Press Brief

Report no. 03 of the year 2024 of the Comptroller and Auditor General of India on Performance Audit of Compensatory Afforestation in Himachal Pradesh has been prepared under the provisions of Article 151 of the Constitution of India. The Report was forwarded to Government of Himachal Pradesh on ____________ and laid on the table of the State Legislature on _____________.

Performance Audit (PA) on Compensatory Afforestation in Himachal Pradesh was conducted to ascertain whether the apparatus created for the implementation of Forest Conservation Act (FCA), 1980 was running efficiently and effectively and in accordance with the prescribed norms and whether the system for Compensatory Afforestation (CA) and Catchment Area Treatment (CAT) plans provided under the rules were adequately and effectively implemented. The period of PA was from April 2006 to March 2021 for efficacy of CA cases and CAT plans and April 2016 to March 2021 for effective implementation of FCA, 1980. The figures for the year 2021-22 have been included at appropriate places.

Some of the major findings included in the report are as under:

- The meetings of the State Authority were not held at prescribed intervals and there was shortfall in utilisation of funds approved by National Authority to the tune of ₹169.73 crore (20 *per cent*) during the period 2016-17 to 2021-22. Ineligible expenditure of ₹ 6.51 crore was incurred on development of Nature/ Eco parks during 2019-20 and 2020-21 under the component-development of degraded forest land in contravention to guidelines issued by Ministry of Environment, Forest and Climate Change (MoEF&CC) for utilisation of Net Present Value. The annual financial statements of the State Authority for the years 2019-20 to 2020-21 had not been finalised.
- A total of 1,018 cases were submitted by various User Agencies (UAs) (for Hydro Electric Projects, Roads, Educational Institutes, Hospital, Transmission lines etc.) to MoEF&CC for grant of forest clearances under the Forest Conservation Act 1980, out of which, 766 cases were pending for approval. Out of these 766 cases, 17 *per cent* were pending at different levels in the State Forest Department, while the rest were pending at the level of UAs. In the approved FCA cases, delays in processing of FCA cases for in-principle approval was noticed at various levels of processing, which ranged from eight *per cent* (from State Government to Regional Office) to 93 *per cent* (from Nodal Officer to State Government).

- Even after constitution of State-level Committee for identification of land banks for CA for speedy disposal of FCA cases, no land banks could be identified during the period covered in audit. There was significant shortfall in CA activities in the selected divisions. As against the stipulated CA of 5,213 ha, CA in only 4,284 ha was carried out. Non-carrying out of CA within the stipulated period of one to two years defeated the purpose of the Act as the loss of land and trees could not be compensated, besides creation of additional liability of ₹ 8.72 crore in 69 cases due to cost escalation. Delay in plantation resulted in delayed/ non-compensation of environmental loss, excess expenditure of ₹ 2.03 crore and creation of liability of ₹ 12.87 crore for maintenance of the plantations in 194 cases. In 71 per cent of test checked cases, CA site was changed by the divisions and there was no evidence on record to show that approval of MoEF&CC was obtained for change in location of CA.
- There was short realisation of cost of CA from the UAs to the tune of ₹ 3.29 crore as the Department did not keep appropriate provision for anticipated increase in cost of works, scheduled in subsequent years.
- Cost of regeneration of Open degraded forest equivalent to forest area being diverted in favour of two project proponent(s) amounting to ₹ 5.53 crore was not demanded/ realised from the UA. The Department failed to implement Muck rehabilitation plan pertaining to construction of Atal Tunnel, Rohtang Pass costing ₹ 12.09 crore even after 13 years since the approval of plan. No funds were deposited by the UA.
- The department failed to ensure compliance of additional condition of regeneration of degraded forest land. Besides, non-deposit of funds in National CAMPA, non/ improper maintenance of cash book, submission of Utilisation Certificates (UCs) without actual expenditure, lack of trail of funds, expenditure not routed through Annual Plan of Operations (APOs), submission of false/ misleading replies to Audit and non-production of bills/ vouchers were noticed in utilisation of above funds.
- Five new Forest Rest Houses (FRHs) (having eight rooms each including VIP rooms) were constructed at a cost of ₹ 3.06 crore, without prior approval under FCA Act and without any provision for construction of these FRHs in the Working Plan of the division.
- A Catchment Area Treatment (CAT) Plan is an important and essential plan for enhancing and maintaining the ecological health of the catchment area of the proposed irrigation/hydroelectric projects (HEPs) with a capacity above 10 Megawatt (MW). The data pertaining to operational CAT plans in the State in terms of funds due from UAs, funds

actually deposited and expenditure incurred thereagainst was not maintained by the Department, which shows absence of monitoring mechanism.

- The Department was not aware of the increase in project cost of HEPs as per revised Techno-Economic Clearance (TEC) and thus failed to demand additional funds to the tune of ₹ 198.73 crore from UAs. As per revised TEC in respect of three HEPs, the installed capacity was increased to more than 10 MW. However, the Forest Department was not aware of the increased capacity and funds to the extent of ₹ 8.48 crore in respect of these HEPs, were not demanded and no CAT plans for these three HEPs were formulated.
- Test check of the selected CAT plan for Bajoli Holi HEP showed that the division failed to achieve targets under the various components of afforestation within the stipulated time period and plantation sites were changed without conducting site inspection. The division did not conduct studies prescribed under CAT plan. Important infrastructure works prescribed under CAT plan such as repair of boundary pillars, construction of fire lines, distribution of energy saving devices and construction of silt observation posts were not even started by the division. Besides, no monitoring and evaluation of CAT plan implementation was carried out.
- During geospatial study of 22 CA sites, it was noticed that the Department carried out wasteful/ irregular CA outside Open degraded forest as 83 *per cent* of CA was carried out outside Open degraded forest. It was also noticed that 47 *per cent* CA was carried out in Very Dense Forest (VDF)/ Moderate Dense Forest (MDF) which also raises doubts over carrying out of CA in these areas (as dense forest already existed in these areas). No mechanism existed for selection of CA sites based on scientific data and the Department also failed to utilise the data available with their Geographic Information System (GIS) cell to identify land banks/ suitable CA sites in Open degraded forest area of the State.
- Geospatial study also pointed to possible encroachments in CA sites in the form of structures (built up area) in six CA sites and practise of agriculture in 11 CA sites. Further, presence of structures (built up area) was noticed in seven Reserved Forest/Demarcated Protected Forest (RFs/ DPFs) and practise of agriculture was noticed in 10 RFs/ DPFs.