

FIRST YEAR OF NDA RULE



Centre for Science and Environment
41, Tughlakabad Institutional Area, New Delhi 110 062, INDIA
Ph: +91-11-29956110 - 5124 - 6394- 6399 Fax: +91-11-29955879
E-mail: srestha@cseindia.org Website: www.cseindia.org

TRENDS AND HIGHLIGHTS

GREEN CLEARANCES

- The analysis shows that National Democratic Alliance (NDA) government is more or less following the path of United Progressive Alliance (UPA) government on environment and forest clearances. There has not been any major reforms to improve the green clearance processes for safeguarding the environment and the lives and livelihoods of communities, rather incremental changes have been made to “ease the process” of project clearances.
- There are two clear trends that emerge:
 - ◆ Project clearances are being devolved to state agencies without building capacity or accountability in state-level institutions.
 - ◆ There is an effort to dilute the public hearing process. This is most pronounced in the case of coal mining sector.

If this trend continues, it would severely compromise the integrity of the environmental clearance system, especially if nothing is done to improve governance.

- Contrary to widespread perception, there is no significant departure with respect to number of environmental and forest clearances granted for key sectors in NDA from UPA. For instance, going by the available data it seems that the amount of forestland diverted in the first year of NDA rule has been the least since 2009.
- In the first year of the NDA rule, two sectors stand out in terms of clearances granted—mining and infrastructure. The NDA government has given priority to clearing coal mining and infrastructure projects like roads and highways. Between June 2014 to April 2015, as many as 103 mining projects and 54 infrastructure projects were granted environmental clearance. This is about 80 per cent of all the environment clearances granted.
- The coal-mining sector has received special favors. It benefitted from following concessions:
 - ◆ The public hearing provision for expansion projects in coal mining have been significantly relaxed.
 - ◆ Coal mining projects have been allowed in critically polluted areas.

POLLUTION CONTROL AND MANAGEMENT

Many positive trends in pollution control and management that need to be closely watched and supported:

- The government came out with Air Quality Index and is in the process of monitoring air quality on real-time basis in cities. This will help build public awareness about the quality of air and the precautions people need to take for safeguarding health.
- There has been focus on improving waste management rules—municipal, hazardous, e-waste, construction waste, plastic etc. The government has issued draft waste rules, which are a significant improvement from the past.
- Ministry of Environment, Forest and Climate Change (MoEF&CC) and Central Pollution Control Board (CPCB) are working to make existing pollution standards more stringent in major polluting industrial sectors. The draft notification on thermal power plants, when implemented, would reduce pollution significantly.
- The government is putting in place continuous online pollution monitoring systems in major polluting industries. If this is implemented properly, it can significantly improve compliance and enforcement of pollution standards.
- Increasing transparency in decision-making by putting in place an online system of clearances.

However, the NDA government has relaxed the provision for setting up new projects in critically polluted areas (CPAs). The moratorium on setting up new projects in eight CPAs of September 2013 was revoked in June 2014 and certain conditions were laid to allow new projects to come up. The older system of identifying CPAs has been kept in abeyance, but so far no new system has been put in place that can improve environment in these areas.

REFORMS

- The NDA government also set up a committee to examine existing laws and suggest reforms in environmental governance. This was a timely and important task, but the time given to the committee was too short. The result is that some of the major recommendations of the committee are not judicious, while the others can be further improved. There is an apprehension that the government might selectively use the recommendations to dilute green clearances.
- The government has placed the Compensatory Afforestation Fund Bill (2015) in the parliament, which will give states large amount of money, to the tune of Rs 38,000 crore, for afforestation. If implemented well with proper oversight, plan and accountability, it has huge potential to improve the forest cover as well as the livelihoods of forest dwellers and forest dependent communities.

Overall, it has been a mixed year for the NDA government on the environmental front. There are both positive and negative trends but they are not pronounced enough to make clear judgment.

FACTS

A. GREEN CLEARANCES

I. ENVIRONMENTAL CLEARANCES

- In the past eleven months (until April 2015), the MoEF&CC has given environmental clearances (EC) to 187 development projects (combining new and expansion projects) in major sectors – mining, thermal power plant, hydropower, iron and steel, cement, infrastructure and industrial estates (see Table 1: *Environmental clearances granted to major sectors*).

Table 1: Environmental clearances granted to major sectors (June 2014 till April 2015)

Sector	No of Projects	Capacity (Unit)
Coal mining	37	96.58 MTPA
Iron ore mining	5	23.53 MTPA
Limestone mining	10	17.19 MTPA
Bauxite mining	2	0.05 MTPA
Other minerals	49	26.26 MTPA
Thermal power	9	5796 MW
Iron and steel	5	1.57 MTPA
Cement	3	10.5 MTPA
Hydropower	1	11 MW
Infrastructure including coastal projects	54	
Industrial estates and other new constructions	12	

- The focus of clearances has been the mining sector, accounting for more than 55 per cent (see Figure 1: *Environmental clearances granted to various mining categories*).
- Coal has been a focal point, 37 projects with nearly 96.58 million tonnes per annum (MTPA) capacity cleared (see section *Focus on coal*).
- In terms of capacity, clearances granted to iron ore mining was also significant—23.5 MTPA. But, the number projects cleared was only five.
- Besides mining, the other major sector in which a significant number of projects have been cleared

is infrastructure and industrial estates (including projects in coastal areas). A total of 66 projects including roads, highways, ports, industrial estates etc. were cleared.

1. FOCUS ON COAL

The environment ministry has been particularly favourable towards environmental clearances for the coal sector.

- Among all the mining projects cleared by the MoEF&CC between June 2014 to April 2015, 37 coal mining projects with a cumulative production capacity of more than 96.5 MTPA were cleared (see Table 2: *Environmental clearances for coal mining projects*).

Figure 1: Environmental clearances granted to various mining categories (June 2014-April 2015)

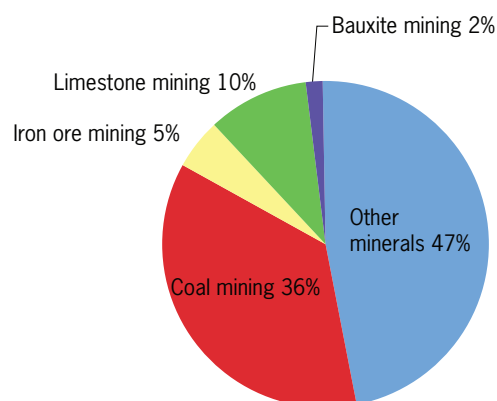


Table 2: Environmental clearances for coal mining projects (June 2014 till April 2015)

State	No. of clearances		Total Capacity (MTPA)
	Green Field	Expansion	
Andhra Pradesh	1	2	4.5
Gujarat	1		4
Jharkhand	3	3	10.22
Madhya Pradesh	2	4	13.45
West Bengal	7	3	51.54
Rajasthan	1	1	3.75
Assam	1		0.2
Maharashtra	1	5	2.42
Chhattisgarh		1	1.5
Odisha		1	5
Total	17	20	96.58

- More than 95 per cent of the coal projects were awarded to public sector companies such as Eastern Coalfields Limited (ECL) in West Bengal, Western Coalfields Limited (WCL) in Maharashtra, Central Coalfields Limited (CCL), Bharat Coking Coal Limited and ECL in Jharkhand, and Singareni Collieries Company Limited in Madhya Pradesh.
- Many of the clearances (including expansion) involved projects in critically polluted coalfields, such as in Singrauli district of Madhya Pradesh and Dhanbad district of Jharkhand.
- The focus on coal is not just evident through the number of clearances, but also in the easing of processes and the dilution of restrictions for coal projects. For instance:
 - Provisions of public hearing for expansion of the coal mining projects have been significantly relaxed (see section *Less projects requiring public hearing*).
 - Projects has been allowed to come up in critically polluted areas, such as Singrauli, keeping in abeyance the moratorium on projects in these areas that was re-instated in September 2013 (see section *Allowing projects to come up in critically polluted areas*).

2. UPA vs. NDA

There is no clear trend indicating a massive increase or decrease in environmental clearances in the first year of NDA rule. As the system has remained more or less the same, the clearances given seems to be a factor of the number of applications received. For instance, the clearances given to the coal-based thermal power plants have been significantly reduced in the last two years. This is reflective of the stagnation in the industry. Between 2007–12, the industry had taken clearances for more than two lakh megawatt (MW) worth of projects (see Figures 2–9).

Figure 2: Environmental clearances for coal mining

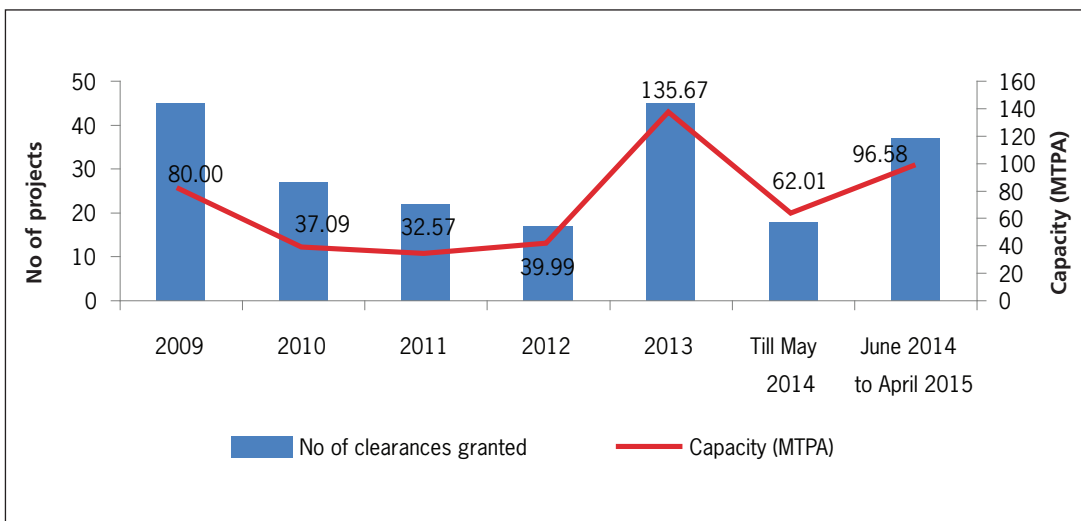


Figure 3: Environmental clearances for iron ore mining

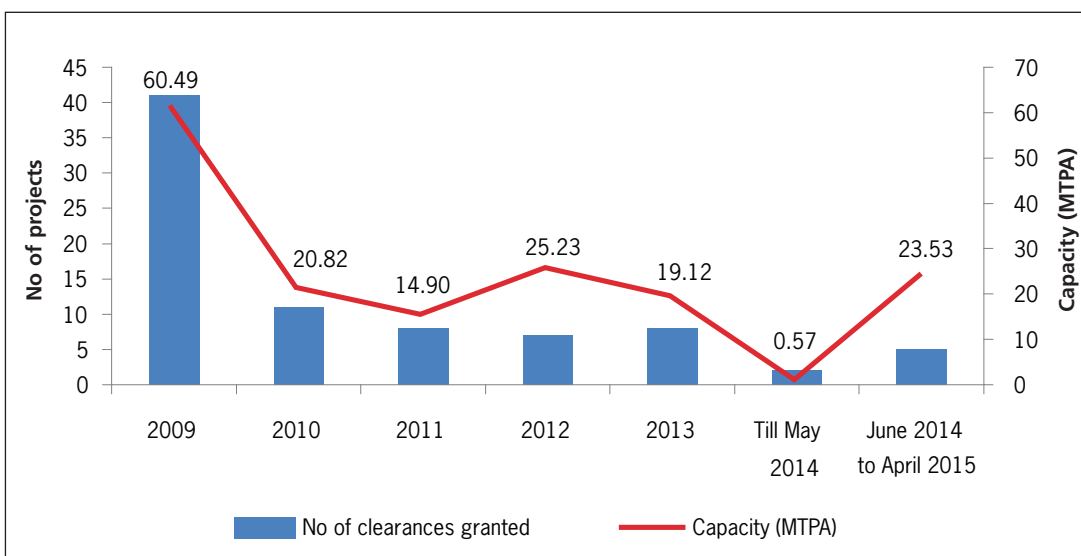


Figure 4: Environmental clearances for limestone mining

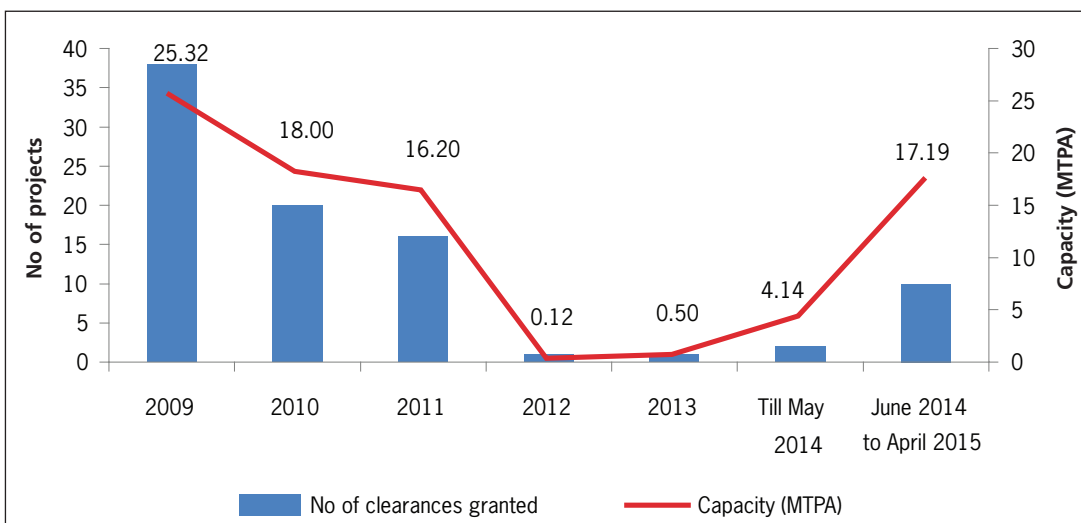


Figure 5: Environmental clearances for bauxite mining

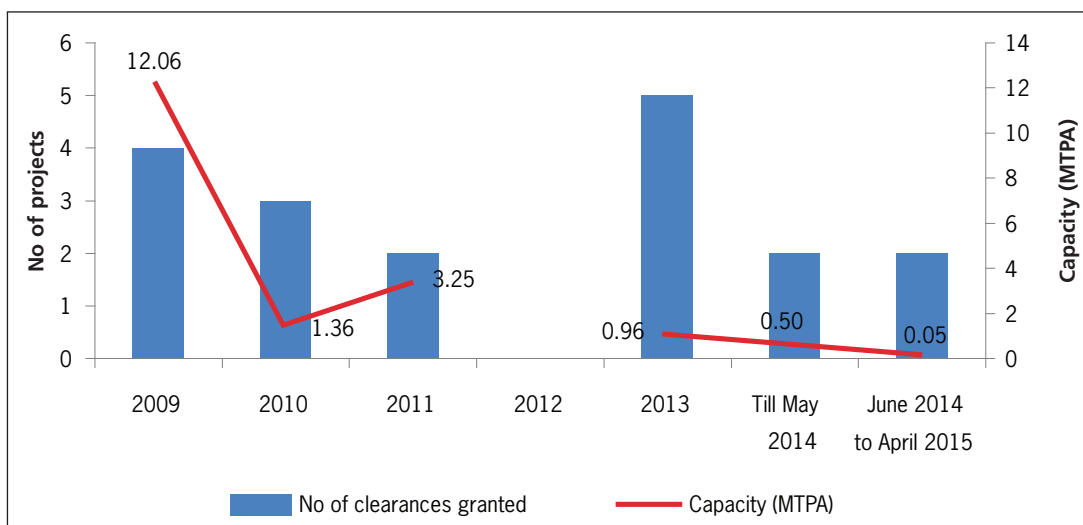


Figure 6: Environmental clearances for thermal power plants

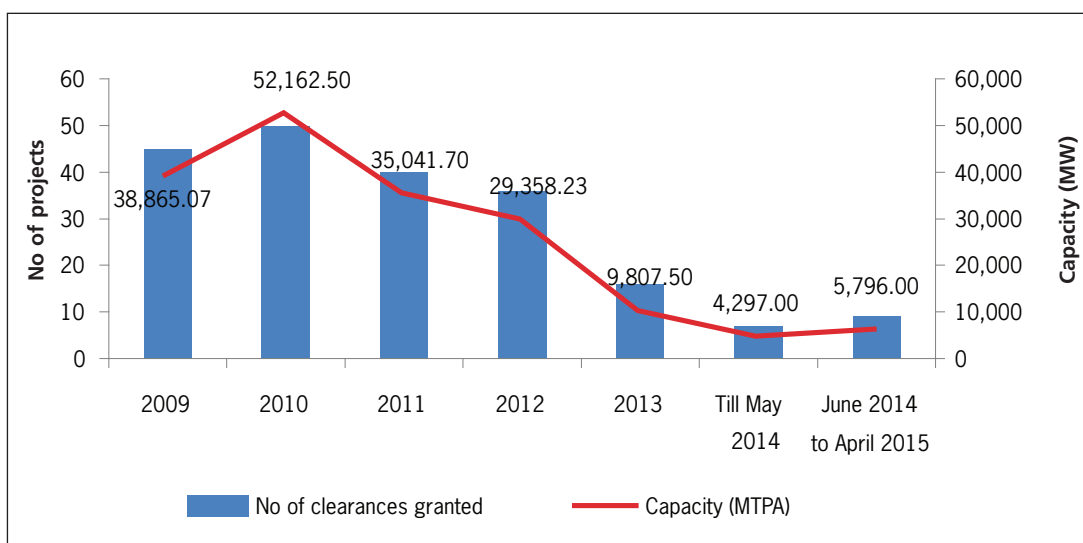


Figure 7: Environmental clearances for cement

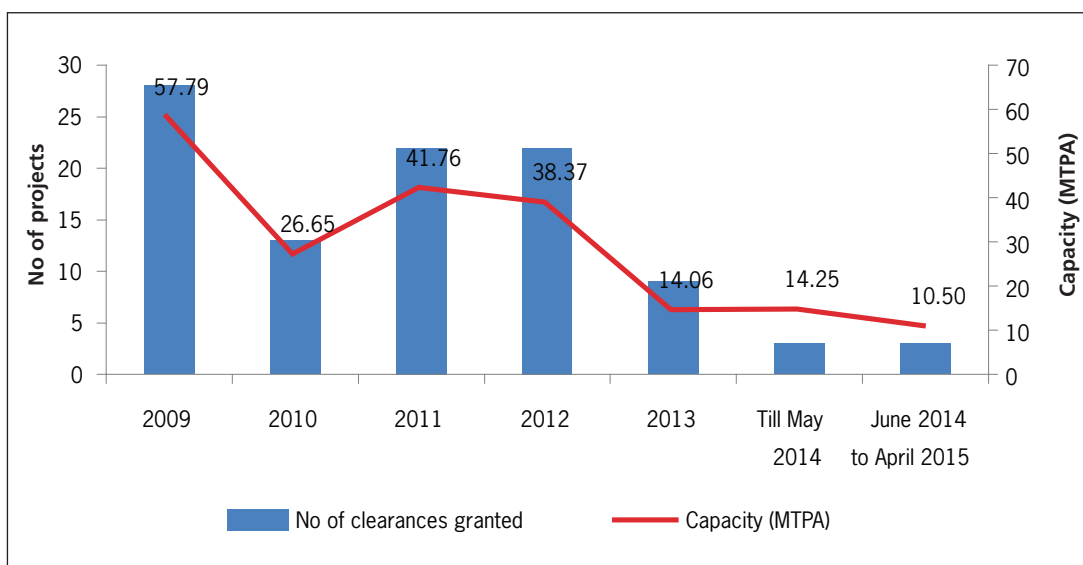


Figure 8: Environmental clearances for iron and steel

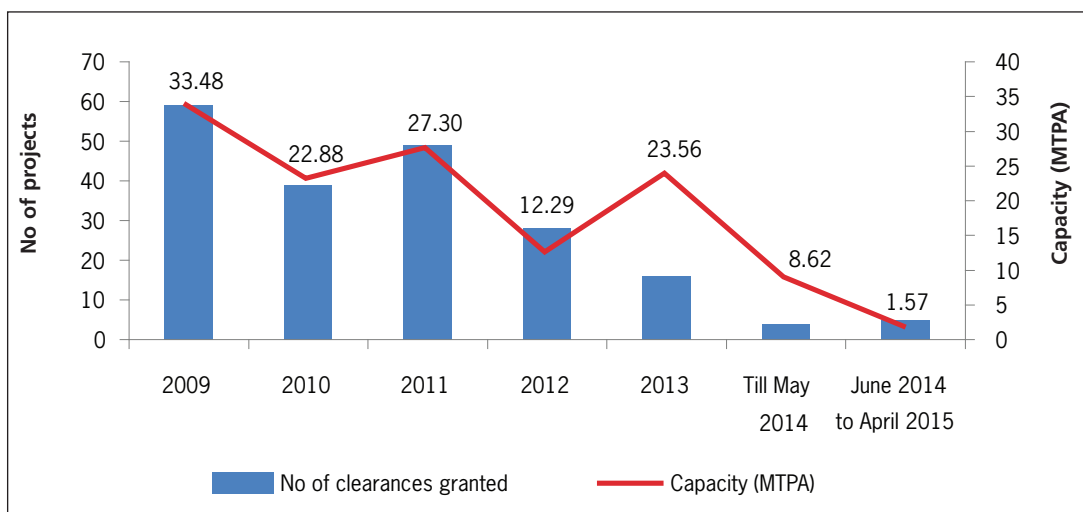
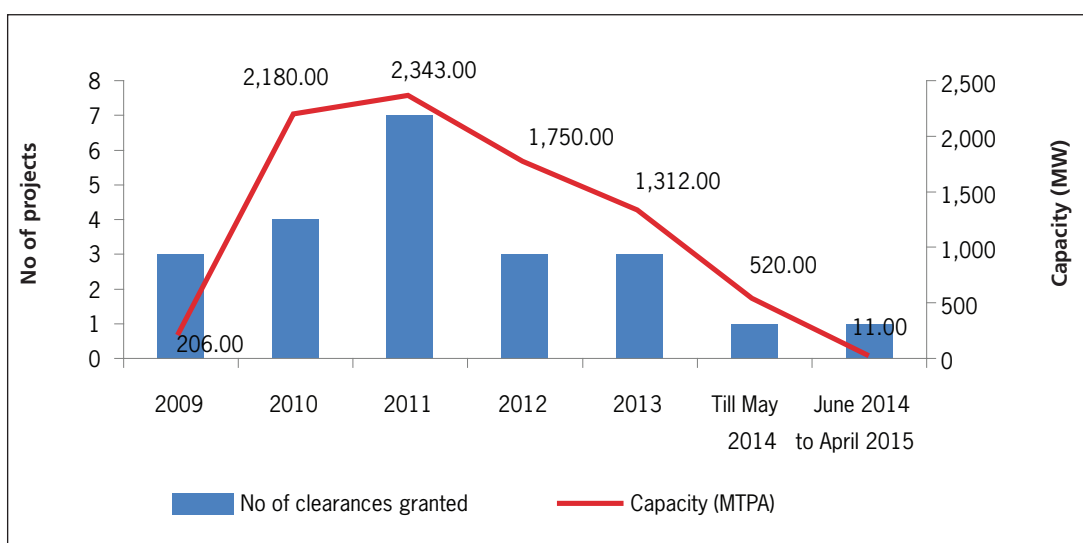


Figure 9: Environmental clearances for hydropower



3. LESS PROJECTS REQUIRING PUBLIC HEARING

One way the project clearances are being eased is through dilution of the requirements for public hearing for particular sectors/ project categories. This is not a new trend; the NDA government has continued the trend of the UPA government to exclude peoples' participation in environment clearance process.

Within its first 100 days in office, the Union environment ministry issued notifications aiding exclusion of public consultation for larger and larger coal mining expansion projects. Though this initiated with the UPA government in 2012, but the move by the new government came in quick successions. The justification for such exemption, as specified in the various office memorandum of MoEF&CC is "to quickly ramp up coal production for enhancing power production in public interest" (see Table 3: *Public hearing exemptions for coal mining*).

Table 3: Public hearing exemptions for coal mining

Dates	Exemption provisions
December 19, 2012	Coal mines seeking one time capacity expansion of up to 25 per cent—with a ceiling of two million tonnes per annum (MTPA) additional production
January 7, 2014	Coal mines with up to 8 MTPA production capacity, seeking one time capacity expansion up to 50 per cent (or incremental production of 1 MTPA, whichever is more)
May 30, 2014	Coal mines with production capacity over 8 MTPA and up to 16 MTPA, seeking one time capacity expansion with production enhancement up to 4 MTPA
July 28, 2014	Coal mines with production capacity more than 16 MTPA, seeking one time capacity expansion with production enhancement up to 5 MTPA
September 2, 2014	Coal mines with production capacity more than 20 MTPA, seeking one time capacity expansion with production enhancement up to 6 MTPA

4. MORE PROJECTS TO BE CLEARED BY STATES

The NDA government has devolved powers to clear projects to the state-level agencies without building capacity or accountability in state-level institutions.

The process of delegating more power to the state authorities to clear more projects has come through amending the “schedule” in the EIA Notification, 2006, and placing more projects under category B.

Changes were made in sectors such as thermal power, river valley, mining and other industrial sectors such as paper and pulp, distilleries and fertilisers. Some significant changes are as follows:

Thermal power plants: Two new fuel types used in thermal power plants—“biomass” and “municipal solid non-hazardous waste” were introduced to distinguish projects placed under category B. Now, the following types of thermal power projects can be cleared by states:

- Projects greater than or equal to 50 megawatt (MW) but less than 500 MW capacity; using coal, lignite, naptha and gas-based fuel
- Projects greater than or equal to 5 MW, but less than 50 MW capacity, using all other fuels except biomass and municipal solid non-hazardous waste
- Projects between 15–20 MW capacity, using municipal solid non-hazardous waste as fuel
- Projects equal to or more than 15 MW capacity using biomass fuel

Moreover, the following were exempted:

- Plants with upto 15MW capacity, based on biomass or non-hazardous municipal solid waste using auxiliary fuel such as coal, lignite/petroleum products upto 15 per cent; waste heat boilers without any auxiliary fuel.

Irrigation and river valley projects: “Irrigation projects” was inserted as a category in the schedule distinguishing it from river valley projects. The 2006 notification had specified that all river valley projects under 10,000 of culturable command area (CCA) are under category B, thus requiring a clearance by the state, and more than that as category A.

- The new amendments specify irrigation projects involving command area between 2,000 to 10,000 ha under category B. These are particularly medium irrigation projects.
- The amendment has done away with clearances for projects below 2,000 ha. These fall under the official classification of “minor irrigation projects”. These typically include all groundwater irrigation projects.

The EIA Notification was further amended in December 2014, and clarification was given for more projects under category B.

- **Building and construction projects:** As per the 2006 Notification, building and construction projects equal to or greater than 20,000 square meters (sq m) but less than 150,000 sq m, of built up area are to be cleared by state authorities. The “built up” area was defined as follows “built up area for covered construction; in the case of facilities open to the sky, it will be the activity area”.

In December it was modified to note “built up area” as “the built up or covered area on all floors put together, including its basement and other service areas, which are proposed in the building or construction projects”. As a corollary it further clarified that “projects or activities shall not include industrial shed, school, college, hostel for educational institution, but such buildings shall ensure sustainable environmental management, solid and liquid waste management, rain water harvesting and may use recycled materials such as fly ash bricks”.

- **Townships and area development projects:** Projects under category B, as in line with the 2006 Notification—covering an area greater than 50 ha and/or built up area greater than 150,000 sq m.

The capacity and accountability of the state level clearance authorities, the State Level Environmental Impact Assessment Authorities (SEIAAs) and the State Expert Appraisal Committees (SEACs,) has been one of the major issues concerning environmental clearances at the state level. As far as projects cleared by the state authorities are concerned, there is no clarity about the monitoring authority, as this has not been specified under the EIA Notification 2006. The fact is that, though devolving power to state authorities over time is justified, this must only come after such institutions are strengthened and are made accountable. Otherwise, this will only mean that projects will be cleared with less scrutiny and thereafter their operations will continue without proper fulfillment of conditions.

II. FOREST CLEARANCES

- Between, June 2014 to February 2015, about 15,620 hectare (ha) of forestland have been allowed diversion including in-principle and final clearances. MoEFF&CC has not put out data on forest clearances for the last three months (see Table 4: *Forest clearance granted for various development projects*).

Table 4: Forest clearances granted for various development projects (till February 2015*)

Sectors	No of clearances final	Land diverted (ha)	No of clearances in principle	Land diverted (ha)
Dispensary/ Hospital	1	39.9		
Drinking water	3	1.0		
Defence			1	3650.1
Industry	5	0.3	4	0.9
Mining	12	1,710.4	18	3,122.3
Irrigation	1	0.1	8	1,850.6
Others	156	35.7	104	332.6
Railway	1	75.8	10	1,366.2
Rehabilitation	1	242.4		
Road	31	248.8	51	1,137.5
School	1	0.0	1	22.1
Transmission line	23	241.4	26	1,319.0
Thermal power	1	14.0		
Wind power			2	163.2
Hydropower	1	0.5	2	45.4
Total	237	2,610.2	227	13,010.0

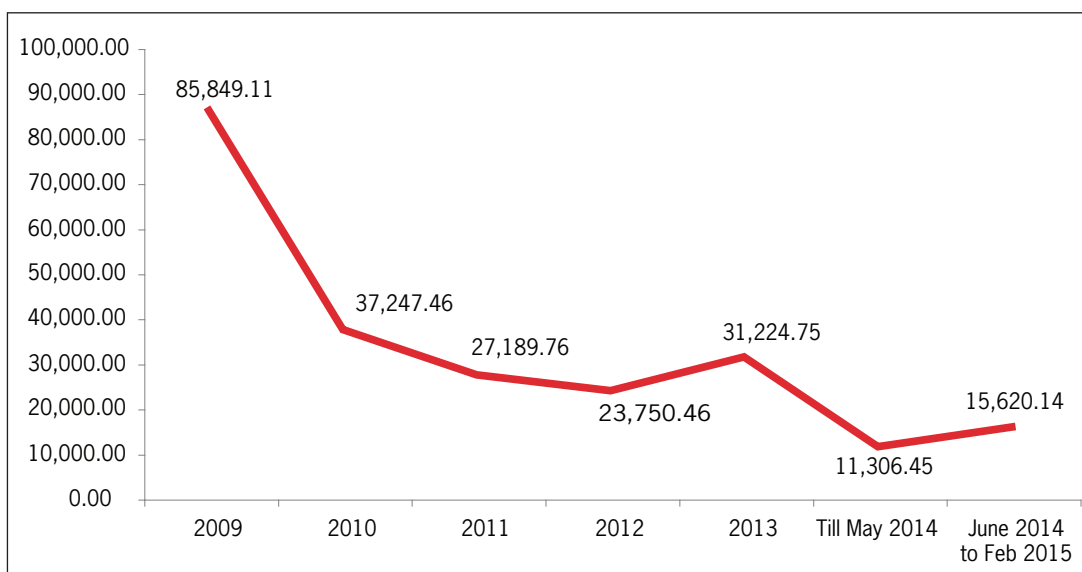
Note: * Given the reconstruction of the forest clearance site by the MoEF&CC as informed by officials, data for March and April 2015 could not be accessed. Meeting with officials to obtain further information was also not possible, due to restrictions imposed by the government.

- Mining, defense, railways, roads and transmission lines are the top five sectors for which forestland were diverted.
- Among this, more than 30 per cent forest land diversion has been allowed for mining projects; the maximum is for coal mining, about 2938 ha.

1. UPA vs NDA

From the available data for the first nine months of the NDA rule, it seems that the amount of forestland diverted has been the least since 2009 (see Figure 10: *Forest land diverted*).

Figure 10: Forest land diverted (hectare)



III. WILDLIFE CLEARANCES

- In July 22, 2014, the government reconstituted the National Board of Wildlife (NBWL). However, the members nominated at that time created a huge controversy. As per the Wildlife Protection Act, 1972, the Union government can nominate five non-profit organisations working in the field of conservation to be part of the NBWL, but the government had only nominated one non-profit member. Similarly, while the law allows 10 independent experts to be nominated from the field of wildlife and environment, only two such members were nominated.
- As per sources, following such favorable constitution of the NBWL, in its first meeting on August 12–13 under the new government, the Board cleared 133 projects, with only one rejection, and deferred/sent back 26.
- The matter moved to the Supreme Court as it was contested that the constitution of the NBWL was attempting to skirt around the law. In August 2014, the Supreme Court questioned the legality of the constitution of the NBWL, and put the projects that were cleared on hold.
- Following the developments at the Supreme Court, the government took corrective measures. The NBWL was reconstituted in September 11, 2014. Four additional non-profit organisation members, and eight additional independent experts were included. The original petition was dismissed by the Supreme Court in November 2014.
- In the next meeting of the NBWL, held on January 21, 2015 (which is also the latest minutes available of the board), the Board seemed to act in a more reasoned way. In this, 13 projects based on “action taken reports” following the August 2014 meeting were discussed. Among these eight projects were recommended, four were deferred and one withdrawn. Besides these, 36 other projects were recommended and 16 projects were deferred/sent back.

B. POLLUTION CONTROL AND MANAGEMENT

There are many positive trends in pollution control and management that need to be watched and supported:

- The government came out with Air Quality Index and is in the process of monitoring air quality on real-time basis in cities. This will help to build public awareness about the quality of air and the precautions people need to take for safeguarding health.
- There has been a focus to improve waste management rules—municipal, hazardous, e-waste, construction waste, plastic etc. The government has issued draft waste rules, which are a significant improvement from the past.
- MoEF&CC and CPCB are working to make existing pollution standards more stringent in major polluting industrial sectors. The draft notification on thermal power plants, when implemented, would reduce pollution significantly.
- The government is putting in place continuous online pollution monitoring systems in major polluting industries. If this is implemented properly, it can significantly improve compliance and enforcement of pollution standards.
- Increasing transparency of decision-making processes by putting in place an online system of clearances.

However, at the same time, the government has also relaxed provisions allowing projects to come up in critically polluted areas.

ALLOWING NEW PROJECTS TO COME UP IN CRITICALLY POLLUTED AREAS

The MoEF&CC (formerly Ministry of Environment and Forests) vide an Office Memorandum in January 2010, had imposed a moratorium till August 31, 2010 on consideration of projects for environmental clearance if located in 43 critically polluted areas (CPA) / industrial clusters identified by Central Pollution Control Board (CPCB). At that time, it was envisaged that during the period of moratorium, time bound action plans will be prepared by the respective State Pollution Control Boards (SPCB) or pollution control committees (PCC) for improving the environmental quality in these industrial clusters / areas. The action plans so prepared would be finalised by CPCB. However, the moratorium was extended from time to time beyond the stipulated period.

Though many of the industrial areas showed improvement in the quality of environment between 2010 and 2013, when CPCB conducted monitoring in all the 43 CPAs between February to April, 2013, eight did not show any improvement. The eight areas including Ghaziabad (UP), Indore (M.P.), Jharsuguda (Orissa), Ludhiana (Punjab), Panipat (Haryana), Patancheru–Bollaram (AP.), Singrauli (UP and MP) and Vapi (Gujarat), had high CEPI scores and were still critically polluted—as a matter of fact, they were worse off. In September 17, 2013, vide an OM, this fact was taken note of and the moratorium, which had been lifted earlier, was re-imposed in these eight areas.

However, shortly after taking office, on June 10, 2014, the MoEF&CC decided:

- To “keep in abeyance” the moratorium in eight CPAs will be kept in abeyance till CPCB re-assesses the Comprehensive Environmental Pollution Index (CEPI) taking into account all constituents of index as originally envisaged in 2009.
- The ministry gave certain conditions for clearance of projects in these areas, such as all projects requiring EC in these areas to be considered only by MoEF&CC; third party monitoring by a reputed agency will be required in addition to monitoring by regional office; implementation of the action plan of each of these eight CPAs to be jointly reviewed by the CPCB and SPCB on quarterly basis and subsequently report sent to MoEF&CC etc.
- The MoEF&CC by another OM dated September 1, 2014, further pronounced to keep in abeyance the moratorium on Chandrapur CPA in Maharashtra. The action was taken observing that “coal mining activities do not seem to be major contributors of pollution load in the area”, as mining



activities are site specific. It was noted that moratorium will be kept in abeyance temporarily (one year; after which position to be reviewed) for expansion projects of existing coal mining in the area. The decision is subject to certain stipulations as spelled out in the OM.

C. REFORMS

I. REVIEW OF ENVIRONMENTAL GOVERNANCE

In the beginning of 2015, the MoEF&CC released its vision “towards transparency and good governance”. The focus of the vision was to develop “clear laws, firm rules and transparent processes to ensure a policy-based predictable regime”. As part of the vision, the ministry set up a High Level Committee to scrutinise existing environmental laws.

The High Level Committee (HLC), under the chairmanship of TSR Subramanian, former cabinet secretary, was entrusted with the task of reviewing and suggesting amendments to six cornerstone legislations, the Environment Protection Act (1986), the Forest Conservation Act (1980), the Wildlife Protection Act (1972), the Water (Prevention and Control of Pollution) Act (1974), the Air (Prevention and Control of Pollution) Act (1981), and the Indian Forest Act (1927). The Committee submitted its report to the MoEF&CC in November, 2014. Following review of the report by the Parliamentary Standing Committee on Science and Technology, Environment and Forests, the ministry has now engaged technical consultant for preparing an environmental governance framework based on the recommendations of the HLC.

HLC has proposed the revision in environmental governance through reform of laws and institutions including for green clearances. Though only time will tell what amendments will finally take place with the regulatory provisions, and what institutional changes will be brought about with respect to environmental governance, but the report of the HLC does sound a note of caution, rather than on eof relief, with respect to environmental protection and overall reform in environmental governance that is actually required. It is primarily because:

- A hasty and piecemeal approach—though many of the observations are pertinent, the recommendations fail to address the most critical issues of environmental protection, rather, in many ways, it perpetuates the status quo.
- Instead of dealing with the nuances and complexities of environmental governance, the HLC proposal involves a regulatory framework that is involved in clearances. This is precisely the problem with the current regulatory regime—reducing environmental governance to a sanctioning platform.
- For instance, the committee proposes a new law, the Environmental Laws (Management) Act (ELMA), and two new institutions to be developed under ELMA—the National Environment Management Authority (NEMA) and the State Environment Management Authority (SEMA)—to deal with clearance-related issues. Once in effect, NEMA and SEMA will replace the Central Pollution Control Board (CPCB) and state pollution control boards (SPCBs) also taking up their respective functions.
- The proposal of the new Act is not thought out. It will create more multiplicity and confusion. For example, it recommends retaining the existing Environment (Protection) or EP Act, 1986, and proposes that the Water Act and the Air Act would be “eventually” subsumed by the EP Act. However, it is not clear how the EP Act and provisions of ELMA will be integrated.
- There is also no need of a new law for creating the authorities—NEMA and SEMA. The authorities can be established under existing provisions of EP Act itself—Section 3(3). The CPCB should be suitably modified and transformed into NEMA, and the existing SPCBs must be strengthened and transformed into SEMAs.
- It creates multiplicity of institutions by recommending “special environmental courts” at district levels for adjudicating on offences under ELMA. There is no need of new judicial institutions which will also create huge multiplicity in appeal and enforcement. We already have National Green Tribunal to adjudicate over civil matters, and the district courts for criminal offences.

- There is a predilection to resort to technological solutions to address issues of monitoring and enforcement that is a big challenge for environmental management. However, this is a very limited approach. Though online monitoring and use of technology is important, but this must be supplemented by physical inspection and monitoring. What is urgently required is to strengthen regulatory institutions.

Most importantly, what the reform exercise must consider is the need to move away from a “clearance centric” vision and structure of environmental governance. Green clearances must be just “one” component of environmental governance, not “the” component. The focus should be more on comprehensive environmental planning and management. To achieve this we need to integrate and synergise laws, introduce the use of multiple regulatory tools, institutionalise Strategic Environment Assessment for major government policies and programmes (industrial corridors, manufacturing zones, Special Economic Zones), develop master plans based on regional environmental impact assessments, develop standard operating procedure for inspection, monitoring and enforcement etc. Moreover, regulatory institutions at all levels must be strengthened and made competent to deal with multiple environmental challenges of the present day. The potential of most laws, rules and notifications have not been realised because of weak institutions.

II. MOVE TO UNLOCK CAMPA FUNDS

One of the major controversial issues with respect to forest governance has been compensatory afforestation. The irregularity is two-fold; utilisation of CAMPA funds, and the quality of afforestation done. The controversies exist because of lack of accountability, poor inspection and monitoring, availability of information etc. In July 2009, the Supreme Court had limited Rs 1,000 crore per year fund disbursement for the next five years, noting that releasing too much money at one time will lead to irregularity.

However, the Union cabinet, chaired by Prime Minister Narendra Modi, cleared a Bill on April 29, 2015 to unlock the compensatory forestation fund of Rs 38,000 crore, the use of which is currently being supervised by the Supreme Court. Following the decision of the Union cabinet, the Compensatory Afforestation Fund Bill was introduced in the Lok Sabha on May 8.

As indicated by the government, “in the absence of proper institutional mechanism with adequate statutory backup amount of unspent funds has increased to more than 38,000 crore rupees”. The major push of the bill is unlocking of this money.

The proposed Bill seeks to provide an institutional mechanism, both at the Centre and in the states, to ensure expeditious utilisation of the amounts realised from diversion of forest land to non-forest purposes. The Bill provides for the establishment of the National Compensatory Afforestation Fund under and State Compensatory Afforestation Funds.

As per law, the project proponent needs to deposit an amount with the government for afforestation of non-forest land. Besides, the project proponent also deposits a net present value of the forest in lieu of the non-tangible benefits lost with the loss of forests. Such amounts are currently kept in nationalised banks and are being managed by an ad-hoc Compensatory Afforestation Management and Planning Authority (CAMPA).

The problem with compensatory afforestation is the problem of proper vision, plan, oversight and accountability. If they can be sorted out with proper oversight, plan and accountability, CAMPA has huge potential to improve the forest cover as well as improve the livelihoods of forest dwellers and forest dependent communities.