

Ministry of Environment and Forests & Climate Change
Notification

New Delhi, the __ April, 2017

G.S.R(---):- In exercise of the powers conferred by sub-section (1) of section 30 of the Compensatory Afforestation Fund Act, 2016 (38 of 2016), the Central Government hereby makes the following rules, namely:-

1. Short title, extent and commencement.-

- 1) These rules may be called the Compensatory Afforestation Fund Rules, 2017.
- 2) They shall extend to the whole of India except the State of Jammu and Kashmir.
- 3) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.-

In these rules, unless the context otherwise requires:-

- a. **“Act”** means the Compensatory Afforestation Act, 2016
- b. **“Annual Plan of Operation (APO)”** means the annual plan for physical activities and financial provisions approved by the National and State Authority which describes milestones, conditions for success and explains how, a strategic annual plan will be put into operation during the financial year in given budgetary term.
- c. **“Central Government”** means Ministry of Environment, Forests and Climate Change, Government of India.
- d. **“Committed activities”** means those activities which have to be mandatorily undertaken from the NCAF and SCAG which have been specifically mentioned and approved under the Forest Conservation Act to be implemented as referred in approval letter such as Compensatory Afforestation, Catchment Area Treatment Plan etc.
- e. **“Gram Sabha”** means a general body of the village consisting of members that include every adult of the village with population at least exceeding 1500 people. However a Gram Sabha may be formed even if the population is less than 1500. If the population of several villages are less than the prescribed minimum, then the villages are grouped together to form a Gram Sabha.
- f. **“Permissible activities”** means those activities which can be executed with the NCAF and SCAF.
- g. **“Prohibited activities”** means those activities which cannot be executed with the NCAF and SCAF.
- h. **“Site specific activities”** means activities which have been specifically mentioned and approved under the Forest Conservation Act to be

implemented on specified location referred in approval letter such as Compensatory Afforestation, Catchment Area treatment plan etc.

- i. **“Working Plan”** means the management plan of forest land prepared under “National Working Plan Code” issued by the Ministry of Environment, Forests and Climate Change for sustainable management of forests and biodiversity in India.

Words and expression used and not defined in these rules but defined in the Compensatory Afforestation Fund Act 2016, Indian Forest Act 1927, Wildlife Protection Act 1972 and Forest Conservation Act 1980 shall have the same meaning respectively assigned to them in the said Act

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CHAPTER-I

Management of National Compensatory Afforestation Fund and State Compensatory Afforestation Funds

1. National Compensatory Afforestation Fund: [sub section (2) of section 3 of CAF Act 2016]

- a) A special Fund to be called the “**National Compensatory Afforestation Fund**” hereinafter NCAF under the interest bearing public account of India shall be opened by the Central government in consultation with the Comptroller and Auditor General of India and Ministry of Finance, Government of India.
- b) The monies deposited by the user agencies as compensatory levies in the state specific bank account of ad hoc CAMPA shall be transferred to the State Fund of the state so created under sub rule 4(1) of the Act by the Chief Executive Officer of the National Authority.

2. State Compensatory Afforestation Fund [sub section (2) of section 4 of CAF Act 2016]

- a) A special Fund to be called the “State Compensatory Afforestation Fund”,(hereafter SCAF) which shall be interest bearing public account of State Government, shall be opened by the State Government in consultation with the Comptroller and Auditor General of India, and the same will be communicated to the National Authority.

Provided that in case of Union territory having no legislature, such fund shall be established under the public account of Union of India with effect from such date as the Union territory Administration may, by notification in the Official Gazette, appoint in this behalf.

- b) The SCAF shall be managed by the State Authority as per the guidelines issued by the National Authority.
- c) The management of SCAF shall be finalised by the State Government in consultation with the Accountant General of the state.

3. The process for utilisation of Net present Value and penal Net Present value [clause (b) of section 6 of CAF Act 2016]

The monies received towards Net Present Value (NPV) and penal Net Present Value from the fund received from National Fund and State Fund

for the purpose of the Compensatory Afforestation Fund Rules, 2017 shall be used in a manner prescribed below.

- I. Not less than eighty per cent (80%) of the NPV and the penal NPV shall be used for following permissible activities for the forest and wildlife management in the state:
 - a) Assisted natural regeneration;
 - b) artificial regeneration (plantations);
 - c) plantations under afforestation Programmes;
 - d) silvicultural operations in forests;
 - e) pest and disease control;
 - f) forest fire prevention and control operations;
 - g) improvement of wildlife habitat as prescribed in the approved wildlife management plan;
 - h) planting and rejuvenation of forest cover in non-forest land falling in critical wildlife corridors.
 - i) establishment, operation and maintenance of animal rescue centre, and veterinary treatment facilities for wild animals.
 - j) Supply of wood and other forest produce saving devices as prescribed by the National authority from time to time.

Notwithstanding these permissible activities referred above in this section activities may be added or deleted as permissible activities for utilization of NPV and penal NPV by the National Authority from time to time.

Provided that:

- a) in case the activities under NPV are proposed be undertaken in the forest land under the administrative control of the Forest Department then the same should be as per the prescriptions of the approved working plan of the forest prepared according to the working plan code.
- b) The activities identified for Annual Plan of Operation (APO) shall be prepared in consultation with the Gram Sabha or any committee such as Van Sanrakshan Samiti (VSS)/ Village Forest Committee (VFC) or any such committee for management of forest constituted by the Gram Sabha of the concerned villages where activities are proposed.
- c) in case the activities under NPV is proposed to be undertaken on the forest land not under the administrative control of the Forest Department then Community Forest Management Plan (micro plan) should be prepared and approved by the Gram Sabha or any committee such as Van Sanrakshan Samiti (VSS)/ Village

Forest Committee (VFC) or any such committee for management of forest constituted by the Gram Sabha in accordance with the provisions of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

- d) While preparing the APO, the forestry activities shall be planned and undertaken on priority in those villages in which the forest land has been diverted and shall be done in consultation with the Gram Sabha concerned.
- II. Not more than twenty percent (20%) of the NPV and the penal NPV clubbed together may be utilised for strengthening of the forest and wildlife related infrastructure, capacity building of the personnel of State Forest Departments & other associated agencies/organisations involved in utilisation of these funds, as prioritized by the State Government for execution in forest and non-forest areas and included in the duly approved Annual Plan of Operations (APO) for the year under consideration.

Provided that the forestry related ancillary activities shall be planned and undertaken on priority in those villages in which the forest land has been diverted and shall be done in consultation with the Gram Sabha concerned.

These permissible activities under this section [3(II)] from the SCAF may include:

- a) establishment, up-gradation and maintenance of nurseries, seed production areas (SPAs), seedling seed orchards (SSOs), vegetative multiplication gardens (VMGs) and such other planting stock production facilities;
- b) purchase and maintenance of communication, IT, survey, mapping and forest fire control equipment;
- c) construction, up-gradation and maintenance of inspection paths, forest roads in forest area.
- d) construction and maintenance of watch towers, check posts, timber depots;
- e) engagement of local labors to assist regular staff of SFDs in protection of forest and wildlife;
- f) Survey and mapping of forest areas for compensatory afforestation.
- g) monitoring and evaluation of activities
- h) publicity and awareness for forestry and allied activities;

- i) entry point activities for programmes;
- j) distribution of planting stock for promotion of tree outside forest on government lands;
- k) urban aesthetic plantations in non-forest blanks in urban areas;

Notwithstanding these permissible activities referred above in this section activities may be added or deleted as permissible activities for utilization of NPV and penal NPV by the National Authority from time.

III. NPV and the penal NPV **shall not be** used for following prohibited activities

- a) payment of salary, travelling allowances, medical expenses etc. to regular employees of forest department;
- b) undertaking foreign visits;
- c) purchase of vehicles
- d) construct of residential and official buildings
- e) Purchase of land for afforestation
- f) purchase of furniture, office equipments including computers, laptops and other fixtures, air-conditioners etc for residences and offices;
- g) mandatory afforestation as per approved working plan of the forest in blanks created by commercial felling of naturally grown trees for revenue generation;
- h) establishment, expansion and up-gradation of zoo.

Notwithstanding these prohibited activities referred above in this section activities may be added or deleted as prohibited activities for utilization of NPV and penal NPV by the National Authority from time to time.

4. Utilisation of interest accrued on deposits in State Fund: [clause (c) & (f) of section 6 of CAF Act 2016]

A. For conservation and development of forest and wildlife (70%)

Not less than seventy per cent (70%) of the interest money accrued from the fund received from National Fund and State Fund for the purpose of the Compensatory Afforestation Fund Rules, 2017 shall be used in a manner prescribed below:

- i. To offset the incremental cost of Compensatory Afforestation and penal CA at the increased wage rates.
- ii. To offset the incremental cost of Catchment Area Treatment Plan at the increased wage rates
- iii. To offset the incremental cost of Wildlife Management Plan at the increased wage rates
- iv. Concurrent Monitoring and evaluation of works done from State Fund.
- v. Publicity and educational schemes of the Forest Department
- vi. Any other activities with the prior approval of Steering Committee.

B. Non-recurring and recurring expenditure for the management of a State Authority to be met with from interest accrued of State Fund (30%)

Thirty per cent (30%) of the interest accrued shall be spent for management of the State Authority with approval of the Steering Committee of the State Authority.

5. The accounting procedure to regulate the manner of crediting the monies to the National Fund and State Fund in a year [section 7 of CAF Act 2016]

After creation of National Authority, State Authority, National Fund and State Fund, the compensatory levies shall be collected and deposited in the following manner;

- i. The total cost including maintenance cost for subsequent years, if required, for compensator afforestation, penal compensator afforestation, catchment area treatment, watershed management plans, wildlife management plans and other special area treatment plans as recommended in the in-principle approval under section 2 of Forest Conservation Act 1980 or by any authority under various similar Acts or by Court orders shall be estimated / calculated by the Divisional Forest officers in whose divisions the diversion proposals have been submitted, as per the norms applicable in districts and communicated in writing to the user agency for depositing online in the account of State Fund by specifying the account details.
- ii. The cost norms used for estimating plantation and other similar costs should be as per the standard norms at the prevailing wage

rates applicable in the state and approved by the competent authority in the state.

- iii. In addition ten per cent extra of the aggregate cost estimated in 5(i) will be calculated and communicated in writing to the user agency for depositing in the National Fund by specifying the account details of National Fund to comply provision under 5(i) above.
- iv. The Divisional Forest officers in whose divisions the diversion proposal have been submitted shall communicate in writing to the user agency for depositing online ninety per cent (90%) of NPV in the SCAF by specifying the account details of SCAF and ten per cent (10%) in the account of NCAF by specifying the account details of NCAF.
- v. The Divisional Forest Officers in whose divisions the diversion proposal have been submitted shall estimate the other charges and communicated in writing to the user agency for depositing ninety per cent (90%) in the SCAF by specifying the account details of SCAF and ten per cent (10%) in the NCAF by specifying the account details of NCAF.
- vi. The deposition of compensatory levies and NPV in NCAF and SCAF by the user agency shall be verified by the CEO of NCAF and SCAF respectively and submitted to central government before issue of final forest clearance under section 2 of Forest Conservation Act 1980 and rules made thereof by the Central Government.

CHAPTER-II

1. the terms of office and other conditions of the service of the members of the National Authority, executive committee, monitoring group, Chief Executive Officer and officials appointed by the National Authority, members of State Authority, steering committee and executive committee of each State Authority [section 12 of CAF Act 2016];

- a) The officers of the National authority and State Authority shall be appointed by the National Authority and State Authority respectively on deputation basis.
- b) Terms and conditions of service of the official members being ex-officio shall be governed by the terms and conditions of the service he belongs.
- c) Terms and conditions of service of the non-official nominated members being ex-officio shall be governed by the terms and conditions of the service as determined by the National authority and State Authority as the case may be.
- d) The method of recruitment and the terms and conditions of service of the non-official members and other employees of the National Authority and State Authority be determined by regulations made by the National /State authority on the recommendation of Executive Committee.
- e) Provided that no regulation made under this sub-section shall take effect unless the regulation made by the National / State Authority is approved by the Central /State Government.
- f) The qualifications, experience and pay scale and number of these officers shall be as determined and notified by the National /State Authority from time to time.
- g) Other Office assistants required shall be appointed on contract basis as per requirement as approved by the National /State Authority on the recommendation of the Executive Body.
- h) Pay and Allowances**
 - i. Ex-officio members and officials of the National/state Authority and State Authority shall be governed by the Pay Rules of the service to which the members and officers belong and shall draw salary and allowance from their parent department.
 - ii. Non-official members of the National /State Authority shall be paid such fees and allowances, for attending its meetings and for attending to any other work of the Governing Body applicable to

Central/State Government employees as specified in the appointment order.

i) Disqualifications of members of National Authority and State Authority

- 1) A person shall be disqualified for being appointed as a non-official member of the National Authority and State Authority, if he -
 - i. has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Central/state Government, involves moral turpitude; or
 - ii. is an un-discharged insolvent; or
 - iii. is of unsound mind and stands so declared by the competent court; or
 - iv. has been removed or dismissed from the service of the Government or other organisation / undertaking owned by the Government; or
 - v. has, in the opinion of the Central /state Government, such financial or other interest in the Authority as is likely to affect the duties discharged by him as a member.
- 2) No order of removal shall be made by the Central/State Government under this section unless the member concerned has been given a reasonable opportunity of showing cause against the same.
- 3) Notwithstanding anything contained in this rule, a member who has been removed under this section shall not be eligible for re-nomination as a member.

j) Vacation of seat by members

If a nominated non official member of a Governing Body and Executive Committee of National Authority becomes subject to any of the disqualifications specified in section 2, his seat shall become vacant.

k) Selection of non-official members of the National and State Authority

Experts, one each from environmentalists, conservationists, scientists, economists, and social scientists shall be appointed by the Central Government for a period of **two years** subject to not more than two consecutive terms.

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Eligibility conditions and selection procedure:

- a. The applicants should be a resident of India and hold bachelor / Masters Degree from recognised university or equivalent in related field and must have work experience of 10 years in related field in reputed Government or Non-Government Organisation, Research Institutes and University.
- b. **Non official experts for Executive Committee shall not be from the Central and State Government**
- c. A panel of eligible candidates for appointment as members of the National Authority and State Authority and officials shall be prepared by following committee constituted by the Ministry of Environment, Forest and Climate Change, Government of India.
- d. The selection panel of National Authority shall consist of the following:

i	Secretary, Ministry of Environment, Forest and Climate Change, Government of India
ii	One Secretary to be nominated by the Ministry of Environment, Forest and Climate Change, Government of India
iii	One Chief Secretary of a state to be nominated by the Ministry of Environment, Forest and Climate Change, Government of India
iv	Director General of Forests and Special Secretary, Ministry of Environment, Forest and Climate Change, Government of India
v	Additional Director General of Forests (Forest Conservation), Ministry of Environment, Forest and Climate Change, Government of India
vi	Additional Director General of Forests (Wildlife), Ministry of Environment, Forest and Climate Change, Government of India
vii	Additional Director General of Forests cum Chief Executive Officer of the National Authority

- e. The selection panel of State Authority shall consist of the following:

i	Addl. Chief Secretary/Principal Secretary in-charge of the Forest Department in a State
ii	One Addl. Chief Secretary/Principal Secretary/ Secretary in the State Government nominated by the State Government.
ii	Principal Chief Conservator of Forests (Head of Forest Force)
iii	Chief Wildlife Warden
iv	Head of the concerned regional office of the Ministry of Environment, Forest and Climate Change
v	Nodal Officer, Forest (Conservation) Act, 1980

2. the rules and procedures in respect of the transaction of business of the governing body and executive committee of the National Authority and monitoring group of the National Authority and the place of meeting, including the quorum [sub-section (3) of section 14 of CAF Act 2016]

a) Constitution of committees by Governing Body / Executive Committee of National Authority

- i. A Governing Body and Executive Committee of National Authority may constitute as many committees consisting wholly of members or wholly of other persons or partly of members and partly of other persons, and for such purpose or purposes as it may deem fit and issue appropriate office order to this effect specifying the terms of reference (ToR) of such committee.
- ii. A committee constituted under this section 4(i) shall meet at such time and place, and shall observe such rules of procedure in regard to the transaction of business at its meetings, as prescribed in the office order.
- iii. The members of a committee constituted under sub rule 4(i) shall be paid such fees and allowances, for attending its meetings and attending to any other work of the Governing Body and Executive Committee applicable to the post they are holding in the service they belong or equivalent as specified in the order.

b) Temporary association of persons with Governing Body/ Executive Committee for particular purposes

- i. Governing Body and Executive Committee may associate with itself any person whose assistance or advice it may require to

obtain in performing any of its functions under Compensatory afforestation Act 2016 and rules made there off by issuing office order to this effect after the same has been considered and passed in the Governing Body and Executive Committee respectively with simple majority.

- ii. A person associated with the Governing Body and Executive Committee for any purpose shall have a right to take part in the discussions of the Governing Body and Executive Committee relevant to that purpose, but shall not have a right to vote at a meeting of the Governing Body and Executive Committee, and shall not be a member for any other purpose.

c) Vacancy in board not to invalidate acts and proceedings

No act or proceeding of a Governing Body and Executive Committee or any committee thereof shall be called in question on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Governing Body and Executive Committee or such committee, as the case may be.

- d) Delegation of powers to Chairman:** The Chairman of the Governing Body and Executive Committee shall exercise such powers and perform such duties delegated to him by the Governing Body and Executive Committee respectively.

e) Meetings of the General Body, Executive Committee and Monitoring Group of the National Authority.

- i. **Regular Meeting:** The Governing Body of the National Authority shall meet at least once in six months. The General Body may meet on such date as may be decided by the Executive Committee in consultation with the Chairperson of the Governing Body to consider and issues listed in the Agenda prepared by the Member Secretary.
- ii. The Executive Committee of the National Authority shall meet at least once in every three months.
- iii. The Monitoring Group of National Authority shall meet at least once in three months.
- iv. **Special Meeting of the General Body of the National Authority:** The General Body shall meet whenever the Chairperson thinks fit, or when the CEO shall call a meeting of the General Body upon a written requisition of not less than four

members. In addition, the General Body shall meet whenever the CEO recommends the same for transaction of urgent business.

- v. **Notice:** For any meeting of the General Body, five days clear notice shall be given to the members, excluding the day of the posting and day of the meeting. However, in the case of any urgency, the CEO with the permission of the Chairperson is empowered to call a meeting of the General Body at a shorter notice.
- vi. **Quorum:** one third of the existing members including the Chairperson shall constitute the Quorum at any meeting of the General Body, any fraction being rounded off to the next higher number.
- vii. **Adjournment:** Where a quorum is not present within thirty minutes of the time notified for the, commencement of meeting, the meeting if called on the requisition of the members shall stand dissolved, the meeting shall be adjourned to the same day, time and place the following week, and the members present at the adjourned meeting shall form the quorum.
- viii. **Decision of General Body:** Decisions of the General Body shall be by a simple majority of the members present and voting on all matters except the screening of members for various bodies/institutions shall have to be unanimous without any dissent by any member resulting in rejection of candidature/nominations.
- ix. **Meeting to be chaired by senior most officers present.** Every meeting of the General Body shall be chaired by the Chairman or senior most officers present or the CEO. The meeting shall be chaired by a member of the General Body chosen from among them.
- x. **Voting Rights:** Each member of the General Body who has a voting right in terms of provisions of the byelaws governing membership and connected matters shall have one vote and if there be an equality of votes on any question to be determined by the General Body, the Chairperson of the meeting in addition to her/his own right as a member shall have and exercise a casting vote to decide the issue.

3. the rules and procedures in respect of the transaction of business of the governing body, steering committee and executive committee of a State Authority and the place of meeting, including the quorum [sub-section (3) of section 17 of CAF Act 2016]

a) Constitution of committees by Governing Body, Steering Committee and Executive Committee of State Authority

- i. A Governing Body, Steering Committee and Executive Committee of State Authority may constitute consisting wholly of members or wholly of other persons or partly of members and partly of other persons, and for such purpose or purposes as it may think fit by an office order specifying the Terms of Reference (ToR) of the committees.
- ii. A committee constituted under this section shall meet at such time and at such place, and shall observe such rules of procedure in regard to the transaction of business at its meetings, as prescribed in office order specifying the Terms of Reference (ToR) of the committees.
- iii. The members of a such committees constituted under this section shall be paid such fees and allowances, for attending its meetings and for attending to any other work of the Board as may be prescribed by the Governing Body as prescribed in office order specifying the Terms of Reference (ToR) of the committees.

b) Temporary association of persons with Governing Body, Steering Committee and Executive Committee of State Authority for particular purposes

- i. Governing Body, Steering Committee and Executive Committee may associate with itself in such manner, and for such purposes, as may be prescribed any person whose assistance or advice it may desire to obtain in performing any of its functions under this Rule.
- ii. A person associated with the Governing Body, Steering Committee and Executive Committee for any purpose shall have a right to take part in the discussions of the Governing Body relevant to that purpose, but shall not have a right to vote at a meeting of the Governing Body, Steering Committee and Executive Committee, and shall not be a member for any other purpose.

c) Vacancy in board not to invalidate acts and proceedings

No act or proceeding of a Governing Body, Steering Committee and Executive Committee or any committee thereof shall be called in question on the ground merely of the existence of any vacancy

in, or any defect in the constitution of, Governing Body, Steering Committee and Executive Committee or such committee, as the case may be.

d) Delegation of powers to Chairman: The chairman of the Governing Body, Steering Committee and Executive Committee shall exercise such powers and perform such duties delegated to him by the Governing Body, Steering Committee and Executive Committee respectively.

e) Meetings of the General Body, Steering Committee and Executive Committee of the State Authority

- i. **Regular Meeting:** The Governing Body of the State Authority shall meet at least once in six months. The Governing Body and Steering Committee may meet on such date as may be decided by the Executive Committee in consultation with the Chairperson of the Governing Body, Steering Committee and Executive Committee to consider and issues listed in the Agenda prepared by the Member Secretary.
- ii. **Special Meeting of the General Body of the State Authority:** The Governing Body shall meet whenever the Chairperson thinks fit, or when the CEO shall call a meeting of the Governing Body upon a written requisition of not less than four members. In addition, the Governing Body shall meet whenever the CEO recommends the same for transaction of urgent business.
- iii. **Notice:** For any meeting of the Governing Body, Steering Committee and Executive Committee, five days clear notice shall be given to the members, excluding the day of the posting and day of the meeting. However, in the case of any urgency, the CEO with the permission of the Chairperson is empowered to call a meeting of the Governing Body at a shorter notice.
- iv. **Quorum:** one third of the existing members including the Chairperson shall constitute the Quorum at any meeting of the Governing Body and Steering Committee, any fraction being rounded off to the next higher number. Whenever an issue pertaining to other department are included in the agenda, the quorum shall be decided accordingly.
- v. **Adjournment:** Where a quorum is not present within thirty minutes of the time notified for the, commencement of meeting, the meeting if called on the requisition of the members shall stand dissolved, the meeting shall be adjourned to the same day, time

and place the following week, and the members present at the adjourned meeting shall form the quorum.

- vi. **Decision of Governing Body/ Steering Committee:** Decisions of the Governing Body / Steering Committee shall be by a simple majority of the members present and voting on all matters.
- vii. **Meeting to be chaired by senior most officers present.** Every meeting of the Governing Body shall be chaired by the designated Chairman. In emergency the meeting may be chaired by the senior most officers present and authorised by the Chairman.
- viii. **Voting Rights:** Each member of the Governing Body/ Steering Committee who has a voting right in terms of provisions of the byelaws governing membership and connected matters shall have one vote and if there be an equality of votes on any question to be determined by the Governing Body, the Chairperson of the meeting in addition to her/his own right as a member shall have and exercise a casting vote to decide the issue.
- ix. **Special Invitees:** The Governing Body, Executive Committee and Steering may co-opt or invite any individual concerned as special invitee.
- x. **Casual Vacancy:** In the event of the post of CEO remaining vacant for any reason, the Chairperson is competent to appoint any senior officer of the government to exercise such powers, functions and duties of the CEO, till a CEO is duly appointed.

f) Terms and conditions of service of Chief Executive Officer (CEO) of State Authority cum Member-secretary of Steering Committee and Executive Committee and officers and other employees of State Authority

- i. Terms and conditions of service of the Chief Executive Officer (CEO) of State Authority cum Member-secretary being ex-officio shall be governed by the terms and conditions of the service he belongs.
- ii. The CEO cum member-secretary of Steering Committee and Executive Committee shall exercise such powers and perform such duties delegated to him by the State Authority.
- iii. Subject to such rules as may be made by the State Government Steering Committee and Executive Committee may appoint officers and employees as it considers necessary for the efficient performance of its functions

- iv. The method of recruitment and the terms and conditions of service (including the scales or pay) of the officers and other employees of the Steering Committee and Executive Committee shall be determined by regulations made by the Governing Body of the State Authority.
- v. Provided that no regulation made under this sub-section shall take effect unless the regulation made by the State Authority is approved by the State Government /UT.
- vi. The Governing Body, Steering Committee and Executive Committee may, by general or special order, and subject to such conditions and limitations, if any, as may be specified in the order, delegate to any officer of the Governing Body, Steering Committee and Executive Committee such of its powers and functions under this Act as it may deem necessary.

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CHAPTER-III

FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

1. Preparation of the budget of the National Authority [sub-section (1) of section 20 of CAF Act 2016]

The National Authority shall prepare its budget based on the Annual Plan of Operation (APO) prepared and approved by the Governing Body for the next financial year, showing the estimated receipts and expenditure of the National Authority and forward the same to the Central Government in each financial year by **31st December**.

The National Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority as per the Government Accounting Rule 1990 and General Financial Rules, 2017.

2. the financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority [sub-section (2) of section 20 of CAF Act 2016]

Accounting Procedure of NCAF and SCAF: the financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority shall be as per the accounting procedure approved by the Central Government in consultation with the Controller General of Accounts (CGA), Government of India given in appendix-I.

3. the maintenance of the accounts and other relevant records and preparation of an annual statement of accounts by the National Authority [sub-section (1) of section 22 of CAF Act 2016]

Various forms for preparation of accounts, other records and annual statement of accounts of National authority and State Authority shall be prepared by National Authority in consultation with the Controller General of Accounts (CGA), Government of India from time to time and circulate to State Authority.

4. the preparation of the annual report by the National Authority [sub-section (1) of section 23 of CAF Act 2016]

Annual Report: The National Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year. The annual report shall be prepared by the Chief Executive Officer (CEO) of the National authority latest by **31st June** of the next financial year. The annual

report shall be examined by the Executive Committee and with its approval shall be forward to the Central Government,

The annual report shall, inter alia, provide for—

- i. the summary of monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year;
- ii. the summary of specific schemes specified executed during the year;
- iii. the amount of money received and expended.

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

5. Preparation of the budget of the State Authority [sub-section (1) of section 25 of CAF Act 2016]

Each State Authority shall prepare its budget based on the Annual Plan of Operation (APO) for the next financial year, showing the estimated receipts and expenditure of the State Authority and forward the same to the State Government, in each financial year by **31st December**.

Each State Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the State Authority as per the Government Accounting Rule 1990 and General Financial Rules, 2017.

6. the financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the State Authorities [sub-section (2) of section 25 of CAF Act 2016]

The financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the State Authority shall be as per the accounting procedure approved by the State Government in consultation with the Controller General of Accounts (CGA), Government of India.

7. Maintenance of the accounts and other relevant records and preparation of annual statement of accounts by each State Authority [sub-section (1) of section 27 of CAF Act 2016]

Various forms for preparation of accounts, other records and annual statement of accounts of State Authority shall be prepared by National

Authority in consultation with the Comptroller and Auditor-General of India from time to time and circulate to State Authority. The State Authority shall maintain such accounts and records as desired by the National Authority in consultation with the Comptroller and Auditor-General of India.

8. Preparation of the annual report by the State Authorities [sub-section (1) of section 28 of CAF Act 2016]

Annual Report: The State Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year. The annual report shall be prepared by the Chief Executive Officer (CEO) of the State authority latest by 31st June of the next financial year. The annual report shall be examined by the Executive Committee and with its approval shall be forward to the State Government and Central Government,

The annual report shall, inter alia, provide for—

- i. the summary of monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year;
- ii. the summary of specific schemes specified executed during the year;
- iii. the amount of money received and expended.

The State Government shall cause the annual report and audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before the State legislature and in case of Union Territories to the Central Government.

CHAPTER-IV

MISCELLINEOUS

Annual Plan of Operation (APO)

- i. The Annual Plan of Operation (APO) will specify plan for compensatory afforestation, penal compensatory afforestation, catchment Area Treatment (CAT) Plan, Wildlife Management Plan and other permissible activities for restoration, development, protection and maintenance of forest and wildlife areas.
- ii. For activities to be undertaken in forest land under the administrative control of the State Forest department, the prescription of the approved Working Plan/Management Plan must be adhered to while undertaking the proposed activities in the Annual Plan of Operation for the year under preparation.
- iii. For activities to be undertaken on land not under the administrative control of the State Forest department, the prescription of the APO shall be duly approved by the Gram Sabha or any committee such as Van Sanrakshan Samiti (VSS)/ Village Forest Committee (VFC) or any such committee for management of forest constituted by the Gram Sabha of the concerned villages following the provisions of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 wherever applicable.
- iv. The APO must provide details in tabular form the budgetary allocation in previous three years under different sub-heads for forestry and ancillary activities under state schemes by the state government.

APO will be prepared in two parts- one for site-specific activities and the other for non-site specific activities;

Each part will be further divided into committed and non-committed activities

The part-1: Brief History and past performance

Part-1 of APO shall contain

- i. Brief description of forest in the district
- ii. Forestry and other activities carried out in the district in last five years from the fund received under CAMPA and CAF.
- iii. Forestry and other activities carried out in the district in last five years from the fund received under other schemes.

- iv. Year wise total forest area diverted in the district since 1980, in tabular form
- v. Year wise total Compensatory afforestation carried out in the district since 1980, in tabular form.
- vi. Different forestry schemes being implemented in the district.
- vii. Total afforestation work done in last five years under various schemes being implemented in the district, in tabular form.
- viii. Details of the community development works done from *ad hoc* CAMPA fund and SCAF received from National authority.
- ix. Brief description and abstract of the Monitoring work done by the Monitoring and Evaluation wing of the State Forest Department.
- x. Brief description and abstract of the Monitoring work done by the independent monitor identified by the MoEF & CC and approved by National Authority (Third Party Monitoring)
- xi. Details in tabular form the budgetary allocation in previous years under different sub-heads for forestry and ancillary activities under state schemes by the state government.
- xii. Any other important information for consideration relevant for preparing APO.

Part-2: site-specific activities

Part-2 of APO shall contain description of site-specific activities

- i. District wise details of new compensatory afforestation to be done.
- ii. Location, geo-referenced maps/geo-co-ordinates (in case of immovable assets), estimated cost (along with basis thereof), proposed implementing agency and implementation schedule of each activity proposed to be executed from State Fund to be provided district wise.
- iii. Details of maintenance of Compensatory afforestation done in previous years, estimated cost (along with basis thereof), proposed implementing agency and implementation schedule of each activity proposed to be executed from State Fund to be provided district wise.

Part-3: Non site specific activities

- i. District wise details of non-site activities to be done.
- ii. Location, geo-referenced maps/geo-co-ordinates (in case of immovable assets), estimated cost (along with basis thereof), proposed implementing agency and implementation schedule of each activity proposed to be executed from State Fund to be provided district wise.
- iii. Details of maintenance of the assets created in past from fund received from *ad hoc* CAMPA and SCAF , estimated cost (along with basis thereof), proposed implementing agency and implementation schedule of

each activity proposed to be executed from State Fund to be provided district wise.

General

- APO will contain a certificate from the CEO, State Authority to the effect that it has been prepared in accordance with the extant rules/guidelines;
- For new activities administrative approval will be accorded for the entire project outlay/period;

Appendix-I

Accounting Procedure of NCAF and SCAF

[To be prepared by IFD of MoEF & CC in consultation with the Controller General of Accounts (CGA)]