

2. Compensatory Afforestation Fund

Prelims: Environment- Biodiversity & Its Threat

Mains: GS-III- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Why in News?

- ▶▶ The Union Environment Ministry has transferred ₹47,436 crore to 27 States for afforestation.

Highlights:

- ▶▶ The funds are long-pending dues, part of the Compensatory Afforestation Fund (CAF), that has been collected for nearly a decade as environmental compensation from industry.
- ▶▶ The centre expects that states will utilize the funds towards forestry activities to achieve the objectives of the Nationally-Determined Contributions (NDCs) of increasing forest & tree cover.

Compensatory Afforestation Fund:

- ▶▶ The CAF Act was passed in 2016 and the related rules were notified in 2018.
- ▶▶ The CAF Act was enacted to manage the funds collected for compensatory afforestation which till then was managed by ad hoc Compensatory Afforestation Fund Management and Planning Authority (CAMPA).
- ▶▶ As per the rules, 90% of the CAF money is to be given to the states while 10% is to be retained by the Centre.
- ▶▶ The funds can be used for treatment of catchment areas, assisted natural generation, forest management, wildlife protection and management, relocation of villages from protected areas, managing human-wildlife conflicts, training and awareness generation, supply of wood saving devices and allied activities.

Compensatory afforestation:

- ▶▶ It means that every time forest land is diverted for non-forest purposes such as mining or industry, the user agency pays for planting forests over an equal area of non-forest land, or when such land is not available, twice the area of degraded forest land.