

CHAPTER IV
Detailed Compliance
Audit on State
Compensatory
Afforestation Fund
Management and
Planning Authority

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FOREST, ENVIRONMENT AND CLIMATE CHANGE DEPARTMENT

4. Detailed Compliance Audit on State Compensatory Afforestation Fund Management and Planning Authority

4.1 Introduction

The Hon'ble Supreme Court of India directed in October 2002 that a 'Compensatory Afforestation Fund' (CAF) shall 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 forest land, catchment area treatment plan funds *etc.*, shall be deposited. CAF was to compensate for the loss of tangible, as well as intangible benefits, from the forest lands, which were diverted for non-forest use. Such funds were to be used for natural assisted regeneration, forest management, protection, infrastructure development, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities. The Court observed that the fund would not be part of the general revenues of the Union, of the States or part of the Consolidated Fund of India.

The Ministry of Environment and Forests (MoEF) notified the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in April 2004, for the management of the compensatory afforestation fund.

The Hon'ble Supreme Court of India observed in May 2006, that CAMPA had still not become operational and ordered the constitution of an ad-hoc body (known as 'Ad-hoc CAMPA'), till CAMPA became operational. The Hon'ble Court ordered that all monies recovered on behalf of the CAMPA and lying with the various officials of the State Government, were to be transferred to the Ad-hoc CAMPA. It also directed audit of all the monies received from the user agencies, on behalf of the CAMPA and the income earned thereon. The auditor was to be appointed by the Comptroller and Auditor General of India.

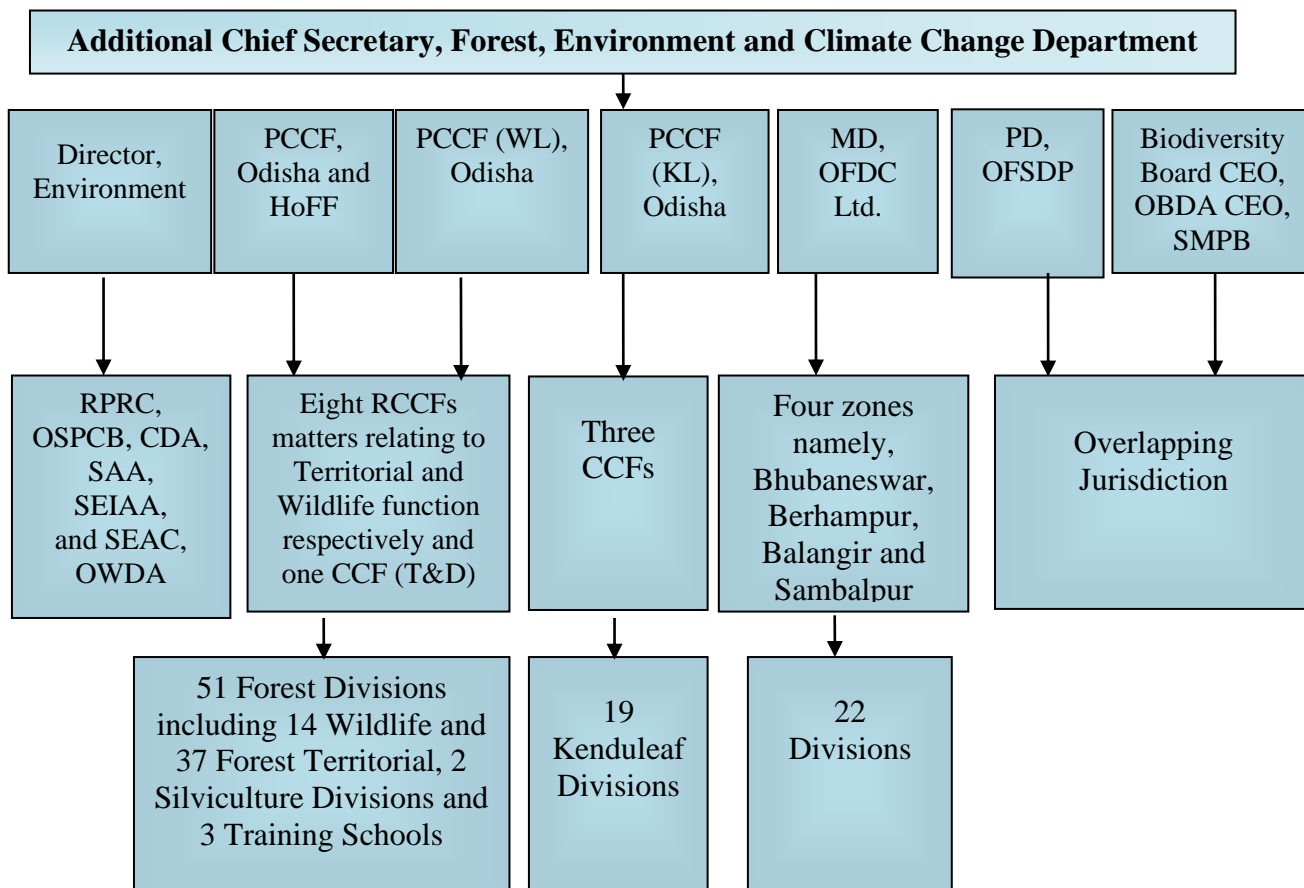
The audit of Compensatory Afforestation in India was taken up, as per the aforesaid order of the Hon'ble Supreme Court and reference thereon from the MoEF, in January 2012. It was also directed to centrally pool the money recovered on behalf of the said Authority, lying with the States and Union Territories, into an Adhoc CAMPA constituted for the purpose, till the State CAMPA became operational. The State CAMPA was constituted in Odisha (September 2018), for receipt and utilisation of CAMPA funds from the above account.

The State CAMPA is intended as an instrument to accelerate activities for the preservation of natural forests, management of wildlife, infrastructure development in the sector and other allied works. The State CAMPA, under the Forest, Environment and Climate Change (FE&CC) Department of the Government of Odisha, presently receives monies collected from user agencies, towards compensatory afforestation (CA), additional compensatory

afforestation, penal compensatory afforestation; Net Present Value (NPV) and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980.

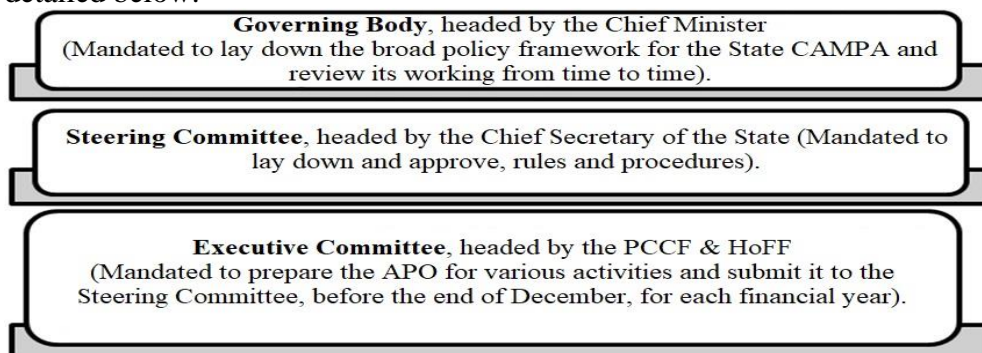
4.1.1 Organisational Setup

The organizational set up of the FE&CC Department is as follows:



The Forest Department comprises of 08 circles, 51 forest divisions (37 Territorial divisions and 14 Wildlife divisions), 03 training and development divisions, 02 Silviculture divisions, Dy. Director, Nandankanan Zoological Park, Forest Resources Survey (FRS) Division, Cuttack and Odisha Forestry Sector Development Project (OFSDP). There are 3,781 beats, under 1,068 Sections, in 293 Ranges, to execute the field level works.

The State CAMPA functions through a three-tier committee hierarchy, as detailed below:



The Steering Committee and Executive Committee are also responsible for monitoring and utilisation of the State CAMPA fund, approving the APO, and for ensuring proper auditing of both the receipt and expenditure of funds.

4.1.2 Audit Objective

The main audit objectives were to assess whether:

- ❖ the annual planning process for implementation of schemes for compensatory afforestation, conservation and protection of protected forests and collection of user charges from the user agencies, was efficient;
- ❖ the plantation activities under CAMPA and mandatory conservation measures, such as Compensatory Afforestation (CA), Catchment Area Treatment (CAT) etc., had been carried out effectively;
- ❖ the financial management of the funds was economical, efficient and effective; and
- ❖ an effective monitoring mechanism was in place.

4.1.3 Audit Criteria

The Audit findings are benchmarked against the following criteria:

- The Compensatory Afforestation Fund Act (CAF), 2016 and the Compensatory Afforestation Fund (CAF) Rules, 2018
- Forest (Conservation) Act, 1980, Odisha Forest Plantation Manual (OFPM), 1977, Odisha Forest Department Code (OFD), 2020, Code of Management Plan Procedures (CMPP), 1990, Odisha Forest Sector Vision, 2020, National Forest Policy (NFP), 1988 and Wildlife Protection Act, 1972
- Provisions of Odisha General Financial Rules (OGFR), Odisha Treasury Code (OTC), Procurement Guidelines and Finance Department Notifications
- India State of Forest Reports (ISFRs), by the Forest Survey of India, Scheme guidelines and approved Cost Norms
- Annual Activity Reports and other reports of the Department, Working Plan(s)/ Scheme(s) and CAMPA Annual Plan of Operation(s) (APOs) and
- Physical/ financial targets/ norms, fixed by the Government/ PCCF (O) & HoFF.

4.1.4 Scope of Audit and methodology

The Detailed Compliance Audit (DCA) was conducted during June to November 2022, to assess the functioning of the State CAMPA, along with the inflow of funds to the Ad-hoc CAMPA, through test-check of CAMPA records of the Nodal Officer, State CAMPA and 20 Divisional Forest

Officers⁷⁸ (DFOs) and four other units⁷⁹ out of total 60 field units, covering the period from 2019-20 to 2021-22. The units were selected through the stratified random sampling method, based on the expenditure incurred on the CAMPA fund. The audit period, audit objectives, audit criteria and scope, were discussed in an Entry Conference, held on 27 October 2022, with the FE&CC Department. The audit findings were discussed with the FE&CC Department, in an Exit Conference held on 28 March 2023 and the replies have been suitably incorporated in the Report.

This DCA followed the “Result Oriented Approach”, to verify the forestry and infrastructural activities, such as Subsidiary Silvicultural Operation (SSO) activities, water bodies and culverts and to check the survival percentage of the plantations through the “Top Down” approach, starting from the Forest Department in the Government of Odisha, to field sites at the forest beat level. Accordingly, the audit methodology included the scrutiny of policy and planning documents related to the State CAMPA fund; checking of the system of allocation, release and utilisation of funds; examination of records, such as Net Present Value (NPV), Compensatory Afforestation (CA), Catchment Area Treatment Plan (CATP), infrastructure development, protection, Subsidiary Silviculture Operation (SSO) activities and Plantation database, Registers and Journals, cash accounts, store account, nursery records *etc.*, and joint physical Inspections (JPI) of plantation sites, to check the survival percentage of plantations and of assets created under CAMPA.

Audit findings

The audit findings include deficiencies in the formation of State CAMPA, system of diversion of forest land, preparation of Annual Plan of Operation (APO), collection of NPV, Compensatory Afforestation (CA), conditional works, deficiencies in the system of accounting of CAMPA funds and monitoring of activities, as detailed in the succeeding paragraphs.

4.2 Planning

4.2.1 Deficiencies in formation of State CAMPA

As per paragraphs 10(1), 14 and 15 of the State CAMPA guidelines, issued (July 2009) by the GoI, the State Government had to establish the State CAMPA in the State and to constitute three committees for functioning of the State CAMPA, *viz.* (i) Governing Body (GB) at the Apex level (ii) Steering Committee (SC) and (iii) Executive Committee (EC).

⁷⁸ DFOs: Athagarh, Baliguda, Bargarh, Berhampur, Bhadrak (W/L), Bonai, Boudh, Deogarh, Dhenkanal, Jeypore, Kalahandi (N), Keonjhar, Khariar, Nayagarh, Nabarangpur, Rairakhol, Puri (W/L), Rayagada, Sundargarh, Shimilipal Tiger Reserve (North)

⁷⁹ State Silviculturist Centre, Forester's Training School, Nandankanan Zoological Park and Odisha Forestry Sector Development Project

Scrutiny of records (June 2022) of the FE&CC Department revealed that the State CAMPA had been constituted on 29 September 2018⁸⁰ and the State Government had also reconstituted (September 2018) the above three committees for functioning of the state CAMPA. Hence, the State CAMPA was constituted in Odisha after a delay of nine years from the date of notification of CAMPA guidelines by the GoI. As such, the directives of the Hon'ble Supreme Court could not be complied with, which led to absence of a permanent institutional mechanism of management for utilization of the funds collected by the State.

In reply, the Government stated (March 2023) that, three committees had been constituted in the year 2009. The reply was not acceptable as the State CAMPA was constituted during September 2018 with full functions and powers of Governing body and other committees.

4.2.1.1 Non-functioning of the Governing Body

As per Section 17(1)(i) and (ii) of the CAMPA Act, 2016, the Governing Body (GB), at the highest level, was to lay down the broad policy framework for the functioning of State CAMPA and to review its working from time to time. Section 17(2) of the Act stipulates that the GB shall meet at least once in six months. Audit noticed that the GB had neither laid down the policy framework, nor has it reviewed the working of the State CAMPA, as of June 2022, as the GB had not held any meeting since its constitution *i.e.* from September 2018. As such, in the absence of the broad policy framework and regular review, the working of the State CAMPA remained directionless and unreviewed.

While accepting the audit observation, the Government stated (March 2023) that action was being initiated to convene the Governing body meeting.

4.2.1.2 Non-convening of meetings by Steering Committee and Executive Committee

As per Section 18 (2) and 19 (2) of the CAMPA Act, 2016, the Committees should meet at least once in three months. The Steering Committee and the Executive Committee had to prepare the APOs and lay down/ or approve rules and procedures for the functioning of the State CAMPA. Audit observed that the Steering Committee had conducted only three meetings and the Executive Committee had conducted only two meetings, against the requirement of 12 meetings of each committee, during 2019-22. Thus, supervision of utilisation of funds and progress of projects, out of the CAMPA funds, could not be monitored, defeating the purpose of the existence of these committees.

In reply, Government stated (March 2023) that three executive committee and three steering committee meetings were held during 2019-22. However, the fact remained that, against the requirement of 12 meetings of each committee,

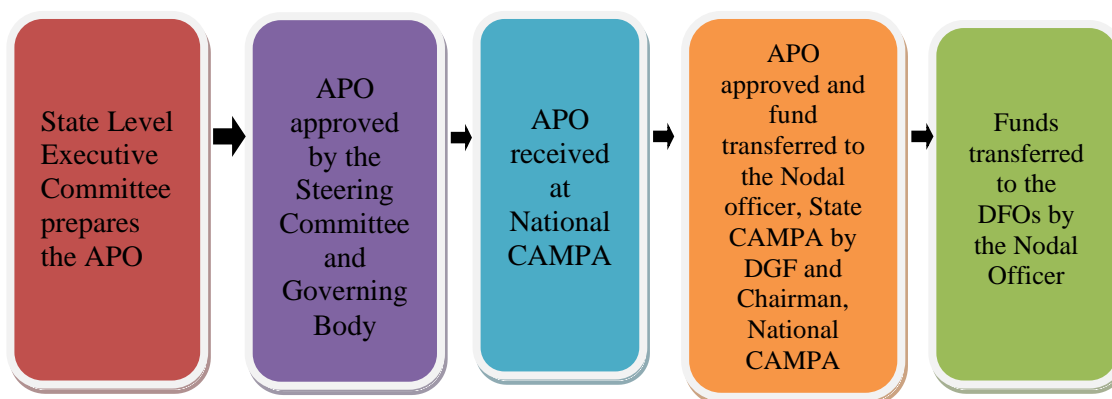
⁸⁰ Vide Notification No-21066/F&E dated 29 September 2018. The final notification dated 29 September 2018 supersedes the earlier five notifications of FE&CC Department in the matter of constituting/ reconstituting of the Steering committee and the Executive committee of the State CAMPA

the records indicated that, only three meetings of steering committee and two meetings of executive committee were held.

4.2.2 Non-approval of Annual Plan of Operations by the Governing body and delay in submission of APOs

As per Rule 36 of CAF Rules, 2018, the State CAMPA shall prepare its budget after receiving the site-wise proposals from the field units for the next financial year, showing the estimated receipts and expenditure in Form-VI, based on the APO prepared and approved by the GB. That APO is to be forwarded to the State Government and Central Government in each financial year by 31 December. The detailed flow of funds is given in the following Chart:

Chart 5: Fund flow chart



4.2.2.1 Status of submission of APO to National CAMPA and receipt of funds during 2019-22

The year-wise details of submission of APOs and release of funds by National CAMPA, for the years 2019-22, are given in **Table-4.1**.

Table- 4.1: Delay in submission of APO to the National CAMPA and receipt of funds thereof, during 2019-22

Financial Year	Date of submission by EC	Date of approval by SC	Period of delay in preparation of APOs	Date of submission to/ approval by GB	Date of Submission to the National Authority, CAMPA	Period of delay in submission of APOs	Date of receipt of funds from National CAMPA
1	2	3	4	5	6	7	8
2019-20	06.12.2018	20.12.2018	No delay	Not submitted	21 January 2019	20 days	21 June, 15 Oct 2019
2020-21	28.01.2020	11.02.2020	27 days	Not submitted	20 April 2020	109 days	08 May, 02 July, 02 September 2020
2021-22	20.11.2020	07.01.2021	No delay	Not submitted	20 March 2021	78 days	19 August, 09 November 2021 and 03 February 2022

Source: Information supplied by the CEO, State CAMPA

From the above Table, the following irregularities were observed:

- (i) The Steering Committee by passing the authority of GB, had submitted the APOs to the National Authority, CAMPA without approval from the GB, with delays ranging from 20 to 109 days.
- (ii) The funds were released by the National CAMPA, to the State

authority in the middle of the financial years, after the planting period of June and July was over, although the APOs were not approved by the GB. The above irregularities had affected the utilisation of funds in the field units. Resultantly, the planned activities could not be carried out effectively, as discussed in the subsequent paragraphs.

4.2.2.2 Wasteful expenditure due to improper formulation of APO

Scrutiny of records of the PCCF (WL) revealed that Aided Natural Regeneration (ANR) plantation had been done at a cost of ₹15 lakh, over 95 ha in five⁸¹ Reserve Forests (RF) under the Site Specific Wildlife Conservation Plan (SSWCP) in two WL Ranges of Bamra (WL) division, during FY 2015-16. However, provisions of funds for maintenance, for the 2nd and 3rd years, during financial years 2016-17 and 2017-18, for these plantations had not been made under CAMPA APO 2015-16 and 2016-17. The DFO surrendered the amount of ₹34.42 lakh allotted for maintenance of these plantations during 2020-21, as the survival rate was only 7.5 per cent, due to non-maintenance during financial years 2016-17 to 2019-20. This rendered the expenditure of ₹15 lakh towards the first two years of planting operations wasteful as well as failure to achieve the intended objective of the plantations.

In reply, the Government stated (March 2023) that the plantations were being undertaken in wild elephant habitat and were damaged due to wild elephant movement. The reply was not acceptable as the survival rate of plantation was 7.5 per cent due to non-maintenance.

4.2.3 Delay in formation of Land Bank for afforestation activities

As per Sections 2.1 and 2.3 of the Forest (Conservation) Act, 1980, Compensatory afforestation (CA) is one of the most important conditions for diversion of forest land for non-forest purposes. The purpose of CA is to compensate the loss of 'land by land' and loss of 'trees by trees'. CA is to be raised on suitable non-forest land, equivalent to the area proposed for diversion, or on degraded forests equal to, twice the area of land diverted, at the cost to be paid by User Agency (UA), within three years of final approval.

Scrutiny of records of the FE&CC Department revealed that the (then) State Forest Department⁸² had decided (1998) to constitute a task force in each district, comprising of the Collector and the territorial DFOs, for expediting the work of identification of non-forest Government land (Abad, Ajogya and Anabadi land) and degraded forest lands borne in Government Khatas, for formation of a land bank for CA. Further, the Odisha Space Application Center (ORSAC) had designed (February 2022) and commissioned a web-GIS application, for identification and selection of degraded revenue forest

⁸¹ Kahapani RF, Kurnimunda RF, Addl Kansar RF, Badrama RF (under Bamara WL range) and Kendumunda RF (under Khasuni WL range)

⁸² Later renamed as Forest, Environment and Climate Change Department

lands⁸³, which could be used for CA, in the State. However, ORSAC had done only a tentative identification and selection of degraded revenue forest land, in 13 forest divisions⁸⁴, out of 51 divisions, across 30 districts of Odisha, on pilot basis, which was far behind the target for creation of a Land Bank to execute plantation activities. This indicated that the Department could not gather land information to create a Land Bank, for the last 24 years which was one of the reasons for non-achievement of CA targets as discussed in Paragraph 4.4.

While accepting the audit observation, the Government stated (March 2023) that all sorts of efforts were being made to achieve the target.

4.3 Collection of statutory levies towards NPV and cost of CA

The Net Present Value (NPV) of forest land diverted for non-forest purposes was to be recovered from the user agencies, for undertaking forest protection, other conservation measures and related activities. Similarly, Compensatory Afforestation (CA) was one of the most important requirement/conditions for prior approval of the Central Government for diversion of forest land for non-forest purposes and the purpose of CA was to compensate the loss of 'land by land' and loss of 'trees by trees'. Observations on collection of statutory levies towards NPV and cost of CA have been discussed in following subparagraphs.

4.3.1 Status of diversion of forest land and collection of NPV

As per Section 2 of the Forest (Conservation) Act, 1980, read with the orders of the Hon'ble Supreme Court of India issued in November 2002, forest land could be diverted for non-forest activities, with the approval of GoI and on payment of the Net Present Value (NPV) of forest land and other allied charges.

As per the information furnished by the PCCF & HoFF, Odisha, the year-wise diversion of forest land and collection of NPV, are shown in **Table – 4.2**. It was observed that 6,101.21 hectares of forest land had received Stage II approval⁸⁵ for diversion, in 70 cases, during 2019-22.

Table-4.2: Details of year-wise diversion of forest lands and collection of NPV during 2019-22

Financial Year	Number of cases which got final/Stage-II approval	Area of forest diversion (in ha)	NPV collection (₹ in crore)
1	2	3	4
2019-20	23	3,067.98	67.16
2020-21	29	1,839.29	139.06

⁸³ The revenue lands recorded as forest on which the provision of Forest (Conservation) Act, 1980 are applicable.

⁸⁴ Angul, Athamallik, Jeypore, Jharsuguda, Kalahandi (N), Karanjia, Keonjhar, Khorda, Koraput, Phulbani, Rourkela, Sambalpur and Sundargarh

⁸⁵ There are two stages of approval. Stage-I in which the conditions are stipulated to be complied by the UAs and Stage-II for use of diverted forest land.

Financial Year	Number of cases which got final/Stage-II approval	Area of forest diversion (in ha)	NPV collection (₹ in crore)
2021-22	18	1,193.94	93.89
Total	70	6,101.21	300.11

4.3.2 Irregularities in the realisation of NPV

4.3.2.1 Non-realisation of differential NPV

As per MoEF&CC Notification⁸⁶ (January 2022), new rates of NPV were to be applicable to all proposals of forest land diversion, that had been granted Stage-I/ in-principle approval, after 6 January 2022. The new rates of NPV were also to be applicable prior to 6 January 2022, where, even after a lapse of 5 years, Stage-II/ final approval had not been granted, after Stage-I/ in-principle approval.

Scrutiny of records of 20 test-checked DFOs, in six DFOs⁸⁷ it was revealed that nine cases involving 1,864.59 ha of forest land, diverted for non-forestry activities (mining, irrigation and highways), had been pending for Stage-II/ final approval, for more than five years, as on 6 January 2022, due to non-submission of compliance to the conditions stipulated in the Stage-I/ in-principle approval. The UAs had deposited the NPV at old rates, instead of the revised rates resulting in short realization of NPV of ₹88.40 crore, as detailed in *Appendix - V*.

Accepting the audit observation, the Government stated (March 2023) that two UAs had already deposited the differential NPV in CAMPA account and rest of the UAs would deposit the same before submitting the Stage-I compliances. However, the Government may take necessary steps to recover all the differential NPV from the remaining UAs.

4.3.2.2 Non-levy of interest amount of ₹4.22 crore on belated payment of NPV

As per Rule 8 (C) of the Forest Conservation (Rules), 2003, the UA shall, within thirty days of receipt of demand note from the DFO, make payment of compensatory levies. Further, the Central Empowered Committee (CEC), constituted by the Hon'ble Supreme Court, ordered (May 2010) that the mining lease holders, who do not pay the NPV within a period of 30 days from the date of demand raised by the concerned Divisional Forest Officer (DFO), will not be allowed to continue mining, till the payment of NPV along with interest. The FE&CC Department (May 2013) prescribed the rate of interest at nine *per cent* per annum, for delayed payment of NPV, for diversion of forest land for mining purposes.

Scrutiny of forest land diversion records in three divisions⁸⁸, revealed that, based on the In-Principle/ Stage-I approval of MoEF & CC, the DFOs had raised demands (between February 2017 and November 2021), against 21 mines lease holders to deposit the NPV amounts, within 30 days from the date

⁸⁶ No.5-3/2011-FC (Vol-I) dated 19 January 2022

⁸⁷ DFOs, Berhampur, Boudh, Deogarh, Keonjhar, Nayagarh, and Sundargarh.

⁸⁸ Sundargarh, Bonai and Keonjhar

of the demands, for diversion of 4,490.406 ha of forest land. The lessees had deposited (between September 2018 and March 2022) the NPV of ₹299.78 crore, with delays ranging from 14 days to 573 days. Neither had the DFOs demanded, nor had the lessees deposited the interest, for belated payment of NPV, resulting in non-realisation of interest of ₹4.22 crore, as detailed in **Appendix - VI**.

In reply, the Government stated (March 2023) that interest on belated payment of NPV was not applicable for such cases. The reply was not acceptable, as the interest amounts were to be realized for belated payment of NPV, for the diversion of forest land for mining purpose, as per the directions issued by the Government (May 2013), based on the Hon'ble Supreme Court judgement.

4.3.3 Non-realisation of cost of CA from UAs

Scrutiny of records, in five divisions⁸⁹, revealed that demand notices of ₹28.43 crore had been raised against 14 UAs, to deposit the cost of CA, avenue/ dwarf⁹⁰ plantations and Site Specific Wildlife Conservation Plan (SSWCP), towards diversion of forest land of 971.70 ha, for non-forestry activities, as per In-Principle/ Stage - I approval during 2019-22, as detailed in **Appendix-VII**. Despite issuance of repeated demand notices by the DFOs, the UAs had not deposited the same, with delays ranging from one year to four years. The absence of penal provisions for non-payment of cost of CA, prevented the department from taking any action for recovery of outstanding amount of ₹28.43 crore from the UAs.

Accepting the audit observation, the Government stated (March 2023) that, the DFOs had been instructed to serve demand notices to the UAs to deposit the cost of approved SSWCP.

4.4 Execution of Compensatory Afforestation and other Conservation measures/ Conditional works

As per para 2.1 of the guidelines issued (March 2019) under the Forest Conservation Act (FC Act) 1980, CA is one of the most important conditions, while approving proposals for diversion of forest land for non-forest purposes. Further, as per para 2.3 (iii) of the above guidelines, CA was to be done over an equivalent area of non-forest land, or it could be carried out over degraded forest on twice the area diverted. While according to Stage-II approval, the MoEF&CC stipulates that CA should be taken up within a period of three years from the date of issue of approval and maintain it thereafter, in accordance with the approved plan.

⁸⁹ Divisions: Bargarh, Bonai, Boudh, Keonjhar and Sundargarh

⁹⁰ Avenue plantation: Plantation along the roads; Dwarf plantation: Plantation of short height trees, generally under the transmission lines

4.4.1 Non-achievement of the Compensatory Afforestation target

Scrutiny of records of the PCCF & HoFF revealed that, against the target for CA of 77,745.78 ha, due from the initiation year of 1980 to March 2020⁹¹, only 70,749.81 ha of CA could be achieved. CA of 6,995.97 ha could not be achieved, although more than three years had elapsed.

Accepting the audit observation, the Government Stated (March 2023) that efforts were being made to achieve the CA target.

4.4.2 Irregularities in the implementation of APO: 2021-22

Scrutiny of records of the CEO, State CAMPA, revealed that, against a physical target of 95 ha bald hill plantation and 380 ha bamboo plantation, for which ₹1.57 crore had been allotted to the DFO, Paralakhemundi division, under CAMPA-APO 2020-21. However, there was actual achievement of only 10 ha bald hill plantation and 170 ha bamboo plantation by incurring an expenditure of ₹65.66 lakh and the balance funds amounting to ₹91.55 lakh had been surrendered. Subsequently, during APO 2021-22, the DFO executed the remaining physical target of 210 ha bamboo plantation and 85 ha bald hill plantation, without approval of the competent authority, through diversion of funds amounting to ₹64.11 lakh, by savings from other plantations⁹² planned for the year 2021-22 and protection activities which was indicator of gross financial indiscipline.

Accepting the audit observation, the Government Stated (March 2023) that show-cause notice was issued to the DFO, Paralakhemundi and RCCF, Berhampur, and the same was pending at their level.

4.4.3 Non-execution of Compensatory Afforestation, due to land encroachment

Scrutiny of records of the Rayagada division revealed that 233.34 ha of non-forest land had been identified in four⁹³ villages, for undertaking CA activities. Although the land had been mutated in favour of DFO, Rayagada, physical possession of 87.23 ha had not been handed over by the Tahsildar, due to encroachment by local people. Even after a lapse of four years of the grant of Final approval of land diversion (February 2018), CA had not been executed on identified area of 87.23 ha.

In reply, the DFO, while admitting the above facts, stated that the Tahasildar, Kashipur had been requested to evict the encroachers from the said land. However, the fact remained that the department could not execute CA in time, in violation of the mandatory conditions stipulated under the forest clearance. No reply was offered by the Government.

⁹¹ As per stipulated conditions of Stage-I approval, CA should be taken up within three years of diversion of forest land, hence data upto 2019-20 has been checked.

⁹² ANR, ANR Maintenance and Bald Hill Plantation

⁹³ Village Adatikiri, Adajore, Jodamba and Guamurka under the Kashipur and Tikiri Ranges

4.4.4 Non-revision of wage rate for cost of the Regional Wildlife Management Plan

As per GoO notification (December 2005), Wildlife Management Plan (WLMP), was to be funded at the cost of mining lease holders who had been allowed diversion of forests in their lease-hold areas with stipulations thereof by MoEF, GoI.

The department had revised the cost for implementation of WLMP, on the basis of revised wage rates, six times during the period 2005-18. The cost was raised from ₹15,000 per ha (December 2005) to ₹82,000 per ha (October 2018). Keeping in view the upward revision of wage rates, the cost norm of WLMP was to be revised from October 2018 onwards.

Audit observed that the rate of implementation of the Regional Wildlife Management Plan (RWLMP) had not been revised since 30 October 2018, even though the wage rate had been revised from ₹280 to ₹326 per manday, from 2018 to 2022. The cost for implementation of the RWLMP should have been revised on a periodic basis, as per the modified wage rates. Non-revision of RWLMP rates, resulted in short realization of ₹84 lakh, from six UAs, in diversion of 1,875.69 ha, during 2019-22, as detailed in *Appendix-VIII*.

In reply, the Government stated (March 2023) that the necessary proposal had been submitted for revision of the cost of RWLMP. However, the revision of cost will be with prospective effect and the wage rate had not been revised since 2018 owing to which there was a short realization of ₹84 lakh from UAs.

4.4.5 Non-execution of conditional works of elephant underpass/overpass by UA

As per conditions stipulated in approval of diversion of forest land for upgradation of Highways and Railways, the UAs shall provide under pass (UP)/ over pass (OP) /reptile under pass (RUP) in forest areas.

Scrutiny of records of 20 forest divisions revealed that in five divisions⁹⁴, 22 elephant UPs, four OPs and 86 RUPs, were to be constructed by the UAs, as of March 2022, as stipulated in Stage – I/ II approvals. Even after a lapse of two to four years of the Stage-II approvals, 10 elephant UPs were still under progress and 12 UPs had not been started. Similarly, four OPs had also not been started and 86 RUPs had not been constructed under the jurisdiction of the DFO, Bonai.

Further, in the Keonjhar division, site-specific conditions, such as creation of alternate habitat/ home for avifauna, fencing, protection, gap planting and Soil Moisture Conservation (SMC) activities for restocking and rejuvenating the degraded open forests, erection of boundary for the mining lease and safety zone, by erecting reinforced cement concrete pillars, *etc.*, had not been complied with, by the UAs. Non-compliance with the conditions specified in the Stage-I/ II approvals led to causes of elephant deaths in core forest areas. Audit observed that the concerned DFO did not take necessary action for

⁹⁴ DFO Athagarh, Bonai, Dhenkanal, Nayagarh and Rairakhhol

compliance of the Stage-I and Stage-II approval conditions. No correspondence in this regard with the UA was found on record.

Accepting the Audit observation, the Government stated (March 2023) that all the DFOs had been instructed to issue directions to the UAs for construction of UPs/ OPs and RUPs without further loss of time. However, the fact remained that even after lapse of two to four years of final approval, the targeted UPs/ OPs and RUPs could not be constructed which led to loss of lives of wild animals.

4.4.6 Non-notification of Reserve Forest/ Protected Forest, on completion of CA

The FE&CC Department had to notify the non-forest land, on which CA was to be executed, as Reserve Forest (RF)/ Protected Forest (PF). In the event of non-notification, the land would not come under the administrative control of the Department and necessary protection/ afforestation, under the FC Act, cannot be initiated.

Scrutiny of CA records of 20 forest divisions, revealed that, in nine forest divisions⁹⁵, against 12,667.37 ha of forest land, diverted in 85 cases, between 1983 to March 2022, to the UAs, an area of 11,533.57 ha of non-forest land was to be provided with the ownership of Forest Department. Out of these 85 cases, 72 cases, involved 9,828.01 ha of land, which had been mutated in favour of the forest department and 13 cases involved 890.70 ha of land, which had not been mutated, as of March 2022. However, notification had not yet been issued, for declaring the above CA of 10,718.72 ha (9828.01 ha + 890.70 ha) of land as Reserve Forest (RF)/ Protected Forest (PF). Therefore, the provisions of the FC Act, 1980, for the purpose of management of RF/ PF, could not be applied therein.

The DFOs stated that the correspondence was under process with CCF (Nodal), FE&CC Department and the revenue authorities. The reply was not acceptable as the notifications for RF/PF had not been issued since 1983.

No reply has been offered by Government (March 2023).

4.4.7 Application of insufficient measures in controlling Forest fire incidents

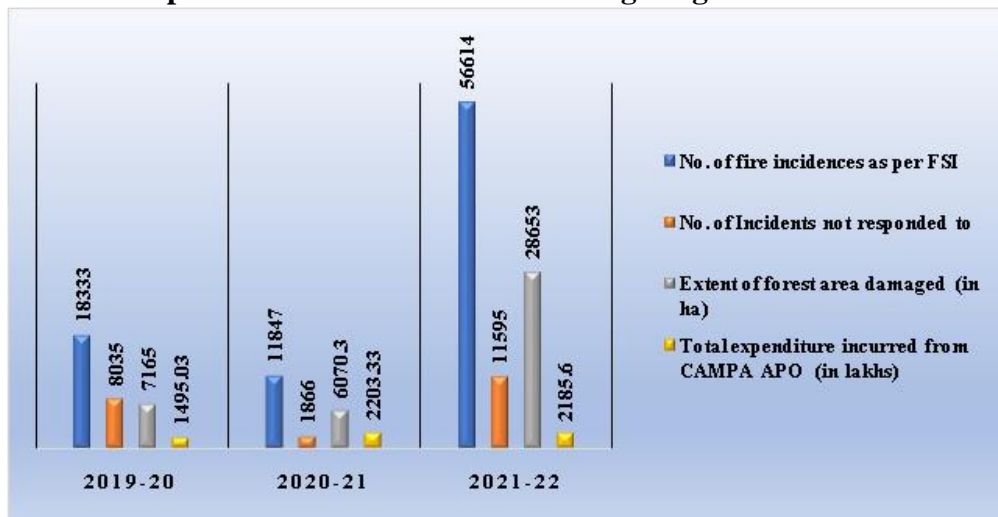
Rule 283 (14) and (15) of the OFD Code, 2020, prescribes that the Forest Ranger/ Forester/ Forest Guard is responsible for controlling forest fires under his jurisdiction or adjacent jurisdictions. Any forest officials, who may see smoke rising anywhere in or near the forest, are to immediately collect such aid as is immediately available and proceed, in person, to the spot. It is the duty of fire watchers to constantly patrol the fire lines in their beats, to keep them entirely free from inflammable material and to prevent the carrying or making of fire, within or in the vicinity of the protected area.

As per the fire point of the Forest Survey of India (FSI), it was noticed that 41,888.3 ha of forest area had been damaged in 86,794 fire incidents during 2019-22. Out of these, only 65,298 (75 per cent) incidents had been responded to, leaving 21,496 unattended. The year-wise number of fire

⁹⁵ DFOs: Keonjhar, Baliguda, Bargarh, Berhampur, Bhadrak (WL), Bonai, Jeypore, Khariar and Rayagada

incidents, responses to forest fires, forest area damaged and expenditure incurred towards the firefighting mechanism, are detailed in **Chart-6**.

Chart 6: Year-wise number of fire incidents, forest area damaged and expenditure incurred towards firefighting mechanism



(Source: MODIS/ SNPP⁹⁶ satellite sensors)

From Chart-6, it is apparent that though ₹58.84 crore had been spent out of CAMPA APOs during 2019-22, on forest firefighting management, the number of fire incidents had increased by 209 per cent and the extent of forest area damaged had increased by 300 per cent, in 2021-22, as compared to 2019-20. However, the incidents which were not responded to, had declined by 77 per cent from 2019-20 to 2020-21 and increased by 44 per cent in 2021-22 (as compared to 2019-20). This implied that although the department had responded to a greater number of forest fire incidences, it could not control the number of such incidences and the extent of forest area damaged. Thus, despite incurring expenditure towards firefighting management, the damage of forest area has increased, which is likely to adversely impact the biodiversity, ecology and environment.

Accepting the Audit observation, the Government stated (March 2023) that forest fire hazards are unavoidable in Odisha and satellite based remote sensing technology and GIS tools had been effective in better prevention and management of forest fires.

4.5 Fund Management

4.5.1 Status of State CAMPA expenditure

As per the information furnished to Audit by the CEO, State CAMPA, the year-wise details of funds demanded and received by the State CAMPA, from the National CAMPA and the funds further released to the DFOs/ field units, *vis-à-vis* the expenditure incurred during 2019-22, towards CAMPA activities, are given in **Table-4.3**.

⁹⁶ Moderate Resolution Imaging Spectroradiometre/ Suomi National Polar – Orbiting Partnership

Table-4.3: Details of funds demanded, received and allocated by the State CAMPA and expenditure incurred during 2019-22

(₹ in crore)

Financial Year	Annual Plan Operations (funds proposed)	Funds received from the National CAMPA Authority	Funds released to field units	Funds utilised	Funds utilised (in per cent)	Funds surrendered by field units
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
2019-20	618.52	610.56	597.07	556.33	93.17	40.74
2020-21	803.65	773.39	709.35	674.99	95.16	34.36
2021-22	903.03	901.03	887.19	843.12	95.03	44.07
Total	2,325.20	2,284.98	2,193.61	2,074.44	94.57	119.17

(Source: Records of CEO, CAMPA)

It was seen from the above Table that State CAMPA did not release the entire amount received from the National Authority, to the field units, during the above period. Similarly, the field units could not utilise the entire grant received from the State CAMPA, with the utilisation ranging from 93 to 95 per cent. As such, the APOs were not prepared as per the requirements of field units.

In reply, the Government stated (March 2023) that during implementation, certain difficulties like unsuitable land, local problems *etc.*, were noticed. The reply was not acceptable as these factors could have been taken into consideration while preparing the APOs.

4.5.2 Non-achievement of component-wise physical and financial targets

The component-wise details of physical and financial targets of activities, under the APOs: 2019-22 and the corresponding achievements, are detailed in Table 4.4.

Table 4.4: Component-wise physical and financial targets, achieved against APOs, during 2019-22

Sl. No	Component	Physical target (in ha)	Achievement (in ha)	Percentage of achievement	Financial target (₹ in crore)	Achievement (₹ in crore)	Percentage of achievement
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
1	CA, PCA	13,962	12,748	91.30	192.09	140.29	73.03
2	Regeneration of bamboo forest	3,12,600	2,17,951	69.72	52.62	51.30	97.49
3	Bamboo plantations	4,465	3,980	89.14	28.62	25.17	87.95
4	ANR Plantation	95,940	95,265	99.3	401.50	375.80	93.6
5	Bald hill plantation	2,316	2,256	97.41	63.36	56.23	88.75
	Total	4,29,283	3,32,200	77.38	738.19	648.79	87.89
6	Raising of seedlings (in numbers)	6,04,35,000	3,70,35,000	61.28	140.82	121.38	86.19

(Source: Records of CEO, CAMPA)

Table 4.4 indicates that only 77 per cent of the plantation activities planned, were achieved, despite availability of funds of ₹89.40 crore (₹738.19 crore-₹648.79 crore), during the above years. Further, against the spending of 86.19 per cent of the funds available, the physical achievement was only 61.28 per cent.

In reply, the Government stated (March 2023) that the implementing divisions expressed difficulties in execution with cost and the cost norm was revised. Accordingly, the physical target was revised. However, the fact remained that achievement of targets, as per the APOs, was inadequate.

4.5.3 Status of annual accounts of State CAMPA

4.5.3.1 Non-finalisation of annual accounts of State CAMPA

As per Rule 16(3) of the State CAMPA guidelines, 2009, the State CAMPA shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, in such form, as prescribed in consultation with the Accountant General concerned. The C&AG issued directives in May 2012 that the uniform format of accounts, prescribed for the Central Autonomous Bodies, should be adopted for the State CAMPA and the maintenance of accounts should be on accrual basis. The accounts of the State CAMPA were to be audited by C&AG, through the Accountant General, under Sections 27(1) and (2) of the CAMPA Act, 2016.

Scrutiny of records at CEO, CAMPA, revealed that five C&AG empaneled Chartered Accountant (CA) firms had been issued work orders (August 2018), for the preparation, compilation and authentication of the annual accounts of the State CAMPA, in the double-entry accounting system, from FY 2009-10 onwards. The scheduled date of completion of the task was six calendar months. Remuneration was fixed at the rate of ₹60,000 plus GST per forest division and ₹1.50 lakh plus GST per year for preparation of accounts of the State CAMPA. A provision for delay penalty, at 0.15 per cent per day, to be deducted from the payable amount, was also made in the work order.

Further, it was revealed that CA firms had already been paid ₹3.42 crore for the assigned work, but the annual accounts for the period 2009-18 could not be finalized, due to non-availability of range cash books, monthly accounts and bank passbooks. The APO of 2016-17 was closed in the financial year 2018-19. Accounts relating to the FYs 2017-18 to 2021-22, were not assigned to the CA, due to non-completion of accounts by the State CAMPA, which violated the State CAMPA guidelines and instructions of the C&AG. The accounts of the State CAMPA and allied offices could not be audited by the CA firms due to non-completion of accounts. Further, the accounts of the State CAMPA could not be audited by C&AG, due to non-submission of the accounts in time. In addition, the penal provision could not be enforced, due to laxity on the part of the department.

Government stated (March 2023) that the CA firms were instructed to prepare the annual accounts, as per the instructions of the Accountant General. The reply was not acceptable as the accounts were not audited since 2009-10.

4.5.3.2 Delay in submission of monthly CAMPA accounts and non-preparation of annual statement of accounts in prescribed format

As per section 288 of the Accounts Code Vol. III, monthly cash accounts need to be submitted by the DDO, by the 5th of every succeeding month, to the Accountant General.

Scrutiny of the records of 20 forest divisions revealed that in 17 divisions⁹⁷, the divisions had submitted their monthly accounts belatedly, with delays ranging from one day to 1,264 days, during 2019-22. Non-submission of cash accounts, in due time, is a serious lapse on the part of the DDO and in contravention of the aforementioned rules. Due to non-closing of cash books in due time, possibilities of improper adjustment in the internal accounts by post-dated entries in the cash books, could not be ruled out.

The Government stated (March 2023) that necessary steps had been taken for timely submission of the monthly accounts. However, the fact remained that, there was delay in submission of monthly accounts and its future compliance is subject to actual implementation.

4.5.3.3 Non-remittance of balance amount from CAMPA Accounts to State CAMPA Fund

CEO, State Authority, CAMPA, instructed (8 April 2021) all Divisional Offices to close all the CAMPA related annual cash book accounts and remit the residual available funds, allotted for APOs and the interest earned thereon, to the State CAMPA accounts, by 15 April 2022 positively, and report compliance to the CEO, State CAMPA.

Scrutiny of bank accounts and cash books relating to the CAMPA APOs, for the period 2019-22, revealed that there was an unspent amount of ₹2.63 crore, including interest related to 10 divisions, lying unremitted to the State CAMPA. This was in violation of the above directions. Further, the possibility of mis-utilisation of funds could not be ruled out.

The Government stated (March 2023) that all the divisions had transferred the unutilised funds to the State Authority, CAMPA by March 2023. However, the Divisional Offices did not comply with the instructions of State Authority, CAMPA.

4.5.4 Irregular sanction and expenditure out of CAMPA funds

As per the Rule 5(1)(2) of the CAF Rules, 2018, the monies received on account of the NPV shall be used for ANR⁹⁸, AR⁹⁹, silvicultural

⁹⁷ DFOs: Bargarh, Bhadrak WL, Bonai, Boudh, Deogarh, Kalahandi (N), Keonjhar, Khariar, Nayagarh, Nabarangpur, Puri WL, Rairakhol, Rayagada, Sundargarh, State Silviculturist Centre, DD Nandankanan Zoological Park and DD, STR North (WL)

⁹⁸ Aided Natural Regeneration: it is a method of enrichment plantation where plantations are aided to grow in the degraded gaps of forest naturally.

⁹⁹ Artificial Regeneration: It is a method of afforestation where artificial means to develop the plantation are involved.

operations¹⁰⁰, protections of plantation and forests, SMC¹⁰¹ of forest, establishment, operation and maintenance of animal rescue centres and veterinary treatment facilities. Further, as per Rules 5 (4) (a to k) of the CAF Rules, 2018, read with Agenda No. 5 of the APO, for the financial year 2019-20, the CAMPA fund shall not be used for the payment of salary; construction of residential and official buildings for officers above the Forest Range Officer; purchase of furniture; office equipment; fixtures, including air conditioners and generator sets, for residences and offices of the State Forest Department and establishments; as well as expansion and up-gradation of zoos and wildlife safaris. As per Explanation 2 of Rule 5 of the CAF Rules, 2018, the monies received towards NPV, deposited in the State fund, shall not be allowed with any other State Schemes that are under implementation from the state budget. Observation on expenditure in deviation to permissible areas have been discussed in following sub-paragraphs.

4.5.4.1 Irregular expenditure towards construction works and non-plantation activities

On scrutiny of records pertaining to APOs 2019-22, in the office of CEO, CAMPA, and selected DFOs, Audit observed that expenditure of ₹56.82 crore had been made, out of CAMPA funds, for construction works and purchase of furniture, as detailed in **Appendix - IX**. While approving the APO 2019-20, the National CAMPA, *inter alia* restricted the expenditure on vehicles, buildings, general surveys and infrastructure related works out of the CAMPA funds. Audit observed that CAMPA funds of ₹21.67 crore had been utilised for payment towards Differential Global Positioning System (DGPS)¹⁰² survey of forest blocks, software development, salaries and compassionate payments *etc.*, as detailed in **Appendix - X**. As per Rule 5 of CAF Rules, this expenditure of ₹78.49 crore incurred during 2019-22 was not permissible out of CAMPA funds.

In reply, the Government stated (March 2023) that the budget provision was made under CAMPA APO, regarding Odisha Space Application Centre (ORSAC) and Rail India Technical and Economic Service (RITES) Ltd., which was decided in the State Level Steering Committee (SLSC) and payment was released accordingly. The DD, Nandankana Zoological Park (NZN) had been asked to furnish the reasons for utilization of funds for up-gradation of NZN instead of maintenance of rescue centre. The replies were not acceptable, as the above items of expenditure were not allowed under Rule 5 of the CAF Rules, 2018, as well as the instructions of National CAMPA.

¹⁰⁰ Silvicultural operations means clearance of weed, cutting of climber, high stump cutting, singling of shoots to enhance forest growth and establish new forest stands and wildlife habitat.

¹⁰¹ Soil moisture conservation: It is a technique to minimize the amount of water lost from the soils.

¹⁰² Differential Global Positioning System: It is an enhancement to the Global Positioning System (GPS) which provides improved location accuracy. DGPS is widely used in surveying applications like recording of points, setting up of ground control points, staking out and various other applications. DGPS is based on satellite technology. It determines its positions from the relative location of other satellites.

Further, Audit test-checked the records of plantations and cash accounts of 11 forest divisions¹⁰³ and found that out of the plantation funds released according to the cost norms, ₹76.69 lakh had been diverted and spent towards non-plantation activities, such as purchase of symphony cooler, DG set etc., violating the above CAF Rules, as detailed in *Appendix -XI*.

The Government stated (March 2023) that action was being initiated on the matter through concerned implementing DFOs.

4.5.5 Diversion of CAMPA funds

4.5.5.1 Ama Jangala Yojana

Explanation 2 of Rule 5 of the CAF Rules, 2018, stipulates that mixing of the monies received towards NPV, shall not be allowed with any other state schemes, under implementation from any other budget, either for capital or spill over works.

The Ama Jangala Yojana (AJY) is a flagship programme of the Government of Odisha, implemented through the Odisha Forestry Sector Development Society (OFSDS), in 30 Territorial and Wildlife Divisions of the State, through 7,000 Vana Surakshya Samitis (VSSs) and Eco Development Committees.

Scrutiny of records of the CEO, State CAMPA, revealed that an amount of ₹248.06 crore¹⁰⁴ had been diverted from CAMPA funds for APOs 2019-20 to 2021-22, to AJY, in the name of convergence with State's flagship scheme. This was in violation of explanation 2 of Rule 5 of the CAF Rules, 2018, as the AJY scheme is a flagship programme of the State Government to be implemented through the State budget.

The Government stated (March 2023) that it was insisted upon flow of funds under CAMPA towards implementation of AJY. The reply was not acceptable, as utilisation of the CAMPA funds was to be regulated in accordance with CAMPA Rules and its use in the AJY, which was a State flagship programme, was irregular.

4.5.5.2 Distribution of Seedlings to other State schemes

Scrutiny of records of nine DFOs¹⁰⁵ revealed that 47,84,180 seedlings had been raised between 2019-22 at a cost of ₹8.13 crore. Out of the above, 15,45,945 seedlings had been distributed/ utilised in other plantation schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Odisha Forestry Sector Development Project (OFSDP), Green Mahanadi Mission (GMM) and Increasing Green cover, for which ₹3.42 crore was diverted from CAMPA, in violation of CAMPA Rules, as detailed in *Appendix - XII*. Reasons for this diversion were not found available on records.

¹⁰³ Deogarh, Nayagarh, CEO, CAMPA, Bargarh, Rayagada, Similipal (N) WL, Nandankanan, Bhadrak (WL), Khariar, Boudh and State Silviculturist, Bhubaneswar

¹⁰⁴ 2019-20: ₹81.57 crore, 2020-21: ₹65.34 crore and 2021-22: ₹101.15 crore

¹⁰⁵ DFOs, Bargarh, Bhadrak (WL), Bonai, Boudh, Deogarh, Keonjhar, Khariar, Nayagarh and Rayagada

The Government stated (March 2023) that seedlings raised under CAMPA had been used in other schemes and the DFOs have been asked to submit a report on utilisation of seedlings raised under CAMPA. The reply was not acceptable as utilisation of the seedlings, raised under CAMPA through CAMPA funds, for other plantation schemes, amounted to diversion of CAMPA funds, which was in violation of CAF Rules, 2018.

4.5.5.3 Disallowed vouchers in CAMPA accounts

As per Rule 346 (1) of the Odisha Forest Department Code (OFD) 2020, If a voucher is withheld from incorporation in the divisional accounts, on account of inaccuracies, or owing to suspicion of fraud, the explanation of the Range Officer (RO) and the officer who has disbursed the amount mentioned in the voucher, should be obtained. The DFO, after due consideration of the explanation, is to pass an order about its incorporation, in part or in full, or he may order disallowance of the voucher. The disallowed amount is then to be recovered from the person who has disbursed the voucher.

Scrutiny of the CAMPA Annual Cash Book accounts of four DFOs¹⁰⁶, revealed that, 102 vouchers, amounting to ₹23.53 lakh, were disallowed by the DFOs, between January 2020, and March 2022 as detailed in *Appendix-XIII*. However, the said amount had not been recovered from the errant persons till date of audit (August/ September 2022).

Accepting the audit observation, the Government stated (March 2023) that steps were being taken for recovery of the disallowed amount from the concerned staff.

4.5.5.4 Execution of civil works and purchase of material, without undergoing the tender process

As per Rule 109 of the OFD (Amendment) Code, 2020 and Notification¹⁰⁷ of the Finance Department, GoO, invitation to tenders, by advertisement, should be used for procurement of goods/ works of estimated value of ₹ five lakh or above, to ensure competitive bidding, efficiency and transparency.

Scrutiny of the cash accounts and the building register of CEO, State CAMPA and selected divisions, revealed that 13 divisions had executed civil works, amounting to ₹13.23 crore. Out of which tender was invited by one division¹⁰⁸ only, for civil work of ₹51.75 lakh and the tender was cancelled due to non-submission of requisite documents by the participating bidders. Subsequently, the said work was executed without retendering. The remaining 12 divisions had executed the civil works without inviting tender. Further, 10 divisions had purchased different materials amounting to ₹3.91 crore under the CAMPA APOs: 2019-22 without, following advertised tender procedure. Even though the value of each work was more than ₹ five lakh, all the works and purchases had been made without tender process as detailed in *Appendix-XIV*. The divisions executed these works through departmental

¹⁰⁶ Bargarh, Boudh, Keonjhar and Nayagarh

¹⁰⁷ No. Codes-27/2011/4939/F dated 13 February 2012

¹⁰⁸ Bhadrak Wildlife Division

method and procured goods without undergoing the tender process, which was in violation of the above codal provision.

Accepting the audit observation, the Government stated (March 2023) that the works had been executed departmentally as per the previous practice and further construction works would be executed through tender process henceforth.

4.6 Unfruitful expenditure out of CAMPA funds

4.6.1 Unfruitful expenditure on SSO, due to non-working of bamboo coupes

As per Rule 6 of the National Working Plan Code, 2014, Forest Management Planning must provide for sustainable management of forests and its biodiversity, as enshrined in the National Forest Policy, encompassing the ecological (environmental), economic (production) and social (including cultural) dimensions. The prescriptions in the Working Plan included Subsidiary Silvicultural Operations (SSO), in the Bamboo coupes¹⁰⁹, to provide conducive conditions for the growth of species. The Working Plan adopted a systematic cutting cycle of four years, which is the optimum and suitable cycle for commercial exploitation of Industrial/ Salia bamboo. Odisha Forest Development Corporation (OFDC) Ltd. is the sole departmental forest contractor entrusted with work of sale/ auction of different forest products of the Forest Department. All bamboo coupes are delivered to the OFDC Ltd. for harvesting and selling of bamboo.

Scrutiny of records, in the selected divisions, revealed that, in 13 forest divisions¹¹⁰, SSO had been undertaken for 162 bamboo coupes, under CAMPA APOs of 2014-18, comprising 1,83,076.50 ha of degraded forest



land, for harvesting in four-year cycles with expenditure of ₹34.03 crore, which were to be worked by OFDC, during 2019-22, as detailed in

¹⁰⁹ 'Coupe' is defined as a felling area, usually one of an annual cutting series. Each cutting series has been divided into four annual coupes, i.e A, B, C and D. The coupe, in each felling series is to be worked on rotation.

¹¹⁰ DFOs Baliguda, Bargarh, Berhampur, Bonai, Boudh, Deogarh, Jeypore, Kalahandi (N), Khariar, Nayagarh, Rairakhol, Rayagada, and Sundargarh

Appendix-XV. However, OFDC surrendered 129 bamboo coupes for being uneconomical and only 33 coupes had been harvested i.e 20 *per cent* of total coupes undertaken for SSO work.

The reasons for surrender of bamboo coupes remained unreviewed and were not brought to the notice of the higher authorities. Thus, due to non-harvesting of 129 bamboo coupes, the expenditure of ₹27.10 crore, on SSO, was unfruitful.

In reply, the Government stated (March 2023) that, the bamboo coupes have been heavily degraded because of unsystematic removal of bamboo by local inhabitants and due to the inaccessible hilly terrain of the region, the bamboo coupes, which were taken by OFDC, could not be worked out properly. The reply was not acceptable, as the plantation under SSO works had been undertaken with an expenditure of ₹34.03 crore, in the same difficult and inaccessible hilly terrain.

4.6.2 Unfruitful expenditure in research project funding

Scrutiny of records of the PCCF (WL) and State Silviculturist, Bhubaneswar, revealed that 18 research proposals, for studies relating to habitats, ecology, biology, nesting *etc.*, in the State of Odisha had been assigned to different Institutions/ persons, at a project cost of ₹1.91 crore, during 2017-22. The research papers were to be completed between seven months to three years. Out of the above project cost, ₹1.65 crore had been released to the concerned persons and institutions, from CAMPA APOs (NPV) of 2015-21, as detailed in **Appendix -XVI**. However, the final research papers/ reports had not been submitted to the concerned authorities as of July 2022. The Department had also not pursued the matter of timely completion of the assigned research projects. Due to non-completion of research projects, the desired purpose of study of ecology could not be achieved, despite incurring an expenditure of ₹1.65 crore.

Accepting the audit observation, the Government stated (March 2023) that the Principal Investigators had been asked to complete the projects and submit the final report early.

4.6.3 Short deduction of Tax at source, on payments made to service providers

As per Section 194J of the Income Tax (IT) Act, 1961, tax at source (TDS), at the rate of 10 *per cent*, is to be deducted from the amount paid by way of fees for professional services, where such amount exceeds thirty thousand rupees.

Scrutiny of the cash books/ accounts of CEO, CAMPA, revealed that TDS of ₹7.67 lakh had been deducted, instead of ₹35.63 lakh (calculated at the rate of 10 *per cent* on the total payment of ₹3.56 crore, to seven service providers). This had resulted in the short realisation of TDS, amounting to ₹27.96 lakh, as detailed in **Appendix -XVII**.

In reply, the Government stated (March 2023) that TDS short deducted would not be possible to recover from the service provider at this point. The reply was not relevant as the TDS was not recovered as per IT Act *ab initio*.

4.7 Protection, Monitoring and Evaluation

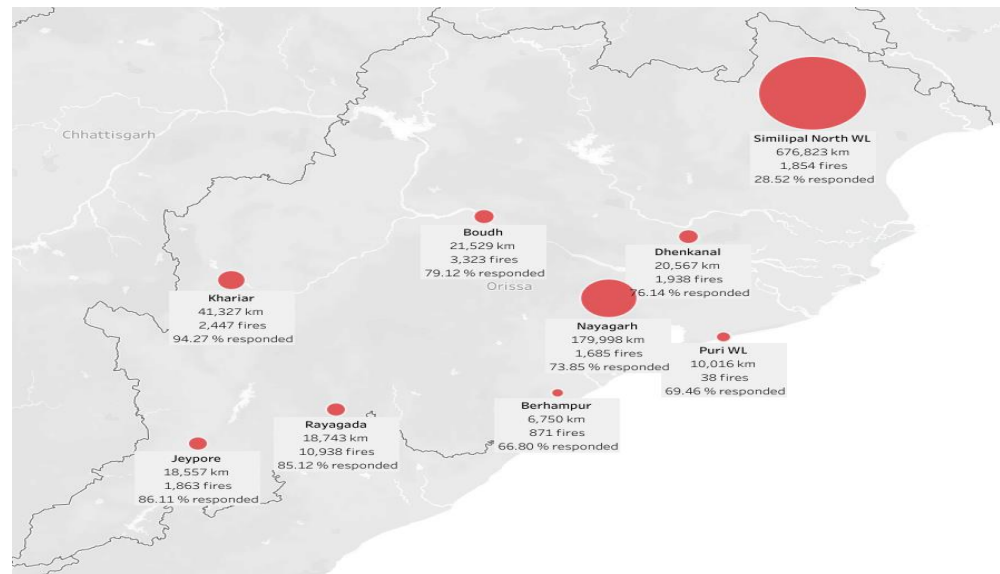
4.7.1 Deficiency in forest foot patrolling

The FE&CC department issued (March 2016) notification for forest patrolling on foot, as a step towards protection of forests and wildlife and enrichment of the forests of the State. Foot patrolling, by forest officials, in the field, at various levels, is monitored by the PCCF & HoFF, Odisha, through its website. Criteria for the minimum number of days of foot patrolling, required to be undertaken by forest officials, from the Forest Guard level to the RCCF level were also stipulated in the said notification.

Scrutiny of records, in selected divisions, revealed that, in nine divisions¹¹¹, against the target of 18,22,356 km of foot patrolling, fixed by the DFOs on the basis of number of days fixed under the notification (March 2016), only 8,63,532 km (57 per cent) had been covered by the staff of the concerned units, during the period 2019-22, as detailed in *Appendix-XVIII*.

Further, as per the data available on the Odisha Forest Management System (OFMS)¹¹² portal, the shortfall in foot patrolling, in kilometers, and the corresponding fire incidents, were analysed by Audit. As shown in **Figure 1**, there were higher number of forest fire incidents and lesser per cent of fire incidents attended as a general trend, in the divisions where the shortfall in foot patrolling was high.

Figure 1: Odisha map showing the shortfall in foot patrolling, in nine divisions, and the corresponding number of forest fire incidents (as per FSI) and percentage of fires incidents responded to by the department



¹¹¹ DFOs, Berhampur, Boudh, Dhenkanal, Jeypore, Khariar, Nayagarh, Puri (WL), Rayagada, and STR North (WL)

¹¹² Odisha Forest Management System is an application used by the FE&CC department to generate consolidated reports on progress of nursery, afforestation, soil working and moisture conservation activities.

Accepting the audit observation, the Government stated (March 2023) that foot patrolling would be monitored and improved. However, the fact remained that, due to inadequate foot patrolling, monitoring of forest fires, encroachment of forest area, poaching, illicit felling, Wildlife depredation¹¹³, etc., could not be avoided.

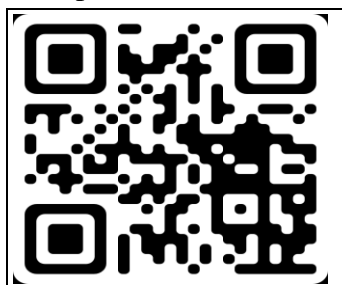
4.7.2 Non-functioning of VHF communication system

Audit test checked the four divisions¹¹⁴ where incidents of elephant deaths were high and observed that 106 Very High Frequency (VHF) Towers/Stations and 282 mobile Walkie-Talkie and handsets, were installed during 2019-22 for communication among the forest staff, in dense forests. Out of the above, 52 towers (49 per cent) and 92 (33 per cent) walkie-talkies, were not functioning. Non-functioning of the VHF towers and walkie-talkies, not only affected the communication among the forest staff in dense forests, but also rendered unfruitful the expenditure of ₹49.42 lakh incurred on their purchase.

In reply, the DFOs stated (September/ October 2022) that the VHF towers and portable walkie-talkies had been damaged due to lightning and steps would be taken to repair the same. However, the fact remained that communication among the forest staff, for forest protection, had got affected. No reply was furnished by the Government (February 2024).

4.7.3 Ineffective protection to Elephants

‘Elephant’ is listed under Schedule-I of the Wildlife Protection Act, 1972, which accords the maximum protection to the species. In Odisha, app-based monitoring, through the Integrated Wildlife Management System (iWLMS)¹¹⁶, Web Geometric Information System (GIS) portal¹¹⁷, Drones and Bulk Short Message Service (SMS)/ Early warning system, are widely used for tracking the elephant movement in various divisions. A 24 x 7 control room, at the office of the PCCF(WL), monitors all data uploaded in the app and scrutinises the information received from the field units and other sources. Protection related infrastructure, hired vehicles and other logistics, are provided round the year, to facilitate staff/squads to carry out regular patrolling. In case of elephant deaths, “Guidelines for Transparency in Elephant Post Mortem”, issued by MoEF & CC, GoI, should be adhered to, in respect of process of the post-mortem, patrolling etc., to determine the cause(s) of such death. Offenders, in case of un-natural



QR code link to a video¹¹⁵ uploaded by Audit on the elephant poaching in Dhenkanal and Athagarh Forest Divisions

¹¹³ Acts that cause severe damage or destruction to wildlife

¹¹⁴ Athagarh, Bargarh, Dhenkanal and STR North (W/L)

¹¹⁵ Some of the images may be disturbing, viewer discretion may be exercised.

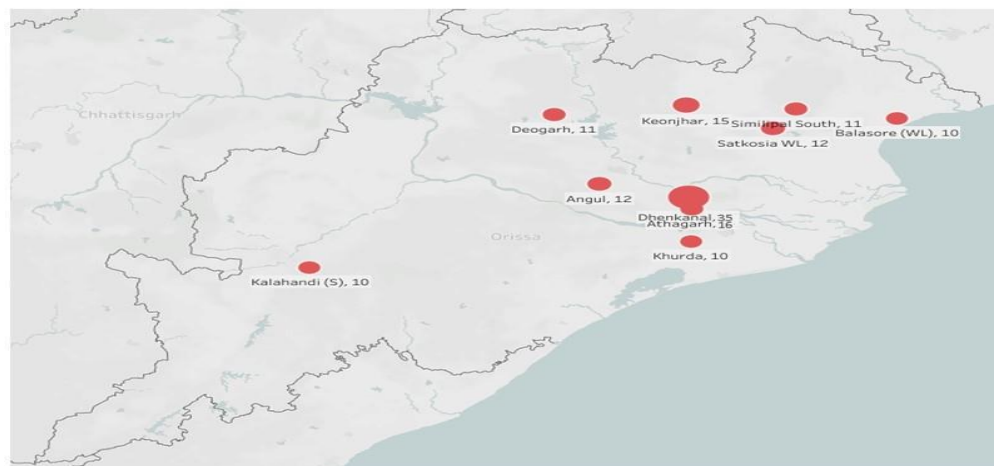
¹¹⁶ It facilitates GIS based wildlife information for all the sanctuaries and wildlife units in the State.

¹¹⁷ It enables wildlife management officials to monitor and visualise wildlife movement and habitat limitations.

deaths due to poaching, poisoning, deliberate electrocution *etc.*, should be arrested within 48 hours of the detection of the death cases.

Scrutiny of records, at the office of PCCF & HoFF, revealed that, 239 elephant death cases had been reported, in 37 divisions, during 2019-22. The divisions where the highest number (10 or more than 10) of elephant deaths had been reported, during 2019-22, are shown on the map of Odisha, in **Figure 2** below.

Figure 2: Forest divisions in Odisha with the highest number of elephant deaths during 2019-22.



Further, checking of the case records of elephant deaths, in two divisions¹¹⁸, revealed that 51 elephant death cases had been reported during 2019-22, due to accidents (2), electrocution (9), poaching (6), diseases (28), infighting (3) and natural death (3), as shown in **Table-4.5**.

Table 4.5: Elephant deaths in two divisions during 2019-22

Sl. No.	Division	Elephant deaths during the last three years			Total
		2019-20	2020-21	2021-22	
1	DFO, Dhenkanal	16	6	13	35
2	DFO, Athagarh	2	4	10	16
	Total	18	10	23	51

As can be seen from the Table, the number of elephant deaths had increased in the Athagarh division, during the last three years. In Dhenkanal, the number of cases was more than double of the Athagarh cases, during the last three years. Further, the figure of unnatural deaths of elephants, was 16 times the figure of natural deaths which was a matter of concern.

Further, during scrutiny of records relating to the measures adopted in these two divisions for elephant protection, the following deficiencies were noticed:

4.7.3.1 Inadequate protection measures and inaction by authorities

Six elephants had died due to poaching during 2019-22. On scrutiny, Audit observed various contributing factors, such as deficit in foot patrolling in the forest area as per the Odisha Forest Management System (OFMS) data; non-utilisation of trap cameras at proper places; deployment of elephant squads;

¹¹⁸ Dhenkanal and Athagarh

lack of weapons; *etc.* Further, the DFOs had not taken any action against the field staff, for lapses in reporting of the incidents of poaching and the poachers. Deficit in foot patrolling was also noticed in the locations where cases of elephant deaths had been reported, due to electrocution caused by illegal hooking¹¹⁹ and sagging lines¹²⁰, in the Dhenkanal Division during 2019-22, as shown in **Table- 4.6**.

Table- 4.6: Elephant deaths due to electrocution in the Dhenkanal Division during 2019-22

Sl. No.	Place of reporting of death	Date of Death	Date of foot patrolling by field staff during 2019-2022
1	Kadla	12.06.2019	No
2	Kadampal	16.09.2019	No
3	Anlakata	21.11.2019	30.05.2019
4	Gurilo	15.01.2020	07.10.2020 and 24.01.2021
5	Patharakhamba	25.09.2020	No
6	Benipathara	01.12.2020	No
7	Gobindaprasad	06.06.2021	No
8	Kantamela	24.07.2021	No
9	Kapilash elephant rescue centre	29.01.2022	No

It is evident from the Table that out of the nine locations, no foot patrolling was conducted in seven locations during the period of three years.

In reply, the Government stated (March 2023) that to check electrocution deaths, various measures had been put in place in coordination with Energy Department.

4.7.3.2 Deficit in cattle immunization programme for protection of wildlife from diseases

Domesticated animals, reared near sanctuaries and zoo areas, pose a risk of transmission of contagious diseases to wild animals, through physical contact, common watering points, lack of preventive vaccination of susceptible domesticated animals etc.

Scrutiny of records in six Ranges¹²¹, under the Athagarh and Dhenkanal divisions, revealed that immunization programmes had been undertaken during 2019-22 towards which provision of ₹ 3.65 lakh was made in APOs 2019-22, out of which, an expenditure of ₹2.44 lakh had been found to be booked. However, the Range Officers could not produce any records regarding immunization, to Audit, due to which, Audit could not ensure whether the amount had been utilised for the intended purpose.

Accepting the Audit observation, the Government stated (March 2023) that the concerned DFOs were being asked to produce all records in support of immunization programme to Audit.

¹¹⁹ Connection of bare conductor, from the transmission line to the ground, in the forest

¹²⁰ Low hanging high voltage power transmission cables

¹²¹ Narsinghpur (East), Narsinghpur (West), Khuntuni, Badamba, Mahabirod and Dhenkanal

4.7.3.3 Non-production of photographs and videos in relation to elephant deaths

Various cameras are used in Reserve Forest/ wildlife habitat fields, to monitor the difficult access areas. Despite installation of various cameras, DFO, Athagarh, had not produced any photographs and videography, in relation to elephant deaths and post-mortems as requisitioned by Audit. However, DFO, Dhenkanal, produced some photographs and videos in which, human (authorised or unauthorised) images were missing which indicated that, no system of safe preservation the photographic evidence was devised and implemented. Improper monitoring through cameras, defeated the very purpose of their installation.

Accepting the audit observation, the Government stated (March 2023) that the DFOs concerned were being asked to produce all available photographs and post-mortem reports relating to elephant death.

4.7.4 Non-functional monitoring and evaluation mechanism for forestry activities

As per Rule 12 (6) of OFD Code 1979, the CCF would thoroughly inspect the office of each Conservator under his charge, at least once a year and send the inspection note for information of Government, as soon as the inspection is completed. He would also inspect the office of at least two DFOs in a year. Further, Rule 3 (h) of the CAF Rules, 2018, provides for independent concurrent monitoring and evaluation and third party monitoring of various works undertaken from State funds.

On scrutiny of records, Audit observed that, out of the provision of ₹15 crore¹²² in the CAMPA APOs, for monitoring and evaluation, during 2019-22, only ₹44 lakh had been utilised for the purpose of Monitoring and Evaluation (M&E), during 2021-22. However, no evaluation/ inspection report was produced to Audit for scrutiny. Hence the utilisation of funds for monitoring and evaluation, could not be verified by Audit and no expenditure had been incurred during 2019-21. This indicated lack of an effective mechanism for concurrent monitoring and evaluation of forestry activities, including plantations to assess the growth and survival percentage of plantations undertaken under CAMPA.

In reply, the Government stated (March 2023) that an internal vigilance wing was created under PCCF(M&E) and 3rd party evaluation of the CAMPA activities were carried out regularly. The reply was not acceptable as the no evaluation/ Inspection reports were furnished to Audit.

4.7.5 Joint Physical Inspection of Plantations

As per Rule 2.98 of the Code of Management Plan Procedure (CMPP), 1990, plantations after three years of planting with survival of 60 *per cent* and above can be termed as 'successful', between 40 to 60 *per cent* as 'partially successful' and less than 40 *per cent* survival should be termed as 'failed plantation'.

¹²² Five crores in each of the APOs, for the period 2019-22

Audit conducted joint physical inspection (JPI), in 12 divisions¹²³, of 34 plantation sites (3,234 ha), wherein plantation had been carried out during 2016-22. Out of these 34 plantations, 13 plantations (1,225 ha) had 'failed', with survival rates ranging from 7 to 36 *per cent* and five plantations (733 ha) had been 'partially successful', with survival rates ranging from 42 to 56 *per cent*, rendering the expenditure of ₹5.38 crore, incurred on the failed/ partial successful plantations unfruitful, as detailed in **Appendix - XIX**.

Accepting the Audit observation, the Government stated (March 2023) that action would be taken against the erring staff.

4.7.6 Non/Incorrect uploading of information on e-Green Watch

e-Green Watch, developed (2013) by MoEF&CC, GoI, is an integrated e-governance portal, for automation, streamlining and effective management, of processes related to plantation and other forestry works, by State Forest Department (SFD), under the supervision of CAMPA. It presents data in real time and is accessible to all stakeholders and the public at large, with the objective of monitoring and tracking the performance of utilisation of CAMPA funds.

Scrutiny of the records of 11 divisions¹²⁴ revealed that, out of 1,897 activities executed under CAMPA funds during 2019-22, only 832 (44 *per cent*) activities had been uploaded on e-green watch, without uploading the corresponding expenditure, photographs, satellite images *etc.* Hence, the objective of transparency and accessibility of information to stakeholders, could not be achieved.

In reply, the Government stated (March 2023) that all the plantation activities in Odisha had been monitored through OFMS website, again updating the same in the e-green watch portal was a heavy burden on the field staff. However, all activities were not uploaded in e-green watch portal as per above guidelines.

4.8 Best Practices

- **The Odisha Forest Management System (OFMS)**, a web based and role-based application, was developed during 2016, for online capturing and monitoring of the forest and wild life related activities, undertaken under CAMPA funding. The application was developed and maintained by the Forest Information Technology and Geomatics Centre (FITGC), Odisha, in technical collaboration with the Odisha Space Application Centre (ORSAC).

There are 25 modules for selection/ survey/ implementation/ monitoring of different activities, aimed towards better forest protection management and the web application was further upgraded during 2021. To control/ monitor all the above activities, Geomatics and other Information Technology (IT) infrastructure had been installed and configured with the servers of FITGC. The beat-wise forest cover change detection, and afforestation activities, were

¹²³ Bargarh, Berhampur, Bhadrak WL, Bonai, Boudh, Deogarh, Kalahandi (N), Keonjhar, Khariar, Nayagarh, Rairakhol and Rayagada

¹²⁴ Berhampur, Bonai, Boudh, Deputy Director, Nandankanan, Jeypore, Kalahandi (N), Keonjhar, Nabarangpur, Puri (W/L), Rayagada and STR North (W/L)

monitored through the OFMS web portal. Further, OFMS helps to capture and monitor the assets created under CAMPA, like nurseries, plantations, water bodies, buildings *etc.* It offers selection of sites and makes evaluation easier for higher authorities, besides helping in real-time forest fire management.

All forestry activities, foot patrolling, forest fire management, infrastructural activities, were to be uploaded in the OFMS portal, for better management of the department.

Though the system is an ideal solution, proper training and initiative to use it, may reap good results in future.

- **Geo-referencing of Forest Land (GRFL)**, an initiative of the FE & CC Department, GoO, was taken up during 2017 for geo-referencing of all kinds of forest lands (reserve forests, protection forests, revenue forests and deemed forests). The objective was to prepare forest cadasters for the entire State, as per the directives of the Hon'ble Supreme Court of India, using DGPS, GIS and Remote Sensing. In this regard, a standard operating procedure was notified in July 2017. The geo-referencing of forest land was started during June 2019 by ORSAC and it is to be completed by June 2023.

The project aims to prepare geo-referenced forest land records, of about 61,991 sq. km. of forest land, *i.e.* 39 *per cent* of the State's geographic area, duly reconciled and integrated with the revenue land records, on a cadastral scale. The GRFL project had completed 12,692 sq. km. of Notified and Revenue forests, in 13 forest divisions and geo-referencing of another 18,007 sq. km. of forest land was under progress in 15 forest divisions. The geo-referencing of the remaining 31,000 sq. km (appx.) forest is to be completed by 2024. The initiative is expected to help in pre-evaluation and timely grounding of developmental projects involving forest land. It is also expected to help in the identification of degraded revenue forest lands, for the compensatory afforestation land bank, which has huge significance for obtaining timely forest clearances for developmental projects. This is also expected to facilitate efficient forest conservation in Odisha and facilitate an objective and timely assessment of the forest rights of tribal communities.

4.9 Conclusion

The State CAMPA was constituted to accelerate activities for compensatory afforestation, management and protection of forests and wildlife, development of infrastructure and other allied works.

The Detailed Compliance Audit (DCA) was conducted during June to November 2022, to assess the functioning of the State CAMPA, along with the inflow of funds to the Ad-hoc CAMPA, covering the period from 2019-22.

The State CAMPA was constituted in the State, with a delay of nine years from the date of notification of CAMPA guidelines, by the Government of India (GoI).

As the database of degraded forest and non-forest land was not available with the Department, targets for Compensatory afforestation programmes under CAMPA were not achieved within the stipulated period of three years. In nine cases of diversion of forest land, for which Stage-II/ final approval was

pending for more than five years, the Department did not realise Net Present Value (NPV) of ₹88.40 crore at the revised rates.

There has been a shortfall in the achievement of the compensatory afforestation target by 6,995.97 ha, for diversion of forest land, since the enactment of the Forest Conservation Act, 1980, till date.

The conditional works under forest clearance, such as elephant underpasses/overpasses, reptile underpasses, were either under progress, or had not been undertaken by the user agencies, even after two to four years after Stage-II approval.

The number of forest fire incidents increased by 209 per cent and the extent of forest area damaged increased by 300 per cent in 2021, compared to 2019, despite expenditure of ₹58.84 crore for fire protection, out of CAMPA funds.

Out of the total funds of ₹2,284.98 crore received from CAMPA, the State CAMPA failed to utilise the assistance of ₹210.54 crore during 2019-22.

The annual accounts of State CAMPA could not be finalized since inception, i.e., from 2009 to till 2022. An amount of ₹56.82 crore was irregularly utilised out of the State CAMPA funds for construction works. An amount of ₹248.06 crore was diverted from CAMPA funds to Ama Jangala Yojana.

There were 51 elephant death cases recorded in the Athagarh and Dhenkanal divisions from preventable causes, due to deficiency in forest foot patrolling, improper utilisation of trap cameras, and other protection measures.

The Monitoring and Evaluation wing of the State Forest Department (SFD) did not plan or undertake any monitoring or evaluation activities, during 2019-22.

4.10 Recommendations

The Government may consider:

- expediting the process of formation of a GIS-based Land Bank, in order to consolidate the database of non-forest lands and degraded lands identified in lieu of diversion of forest lands, for taking up of compensatory afforestation works, in a timely manner.
- timely preparation and approval of the Annual Plan of Operations, by the Governing Body.
- prompt disposal of Stage- II approvals cases which have been pending for more than five years, as well as recovery of the differential cost of NPV from the user agencies.
- to install an effective mechanism for timely recovery of the cost of CA from the UAs.
- assessing the viability of bamboo regeneration, before taking up the Subsidiary Silviculture Operation (SSO) and taking effective measures for successful commercial exploitation.

- incurring expenditure for infrastructure activities, strictly as per CAMPA guidelines.
- early finalisation of accounts and maintenance of accounts records as per rules.
- enhancing foot patrolling, for forest fire protection and wildlife protection.
- installing effective mechanism to ensure timely construction of elephant underpass/ overpass/ reptile underpass in the forest areas, by the user agencies.
- fixing responsibility for the unnatural deaths of elephants due to reasons like accidents, poaching, electrocution etc.
- establishing comprehensive and effective internal mechanism, for concurrent monitoring and evaluation of forestry and infrastructural activities, undertaken under CAMPA.

