMPA.

- The FAC believes that such a scheme will encourage plantation by individuals outside the traditional forest area.
- It will help in meeting international commitments such as sustainable development goals and nationally determined contributions under Green India mission.

**Cons:**

- It creates problems of privatising multi-use forest areas as monoculture plantation plots.
- Forests will be treated as a mere commodity without any social or ecological character.