

# WHAT THE NEW CAF RULES IMPLY

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Jairam Ramesh

Former Environment Minister Jairam Ramesh has, in a letter, raised serious objections to the rules governing the administration of the Compensatory Afforestation Fund. He has described them as a “blatant breach of assurances” given to Parliament. Here is a look at the key issues involved

## What is the Compensatory Afforestation Fund (CAF)?

The CAF is a nationally constituted authority that presides over a corpus of Rs. 66,000 crore. This is money paid by developers who have razed forest land for their construction projects, and the idea is that such land destroyed needs to be made good by regenerating forest elsewhere on non-forest land. The amount to be paid depends on the economic value of the goods and services that the razed forest would have provided. These include timber, bamboo, firewood, carbon sequestration, soil conservation, water recharge, and seed dispersal. Industrialists pay this money and this is eventually transferred to the States concerned to carry out afforestation. Until now, a Compensatory Afforestation Fund Management and Planning Authority was in charge of the funds. However a new Act, the CAF Act 2016, that came into being after over a decade since it was devised, now establishes an independent authority to execute the fund. However, it was not until August that the rules governing the management of the fund were finalised. And this has stoked controversy.

## What was the controversy?

The CAF Bill was finally passed, in 2016, after the then Environment Minister, the late Anil Dave, assured the House that all objections raised, particularly by Mr. Ramesh — such as the provisions of the Bill vesting greater powers in the forest bureaucracy than on resident tribal people; the possible violation of tribal rights, and gram panchayats not having the final say in deciding what kind of forests could be grown — would be addressed within the Rules of the Bill. Several members had also raised doubts on whether it would lead to an ecologically sustainable replenishing of forests, and whether tribal people would be persecuted by officialdom under the garb of regenerating forests. Once the Rules became public, Mr. Ramesh said they were a “breach” of promises made. In a letter to Union Environment Minister this month, he pointed out several concerns.

## What are these concerns?

Mr. Ramesh has alleged that the CAF Rules “undermined” several aspects of the Forest Rights Act (FRA) and the Panchayats (Extension to Scheduled Areas) Act (PESA). In the current form, they significantly reduced the authority of the gram sabhas in having a say in their local compensatory afforestation projects and reduced them to the role of “consultants”. Much power instead was vested with the State-level forest bureaucracy, according to Mr. Ramesh’s letter. The gram sabhas were put on the same footing as panchayats; consequently there would be great control exerted by the State authorities in the disbursal of the fund. The provisions laid out in the rules limit compliance with the FRA only to those areas where rights holders have been formally recognised.

## What does the government say?

The government has said there was ample time for objections — after the rules were framed — to be recorded. Mr. Ramesh hadn't raised concerns then. Moreover, there was no undermining of the FRA and the heads of the bodies, who had the authority to decide on CAF projects, were all members of the community.

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