

**LETTER FROM SUNITA NARAIN AND CHANDRA BHUSHAN,
ADDRESSED TO INDUSTRY LEADERS**

This is with reference to the '*open letter to our leaders*', to which you are a signatory. We would like to disagree strongly with the position in the letter, which says environmental clearances are delaying projects and hampering growth. We would also like to strongly contest the data on which you base your position on this matter and indeed the solution, which according to you, lies in open auction of natural resources.

We say this because we have recently analysed data on forest and environmental clearances granted in the past five years. Our assessment shows, contrary of your position, the pace and scale of environment and forest clearances has been unprecedented. In the current situation, the Ministry of Environment and Forests (MoEF) cannot be accused of holding up economic growth, but it is certainly failing to safeguard the environment. Please see the attached factsheets for detailed analysis.

Our assessment is as follows:

1. The scale and pace of clearances is unprecedented:

- In the period between 2007 and August 2011, 8,284 projects were granted forest clearance and 2,03,576 hectare (ha) of forest land was diverted.
- This diversion is about 25 per cent of all forest land diverted for development projects since 1981. The pace of forest land diversion, therefore, has doubled in the last five years.
- In one single year – 2009 – as much as 87,883.67 ha of forest land was granted clearance.
- A large proportion of this forest land (50,000 ha) has been diverted for mining and power projects. The maximum amount of forest land diverted for mining in any single year happened in 2010 – about 14,500 ha.

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- Coal mining accounted for more than half of all the forest land diverted for mining. As many as 113 coal mining projects were granted forest clearance -- the highest number cleared in any five year plan since 1981.

- 181 coal mines, 200 coal-based thermal power plants, 188 steel plants and 106 cement units have been accorded clearance. This enormous splurge has led to a doubling of capacity in almost all sectors. However, almost all of this capacity remains unutilized.

2. The clearances granted are far above current utilization:

Power: The 11th Five Year Plan projects a target of 50,000 megawatt (MW) of additional thermal power capacity; the 12th plan asks for 100,000 MW. In the past five years, till August 2011, the Union ministry of environment and forests (MoEF) has granted environmental clearance to an astounding 210,000 MW of thermal power capacity -- in other words, 60,000 MW more than what has been proposed till 2017. Worse, the capacity actually added in this period is a mere 32,394 MW.

Coal: Coal India Limited (CIL) produces over 90 per cent of India's coal; it has under its control over 200,000 ha of mine lease, including 55,000 ha of forest area. The estimated coal reserves with CIL are 64 billion tonnes, and the company produces 500 million tonnes per annum. Who is then responsible for the shortage of coal in the country?

Cement: At the end of the 10th FYP installed capacity was 179 MTPA. During the 11th FYP, MoEF has cleared an additional 190 MTPA, taking the combined capacity to 369 MTPA, which is 1.6 times the target set for the 11th FYP.

We would like to ask why if there is so much capacity, cleared but not utilised, are companies asking for more clearances? Is this because they are valuing the land and water, and if we may say, asking for the license to pollute?

3. Clearances do not consider cumulative impact on environment and people:

The MoEF does not assess the cumulative impact of the projects – from water, forests to air pollution and indeed the health of people.

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Take the case of coal mining. All coal-mining areas are heavily polluted, and most coal mining companies have very poor environment management record: many of these places fall under the category of critically polluted

areas. Monitoring by pollution control authorities shows about one-third of operating coal-mines are violating all environmental norms.

It is the same story in the case of coal-based thermal power projects. Of the top 10 districts where environmental clearance has been granted to these projects, six were declared as already critically polluted.

4. Our position:

In the light of this data, it is clear that environment is **not** impeding growth. In fact, what should worry us is the toxic fallout of this development as clearances have been granted without due diligence of impacts or regulatory systems to monitor compliance. We believe what is needed is to strengthen, not further decimate the system of environmental regulations in the country. We have suggested a reform agenda, which includes more transparency in project clearances and also much more scrutiny in assessment and monitoring. This we believe will go a long way to protect both the environment and the growth of responsible industry.

We hope you will take a careful look at the documents we have enclosed and will consider issuing another 'open' letter revising your position on this matter.

We will look forward to hearing from you.

With regards,

Yours cordially,

Sunita Narain
Director General

Chandra Bhushan
Deputy Director General

Encl: As above

