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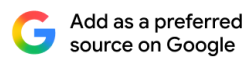
# Forests for sale

A Centre circular that allows private entities to run plantations on forest land has critics warning of biodiversity loss and the exclusion of traditional communities.

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AYASKANT DAS

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A tribal community discussing issues related to the Forest Rights Act during an awareness march through Nagarhole, Karnataka, on December 30, 2025. | Photo Credit: By Special Arrangement

Through a circular issued in the first week of January, the Union Ministry of Environment, Forests and Climate Change allowed private entities to undertake afforestation and plantations on **forest** land without paying Net Present Value or undertaking compensatory afforestation—levies mandatory for any project that diverts

forest land for non-forest use. Critics say the decision blurs the line between ecological protection and commercial activity and opens forests to biodiversity-threatening monocultures.

The circular states that assisted natural regeneration, including afforestation and plantation carried out by State governments and Union Territories in association with private and non-government entities on a revenue-sharing basis, will be treated as forestry activities. “Provided that where the State government agrees to undertake assisted natural regeneration including afforestation/plantation, for purposes mutually agreed between the States/UTs and Government or non-Government entities, such activities undertaken in accordance with the provisions of an approved Working Plan/Management Plan, applicable in such cases and under the supervision of the State Forest Department shall be deemed to constitute forestry activities,” it states.

The circular adds that the requirements of compensatory afforestation and payment of Net Present Value shall not apply to such activities. State governments, it notes, may devise appropriate frameworks for the utilisation of such plantations and revenue sharing on a case-by-case basis.

The ministry justified the decision as an effort to align with “the evolving framework for restoration of forest land and utilization of silviculturally available sustainable harvest from forests”.



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The circular flows from consolidated guidelines issued under Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980—formerly the Forest (Conservation) Act, 1980—in December 2023. Those guidelines had included “silvicultural operations” and “assisted regeneration operations” as forestry activities.

## Ecological concerns

Ritwick Dutta, an environmental lawyer and founder of the Legal Initiative for Forest and Environment, argued that the interchangeable use of the terms “afforestation” and “plantations” in the circular dilutes a recognised legal and ecological distinction. Afforestation is intended to restore natural **forest ecosystems**; plantations are commercial and monocultural crops meant for harvesting. “This conflation undermines the statutory objective of conservation by permitting economically driven activities to be justified as ecological restoration,” Dutta said.

If private entities selectively permit the regrowth of only commercially valuable species in assisted natural regeneration, which involves allowing forests to regenerate naturally from existing roots and seed stock after felling, the process could severely undermine forest biodiversity, he added.



Union Minister of Environment, Forest and Climate Change Bhupender Yadav addresses a press conference, in New Delhi, on December 22, 2025. The ministry, in a recent circular, allowed private entities to undertake afforestation and plantations on forest land without paying Net Present Value or undertaking compensatory afforestation—levies mandatory for any project that diverts forest land for non-forest use. | Photo Credit: Salman Ali/PTI

The ministry has clarified that the guidelines will not “open up” forest land management by non-government entities but will only allow them to restore degraded forests to help achieve the national goal of 33 per cent forest cover. The National Forest Policy of 1988 terms it a national imperative to bring a minimum of one-third of the total geographical area under forest or tree cover.

The policy decision has been described as a form of “land grab” because leased-out forest land would exclude forest-dependent communities from accessing traditional lands and collecting minor produce. Critics argue that lifting restrictions on non-government entities in areas previously off-limits represents a further monetisation of trees and forests—a process that began four decades ago with the fixing of Net Present Values and the payment of money for compensatory afforestation under the Forest (Conservation) Act, 1980.

Manshi Asher, an environmental justice activist and researcher with the Himdhara Collective in Himachal Pradesh, termed the decision “dangerous” because it enables private enclosures for profit while being counted as an increase in forest cover, even as they undermine biodiversity protection and community rights to use and govern forests.

“Historically, plantations have been used by the forest bureaucracy as a form of enclosure, restricting the access and ownership of forest-dependent communities while fundamentally changing the nature of forests. Valuable pastures and ecologically diverse landscapes have repeatedly been converted into commercial monocultures,” Asher said.

The determination of Net Present Value and the establishment of the National Compensatory Afforestation Fund have already treated forests as commodities and delivered little in conservation terms, she added. Diluting even these limited safeguards represents a deeper erosion of democratic and accountable forest governance.

### **Questions over degraded land**

The ministry has claimed that only “degraded” forest lands—comprising 6 per cent of the country’s geographical area and used until now only for compensatory afforestation against diversion of forest land for non-forest purposes—will qualify for leasing under

these guidelines. But degraded forest land continues to be used by pastoral communities across India for grazing livestock. In many instances, their community rights, as guaranteed under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, will be under threat.

Critics question the logic of using degraded forest land, already owned by the Forest Department, to achieve the national goal of 33 per cent forest cover. The India State of the Forests Report 2023 puts the total forest cover at 21.76 per cent of the country's geographical area.

“What is stopping the Union government from increasing forest cover through private participation over non-forest land to achieve national goals?” asked Debi Goenka, an environmentalist and executive trustee of the Conservation Action Trust in Mumbai. “A number of pilot projects can be undertaken to determine how efficiently the private sector can carry out afforestation on non-forest lands.”

If degraded forest land must be used to increase forest cover through afforestation and plantation, it can easily be done through community participation, Goenka said. The costs would also be minimal because no special technology or know-how is required. Besides, forest departments are not short of money—compensatory afforestation funds are often misused by various State governments in areas bearing no connection to forestry.

### **Misuse of afforestation funds**

In October 2002, the Supreme Court of India directed the formation of a Compensatory Afforestation Fund to receive all funds from user agencies towards afforestation and other compensatory activities in instances of forest land diversion. The ministry notified the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in April 2004 for managing the afforestation funds. The Compensatory Afforestation Fund Act, enacted in 2016, provides for the transfer of 90 per cent of funds realised from user agencies to various States and Union Territories. The remaining 10 per cent is retained by the Union government.



The India State of the Forests Report 2023 puts the total forest cover at 21.76 per cent of the country's geographical area. | Photo Credit: JOMON PAMPAVALLEY

The latest annual report of the National CAMPA states that during 2023-24, compensatory levies of Rs.6,496.50 crore were realised from user agencies. After reconciliation, Rs.11,236.22 crore of cumulative compensatory levies were transferred to various States and Union territories during the financial year.

According to an audit report published by the Comptroller and Auditor General (CAG) of India in 2024, the State government of Uttarakhand had diverted Rs.13.86 crore of its CAMPA fund on “inadmissible activities” including “tiger safari work, renovation of existing buildings, expenses on personage visits, court cases, purchases of i-phone, laptops, fridges, coolers, stationary etc.” The Supreme Court, in a bench comprising Justices B.R. Gavai and Augustine George Masih, took note of the report but let the Uttarakhand government off the hook on the ground that the diversion of funds was trivial in nature and comprised only a minuscule proportion of the total fund.

“Perusal of the affidavit [of Uttarakhand government] would reveal that the amounts spent were on activities which are directly or indirectly connected to forestation and/or preservation of the forests. The amount spent is about 1.8% of the total funds available

for utilization in the CAMPA fund. We find that deviations, if any, are trivial in nature. However, the state would ensure that hereinafter, no deviations are made," the bench ruled in an order issued on March 19, 2025.

Discrepancies in the management of CAMPA funds by the Madhya Pradesh government were found in another CAG report tabled in the Parliament of India in February 2024. The audit revealed that the State government spent money out of the CAMPA fund on non-permissible activities including purchase of vehicles and construction of buildings. A sum of Rs.29.58 crore was incurred for teak plantation—a commercial activity not permissible under compensatory afforestation.

The State government sanctioned huge amounts from its CAMPA fund for other ineligible activities including Rs.120.30 crore between 2017-18 and 2018-19 for an agroforestry scheme and Rs.20.88 crore in February 2018 for construction of a building, besides sums for training and awareness programmes. Between 2017 and 2020, Rs.167.83 crore was sanctioned on activities not permissible under compensatory afforestation. Of this, Rs.53.29 crore had already been disbursed when the audit took place.

“Why suddenly the idea of involving non-government entities in afforestation activities on government-owned forest lands?” Goenka asked. “Till date, there is not a single instance where project proponents have themselves carried out compensatory afforestation after diverting forest land for non-forest use for their projects. Project proponents only deposit money with the forest department. The actual responsibility of planting and maintaining forests is left entirely to the forest departments and the bureaucracy. This can easily be changed, to begin with.”

### **A contested claim**

Experts argue that the term “restoration” has been used as a rhetorical cover for enabling private sector access to forest land while weakening regulatory protections. Single-species plantations, which private entities will naturally prefer for faster commercial returns, cannot supplant multi-species biodiversity and would eventually result in habitat destruction.

A section of experts, though, is of the opinion that afforestation or plantation could benefit ecology depending on the kind of degraded forest land where these activities are undertaken.

Dr Gopal Singh Rawat, formerly dean and director of the Wildlife Institute of India in Dehradun, noted that parcels of degraded forest land covered with unpalatable invasive species—non-native plants like weeds avoided as food by local predators owing to toxicity, unpleasant taste, or awkward physical structure—enjoy significant competitive advantage over local species. If these parcels are chosen for afforestation or plantation, including monoculture, the net result may have some positive aspects for local ecology, he said.

But not all degraded forest land in India is covered with unpalatable invasive species. Different classes of degraded forest land need consideration while allowing afforestation or plantation activities. Forest density in the country is determined through satellite imagery based on canopy cover. The Forest Survey of India classifies forest land into five broad categories: very dense forests (canopy cover of 70 per cent and above), moderately dense forests (canopy cover between 40 and 70 per cent), open forest (canopy density between 10 and 40 per cent), scrub (canopy density less than 10 per cent), and non-forest (areas not included in the above categories).

According to the India State of the Forests Report 2023, during a span of a decade from 2011 to 2021, more than 46,707 sq km of forest land was degraded to non-forest areas in accordance with the definitions provided above. Yet even these non-forest areas, in several instances, support a wide variety of biodiversity.

“In India, wide parcels of savannah and natural grasslands have historically been misclassified as degraded forest land. Open forests, which typically mean forests with sparse and scattered tree cover, are unique habitats for a wide variety of flora and fauna even though, in certain instances, they may appear open and rocky. If these parcels are taken over for afforestation or plantation, there will certainly be an adverse impact to biodiversity. Not only wildlife but various other ecosystems will be impacted in a negative manner,” Rawat said.

*Ayaskant Das is an independent journalist and writer based in the National Capital Region.*

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### Summary

The Union Environment Ministry's circular allowing private entities to undertake afforestation on forest land without Net Present Value or compensatory afforestation has sparked controversy. Critics argue it blurs ecological protection with commercial activity, potentially leading to biodiversity-threatening monocultures and undermining community rights. While the ministry claims it aims to restore degraded forests and achieve national forest cover goals, environmentalists fear it's a "land grab" and a further commodification of forests. Concerns are also raised about the misuse of Compensatory Afforestation Fund Management and Planning Authority (CAMPA) funds by state governments, highlighting a systemic issue in forest governance and conservation efforts.

### Key Questions & Insights (AI)

What is the core change introduced by the Union Ministry of Environment, Forests and Climate Change's recent circular?

How do critics view the Ministry's decision regarding private involvement in afforestation?

What is the distinction between "afforestation" and "plantations" as highlighted by environmental lawyer Ritwick Dutta?

What is the Ministry's stated justification for this policy change?

What concerns have been raised regarding the impact on forest-dependent communities?

What is the current total forest cover in India, according to the India State of the Forests Report 2023?

What is the Compensatory Afforestation Fund (CAF) and how is it managed?

Have there been instances of misuse of CAMPA funds by state governments?

What is the potential ecological impact if degraded forest lands with unique biodiversity are used for afforestation or plantations?

