

Bill Summary

The Compensatory Afforestation Fund Bill, 2015

- The Compensatory Afforestation Fund Bill, 2015 was introduced in Lok Sabha by the Minister for Environment, Forest and Climate Change, Mr. Prakash Javadekar on May 8, 2015. The Bill seeks to establish funds at the national and state level to receive money collected for compensatory afforestation.
- Compensatory afforestation is defined as afforestation done in lieu of the diversion of forest land for non forest use under the Forests (Conservation) Act, 1980.
- **Creation of Compensatory Afforestation Funds:** The Bill seeks to establish a permanent National Compensatory Afforestation Fund under the public account of India. It also allows states to establish State Compensatory Afforestation Funds.
- The National Fund will be under the central government, and managed by a National Compensatory Afforestation Fund Management and Planning Authority (CAMPA). The central government will appoint a State CAMPA in each state. The State CAMPA will be responsible for the management of the State Fund.
- **Sources of funds:** At present, an *ad hoc* National CAMPA and *ad hoc* State CAMPAs, established by government orders, receive money collected for compensatory afforestation. Once the National Fund is created, money collected by state governments which has been placed with the existing National CAMPA will be transferred to the National Fund. Other sources of funds for the National Fund will be: (i) 10% of the funds collected for compensatory afforestation by states each year; and (ii) grants-in-aid/other sums received by, and loans/borrowings taken by the National CAMPA.
- The major sources of funds for the State Fund will be: (i) unspent balances lying with existing State CAMPAs; (ii) money transferred from the National Fund to the State Funds (90% of the money transferred from the existing National CAMPA to the National Fund); (iii) money received for compensatory afforestation; and (iv) grants-in-aid/other sums received by, and loans/borrowings taken by the State CAMPA.
- The balance with both funds will be non-lapsable and get interest as per a rate declared by the central government on a yearly basis.
- **Utilisation of funds:** The money in the National Fund will be used to meet expenditure for the management of the National CAMPA, and on schemes approved by the National CAMPA.
- The money in the State Fund will be used for the following purposes: (i) site-specific schemes implemented by the state; (ii) artificial regeneration, forest management and wildlife protection; and (iii) protection and conservation activities in protected areas under the Wild Life (Protection) Act, 1972.
- If the diversion of forest land affects multiple states, the National CAMPA may order that money be transferred to one of those states.
- **Composition and functions of Authorities:** The National CAMPA will consist of a governing body, an executive committee, and a monitoring group, in addition to an administrative support mechanism.
- The governing body will be responsible for formulating the broad policy framework for the functioning of the National CAMPA. The executive committee will be responsible for the approval of annual plans of State CAMPAs and the formulation and implementation of schemes approved by the governing body. The monitoring group will be responsible for the monitoring and evaluation of works implemented by states and fund utilisation by the CAMPAs.
- The State CAMPA will consist of a governing body, a steering committee, and an executive committee. The governing body, chaired by the Chief Minister of the state, will be responsible for formulating the broad policy framework for the State CAMPA, within the overall framework laid out by the National CAMPA. The executive committee will be responsible for formulating the annual plan of operations, after obtaining the approval of the steering committee. The executive committee will also monitor works funded by the State Fund, and invest the surplus amounts available with the State Fund.

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