

## **Why nature should be part of a comeback**

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As forests are a livelihood source for 100 million Indians, both Centre and States must work towards sustainable development

In the wake of Covid-19-linked economic recession, the Confederation of Indian Industry, the apex body of Indian businesses, has put 'Mother Nature' in its top three recommendations for building back India. The World Health Organization's manifesto also puts "protecting and preserving the source of health: nature" on top of its six-point manifesto.

A country of 1.3 billion people, India went into a complete lockdown for months in response to Covid-19, and now faces an unprecedented economic downturn. It is no surprise then that beyond the immediate health crisis, the government is focussed on economic recovery, including steps to improve liquidity for businesses and a stimulus package to help the poor. But how can these actions also be nature-positive?

The good news is that even before Covid, India was already "actioning" one of the largest ecological fiscal transfers in world history, by choosing to direct a higher percentage of Centrally-collected tax revenues to States based on their forest cover. The Finance Commission had increased the "weightage" given to dense forest cover in distributing taxes across States from 7.5 per cent to 10 per cent. This is resulting in distribution of \$10-12 billion for FY 2020-21 to States in recognition of the central role forests play in the country's sustainable development, in tackling climate change and supporting livelihoods.

Press forward

The context of Covid and economic recovery make it imperative that both the Central and State governments now press forward and translate this funding into green actions on the ground. If States benefiting from this ecological fiscal transfer don't act consistent with the "nudge" that the Finance Commission and the Central government have provided, their case for continuation of this formula for next five years — a decision to be made in October — could be weakened.

State governments that have benefited from this decision must allocate higher amounts to forestry budgets and make sure that they are utilised in ways that are friendly for both forests and the communities that depend on these forests. This funding could also be utilised to support other green initiatives, such as clean energy, sustainable transportation and green infrastructure.

The States that have received the highest quantum of funding due to their dense forest cover include Arunachal Pradesh, Madhya Pradesh, Chhattisgarh, Maharashtra, and Odisha. On the other hand, as the percentage of the total funding received, the North-East and hill States are the primary beneficiaries. If these States act in nature-positive ways, their case to the Finance Commission for continued allocation of 10 per cent to forests will be reinforced.

Forests and tree cover constitute a quarter of India's geographical area. About 300 million people, or about 22 per cent of India's population, depend on forests for their subsistence whereas for 100 million people, forests are the main source of livelihood. The reliance of these communities on forests deepens during times of economic shock, and reverse migration only means that there are more people dependent on forests for their lives and livelihoods than before.

The rivers originating in the Western Ghats and in Central India, which will only remain perennial if the forests are intact, are the lifeline for millions of people, and for the economy. The importance of protecting the forests for all sectors of society is clear.

As part of its economic stimulus package, the Central government's enhancement of its Mahatma Gandhi National Rural Employment Guarantee scheme is another welcome move. In supporting millions of migrants returning jobless to villages from cities following the lockdown, it can be leveraged to develop natural assets such as improved watersheds and to restore forests. In fact, there could not be a more opportune moment than now to converge the world's largest ecological fiscal transfer and the largest rural employment guarantee programme for the benefit of the vulnerable people and nature.

The onus also lies with States to effectively address the drivers of degradation and deforestation and remove policy bottlenecks for farm and agro-forestry sectors. Such efforts would provide millions of people a ladder out of poverty and would also help rebuild India's natural ecosystems.

Economic recovery can indeed go hand-in-hand with conservation and climate action. At the end of the day, nature-based solutions are as much about

protecting and supporting people, as they are about preserving and reviving nature.

The Central and State governments must now focus on translating the national policy ambition signified by their enactment of the world's largest ecological fiscal transfer into action. States must provide more funds to conserve and enhance forest cover, thereby supporting dependent communities and the nation's environment.

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