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## Budget 2020-21: Govt likely to set up a national plantation corporation

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The Union government is likely to announce the setting up of a Plantation Corporation of India in the upcoming budget, a source told *Down To Earth*.

The national body will subsume all afforestation-related schemes currently underway in India including the Green India Mission, National Afforestation Programme and compensatory afforestation.

“The corporation will use Compensatory Afforestation Fund (CAF) money to undertake the plantations and investment will also come from the global pension fund,” the source said.

CAF is a huge corpus of money collected from projects proponents for diverting forest land to be used for non-forestry activity. The Centre had [released](#) Rs 47,436 crore to the states for carrying out compensatory afforestation activities on August 29, 2019.

However, experts have expressed concern about the move. “Which activities will they use CAF for? Everyone seems to want this money. But the fact is that the CAF Act limits the expenditure of this money to only those activities specified in it,” JV Sharma, from Delhi-based non-profit, The Energy and Resources Institute, said.

Others have raised concerns over the move’s impact on the federal structure of forest governance in the country. While forests are a concurrent subject, land-related issues are the responsibility of the states.

“I don’t know how this will work. I have not seen the notification for this, but creating a national level corporation for plantation will be a problem as forests and undertaking plantations is the de facto right of the states,” said Ritwick Dutta of Legal Initiative for Forest and Environment.

The idea of a Plantation Corporation of India was antithetical to the federal structure of the Indian Constitution, Dutta noted.

The move could have been triggered by the series of electoral losses suffered by the Bharatiya Janta Party (BJP) in state elections, he suggested.

“When the CAF Act was passed in 2016, the BJP was strong in the states. But now, with a series of losses, many states do not have a BJP government, especially mineral-rich ones like Jharkhand, Chhattisgarh and Madhya Pradesh where maximum deforestation is likely to occur, and where most of the CAF money will go. In a way, this move can be seen as a step to keep the money with the Centre,” Dutta said.

Source: <https://www.downtoearth.org.in/news/forests/budget-2020-21-govt-likely-to-set-up-a-national-plantation-corporation--69049>