



Monday, January 11, 2010

Ministry of Environment and Forests

**POSCO PROJECT IN ORISSA**

17:45 IST

On June 26,2007, the Orissa Government applied to the Central Government for permission under the Forest Conservation Act, 1980 to divert 1253.225 hectares of forest land for establishment of an integrated steel plant and captive port by POSCO-India ( user agency) in Jagatsinghpur district of Orissa.

2. After careful consideration, the MoE&F gave 'in-principle' approval for the said diversion on September 19<sup>th</sup>, 2008 subject to fulfillment of certain conditions. These conditions were as follows:

1. The identification and acquisition of 1156.681 hectares of revenue forest land and 127.4 hectares of non-forest land for compensatory afforestation to be mutated in favour of the state forest department;
2. The depiction of the land identified for compensatory afforestation on Survey of India toposheet of 1:50,000 scale;
3. The compensatory afforestation scheme to have a maintenance component for 5 years instead of the proposed 3 years;
4. The deposition of the cost of compensatory afforestation amounting to Rs.7.6 crore;
5. Notification of the land identified for compensatory afforestation as reserved forest;
6. Massive social forestry scheme to be initiated in Jagatsinghpur district and Ersama block at the cost of the project amounting to Rs.5.1 crore;
7. The net present value to be charged and transferred to the bank account amounting to Rs.105.4 crore;
8. At the time of payment of NPV, the user agency to furnish an undertaking to pay additional NPV to be so determined as per the final decision of the Supreme Court;
9. Resettlement and rehabilitation of the project affected families ( 471 families in 8 villages )to be carried out as per the R&R Policy, 2006 of the Government of Orissa and as per the relevant orders of the Supreme Court;
10. Sufficient funds amounting to Rs.18 crore to be provided by the user agency for the conservation of marine fauna.
11. The user agency to give financial aid and access to the sea to fishing community of Nolia Sahi;
12. Recommendations of the committee constituted by the Supreme Court to examine initiative measures to be taken

to protect this area from cyclone and other natural calamities shall be implemented as and when available by the user agency;

13. The user agency to implement any other conditions imposed by the CCF(Central) Regional Office of Bhubaneshwar/State Forest Department from time to time for protection and improvement of flora and fauna in the forest area.

On December 3rd,2009 the Orissa government submitted its compliance report on these conditions imposed on the 'in-principle' approval. On December 29th,2009, taking into account the compliance report submitted by the state government, MoE&F gave final approval for diversion of 1253.225 hectares of forest land subject to the fulfillment of the following conditions:

1. Legal status of forest land shall remain unchanged;
2. Wherever possible and technically feasible, the user agency i.e. M/s POSCO India Pvt.Ltd shall undertake afforestation measures in the blanks within the proposal area( if the density is less than 0.4 area shall be afforested) as well as along the roads in consultation with the State Forest Department at the project cost;
3. The forest land shall not be used for any purpose other than that specified in the proposal;
4. The approval under the Forest(Conservation)Act, 1980 is subject to the clearance under the Environmental Protection Act, 1986 and all other Acts, Rules/Regulations applicable to such project;
5. No labour camps are set up inside the forest area;
6. M/s POSCO-India Pvt. Ltd will make arrangement for free supply of coal/alternative fuel to labourers and staff working on the project site so as to avoid any pressure on the adjacent forest areas;
7. Demarcation of lease area will be done on the ground at project cost using four feet high wall/reinforced cement concrete pillars with serial numbers, forward and back bearings and distance from pillar to pillar at every 20 metres;
8. M/s POSCO-India Pvt. Ltd shall take up afforestation inside the forest area in 100 metre radius from the permitted lease area in consultation with the Forest Department;
9. No damage to the flora and fauna of the area shall be caused;
10. The recommendation of the Committee constituted by Hon'ble Supreme Court to examine mitigative measures to be taken to protect this area from cyclone and other natural calamities shall be implemented as and when available at the user agency's cost;
11. The period of approval under the provisions of the Forest(Conservation) Act, 1980 shall be 30 years subject to possession of valid lease by M/s POSCO-India Pvt. Ltd:

12. The fishing community of Nolia Sahi will be given financial aid and access to the sea by M/s POSCO-India Pvt. Ltd;
13. The resettlement and Rehabilitation for the project affected families will be as per the R&R policy, 2006 of the Government of Orissa and as per the orders of Hon'ble Supreme Court in WP(Civil) No.202 of 1995. The affected families to be suitably compensated;
14. The rights of the tribal people will be settled as per the provisions of the Scheduled Tribes and Other Traditional Forest Dwellers ( Recognition of Forest Rights) Act, 2006 before implementation of the project;
  
15. Any other condition that the Chief Conservator of Forests ( Central) Regional Office, Bhubaneshwar may impose from time to time for protection and improvement of flora and fauna in the forest area, shall also be applicable.

*It is now clarified that the project can go ahead only after all the conditions indicated in para 3 are fulfilled including that of consent of tribal people as per the provisions of the Scheduled Tribes and Other Traditional Forest Dwellers ( Recognition of Forest Rights ) Act, 2006. A letter with this clarification has been issued by the MoE&F to the Orissa Government on January 8, 2010.*

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**Ministry of Environment and Forests, Government of India**  
**New Delhi, 21 Pausa ,1931/11th January,2010**

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