

MODI GOVERNMENT CUTS THROUGH RED TAPE TO MAKE WORKING EASIER IN INDIA

NEW DELHI: The Modi regime has made as many as 30 interventions in India's green clearances regime resulting in significant and, from the standpoint of industry, positive changes.

Some of the notable changes include allowing project promoters to attend expert panel hearings for forest clearances, freeing industry from exorbitant project specific corporate social responsibility (CSR) spends mandated by expert advisory committees and making it easier to identify land for projects as well as compensatory afforestation.

"The Prime Minister's Office has been driving efforts to make it easier to do business in India and has paid special attention to the roadblocks in environmental clearances that figure high on the list of investor woes," said a senior government official.

"Following consultations with ministry officials, stakeholders and industry, about 30 corrective steps have already been notified while a dozen-odd can be expected in coming weeks," the government official said.

For India Inc, one of the most significant respites is that the forest and environmental appraisal committees have been told to stop including conditions prescribing that as much as 5 per cent of the project cost should be invested in CSR activities over and above any relief and rehabilitation costs they may have incurred. With the new companies law also prescribing that 2 per cent of net profits be spent on CSR, industry had been red-flagging the CSR diktats of environmental panels as a case of double taxation.

"All environmental and forest appraisal panels have been told not to recommend such CSR



spends as a condition for granting approvals, in a letter sent last week by the environment ministry," said a senior official aware of the move.

Forest advisory panels have also been asked to allow project promoters to present their case while projects are appraised, without making their presence mandatory for granting clearance.

In a major relief for existing investments in coastal areas, the environment ministry clarified on October 7 that projects which have got clearance under the 1991 coastal zone regulations need not procure a fresh approval under the new regulations on the issue introduced in 2011. A lack of clarity this front during the UPA rule had made investors doubtful about their ability to continue operations approved under the 1991 norms.



While fresh applications for environmental clearances have been put on an online platform, more powers have been assigned to state-level impact assessment authorities. Guidelines have been issued for quickening clearances to projects that are okayed by state governments by introducing a new category of projects that don't require public hearings and environmental impact assessment reports.

Both central and state-level environmental impact assessment panels have been advised to look at project proposals comprehensively and seek information from the promoter 'in one go' instead of revisiting issues while appraising the project.

In some cases, the inter-linkages between forest and environmental clearances have been freed up. For instance, linear projects such as pipelines and transmission investments no

longer need to get a first-stage forest clearance (FC) before getting an environmental clearance (EC).

Similarly, ultra mega power projects can now hope for an EC without having to obtain a stage-I FC and EC for the coal mine linked to them. The rigid sequencing requirements for these clearances are a major cause for project delays, said officials.

For highway expansion projects, EC conditions have been eased so that a fresh clearance is only needed in cases where more than 100 km of roads are being widened and the right of way in question is more than 40 metres from the existing road.

Mining projects that have already obtained an environmental clearance no longer need to apply for a fresh EC while renewing the leases of their mines. To boost coal production, public hearings have been dispensed with in case of coal mine expansions up to 5 million tonnes per annum if the coal is transported via a rail line or a conveyor belt.

An official memo issued on October 7 by the environment ministry also clarified that activities within a port don't require separate clearances under the environmental and coastal zone regulations if the port had mentioned such operations in its master plan and has received the requisite clearances.

The environment ministry has also decided to work with states to create land banks for compensatory afforestation, since many projects involving forest land are unable to get off the ground due to inability to find non-forest land for afforestation. The ministry is holding a meeting on October 24 with the forest conservators of 10 states that receive maximum FC proposals to discuss progress in creating such a land bank in each state.

At the same time, the ministry earlier this month told states to spare project developers from the need to submit land deeds for compensatory afforestation upfront.