



Standing Committee Report Summary

The Compensatory Afforestation Fund Bill, 2008

- The Standing Committee on Science and Technology, Environment and Forest submitted its 194th report on the 'The Compensatory Afforestation Fund Bill, 2008' on October 22, 2008. The Chairperson was Dr. V. Maitreyan.
- The Bill creates a permanent Compensatory Afforestation Fund (CAF) under the Public Account of India, to receive the money collected as compensation for the diverted forest land. Money in the ad hoc fund (established by a Supreme Court order) shall be transferred to CAF. CAF shall be controlled by the central government and managed by the Compensatory Afforestation Fund Management and Planning Authority (CAMPA). However, the Committee is not ready to accept that the extent and diversion of compensatory afforestation funds by states was so huge and alarming that it warrants a sweeping change in the mechanism for diversion of funds, which was in existence for 20 years.
- The Committee feels that the establishment of CAMPA would prolong and delay the process of compensatory afforestation as the amount collected by the state governments will have to be pooled in a central fund and then devolved back to them as per specifications. It also feels that the Ministry of Environment and Forests did not make adequate efforts before 2002 to effectively handle the funds accumulated by state governments which remain unutilised.
- The Committee states that the main thrust of the Bill should have been on checking indiscriminate diversion of forest land while striking a fine balance with development activities, which was the main idea behind the Forest (Conservation) Act, 1980.
- The functions of CAMPA do not include compensatory afforestation. Instead it includes overseeing a programme called Green India for massive afforestation of the degraded forest land in India. There is a difference between compensatory afforestation and massive afforestation. The Committee therefore recommends that the Green India Programme be run separately by the Ministry of Environment and Forests out of the budget allocated by Planning Commission and if required by mobilising additional resources from financial institutions or international agencies. The fund collected for compensatory afforestation should be used exclusively for that particular purpose.
- The Committee feels that central government will play a major role in the allocation of funds collected from states and this may lead to the possibility of states suffering in the process. The Committee also expresses concern that the central government may completely bypass the state governments and provide funds directly to the Joint Forest Management Committees for the implementation of the afforestation programmes in the states. This would undermine the concept of federalism. Also, the Bill ignores the role of local bodies such as Gram Panchayats and Gram Sabhas.
- The Committee expresses concern at the fact that no legislation has been formulated so far and placed before the Parliament regarding the collection of Net Present Value (NPV). Therefore, NPV has no legal sanction.
- The Committee feels that CAMPA is a top heavy superbody and will not serve the intended purpose. Also, the problem of improper utilisation of funds and the issue of displacement of forest dwellers and tribals have not been addressed in the Bill.
- The Committee recommends that the diversion of forest land should be done through a democratic process involving the local people. The Gram Sabhas should be the key body and should be involved in forest diversion and afforestation.
- The Committee is of the view that the purpose of the Bill seems to be to make use of the money, which the Ministry has accumulated for compensatory afforestation. It therefore recommends that the Bill be withdrawn because the purpose proposed to be achieved through this Bill should be achieved by making enabling amendments in the Forest (Conservation) Act, 1980.

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