

**WORKSHOP ON AVOIDED DEFORESTATION INCENTIVE
MECHANISM FOR STATES
(23rd March 2009)**

Recommendations of the Workshop

The workshop on “**Avoided Deforestation Incentive Mechanism for States**” was organised by the Indian Council of Forestry Research and Education at Dehradun on 23rd March 2009 on behalf of the Planning Commission, Government of India.

The main aim of the workshop was to have wider consultations with all the stakeholders including senior representatives of State Forest Departments on the subject of providing incentives to the States holding and maintaining large tract of forest cover above the National Average worked out under the two options, i.e., (i) excess of total forest cover (TFC) and dense forest cover (DFC) to be calculated against the National Average invariably for all states and (ii) excess of TFC and DFC to be calculated as such for plain States and at double the National Average for hilly States.

The paper presented on the subject by the Planning Commission in the workshop was widely appreciated and favourably commented upon by all the participants. The group desired that this mechanism be put into place at the earliest. In its presentation, the Planning Commission informed that some of the states in the country, during plan discussions, had raised the issue of compensation for maintaining forest cover at levels higher than national average (20.6%). According to these states, large forest areas were adversely affecting their development activity vis-à-vis the states that had minimal forest cover. Planning Commission was working on a methodology to provide incentives to States holding and maintaining large tract of forest cover above the national average.

The incentive is being conceived in form of the Additional Central Assistance (ACA) package to support and encourage the States/Union Territories who have done a good job of maintaining large tract of forest cover.

Adviser (E&F), Planning Commission stated that the workshop was organized at a short notice to finalize the Incentive Mechanism to enable its inclusion in the coming financial year 2009-10 itself.

Following is the summary of discussions, proceedings and decisions emerging from suggestions made by the representatives of States/Union territories, and other reports present in the workshop:

1. Fund Flow Mechanism: It was felt that the funds may be directly devolved by Planning Commission to the States/UTs and it should be tied up with the plan to spend the money in the sector itself.

The Planning Commission suggested that due to some practical reasons immediately a nodal point such as Ministry of Environment and Forests (MoEF) could be designated to ensure the money disbursement and its monitoring under guidelines AS AN INTERIM MEASURE.

It was also suggested to set up an authority at the State/UT level to manage the funds preferably under the chairmanship of Principal Chief Conservator of Forests (PCCF) of the concerned State/UT.

2. Exclusion of uncultivable geographical areas: It was suggested to exclude the high altitude areas (over 3,000 m) from the total geographical area where the climatic conditions could not support vegetation and also to exclude cold and hot deserts.

3. Inclusion of all ecosystems which render environmental services such as grasslands, alpine pastures, glaciers and wetlands to be considered as important as and equivalent to an open forest.

4. The title “**Incentive for Preventing Deforestation and Promoting Conservation of Forest Ecosystem**” was suggested for the paper in place of the present title of “**Avoided Deforestation Incentive Mechanism for States**”.
5. Gadgil formula was suggested to incorporate environmental factors for the plan assistance to States/UTs.
6. The mountain States suggested that they be considered at par with plain States while computing excess forest cover, and should not be disincentivized for doing service for the nation by maintaining larger forest areas.
7. It was suggested that the weightage be given to the density of the forests [**Very Dense Forest (VDF), Moderate Dense Forest (MDF), Open Forest (OF)**].
8. Protected Area Network to be considered for additional incentive.
9. The trend of increase or decrease of the forest cover to be taken note of at an appropriate stage while deciding incentives.