

# NATIONAL FINANCE FOR SUSTAINABLE FOREST MANAGEMENT IN INDIA

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# INDIA'S FORESTS

- **Forest and tree cover in India is 78.29 million ha (23.81 % )**
- India lays great importance on **forest conservation, its sustainable management besides increasing its natural capital .**
- **The pressures** on India's forests continue to be severe with more than 200 million people dependant on it for their livelihood.
- Over 190 million out of total 530 million livestock population depends on forests.
- **Forest Conservation Act 1980** substantially reduced diversion of forest land for non forestry purpose.
- The **National Forest Policy 1988**, gave a new orientation and laid emphasis on the role of forests in bio-diversity conservation and environmental stability. It also clearly stated that the commercial consideration will only be secondary to ecological functions of the forests.

# FOREST MANAGEMENT

- The territorial forest management is done through **788 forest divisions and 4706 forest ranges.**
- There are **688 protected areas** comprising 102 National Parks, 515 Sanctuaries, 47 Conservation Reserves and 4 community reserves covering 16.12 million hectares of forest lands.
- **Joint Forest Management (JFM)** projects were implemented over **24.6 million hectares** in different states are now being managed through **1,12,896 JFM Committees.**
- Many of these areas are showing marked improvement in terms of rejuvenation and their biodiversity status.



# **FOREST REGENERATION DUE TO JFM**

**T.N. PUDUKUDY TAP  
VILLAGE, TIRUNELVELI  
DIVISION.**

**<<< DURING 1999**

**>>> DURING 2009**



# NATIONAL FOREST FINANCE

- Forestry is a concurrent subject with a role for Government of India and the State Governments for making investment in forestry sector.
- The major portion of forestry budget comes from the state governments which is supplemented by various schemes of Government of India and externally aided projects.
- **Compensatory Afforestation Management Planning Authority (CAMPA) Programme**, is a new model of collection of monetary compensation from the user agencies for the forest land diverted and utilizing this amount for compensatory afforestation and other SFM initiatives in the country.
- **Finance Commission special forest Grant** around Rs.9.5 billion per annum. This fund is given since 2005
- **National Afforestation Programme (NAP)**. of Rs.16.70 billion has been spent from 2007-08 to 2011-12 for undertaking afforestation and promote participatory forest management over 1.06 million hectares.
- NAP, Intensification of Forest Management and Wildlife schemes contribute annually Rs.3 billion, Rs.2.65 billion and Rs.0.8 billion respectively. Including other minor schemes, annually **about Rs.27 billion** is passed by the Central government to all the states for forestry activities

# GREEN INDIA MISSION

- Green India Mission has been formulated to combat the impact of climate change with an estimated outlay of Rs.460 billion to be spent over the next 10 years.
- It envisages improving the crown cover of forests over 5 million hectare and increase forest and tree cover over another 5 million hectare.
- It will lead to additional sequestering of 50-60 million tonnes of CO<sub>2</sub>.
- It follows a landscape approach.
- Though GIM has a massive goal a modest beginning has been made with of Rs.500 million.

# COMPENSATION FOR PROTECTING WATERSHEDS

- Forested watersheds provide clean water in several cities like New York and Mumbai.
- For instance, the Catskill, Delaware and Croton watersheds deliver 1.3 billion gallons of water for 9 million citizens of New York .
- The State Pollution Control Boards in India collect water cess from the industries .
- In Tamil Nadu **an innovative scheme** of mass planting of 6.5 million trees has been implemented availing about Rs.300 million from Tamil Nadu Pollution Control Board.
- As forested water sheds ensure sustained water supply, it is important that such innovative funding mechanisms are resorted to increase green cover further

# EXTERNALLY AIDED PROJECTS

- State governments play a significant role by providing financial allocation in the regular budget besides availing soft loan from international donor agencies like JICA.
- There are 11 externally aided state sector projects in India funded by JICA in the states of Gujarat, Haryana, Himachal Pradesh, Karnataka, Odisha, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and Sikkim with a total budget of Rs. **64.53 billion** to be implemented over 6-7 years.
- The externally aided projects have played a significant role in not only **enhancing the forest cover through afforestation and biodiversity conservation but have helped in strengthening forestry institutions and promoting tree cultivation** outside the forests.
- Tamil Nadu Afforestation Project funded by JICA since 1995 has contributed for improvement in green cover and biodiversity enhancement in the state.



# CAMPA:OBJECTIVES

- When any forest land is diverted for non forestry purpose, under the Forest Conservation Act 1980 ,the user agency should provide equal/ twice the extent of forest land diverted and also meet the cost of raising compensatory afforestation in that site.
- This condition of compensatory afforestation is not applicable if the land diverted is less than one hectare.
- In addition, the user agency will have to deposit an estimated amount of about Rs.1.00 to 1.50 million for every hectare of forest land diverted as the net present value (NPV).
- The amount collected towards NPV of forest land diverted and the amount deposited towards compensatory afforestation are collected in a fund maintained by Government of India called Adhoc CAMPA
- CAMPA is intended as an institution to promote preservation of national forests including wildlife, increasing forest cover, its sustainable management and other allied activities

# LEGAL BASIS

- **The legal basis for CAMPA is the Forest Conservation Act 1980 and subsequent Supreme Court directions**
- As per the order IA No.566/WP (Civil) No.202/1995 dated 30.10.2002 of the Supreme Court of India and according to the guidelines of Government of India the cost of compensatory afforestation and NPV of the forest land is collected from the user agency and deposited with the National Adhoc CAMPA, New Delhi.
- The Government of India in consultation with the state governments established the State CAMPA in every state in the year 2009 and put in place a funding mechanism for enhancing forest and tree cover by utilizing funds available with Adhoc CAMPA, New Delhi
- The **State CAMPA is intended as an instrument to accelerate activities** for preservation of natural forests, management of wildlife, infrastructure development of the forest sector.
- **The Adhoc CAMPA, as the name suggests is a purely temporary arrangement.** It will liquidate itself once all systems are in place and CAMPA has become fully functional in the frame work contained in Supreme Court order of 10<sup>th</sup> July 2009.

# MANAGEMENT AND ORGANIZATIONAL STRUCTURE

- The adhoc CAMPA at the Government of India level is managed by the **National CAMPA Advisory Council** headed by the Union Minister of Environment and Forests. It lays down broad guidelines for the State CAMPA
- **The State CAMPA has a Governing Body, a Steering committee and an Executive committee** for its management. The **Governing Body** is headed by the Chief Minister of the state which lays down the broad policy frame work for functioning of state level CAMPA.
- The **Steering Committee** of State CAMPA is headed by the Chief Secretary to Government and has its members the PCCF, CWLW, Principal Secretary Forests, Finance and Planning, a representative of the Government of India, the Nodal Officer of the Forest Conservation Act in the State, besides two eminent Non-Governmental Organizations (NGOs) nominated by the State Government. The Chief Conservator of Forests (CAMPA) is its member secretary. The Steering Committee lays down the rules and procedures for the functioning of the body and approves the Annual Plan of Operation (APO) It meets at least once in 6 months and ensures inter - departmental coordination besides monitoring the progress of the utilization of funds.
- The **Executive Committee** of the CAMPA is headed by the PCCF. It prepares the APO of the state for the next financial year and gets the approval of the steering committee before the end of December every year. It gives effect to the State CAMPA and its overarching objectives and core principles. It is responsible for **maintenance of accounts** and for proper **auditing** of the receipts and expenditure and **prepares the annual report** by June.

# RESOURCE MOBILIZATION

- The money deposited with the Adhoc CAMPA, at New Delhi is **disbursed to the State CAMPA** formed in each State government.
- **unspent funds**, if any, with the Adhoc CAMPA.
- The funds deposited by user agencies in respect of the protected area land diverted would be maintained under a separate head for undertaking activities relating to the **protection of biodiversity and wildlife**.
- **Net Present Value** of the forest land diverted for non-forestry purposes, collected under the Forest (Conservation) Act, 1980.
- State Government may also credit to the State CAMPA **any other grants** and loan received by the Authority.
- The monies received in the State CAMPA **is kept in an interest-bearing account in a nationalized bank** and periodically withdrawn for the works as per the Annual Plan of Operations (APOs) approved by the Steering Committee

# FUND SIZE

- The total fund size of Adhoc CAMPA was around **Rs.113.78+16.88=140.66billion** as on 31.01.2010.
- It represents amount deposited towards CA ,NPV and interests accrued over the principal amount. The interest accrued on CAMPA account is more than Rs.16.88 billion.
- The fund allocation to state government is in proportion to the compensatory afforestation to be implemented by them which depends on forest lands diverted by each state.
- The union government cannot divert the fund received from one state to other state governments.
- The total allocation under CAMPA per annum is pegged by Government of India at the level of Rs.10 billion every year being one tenth of the fund accrued for each state.
- This amount is disbursed based on the APO submitted by the State CAMPA. States like Odisha and Chhattisgarh get Rs. 1 billion. As against Tamil Nadu which gets Rs. 20 million per annum.

## Fund with Adhoc CAMPA as on 31.01.2010.

(Amount in Rs.)

Sl. No.	States/UTs	Total fund as on 30.09.2009	Fund yet to be released (about 10% of fund as on 30.06.2009)	Fund released to (about 10% of fund as on 30.06.2009)	Fund as on 31.01.2010
1	Andaman & Nicobar Island	109,906,133.00	-	10,990,000.00	98,916,133.00
2	Andhra Pradesh	13,946,160,054.48	-	897,832,000.00	13,048,328,054.48
3	Arunachal Pradesh	1,886,437,573.74	163,676,000.00	-	1,722,761,573.74
4	Assam	1,228,171,830.00	-	67,174,000.00	1,160,997,830.00
5	Bihar	1,098,125,506.00	44,000.00	77,300,000.00	1,020,781,506.00
6	Chandigarh	17,652,067.00	-	1,765,000.00	15,887,067.00
7	Chhattisgarh	17,602,986,758.39	-	1,232,135,000.00	16,370,851,758.39
8	Dadar & Nagar Haveli	35,028,504.00	-	1,682,000.00	33,346,504.00
9	Daman & Diu	-	-	-	-
10	Delhi	184,627,363.00	18,471,000.00	-	166,156,363.00
11	Goa	1,293,150,374.58	-	121,197,000.00	1,171,953,374.58
12	Gujarat	3,595,139,312.00	-	249,647,000.00	3,345,492,312.00
13	Haryana	2,268,553,084.39	-	191,141,000.00	2,077,412,084.39
14	Himachal Pradesh	4,131,217,092.60	-	366,771,000.00	3,764,446,092.60
15	Jammu & Kashmir	-	-	-	-
16	Jharkhand	10,641,412,271.69	950,028,000.00	-	9,691,384,271.69
17	Karnataka	6,584,401,246.00	-	585,573,000.00	5,998,828,246.00
18	Kerala	178,465,521.58	17,509,000.00	-	160,956,521.58
19	Lakshadweep	-	-	-	-
20	Madhya Pradesh	6,497,333,914.00	-	530,482,000.00	5,966,851,914.00
21	Maharashtra	10,786,760,718.50	893,549,000.00	-	9,893,211,718.50
22	Manipur	125,413,219.00	-	7,456,000.00	117,957,219.00
23	Meghalaya	9,675,979.00	967,000.00	-	8,708,979.00
24	Mizoram	99,094,931.00	-	-	99,094,931.00
25	Nagaland	-	-	-	-
26	Orissa	16,930,503,857.00	-	1,310,618,000.00	15,619,885,857.00
27	Pondicherry	-	-	-	-
28	Punjab	3,451,552,755.30	-	330,547,000.00	3,121,005,755.30
29	Rajasthan	5,159,140,809.85	-	325,908,000.00	4,833,232,809.85
30	Sikkim	1,183,970,493.00	-	80,092,000.00	1,103,878,493.00
31	Tamil Nadu	210,614,091.00	-	19,713,000.00	190,901,091.00
32	Tripura	372,805,966.00	35,418,000.00	-	337,387,966.00
33	Uttar Pradesh	4,786,507,453.46	470,962,000.00	-	4,315,545,453.46
34	Uttarakhand	8,664,481,943.65	-	816,532,000.00	7,847,949,943.65
35	West Bengal	529,577,838.00	-	52,957,000.00	476,620,838.00
	<b>Total</b>	<b>123,608,868,661.21</b>	<b>2,550,624,000.00</b>	<b>7,277,512,000.00</b>	<b>113,780,732,661.21</b>

# INTEREST ON CAMPA FUND

Sl.No.	State	As on 31.01.2010
1	Andaman & Nicobar	25,522,737.68
2	Andhra Pradesh	1,664,693,270.02
3	Arunachal Pradesh	354,753,135.09
4	Assam	68,161,146.97
5	Bihar	148,288,510.09
6	Chandigarh	4,213,819.70
7	Chhattisgarh	2,448,309,334.34
8	Dadar & Nagar Haveli	2,842,732.00
9	Daman & Diu	-
10	Delhi	17,054,237.00
11	Goa	204,687,660.56
12	Gujarat	378,127,015.39
13	Haryana	149,733,807.19
14	Himachal Pradesh	480,308,611.40
15	Jammu & Kashmir	-
16	Jharkhand	1,507,869,798.35
17	Karnataka	1,044,988,525.11
18	Kerala	42,326,995.94
19	Lakshadweep	-
20	Madhya Pradesh	870,246,124.62
21	Maharashtra	1,520,666,675.37
22	Manipur	18,651,161.45
23	Meghalaya	1,566,695.92
24	Mizoram	-
25	Nagaland	-
26	Orissa	2,079,721,190.85
27	Pondicherry	-
28	Punjab	366,696,519.33
29	Rajasthan	724,875,933.66
30	Sikkim	103,471,871.62
31	Tamil Nadu	26,424,596.82
32	Tripura	59,204,750.53
33	Uttar Pradesh	1,047,126,455.72
34	Uttarakhand	1,445,721,454.48
35	West Bengal	77,949,718.00
	Grand Total	16,884,204,485.20

# FUND UTILIZATION

- ❑ Money available with the State CAMPA shall be utilized for meeting following items of expenditure.
- ❑ Development, maintenance and protection of forests and wildlife management as per the approved APO;
- ❑ Non-recurring as well as recurring expenditure for the management of the State CAMPA, including the salary and allowances payable to its officers and other employees.
- ❑ For activities related to protection of biodiversity and wildlife if the land diverted is from PA
- ❑ Monitoring and Evaluation subject to overall ceiling of 2% of the amount to be spent every year
- ❑ Disbursement to such other projects related to forest conservation



# AP ANNUAL PLAN SIZE

YEAR	Rs. in millions
2009-10	897.83
2010-11	1207.44
2011-12	1185.70

# ACTIVITIES IN APO

	AP	TN
□ Activities	Rs.in Millions	
□ CA	30.7	6.03
□ Consolidation		3.60
□ Natural Forest Mgmnt	127.3	
□ Forest and WL mgmnt	361.2	
□ Fire mgmnt	400.0	1.0
□ BD conservation	1310.0	
□ Ecotourism	300.0	
□ R&D	296.0	
□ Extension		1.20
□ Capaity Building	510.0	1.50
□ ICT	300	3.0
□ Infrastructure Devt	3460	2.0
□ State CAMPA admn		0.8
□ <b>TOTAL</b>	<b>1146</b>	<b>19.6</b>

# CRITERIA FOR ACCESS AND USAGE

- The criteria for distribution of CAMPA fund to the state CAMPA is based on the APO which is prepared for one tenth of total principal amount accrued
- The total fund allocation to all states is pegged at Rs.10 billion per annum.
- The state CAMPA will get its allocation for the second year only if it submits utilization certificate to the Adhoc CAMPA along with the APO for the succeeding year.

# MONITORING

- Monitoring and Evaluation of the works is undertaken by the State CAMPA through its **Executive Committee**. It is also responsible for proper auditing of both receipts and expenditures of funds and preparation of the Annual Report.
- The **Steering Committee** of State CAMPA also monitors proper utilization of funds released by the State CAMPA.
- The **National CAMPA Advisory Council** shall have the power to order special inspection and financial audits of the works executed by the State CAMPA.
- The office of the **Accountant General** or any other auditor appointed by it will also audit the accounts of the State CAMPA.
- The accounts of the state CAMPA as certified by the Accountant General shall be forwarded annually by the State CAMPA to the **State government, the Ministry of Environment and Forests (MOEF) and the Adhoc CAMPA**.

# KEY STAKEHOLDERS

- The investors for the CAMPA fund are those who utilize the forest land diverted for non forestry purpose. They may be state agencies like Electricity Board, and the Public Works Department, Water Supply and Sewerage Boards or private enterprises.
- The benefit of State CAMPA fund goes towards increasing green cover and compensatory afforestation on one hand and sustainable forest management on the other.
- This ensures that the overall forest and tree cover improves in the state increasing the goods and services provided by them for the present as well as future generations to come.

# CURRENT STATUS

- **State CAMPA has been established in most of the states since the year 2009.**
- **About Rs.113.78 billion has accrued in the Adhoc CAMPA besides Rs.16.8 billion interest as on 31.01.2010.**
- **About Rs. 7.2 billion has been released to 23 states and union territories.**
- **Some of the states like Odisha, Chhattisgarh, Andhra Pradesh and Uttarakhand have received substantial amount like Rs.1.3 billion, 1.2 billion, 897 million and 816 million per annum respectively.**
- **States which have not diverted much of forest lands like Tamil Nadu and West Bengal have received only Rs. 19.7 and 52.9 million respectively per annum**

# CHALLENGES AND WEAKNESSES

- CAMPA fund distribution is based on the extent of land diverted by each state. Therefore, the **fund disbursed is neither uniform nor proportionate** to the requirements of the states.
- However, this model ensures compensatory afforestation over equal/double the area, so that **the net forest area increases in the country.**
- But, the compensatory lands transferred to the forest department are **quite often marginal refractory lands.** Therefore a lot of inputs are required to ensure success of the plantations

# SCOPE FOR IMPROVEMENT

- The status of compensatory afforestation undertaken by different states may be assessed after one year, fifth year and tenth year for follow up cultural operations to ensure success of the plantations.
- The CAMPA plantation areas are geo referenced. Therefore, impact of CAMPA plantations could be assessed through video clipping and remote sensing to improve better monitoring.
- The best compensatory afforestation sites may also be selected and given an award annually.



# FUTURE OUTLOOK

- The CAMPA model of funding is sustainable at least for another decade or two, considering the corpus fund .
- **CAMPA model, Finance Commission special grant based on the extent of forests protected and use of Water Cess collected from industries by the Pollution Control Board to increase green cover could be replicated in other countries as well.**
- For accelerated forest development and increasing green cover outside the forests require substantial additional investment in Indian forestry sector.
- The present level of investment at 1% of the Government budget is grossly inadequate to meet the challenges ahead. It has to be increased to at least about 2.5% of the overall budget outlay of the central and state governments
- Besides funds from the CAMPA and the ongoing schemes, investments from **Green India Mission, NREGS (National Rural Employment Guarantee Scheme) may be augmented.**
- **NABARD (National Bank for Agriculture and Rural Development) institutional financing may be accessed in big way** by the private wood based companies and tree farmers to increase green cover in suitable farm lands.
- Public Private Partnership will augment tree resources outside the Forests **to bring one third of the land area under Forest and Tree cover.**

**LIFE IS BEAUTIFUL IN HARMONY WITH NATURE**



**Thank You**