Star Rating for Faster Green Clearance to Projects

What is the issue?

A proposal by the Union Environment Ministry to rank and incentivise States on how quickly they could give environmental clearances to projects has drawn fire from environmentalists.

What is EIA?

- UNEP defines Environmental Impact Assessment (EIA) as a tool used to identify the environmental, social and economic impacts of a project prior to decision-making.
- EIA was introduced in India in 1978 with respect to river valley projects.
- The EIA in India is statutorily backed by the **Environment Protection Act, 1986.**
- **Aim-** The objectives of EIA is
    - to predict environmental impacts at an early stage in project planning and design
    - to find ways to reduce adverse impacts
    - to shape projects to suit the local environment
    - to present the predictions and options to decision-makers
- **Benefits**- By using EIA both environmental and economic benefits can be achieved, such as
    - reduced cost
    - reduced time of project implementation and design,
    - avoid treatment/clean-up costs

How does it work?

- **Categorisation of projects-** The environmental clearance process is needed for 39 types of projects listed in EIA notification of 2006 including, mining of minerals, building of airports and townships, installation of thermal power plants, etc.,
- Category A projects require mandatory environmental clearance at the central level, and category B projects are reviewed at the state level by the SEIAAs.
- The SEIAAs classify category B projects into B1 and B2, with the latter not requiring an environmental impact assessment to be carried out in order for clearance to be granted.
- Those in the B2 category have to meet a separate set of parameters for clearance.
- **Clearance procedure-** The assessment is carried out by an Expert Appraisal Committee (EAC) which consists of scientists and project management experts.
- The EAC frames the scope of the EIA study and a preliminary report is prepared.
- The report is published, and a public consultation process takes place.
- During consultation, objections can be heard including from project-affected people.
- The EAC can then make a final appraisal of the project which is forwarded to the regulatory authority (MoEFCC).
- The regulatory authority is ordinarily obliged to accept the decision of the EAC.

What is the star-rating system proposed by the Union Environment Ministry?

- The star rating system proposed is to rank and incentivise State Environment Impact Assessment Authorities (SEIAA) on how quickly and efficiently they can accord environmental clearances.
- It spells out **7 criteria** to rate SEIAAs which includes how quickly the EC is granted, site visits, and percentage of EC proposals disposed of within six months, among others.
- On a scale of 7, an SEIAA gets more points for granting a clearance in less than 80 days than for within 105 days and no marks for more.
- SEIAAs can earn up to one point each for six of the criteria and up to two points for the remaining one.
- A score of seven or more would be rated five star and the SEIAAs will be rated **every six months**.

Why the rating system is being criticised?

- **Oversight by SEIAAs** -It could lead to oversight by the SEIAAs in granting environmental clearance.
- **Pressurise for a speeder process**- The system will ensure that the SEIAA's aim will be to clear projects in the shortest possible time frame.
- **Seeking additional data-** Penalising SEIAAs for seeking additional information more than once could lead to them granting clearances with inadequate data, since seasonal changes also impact the biodiversity profile of a certain area.
- **Fake competition**- It also creates artificial competition between states, which may result in industries locating in states that offer environmental clearance quicker.
- **Pro-business-** The pressure of speed, efficiency and incentivisation might skew the environmental governance and make it pro-business.

What is the Ministry's response?

- The Environment Ministry has said that the intention is not to hasten clearances but accelerate the pace of decision making.
- Rather than files being sent back for every query, all objections must be compiled and addressed at one go.
- State committees are currently hampered by having too few independent experts, quicker decision-making benefits everyone.
- It is said that both the industrialists and States will gain from faster clearance of projects.

What other changes were made to the environmental laws recently?

- In 2020, the environment ministry proposed to **amend the EIA notification** to allow the grant of ex-post facto clearance for several projects, as well as exempting others from the purview of an assessment and public consultation.
- In 2021, the ministry proposed several **amendments to the Forest (Conservation) Act** that would relax permits for economic activities within forest areas.
- In 2021, the ministry sought to **amend Coastal Regulation Zone (CRZ) Notification, 2019**, to exempt oil and natural gas exploration and development activities from obtaining

mandatory clearances.

- In 2022, the government tabled **amendments to the Biological Diversity Act** which proposed to reduce pressure on wild medicinal plants by encouraging their cultivation to encourage Indian system of medicine, fast-track research and patent applications, and bring in more foreign investments to the chain of biological resources.

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