News: The Forest Advisory Committee (FAC), an apex body tasked with adjudicating requests by the industry to raze forest land for commercial ends, has approved a scheme that could allow “forests” to be traded as a commodity.

- If implemented, it allows the Forest Department to outsource one of its responsibilities of reforesting to nongovernment agencies.

About the scheme

- The proposed ‘Green Credit Scheme’ allows agencies — they could be private companies, village forest communities — to identify land and begin growing plantations. After three years, they would be eligible to be considered as compensatory forest land if they met the Department’s criteria.

- The FAC discussed the ‘Green Credit Scheme’ in a December 19, 2019 meeting. It was first developed by the Gujarat state government and was pending for approval from the MoEF&CC since 2013.

What is the current scenario?

- In the current system, industry needs to make good the loss of forest by finding appropriate non forest land — equal to that which would be razed under the provisions of the Forest (Conservation) Act, 1980.

- It also must pay the State Forest Department the current economic equivalent — called Net Present Value — of the forest land.
• It’s then the department’s responsibility to grow appropriate vegetation that, over time, would grow into forests.

**Why this action has been taken?**

• **Industries** have often **complained** that they find it **hard to acquire appropriate nonforest land**, which **has to be contiguous to existing forest.**

• Nearly Rs. 50,000 crore had been collected by the Centre over decades, but the **funds were lying unspent** because States were not spending the money on re-growing forests.

• The **Supreme Court intervened**, a new law came about with rules for how this fund was to be administered.

• About Rs. 47,000 crore had been disbursed to States until August, but it has barely led to any rejuvenation of forests.

**About Forest Advisory Committee**

The FAC is a body under the Union Ministry of Environment, Forest and Climate Change (**MoEF&CC**) and is **responsible for regulating forest diversion.**