

6. Guidelines for diversion of forest land for non-forestry purposes under Forest (Conservation) Act, 1980 –Guidelines for collection of Net Present Value

**F. No. 5-3/2007-FC
Government of India
Ministry of Environment & Forests
(F.C. Division)**

Paryavaran Bhavan, CGO Complex
Lodhi Road, New Delhi – 110 510
Dated : 05.02.2009

To

The Principal Secretary/Secretary (Forests)
(All States/UT Governments)

Sub: **Guidelines for diversion of forest land for non-forestry purposes under Forest (Conservation) Act, 1980— Guidelines of collection of Net Present Value (NPV).**

Sir,

The Ministry of Environment and Forests, Government of India has been receiving representations from different States seeking detailed clarification and guidelines on the above mentioned subject in the light of the Supreme Court Judgement dated 28.03.2008 revising the general rates of NPV and various other orders defining differential rates for various categories of projects.

After careful examination of the issue, I am directed to inform that the Hon'ble Supreme Court of India vide its judgement dated 28.03.2008 has re-fixed the rates of Net Present Value (NPV) on the basis of scientific data taking in view the ecological role and value of the forests. The 16 major forest types have been re-grouped into 6 ecological classes depending upon their ecological functions.

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| Eco-Class I | Consisting of Tropical Wet Evergreen Forests, Tropical, Semi Evergreen Forests and Tropical Moist Deciduous Forests. |
| Eco-Class II | Consisting of Littoral and Swamp Forests |
| Eco-Class III | Consisting of Tropical Dry Deciduous Forests |
| Eco-Class IV | Consisting of Tropical Thorn Forests and Tropical Dry Evergreen Forests |
| Eco-Class V | Consisting of Sub-tropical Broad Leaved Hill Forests, Sub-tropical Pine Forests and Sub-tropical Dry Evergreen Forests. |
| Eco-Class VI | Consisting of Montane Wet Temperate Forests, Himalayan Moist Temperate Forests, Himalayan Dry Temperate Forests, Sub-Alpine Forest, Moist Alpine Scrub and Dry Alpine Scrub. |

Based on the ecological importance of forest falling in different eco-value and canopy density classes, relative weightage factors have also been taken into consideration. By using these relative weightage factors, the equalized forest area in eco-value Class-I and very dense forest corresponding to forest falling in different eco-value and density classes have been compiled. The net present value per hectare of forest has been fixed based on this data. For calculating the average net present value per hectare of forests in India, the following monetary value of goods and services provided by the forests have been considered :

- (a) Value of timber and fuel wood
- (b) Value of Non-timber Forest Products (NTFP)
- (c) Value of fodder
- (d) Value of Eco-tourism
- (e) Value of Bio-prospecting
- (f) Value of Ecological Services of Forest
- (g) Value of Flagship Species
- (h) Carbon Sequestration Value

Based on the above, the NPV was fixed and the following recommendations have been made by the Hon'ble Supreme Court of India.

- (i) For non-forestry use/diversion of forest land, the NPV may be directed to be deposited in the Compensatory Afforestation Fund as per the rates given below :

Eco-Value	Class and NPV rates in Rs.					
	Class I	Class II	Class III	Class IV	Class V	Class VI
Very Dense Forest	10,43,000	10,43,000	8,87,000	6,26,000	9,39,000	9,91,000
Dense Forest	9,39,000	9,39,000	8,03,000	5,63,000	8,45,000	8,97,000
Open Forest	7,30,000	7,30,000	6,26,000	4,38,000	6,57,000	6,99,000

N.B.: *The NPV rate fixed would hold good for a period of three years and is subject to variation after three years as per the Supreme Court's judgement dated 28.03.2008.*

- (ii) The use of forest land falling in National Parks/Wildlife Sanctuaries will be permissible only in totally unavoidable circumstances for public interest projects and after obtaining permission from the Hon'ble Court. Such permissions may be considered on payment of an amount equal to ten times in the case of National Parks and five times in the case of Sanctuaries respectively of the NPV payable for such areas. The use of non-forest land falling within the National Parks and Wildlife Sanctuaries may be permitted on payment of an amount equal to the NPV payable for the adjoining forest area. In respect of non-forest land falling within marine National Parks/Wildlife Sanctuaries, the amount may be fixed at five times the NPV payable for the adjoining forest area:

4.	Laying of underground optical fibre cable.	Full exemption provided : (a) no felling of trees is involved; and (b) areas falls outside National Park/ Sanctuary	—do—
5.	Pre-1980 regularisation of encroachments and conversion of forest villages into revenue villages.	Full Exemption provided these are strictly in accordance with MoEF's Guidelines dated 18.09.1990.	—do—
6.	Underground mining	50% of the NPV of the entire area.	—do—
7.	Field Firing Range	Full Exemption provided : (a) no felling of trees are involved; and (b) no likelihood of destruction of forest is involved.	As per Hon'ble Supreme Court Order dated 24.04.2008
8.	Wind Energy Projects	50% of the minimum rate of the NPV irrespective of the eco-class in which the project lies provided minimum tree felling is involved.	—do— and CEC clarification dated 22.12.2008

In case of any other category seeking exemption from payment of NPV, the State Government/User Agency may approach Hon'ble Supreme Court of India as per its order dated 24.04.2008 and 09.05.2008.

This issues with the approval of competent authority.

Sd/-

(C.D. Singh)

Senior Assistant Inspector General of Forests

Copy to :

1. The Principal Chief Conservator of Forests, All states/UTs.
2. The Nodal Officer (FCA), O/o the PCCF's, All States/UTs.
3. All Regional Offices of MoEF located at Bhopal, Shillong, Bangalore, Bhubaneswar, Lucknow and Chandigarh.
4. The RO(HQ), MoEF, New Delhi.
5. Monitoring Cell, FC Division, MoEF, New Delhi.
6. Guard File.

Sd/-

(C.D. Singh)

Senior Assistant Inspector General of Forests