

India's Forests Valued at Rs. 115 Trillion, But Tribals Unlikely to Get a Share

Kumar Sambhav Shrivastava

A panel in 2013 suggested the NPV money be distributed between local communities, state governments and the Centre. (Hindustan Times file)

India's forests are worth as much as the combined market value of BSE-listed companies with a notional value of Rs 115 trillion but the money collected from diverting parts of this land for industries won't go to communities that live in and are dependent on the jungles.

The Union environment ministry accepted most recommendations of a 2013 expert panel that hiked the rates at which industrialists pay for diverting forest land but dropped a crucial clause mandating half that money be used to compensate tribals for the loss of jungles, documents reviewed by HT show.

A new law enacted by the Centre to disburse these funds – Rs 42,000 crore at present – also says the money should go to state forest departments, leaving out tribals. The government says the suggestion to give money to local communities isn't practical.

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“A lot of things are easier said than done. The governments anyway try and spend the money in such a way that the local communities get the maximum benefit,” said a government official.

Under a 1980 law, when forest land is diverted for industrial use, the project developer has to pay for compensatory afforestation and the Net Present Value (NPV) of the forest, to make up for the loss in ecosystem.

At present, the government charges Rs 4.38 lakh to Rs 10.43 lakh per hectares (ha) NPV, depending on the type and density of forest. These rates were fixed in 2008 but the Supreme Court asked the government to revise rates of NPV every three years.

The 2013 report revised the rates to a range of Rs 5.54 lakh to RS 50.72 lakh per ha. The panel – comprising scientists from the Indian Institute of Forest Management (IIFM) and Forest Survey of India – said the previous 2008 numbers were “grossly underestimated”.

The environment ministry accepted the new figures and is sending them to the committee of secretaries (CoS) for its nod, documents reviewed by HT revealed.

Before accepting the recommendations, the ministry asked the IIFM to estimate the total NPV of India's forests, an exercise never done before. The IIFM told the ministry the notional value of India's forest would be Rs 115 trillion.

This will increase the money collected from industrialists. “The rate of accumulation of the compensatory afforestation fund will be more than double now with an overall hike of 117% in the NPV as compared to previous rates,” said an official.

But one crucial recommendation is missing from the environment ministry's proposal to the CoS. The 2013 panel estimated 50% of the value of forest goods and services are created at the local level, 34% at the state level and 16% the national level and suggested the NPV money be accordingly distributed between local communities, state governments and the Centre, respectively.

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Such a mechanism, the panel said, would ease land acquisition worries for big projects, which face the ire of forest-dwelling tribals who fear the loss of livelihood.

Another source of worry for local communities is a new law -- the Compensatory Afforestation Fund Act, or Campa act, which was cleared by Parliament recently -- that will govern the disbursement of these funds.

Campa act has tribal rights activists up in arms as the legislation says nothing about sharing the revenue with the traditional forest-dwelling communities. The money is set to go to state governments, which violates the spirit of the 2013 panel report and the 2006 forest rights act, activists say.

Activists have repeatedly alleged that the government disregards environmental norms and tribal rights in handing out permits to use forestland for industries.

The 2013 report recommended the increase in NPV based on the monetary value of several goods and services from the forests such as timber, bamboo, non-timber forest produce, fuelwood, fodder, carbon sequestration, water recharge, soil conservation, pollination and seed dispersal that were not valued earlier.

The new NPV rates will be part of the yet-to-be-framed rules under Campa act.'

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