

Bill No. 42 of 2008

THE COMPENSATORY AFFORESTATION FUND BILL, 2008

A

BILL

to provide for the establishment of a Fund and crediting thereto the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Net Present Value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980; constitution of an Authority for administration of the Fund and to utilise the monies so collected for undertaking artificial regeneration (plantations) assisted natural regeneration, protection of forests, infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

WHEREAS the Supreme Court in Writ Petition (C) No. 202 of 1995-T.N. Godavarman Thirumalpad Vs. Union of India and others has observed that a Compensatory Afforestation Fund be created in which all the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Net Present Value of the diverted forest land or Catchment Area Treatment Plan shall be deposited;

AND WHEREAS it has also been observed that the money received from the user agencies in cases where forest land diverted falls within Protected Areas, that is areas notified under the Wild Life (Protection) Act, 1972 for undertaking activities related to protection of bio-diversity or wildlife shall also be deposited in this Fund;

AND WHEREAS the Court has directed that, besides artificial regeneration (plantations), the Fund shall also be utilised for undertaking assisted natural regeneration, protection of forests, infrastructure development, wildlife protection and other related activities and an independent system of concurrent monitoring and evaluation should be evolved and implemented through the Compensatory Afforestation Fund to ensure effective and proper utilisation of funds;

AND WHEREAS in its direction dated the 5th May, 2006, the Supreme Court had directed that since the Government had not constituted a Compensatory Afforestation Fund Management and Planning Authority (CAMPA), an *ad hoc* CAMPA should be constituted till CAMPA becomes operational and directed to centrally pool the money recovered on behalf of CAMPA lying in the States and Union territories into the *ad hoc* CAMPA;

AND WHEREAS in compliance of the directions of the Supreme Court including its order dated the 5th May, 2006, over rupees five thousand crores as collected by the State Government and Union territories have been placed under the *ad hoc* CAMPA, and deposited in the nationalised banks;

NOW, THEREFORE, based on the above orders, directions and observations of the Supreme Court, it is proposed to create a Compensatory Afforestation Fund Management and Planning Authority by an Act of Parliament under Entry 17A of the Concurrent List of the Seventh Schedule to the Constitution, to implement the directions of the Supreme Court to create a Fund namely, Compensatory Afforestation Fund, to bring all the funds so far collected under this Fund, and to create the Compensatory Afforestation Fund Management and Planning Authority.

BE it enacted by Parliament in the Fifty-ninth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Compensatory Afforestation Fund Act, 2008.

(2) It extends to the whole of India except the State of Jammu and Kashmir. 5

(3) Save as otherwise provided in this Act, it shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “Authority” means Compensatory Afforestation Fund Management and Planning Authority constituted under section 7; 10

(b) “Chairperson” means the Chairperson of the Authority;

(c) “compensatory afforestation” means afforestation done in lieu of the diversion of forest land for non-forestry use under the Forest (Conservation) Act, 1980; 69 of 1980.

(d) “environmental services” means— 15

(i) provision of goods such as wood, non-timber forest products, fuel, fodder, water and provision of services such as grazing, tourism, wildlife protection and life support;

(ii) regulating services such as climate regulation, disease control, flood moderation, detoxification, carbon sequestration and health of soils, air and water regimes; 20

(iii) non-material benefits obtained from ecosystems, spiritual, recreational, aesthetic, inspirational, educational and symbolic;

(iv) supporting such other services necessary for the production of ecosystem services, biodiversity, nutrient cycling and primary production;

(e) “Fund” means the Compensatory Afforestation Fund established under sub-section (1) of section 3;

5 (f) “Green India Programme” means locating a land area of one acre or more of degraded forests or other land for reforestation projects or such other afforestation projects as may be determined by the Central Government in this regard and planting the area by trees or other woody plants by utilising the Compensatory Afforestation Fund having regard to the conservation of ecology and environment;

10 (g) “Net Present Value” means the quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined by an expert committee appointed by the Central Government from time to time in this regard;

15 (h) “penal compensatory afforestation” means afforestation work to be undertaken over and above the prescribed compensatory afforestation under the Forest (Conservation) Act, 1980, in lieu of the extent of area over which non-forestry activities have been carried out without obtaining prior approval of the competent authority under the Forest (Conservation) Act, 1980;

20 (i) “prescribed” means prescribed by rules made by the Central Government;

69 of 1980. (j) “user agency” means any person, organisation or company or Department of the Central or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and the rules and guidelines issued thereunder.

CHAPTER II

ESTABLISHMENT, MANAGEMENT AND UTILISATION OF COMPENSATORY AFFORESTATION FUND

30 **3. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a special Fund to be called the “Compensatory Afforestation Fund” under public account of India.**

Establishment of Compensatory Afforestation Fund.

(2) The Fund shall be under the control of the Central Government and managed by the Compensatory Afforestation Fund Management and Planning Authority in such manner as may be prescribed.

35 (3) **On the date of the establishment of the Fund, all monies collected by the State Governments and Union territories, which has been placed under the *ad hoc* Compensatory Afforestation Fund Management and Planning Authority and deposited in the nationalised Banks, under the management of the Central Government, in compliance of the directions of the Supreme Court dated the 5th May, 2006, shall be credited in the Consolidated Fund of India, which shall be transferred to the Fund under the public account of India.**

(4) **There shall be credited into the Fund —**

45 (i) receipt of all monies from user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Catchment Area Treatment Plan or any money for compliance of conditions stipulated by the Central Government while according approval under the provisions of the Forest (Conservation) Act, 1980;

69 of 1980.

50 (ii) the unspent funds already realised by the States or Union territories and not transferred to the Compensatory Afforestation Fund Management and Planning Authority for crediting into the Fund by the respective States or Union territories from user agencies within six months from the date of

commencement of this Act and any compensatory afforestation funds which have not yet been realised shall be realised by the States and Union territories and transferred to the Authority for crediting into the Fund;

(iii) the funds recoverable from the user agencies in cases where forest land diverted falls within the protected areas, that is, areas notified under sections 18, 26A or 35 of the Wild Life (Protection) Act, 1972 for undertaking activities relating to the protection of biodiversity and the wildlife to be maintained under a separate head; and 5 35 of 1972.

(iv) Net Present Value of the forest land diverted for non-forestry purposes, collected under the Forest (Conservation) Act, 1980, and the rules and the guidelines issued thereunder and in pursuance of the judgment of the Supreme Court dated the 29th October, 2002 from the user agencies. 10 69 of 1980.

(5) The monies received in the Fund shall—

(a) be an interest bearing fund under public account of India; and

(b) the balance in the Fund shall be non-lapsable and get interest as per the rate declared by the Central Government on year-to-year basis. 15

Utilisation of Fund.

4. The Fund shall be utilised for meeting—

(i) development, maintenance and protection of forests and wildlife and the Green India Programme;

(ii) the non-recurring as well as recurring expenditure for the management of the Authority including the salary and allowances payable to its officers and other employees by utilising a part of the income by way of accrued interest on the funds invested by the Authority excluding income from the funds recoverable from the user agencies in cases where forest land diverted falls within the protected areas, that is, areas notified under section 18, 26A or 35 of the Wildlife (Protection) Act, 1972 for undertaking activities related to protection of biodiversity and the wildlife; 20 25 35 of 1972.

(iii) the expenditure incurred on monitoring and evaluation;

(iv) disbursement on such other projects relating to afforestation as the Central Government may prescribe.

(v) expenses of the Authority in the discharge of its functions having regard to the purposes for which such grants or loans as are received and for matters connected therewith or incidental thereto; 30

(vi) expenses on objects and for purposes authorised by, or under, this Act.

Accounting Procedure.

5. The Central Government may, by rules, prescribe an accounting procedure to regulate the manner of crediting the monies already collected, to the Fund as provided in sub-section (3) of section 3, crediting of all future receipts in the Fund as provided in sub-section (4) of section 3 and for transferring the fund to the Authority for the purpose of utilisation as contained in sub-section (4) of section 3 in a year. 35

Disbursement of Funds.

6. (1) Save as otherwise provided in this Act, the Fund shall be utilised in States and Union territories having regard to lands in respect of which such payments have been received. 40

(2) The Authority shall accomplish the afforestation for which money is deposited in the Fund within a period of one year or two growing seasons after project completion, as may be appropriate, after receipt of the money.

(3) The money received towards compensatory afforestation, additional compensatory afforestation and penal compensatory afforestation may be used as per the site specific schemes received from the States and Union territories along with the proposals for diversion of forest land under the Forest (Conservation) Act, 1980. 45 69 of 1980.

(4) The money received in the Fund towards Net Present Value shall be used for artificial regeneration (plantation), assisted natural regeneration, forest management, protection, infrastructure development, Green India Programme, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities.

(5) All monies realised from the user agencies in accordance with the decision taken by the Standing Committee of the National Board for Wild Life constituted under section 5A of the Wild Life (Protection) Act, 1972 or the orders of the Supreme Court involving cases of diversion of forest land in protected areas shall form the corpus and the income therefrom shall be used exclusively for undertaking protection and conservation activities in protected areas of the States and the Union territories and in exceptional circumstances, a part of the corpus may also be used subject to prior approval of the Authority.

(6) The Authority shall release monies to the concerned State and Union territory in predetermined instalments through the State Management Committee as per the annual plan of operation finalised by the concerned State and the Union territory.

(7) The monies received in the Fund from a State or Union territory as specified in sub-section (4) and the income earned thereon after deducting the expenditure incurred by the Authority on its establishment, monitoring and evaluation on a *pro rata* basis, shall be used only in that particular State or Union territory and in cases of transboundary forestry or environmental implication of diversion of forest land for non-forestry purposes in a particular State or Union territory, if found expedient and necessary by the Authority, the monies received from that particular State or Union territory may be used, in such proportion as may be determined by the Authority for the purpose, in the adjoining State or Union territory to mitigate transboundary adverse impact on forest or environment.

(8) All work at the ground level shall be executed through Joint Forest Management Committee except in matters where the nature of work demands execution by any other agency.

CHAPTER III

CONSTITUTION OF AUTHORITY

7. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be constituted an Authority to be called as the “Compensatory Afforestation Fund Management and Planning Authority”.

Constitution
of Authority.

(2) The Authority shall be responsible for the management of the Fund and its utilisation for the purposes of the Act.

(3) The Authority shall consist of a Governing Body and shall be assisted by an Executive Body, Monitoring Group and administrative support mechanism.

(4) The Governing Body of the Authority shall consist of the following, namely:—

(i) Minister of Environment and Forests— Chairperson;

(ii) Minister of Finance — Member;

(iii) Minister of Science and Technology — Member;

(iv) Minister of Rural Development — Member;

(v) Minister of Panchayati Raj — Member;

(vi) Deputy Chairman, Planning Commission— Member;

(vii) Secretaries of the Ministries of Environment and Forests, Finance (Department of Expenditure), Science and Technology, Rural Development, Panchayati Raj, Government of India — Members;

(viii) Director General of Forests and Special Secretary, Ministry of Environment and Forests, Government of India — Member;

(ix) Additional Director General of Forests (Wild Life) Ministry of Environment and Forests, Government of India — Member;

(x) Financial Advisor, Ministry of Environment and Forests, Government of India — Member; 5

(xi) three Principal Chief Conservator of Forests, one from six regions, to be nominated every year by the Ministry of Environment and Forests on rotation basis — Member;

(xii) Inspector General of Forests (Forest Conservation), Ministry of Environment and Forests, Government of India — Member; 10

(xiii) three eminent non-government organization experts, one each in the field of forestry, wildlife and ecology, for a period of two years subject to not more than two consecutive terms— Member.

(5) The Central Government may appoint an officer of the rank of an Inspector General of Forests as the Chief Executive Officer who shall be the Member-Secretary of the Governing Body and the Executive Body. 15

Executive
Body and
Monitoring
Group of
Authority.

8. (1) The Governing Body of the Authority shall, in performance of its functions and powers under the Act, be assisted by the Executive Body and the Monitoring Group.

(2) The Executive Body shall consist of the following, namely:— 20

(i) Director General of Forests and Special Secretary, Ministry of Environment and Forests, Government of India — Chairperson;

(ii) Additional Director General of Forests (Wild Life) Ministry of Environment and Forests, Government of India — Member;

(iii) Inspector General of Forests (Forest Conservation), Ministry of Environment and Forests, Government of India — Member; 25

(iv) Financial Advisor, Ministry of Environment and Forests, Government of India — Member;

(v) A representative each of the Ministries of Finance (Department of Expenditure); Science and Technology; Rural Development and Panchayati Raj, Government of India — Members; 30

(vi) Chairman, National Bank for Agriculture and Rural Development — Member;

(vii) three non-official experts, one each from the field of forestry, forest economy development and wildlife — Members; 35

(viii) Chief Executive Officer of the Authority — Member Secretary.

(3) The Monitoring Group shall consist of six experts in the field of environment, economics, wildlife, forests and social sector.

(4) The following officers shall be appointed by the Authority for a period not exceeding five years, to assist the Executive Body in performance of its functions and powers under the Act:— 40

(i) **Joint Chief Executive Officer of the rank of Conservator of Forests;**

(ii) **Financial Advisor and Chief Accounts Officer of the rank of Director in the Government of India; and**

(iii) **Deputy Chief Executive Officers of the rank of Deputy Conservator of Forests.** 45

9. The terms of office and other conditions of the service of the members of the Authority, Executive Body, Monitoring Group shall be such as may be prescribed.

Term of office and conditions of service of members. Disqualifications.

10. A person shall be disqualified for being appointed as a member of the Authority, Executive Body, Monitoring Group, if he—

- 5 (i) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Central Government, involves moral turpitude; or
- (ii) is an undischarged insolvent; or
- (iii) is of unsound mind and stands so declared by the competent court; or
- 10 (iv) has been removed or dismissed from the service of the Government or organisation or undertaking owned by the Government; or
- (v) has, in the opinion of the Central Government, such financial or other interest in the Authority as is likely to affect the duties discharged by him of his functions as a member.

CHAPTER IV

15 POWERS AND FUNCTIONS

11. (1) The functions of Governing Body of the Authority shall *inter alia*, include:

Functions and powers of Authority.

- 20 (i) overseeing programme known as Green India for massive afforestation of the degraded forest land of the country, utilising financial resources, partly provided under the Fund and the remaining fund mobilised from the market, development partner associations, carbon credits, income from tree felling at ecologically appropriate intervals and to augment funds, and service debts;
- (ii) overseeing watershed development or forest conservation works within forest areas undertaken and financed under the Fund;
- 25 (iii) maintaining a separate account in respect of the funds received under the provisions referred to in clause (iii) of sub-section (4) of section 3 and allocate the earmarked funds for wildlife protection as well as to provide funds for activities approved by the National Board of Wildlife;
- (iv) laying report each year in Parliament on the progress of the Green India programme and other works under the Fund as well as present it as a Report to the public;
- 30 (v) creating transparency for Green India and mobilise citizens support therefor;
- (vi) mobilising additional resources to scale up the activity under Green India programme;
- (vii) enlisting assistance from financial institutions for afforestation;
- 35 (viii) working towards making the Authority eligible for international assistance under the climate change agenda;
- (ix) adopting a principle of allocation to States and Union territories based on the share contributed by them and having regard to the Supreme Court orders;
- 40 (x) earmarking at least five per cent. of the funds for communication, social mobilisation, monitoring and evaluation.

(2) The Governing Body of the Authority shall—

- (i) formulate the broad policy framework including the allocation formula to States and the Union territories;

(ii) approve the rules for the management of Compensatory Afforestation Fund, to be notified by the Central Government;

(iii) monitor the progress of the utilisation of funds released by the Authority;

(iv) approve the annual report and audited accounts of the Authority;

(v) review reports on decision taken by Executive Body including investment decisions and Monitoring Group. 5

(3) The Governing Body of the Authority shall meet at least once in six months.

(4) The Governing Body, Executive Body and the Monitoring Group of the Authority shall meet at such places and shall observe such rules and procedures in regard to transaction of business at its meetings (including the quorum thereat) as may be prescribed. 10

Powers and functions of Executive Body.

12. (1) The Executive Body shall decide:

(i) approval of work plans and deployment of funds;

(ii) deployment of staff on contractual basis or on deputation;

(iii) financial procedure;

(iv) delegation of financial or administrative powers; 15

(v) other day-to-day working in respect of receipts of funds;

(vi) investment of funds;

(vii) expenditure on establishment and other overheads including office accommodation subject to the approval of the annual budget by the Governing Body;

(viii) on being satisfied that the funds released to a particular State or the Union territory are not being utilised properly, the Executive Body shall have the power to withhold or suspend the release of remaining funds or part thereof provided that reasons shall be recorded on such action and submit the same to the Governing Body for approval; 20

(ix) to present its decisions to the Governing Body for information; 25

(x) maintain and update a public information system on the Authority and present all information on its transaction in the public domain.

(2) The Executive Body shall meet at least once in every three months.

Functions of Monitoring Group.

13. (1) The Monitoring Group shall—

(i) evolve independent system for concurrent monitoring and evaluation of the works implemented in the States and Union territories utilising the funds released by the Authority to ensure effective and proper utilisation of funds by utilising the services of the Regional Offices of the Central Government in the Ministry of Environment and Forests; 30

(ii) monitor and evaluate the implementation of the Green India programme; 35

(iii) inspect and undertake financial audit of works executed by utilising the funds released by the Authority in the States and Union territories;

(iv) devise measures for transparency and accountability.

(2) The Monitoring Group shall meet at least once in three months.

CHAPTER V 40

FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

Grants and loans to Authority.

14. (1) The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Authority grants and loans of such sums of money as

that Government may consider necessary, which shall be credited to the Fund to be utilised for the purposes of this Act.

(2) There shall also be credited to the Fund—

(a) grants or aid received;

5 (b) any loan taken by the Authority;

(c) any other sums received by the Authority by way of benefaction, gift or donations.

10 **15.** (1) The Authority shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Authority and forward the same to the Central Government.

Budget of Authority.

(2) The Authority, with the prior approval of the Central Government, shall adopt financial regulations and procedures, in particular the procedure for drawing up and implementing the Authority's budget.

15 **16.** The Authority may invest its funds (including any reserve fund) in the securities of the Central Government and in scheduled banks in such manner as may be prescribed:

Investment of funds.

Provided that the grants received from the Central Government shall not be invested and shall be utilised for the purpose and in the manner attached to it.

20 **17.** (1) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

Accounts and audit of Authority.

25 (2) The accounts of the Authority shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General.

30 (3) The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the Authority.

(4) The accounts of the Authority as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf together with the audit report thereon, shall be forwarded annually to the Central Government by the Authority.

35 (5) The Comptroller and Auditor General may, within a period of six months from the date of commencement of this Act, audit the accounts of the Fund for a period comprising of the date of its inception, that is, the 29th October, 2002 and the date of commencement of this Act and shall submit the report to the Central Government under this section.

40 (6) The Central Government shall have the power to conduct the special audit or performance audit of the Fund and of the Authority through the Comptroller and Auditor-General.

45 **18.** (1) The Authority shall prepare in such form and at such time, for each financial year, as may be prescribed, its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the Central Government.

Annual Report of Authority.

(2) The annual report shall, *inter alia*, provide for—

(i) the number and location of each reforestation, afforestation and construction activity subject to the requirements of this section;

(ii) the amount and location of lands in acres cleared, conserved, and planted in connection with the activity; and

(iii) the amount of afforestation money collected and expended.

Annual report and audit report to be laid before Parliament.

19. The Central Government shall cause the annual report together with a memorandum of action taken on the recommendations contained therein and the audit report to be laid as soon as may be after the reports are received before each House of Parliament.

CHAPTER VI

MISCELLANEOUS

Power of Central Government to constitute State Management Committee, State Steering Committee and Joint Forests Management Committee and to make rules.

20. (1) The Central Government may, in consultation with the States and the Union territories, by notification in the Official Gazette, make rules for constituting the State Management Committee, State Steering Committee and Joint Forest Management Committee, their composition, powers and functions for carrying out the provisions of this Act.

(2) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act and such rules may provide for all or any of the following matters, namely:—

(a) manner of management of Fund by the Authority under sub-section (2) of section 3;

(b) the disbursement of fund for such other projects relating to afforestation under clause (iv) of section 4;

(c) the accounting procedure regulating the manner of crediting the monies under section 5;

(d) terms of office and conditions of service of members of the Authority, Executive Body, Monitoring Group under section 9;

(e) rules for the transaction of business at meetings of the Governing Body, Executive Body and the Monitoring Group of the Authority under sub-section (4) of section 11;

(f) the form and time of preparing budget under section 15;

(g) the manner of investment of fund under section 16;

(h) the form of annual statement of accounts to be maintained by the Authority under sub-section (1) of section 17;

(i) the form and time of preparing annual report under section 18;

(j) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall, thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power of Central Government to issue directions.

21. (1) Without prejudice to the foregoing provisions of this Act, the Authority shall in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy, as the Central Government may give it in writing from time to time.

(2) The decision of the Central Government, whether a question is one of policy or not, shall be final.

STATEMENT OF OBJECTS AND REASONS

As the diversion of forest land for non-forestry purposes was causing loss to the valuable forests, the Forests (Conservation) Act, 1980 was enacted to maintain a rational balance between the objectives of conservation and development. Briefly, the Forest (Conservation) Act, 1980 makes provision for conservation of forests and provide for the basic framework for regulating indiscriminate diversion or use of forest for the developmental needs of a State. It intends to harmonize development with that of conservation of forests and forest eco system. The compensatory afforestation envisages additional plantation activities by utilising the money deposited by the user agency for the purpose.

2. The Supreme Court in its order dated 29th October, 2002 in T.N. Godavarman Thirumalpad Vs. Union of India [Writ Petition (C) No. 202 of 1995] observed that a Compensatory Afforestation Fund may be created in which all the monies received from the user agencies shall be deposited. The Court directed that the Fund shall be utilized for plantations, protection of forests, wildlife protection and other related activities. Presently, in compliance with the direction of the Supreme Court, all monies collected under the scheme has been placed under an *ad hoc* CAMPA and deposited in the nationalised banks.

3. During the years, a substantial amount of monies have been deposited in this regard by the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Net Present Value of the diverted forest land or Catchment Area Treatment Plan. The Government intends to articulate its one of the objectives and undertake a massive afforestation programme called “Green India” which precisely envisages massive afforestation of the degraded forest land of the country by utilising the financial resources available in the Fund and other sources such as mobilisation from market, developmental partners associations, carbon credit, etc. Accordingly, it is proposed to enact a legislation, namely the Compensatory Afforestation Fund Bill, 2008 to provide for the establishment of a statutory Fund and a Management Authority, who shall be responsible for the management of the Fund and administer the programme of afforestation.

4. The Authority constituted under the Bill shall consist of a Governing Body and be assisted by an Executive Body, Monitoring Group and administrative support mechanism. The duties, powers and functions of Authority shall *inter alia*, include:—

(a) overseeing programme known as “Green India” for massive afforestation of the degraded forest land of the country, utilising financial resources, partly provided under the Fund and the remaining fund mobilised from the development partner associations, carbon credits;

(b) overseeing watershed development or forest conservation works within forest areas undertaken;

(c) keep Parliament abreast of the progress of the “Green India” programme through laying of reports;

(d) creating transparency for “Green India” and mobilise citizens support therefor;

(e) adopting a principle of allocation to States and Union territories based on the share contributed by them and having regard to the Supreme Court orders;

(f) to invest its funds in the securities of the Central Government and in such Scheduled banks; and

(g) to maintain proper accounts and relevant records and prepare an annual statement of accounts, prepare its annual report giving full account of its activities.

5. The Bill will provide the required legal backing to the scheme and put in place the “Green India” programme throughout the country.

6. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 25th April, 2008.

S. REGUPATHY.

FINANCIAL MEMORANDUM

Sub-clause (1) of clause 3 of the Bill provides for the establishment of the Compensatory Afforestation Fund. Sub-clause (3) provides that all monies collected by the State Governments and Union territories, which has been placed under the *ad hoc* Compensatory Afforestation Fund Management and Planning Authority (Authority) and deposited in the nationalised banks, shall be credited in to the Consolidated Fund of India, which shall be transferred to the Fund under the public account of India. Sub-clause (4) provides for the details of the receipts of monies credited into the Fund. Sub-clause (5) makes out the purposes for which the Fund shall be utilised.

2. Sub-clause (1) of clause 7 of the Bill provides for constitution of the Authority and sub-clause (3) thereof provides that the Authority shall be assisted by an Executive Body, Monitoring Group and administrative support mechanism to guide, direct and oversee the activities of the Authority. Sub-clause (5) provides for appointment of an officer of the rank of Inspector General of Forests as the Chief Executive Officer who shall be the Member-Secretary of the Governing Body and the Executive Body.

3. Sub-clause (4) of clause 8 provides for the appointment of a Joint Chief Executive Officer of the rank of Conservator of Forests, a Financial Adviser and Chief Accounts Officer of the rank of Director in the Government of India and two Deputy Chief Executive Officers of the rank of Deputy Conservator of Forests to assist the Executive Body in performance of its functions and powers for a period not exceeding five years.

4. The Bill, if enacted and brought into operation, would involve from the Fund a recurring expenditure of rupees one crore seven lakhs fifty thousand per annum and a non-recurring expenditure of rupees twenty eight lakhs fifty thousand.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (2) of clause 3 of the Bill empowers the Central Government to make rules providing for the manner of regulation of the Fund by the Compensatory Afforestation Fund Management and Planning Authority. Clause 4 authorises the Central Government to utilise the Fund for the purposes specified therein and to prescribe the other projects of afforestation.

2. Sub-clause (1) of clause 20 of the Bill empowers the Central Government to make rules in consultation with the States and the Union territories for constituting the State Management Committee, State Steering Committee and Joint Forest Management Committee, their composition, powers and functions for carrying out the provisions of the Bill. Sub-clause (2) enumerates the provisions of the Bill which authorises the Central Government to frame rules for different specified purposes.

3. The rules framed under the Bill shall be laid, as soon as may be, after they are made, before each House of Parliament.

4. The matters in respect of which rules may be made are generally matters of procedure and administrative details and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

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to provide for the establishment of a Fund and crediting thereto the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, Net Present Value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980; constitution of an Authority for administration of the Fund and to utilise the monies so collected for undertaking artificial regeneration (plantations) assisted natural regeneration, protection of forests, infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

(Shri S. Regupathy, Minister of State in the Ministry of Environment and Forests)