

पंजी क्रमांक/ File No. NA-5/1/2020-NA

भारत सरकार

Government of India

राष्ट्रीय प्रतिपूरक वनरोपण निधि प्रबंधन एवं योजना प्राधिकरण

National Compensatory Afforestation Fund Management and Planning Authority

पर्यावरण, वन और जलवायु परिवर्तन मंत्रालय

Ministry of Environment, Forest and Climate Change

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दिनांक \Dated: 22nd July 2024

OFFICE MEMORANDUM

Subject: Preparation of Annual Plan of Operation of State/ Union Territory CAMPA- Utilisation of fund under Net Present Value and Interest components regarding

It is observed that many of the States' CAMPA APOs have financial outlay under Net Present Value (NPV) on the much higher side, at times provisioning upto 70-80% of the NPV amount available with the State. This affects the maintenance of the Assisted Natural regeneration (ANR), plantations, nurseries and other assets created from NPV heads in subsequent years due to insufficient NPV funds in future. The NPV funds or for that matter all the CAMPA funds are realised only once from various user agencies. Similarly, States/ Union Territories are earmarking substantial portion of Interest funds available with them. The Executive Committee has deliberated the matter at length in its various meetings and has decided that in order to ensure sustainability of NPV and Interest Fund, there is a need to restrict annual expenditure under these categories.

2. It is reiterated that the CAMPA funds are an additional or special funds realised from various User Agencies for compensating loss of forest land and ecological services due to diversion of forests for non-forestry purposes as per provisions of the Van Sanrakshan Evam Samvardhan Adhinium, 2023 previously known as the Forest (Conservation) Act, 1980. The CAMPA funds are not meant to meet expenditure on routine forestry activities of protection and management of forests or any deficit of funds in other schemes or programmes including Centrally Sponsored Schemes.

3. The Executive Committee has, therefore, made following decisions with regard to utilisation of NPV funds and interest component

i. Utilisation of Funds under NPV Component:

The rule- 5. (2) of the Compensatory Afforestation Fund Rules, 2018 (CAF Rules) provides for earmarking not less than 80% of NPV funds for afforestation and other related activities, which means substantial component of NPV funds are meant for improving quality of forest cover, restoration of degraded forest land, enriching biodiversity for enhancing ecosystem services. This requires an integrated approach in the project mode with systematic efforts and assured availability of funds for subsequent maintenance over a long period of time depending on the site quality. Therefore, utilisation of NPV funds under Rule 5(2) and 5(3) requires strict fiscal discipline by preparation of a perspective plan for at least 5 years duration after assessment of available NPV funds and its long-term requirement. The planning of annual activities under the NPV component should be done accordingly. This will also help National CAMPA Authority in the process of approval of APOs.

Further, while planning activities under NPV component for preparation of Annual Plan of Operation, the first charge on the NPV fund should be for the maintenance of the ANR/AR and other plantations created in previous years. In addition, the expenditure required towards meeting committed expenditure on incomplete works of previous years also needs to be taken into account before proposing any new work.

In the 22nd and later 29th meetings, the Executive Committee of National Authority discussed the matter in detail and decided that "as a matter of principle", not more than 20% of the NPV funds available with the State should be spent annually, except in special programme/ Projects, where it can go upto 25% of NPV. The Executive Committee reiterated that the restriction of 20% of the NPV would continue with additional 5% for boundary demarcation/ consolidation and voluntary relocation of villages from protected areas.

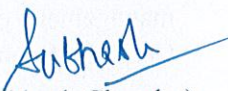
ii. Utilisation of Fund under Interest Component

In respect of utilisation of Interest, the Rule 6. (a) provides for not less than 60% of the amount available under Interest component to offset the incremental cost of CA, Penal CA, implementation of mandatory activities Catchment Area Treatment Plan, Wildlife Management Plan etc. as approved in the forest diversion proposals. The Rule 6(a) also provides for meeting the expenditure on salary and allowance of members and staff of the State Authority and disbursement of sitting fee and allowances of nominated members. In this regard, it is pertinent to mention that the backlog of compensatory afforestation of previous years is still not completed in majority of the States and the State CAMPA Authorities have not yet worked out the requirement of funds required from interest for meeting the enhanced cost of compensatory afforestation and other mandatory works as detailed above.

The Executive Committee has observed that the States/UTs CAMPA Authorities are proposing higher provisions of Interest Fund in their APOs without estimating the future requirement of interest amount for completing all pending Compensatory Afforestation. This practice will lead to exhausting of fund under interest component, which cannot be replenished.

Therefore, the Executive Committee decided that not more than 10% of the available interest amount with the States/UTs may be spent annually by the States/UTs except in cases under Rule 6(a) (i) to (iv) where the interest amount is required to offset the increased cost of afforestation due to revision of wages etc. on actual basis.

4. It is, therefore, requested that while proposing the APOs for carrying out the CAMPA activities the above guiding principles may be followed.


(Subhash Chandra)
Chief Executive Officer

To:

1. The Chief Secretary & Chairperson of the Steering Committee of State/ UT CAMPA, all States/UTs
2. The Secretary, Forests, all States/UTs
3. The PCCFs & HoFFs/ Head of State Forest Departments & Chairperson of the Executive Committee of State/ UT CAMPA, all States/UTs all States/ UTs
4. The Chief Executive Officer, all State/ UT CAMPA