

CHAPTER V
***Environment, Forests, Science
& Technology***

CHAPTER V

Environment, Forests, Science & Technology

There are 75 auditable units in the Environment, Forest, Science & Technology (EFS&T) Department. Of these, audit test-checked records in one unit (1.33 *per cent*) during 2021-22. Audit brought out various deficiencies in seven cases involving an amount of ₹ 0.24 crore.

We also conducted compliance audit on ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA) covering 18 auditable units during 2021-22.

5 Compliance audit on ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA)

5.1 Introduction

Forest land is generally diverted for facilitating developmental activities for non-forestry purposes like construction of power projects, irrigation projects, roads, railways, schools, hospitals, rural electrification, telecommunication, drinking water facilities, mining *etc.* However, the decrease in forest land needs to be replenished to maintain environmental stability. This is achieved through the program of compensatory afforestation. Compensatory Afforestation Fund Act, 2016 defined ‘compensatory afforestation’ (CA) as afforestation done in lieu of the diversion of forest land with prior approval of Central Government for non-forestry use. The purpose of CA is to compensate the loss of 'land by land' and 'trees by trees'.

The Supreme Court of India directed (October 2002) that a ‘Compensatory Afforestation Fund’ (CAF) shall be created in which all monies received from the user agencies¹⁴⁰ towards (i) CA, (ii) Additional CA (ACA¹⁴¹), (iii) Penal CA (PCA¹⁴²), (iv) Net Present Value (NPV¹⁴³), and (v) Catchment Area Treatment (CAT) 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,

¹⁴⁰ As defined under section 2 (p) of Compensatory Afforestation Fund Act, 2016, ‘user agency’ means any person, organisation or company or Department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 (69 of 1980) and the rules made and guidelines issued, thereunder.

¹⁴¹ In case for some valid and cogent reason, cost of creation and maintenance of CA needs to be revised, the additional amount, if any, would be realised from the user agency concerned.

¹⁴² Cost of afforestation work to be undertaken over and above the CA in lieu of the extent of area over which non-forestry activities have been carried out without obtaining prior approval of the competent authority under the Forest (Conservation) Act, 1980.

¹⁴³ The quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined by an expert committee appointed by the GoI from time to time in this regard.

protection, infrastructure development, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities.

Government of India (GoI), subsequent to the orders of Hon'ble Supreme Court (October 2002) created (April 2004) the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) for management of money collected towards CA, NPV *etc.*, while according approval under Forest (Conservation) Act 1980, for non-forestry uses of the forest land. As this did not become operational, an Ad-hoc CAMPA was constituted as per directions of the Hon'ble Supreme Court (May 2006) and all the monies collected by the States and Union Territories were deposited into the Ad-hoc CAMPA. In pursuance of the guidelines (July 2009) on State CAMPA, issued by GoI, APCAMPA was established (September 2009) by Government of Andhra Pradesh and one of the mandated guidelines of State CAMPA is compensatory afforestation.

5.1.1 Compensatory Afforestation Fund (CAF) Act, 2016

Government of India had enacted CAF Act, 2016 to provide -

- an appropriate institutional mechanism, both at the Centre and the States to ensure expeditious utilisation of funds in an efficient and transparent manner.
- to establish a special fund under the Public Account of India and the Public Accounts of each State and crediting thereto the monies received from the user agencies.

Thereafter, GoI had notified the CAF Rules in the year 2018.

In pursuance of the CAF Act, 2016 and CAF Rules, 2018, the State Government established APCAMPA (2018), in supersession of APCAMPA formed in 2009, for the management of mandated activities of State CAMPA.

5.1.2 Organisational setup

State CAMPA functions through a three-tier committee hierarchy having one Governing Body (headed by the Chief Minister) and two Committees *viz.*, Steering Committee (headed by the Chief Secretary) and Executive Committee (Headed by PCCF & Head of Forest Forces (HoFF)). The Governing Body formulates and review policies of the CAMPA. The Steering Committee approves the Annual Plan of Operations (APOs) and monitors the progress of utilisation of funds; Executive Committee prepares the APOs and supervises CAMPA works.

Administrative setup: The Principal Secretary to Government, EFS&T Department is responsible for the overall administration of the State Forest Department and is assisted by Principal Chief Conservator of Forests (PCCF), who is also the HoFF. The PCCF (CAMPA) looks after implementation of APOs and expenditure of CAMPA. The PCCF (FCA)-cum-Nodal Officer monitors diversion of forest lands for non-forestry purposes and implementation of FC Act, 1980.

5.1.3 Forest coverage in the State

Total geographical area of Andhra Pradesh is 1.63 lakh sq. km. and the forest cover, for the year 2021, stood at 18.28 *per cent* of total area. The biennially recorded forest area, forest cover and tree cover as of 2017, 2019 and 2021 are shown in **Table-5.1**.

Table-5.1: Biennial recorded forest area, forest cover and tree cover as of 2017, 2019 and 2021

Year	Recorded forest area ¹⁴⁴ as per State records	Forest cover ¹⁴⁵	Tree cover ¹⁴⁶
	(in square kilometres)		
2017	37,258	28,147	3,753
2019	37,258	29,137	3,914
2021	37,258	29,784	4,679

Source: India State of Forest Reports downloaded from www.fsi.nic.in

Process of compensatory afforestation: As per para 1.4 of guidelines (March 2019) issued by Ministry of Environment, Forest and Climate Change (Ministry) under FC Act 1980, the Ministry accords prior approval on proposals of the State Government in two stages: first in-principle or Stage-I approval and second, on compliance to the conditions of the in-principle approval, final or Stage-II approval.

5.2 Audit Objectives and Criteria

The audit was conducted to assess whether -

- i) diversion of forest land for non-forest use is permitted as per extant laws and all conditions stipulated thereon were complied with; and
- ii) compensatory afforestation and other works are taken up in line with the guidelines/ instructions issued by the Ministry.

The audit objectives were benchmarked against the following audit criteria.

- Forest (Conservation) Act 1980;
- Compensatory Afforestation Fund Act, 2016;
- Compensatory Afforestation Fund Rules 2018;
- Supreme Court orders on CA and CAMPA; and
- Guidelines issued by MoEF on CA and CAMPA.

¹⁴⁴ Recorded forest area includes all areas recorded as forest by State Government under any State Act or local law or Indian Forest Act, 1927

¹⁴⁵ Forest cover refers to the extent of land area that is covered by forest resources in the State. This includes all lands more than one ha. in area with tree canopy density of more than 0.1

¹⁴⁶ Tree cover means patches of trees as well as isolated trees outside the recorded forest area on areas less than one ha.

5.2.1 Sampling, scope and methodology of Audit

Audit test-checked (between June and August 2022) records of the PCCF, three¹⁴⁷ (out of seven) territorial circles and 12¹⁴⁸ (out of 36) divisions in these three selected circles covering a period of five years from April 2017 to March 2022. Apart from these, the office of State Silviculturist, Tirupati and Andhra Pradesh Forest Academy (APFA), Rajamahendravaram were also audited. The circles and divisions were selected by using Simple Random Sampling without Replacement method.

Further, Audit examined all 100 projects approved during the five-year period *i.e.*, 2017-22, wherein 2,773.73 ha. of forest land was diverted for non-forest purposes in the sampled divisions.

Cases prior to audit coverage period, from the records made available, were also verified considering time-period of 10 years for maintenance of CA works. In respect of notification of CA lands and mining leases in the sampled divisions coverage period was taken from inception of FC Act, 1980.

Audit methodology involved scrutiny of records, physical verification of works/projects, collection of data from Ministry's website (PARIVESH) and evidence gathered from the records of sampled units (also through photographs taken during field inspections).

An Entry Conference was held with the PCCF (CAMPA) and PCCF (FCA) on 23 May 2022 wherein audit objectives, audit criteria, scope and methodology were explained. Exit Conference was held with the Special Secretary to Government (EFS&T), PCCF & HoFF, PCCF (CAMPA) and PCCF (FCA) on 26 December 2022 wherein audit observations and recommendations were discussed. Response of the Government/Department obtained and incorporated in the relevant paragraphs.

Audit Findings

Audit findings include deficiencies like non-notification of CA lands, acceptance of lands having unsuitable conditions for CA, non-compliance to conditions imposed at the time of approvals, improper management of funds, inadequate monitoring, *etc.*, which are detailed in the succeeding paragraphs.

5.3 Non-notification of land transferred to Forest Department

As per Ministry's guidelines¹⁴⁹ (February 2004), the non-forest land which is transferred and mutated in favour of the State Forest Department for the purpose of CA, should be declared as Reserve Forest (RF)¹⁵⁰/ Protected Forests (PF)¹⁵¹ under the

¹⁴⁷ Visakhapatnam, Guntur and Tirupati Wildlife Management (WLM)

¹⁴⁸ Visakhapatnam Circle-Srikakulam, Visakhapatnam, Narsipatnam, Paderu Guntur Circle-Guntur, Giddaluru, Nellore, Ongole SF, Guntur SF Tirupati WLM Circle-Tirupati WLM, Rajampet WLM, Chittoor East WLM

¹⁴⁹ F. No. 8-84/2002-FC (Pt) dated 03 February 2004

¹⁵⁰ An area notified under Indian Forest Act, 1927 or State Act having full degree of protection and unless otherwise permitted, all activities therein are prohibited

¹⁵¹ An area notified under Indian Forest Act, 1927 or State Act having limited degree of protection and unless otherwise permitted, all activities therein are prohibited

Indian Forest Act, 1927. Stage-II clearance shall be given by MoEF after the land mutated in favour of the Forest Department. The forest land shall be handed over to the user agency after the non-forest land has been mutated in favour of Forest Department. The Nodal Officer must report compliance within a period of six months and send a copy of the original notification declaring the non-forest land as RF/PF. Prior to February 2004, the declaration of the non-forest land taken for CA as RF/PF is to be done prior to Stage-II approval.

The non-forest land reserved for CA in the State was 41,567.78 ha. Of this 22,133.15 ha. (53 per cent) was notified (April 2024). Remaining 47 per cent CA reserved lands were yet to be notified.

During test check of records, Audit noticed (June/ July 2022) that in 51 (out of 80) cases involving 5,146.42 ha. of CA land of the following sampled divisions, the process of notifying was not completed even after lapse of a period ranging from 15 to 452 months (as detailed in **Table-5.2**) since Stage-II approval accorded by GoI thereby denying contemplated higher protection to reserved forest lands.

Table-5.2 – Non-notification of mutated lands as RF/PF

Sl. No.	Forest division	Period of Stage-II approvals given by GoI	No. of cases	Non-forest CA land accepted (in ha.)	Months elapsed for notification since final approval as of March 2022
1	Chittoor East	30.12.1998 to 11.06.2019	11	301.13	33 to 279
2	Giddalur	16.07.1984 to 24.08.2016	13	2087.40	67 to 452
3	Guntur	12.12.2005 to 31.12.2013	4	29.64	99 to 195
4	Narsipatnam	19.01.2004 to 28.07.2010	2	449.42	140 to 218
5	SPSR Nellore	21.04.2005 to 06.09.2018	4	11.75	42 to 203
6	Rajampet	17.10.1988 to 22.12.2020	7	725.58	15 to 401
7	Srikakulam	28.06.2000 to 15.07.2008	4	468.18	164 to 261
8	Tirupati	28.02.2005 to 13.08.2007	2	84.44	175 to 205
9	Visakhapatnam	28.06.1997 to 04.08.2018	4	988.88	43 to 297
Total			51	5146.42	15 to 452

Source: Records of the sampled divisions and information furnished by the circles

Non-compliance even after lapsing of such a long period is fraught with the risk of considering/ proposing same lands for other CA schemes. One such case is illustrated below.

Non-forest land to an extent of 339.34 ha. accepted in Srikakulam division for raising CA, in lieu of diversion of 567 ha. of forest land to a user agency (M/s. Singareni Collieries Company Limited) during the period 2006-08, was subsequently found to be already in the possession of Forest Department as un-notified forest blocks since 1976. On this being pointed out, the Ministry stated (April 2013) that the matter of early notification of CA land of 339.34 ha. and raising of CA thereon would be pursued vigorously (refer paragraph 5.2 of CAG Audit Report (No. 21 of 2013)).

The case has been verified to ascertain the progress and it was observed (July 2022) that plantation in CA land has been taken up in only 60 ha. (against 339.34 ha.). The DFO, while confirming the fact, replied (July 2022) that the District Administration had proposed allocation of certain portion of balance CA lands for Bhavanapadu Port and for Nuclear Power Plant; hence these areas were not proposed for plantation. The DFO assured (July 2022) to propose a revised CA scheme after finalisation of proposed project area.

Reply is not acceptable as CA lands should not be transferred for other than the approved purpose without prior approval of the Ministry.

Audit further verified the status of notified lands (214 cases randomly) in the Government's official website ('Mee Bhoomi') and observed non-reflection of notified survey numbers as forest land in 65 (30 per cent) cases in the portal. It was further noticed in Audit that the survey numbers which were not reflected in the portal as forest land were either non-existent or shown as 'patta land' and 'Government land'. From the Encumbrance Certificates¹⁵² we observed that in six (out of eight) patta land cases 16.03 acre of forest land was registered (between the years 1998 and 2022) in the names of private parties. Non-depiction of notified survey numbers as forest land in 'Mee Bhoomi' portal indicates lack of coordination between Forest and Revenue Departments.

Thus, non-notification of forest land fraught with the risk of diversions of the lands to other purposes thereby defeats the objective of compensating loss of natural forests through compensatory afforestation.

The PCCF informed (October 2023) that notification process has been initiated and proposals have been submitted to Government for approval by four divisions viz., Guntur, Giddadluru, SPSR Nellore and Visakhapatnam. Further progress is awaited (December 2024).

Recommendation 5.1: The Government should take immediate steps to notify all non-forest lands already accepted for Compensatory Afforestation and ensure issue of notification within the prescribed six months in future cases also. Department should examine the lapse for delay in notification of CA lands as reserve forest/ protected forest and fix responsibility against non-compliance to the stipulations by the authorities concerned.

5.4 Acceptance of hillock areas/ encumbered lands for compensatory afforestation

Para 2.3 (i, iii & iv) of Ministry's guidelines (March 2019), stipulated that CA is to be raised on suitable non-forest land, equivalent to the area proposed for diversion at the cost of the user agency. Where non-forest land is available but lesser in extent to the

¹⁵² from the website <https://rs.ap.gov.in/APCARDECClient>

forest area being diverted, CA could be carried out over degraded forest¹⁵³ twice in extent of the area being diverted or the difference between the forest land being diverted and the available non-forest land, as the case may be. In case non-forest land for CA is not available in the same district, it should be identified anywhere else in the State concerned near to the site of diversion as far as possible, to minimise adverse impact on the micro-ecology of the area.

In the following cases, however, Audit observed that lands having unsuitable conditions for CA have been accepted by the Forest Department in contravention to the norms.

5.4.1 Polavaram project

Ministry had accorded (July 2010) Stage-II approval for diversion of 3,731.07 ha. of forest land for the project 'Construction of Indira Sagar multipurpose project across Godavari river' (Polavaram project). An extent of 873.07 ha. was handed over to two sampled divisions for which the user agency (Irrigation & Command Area Development (I&CAD) Department) deposited ₹ 12.35 crore towards cost of CA. Details of division-wise CA lands identified, plantations raised, cost of CA collected and expenditure incurred thereon are shown in **Table-5.3**.

Table-5.3: CA lands utilisation and expenditure under Polavaram project

Sl. No.	Division	CA lands identified (in ha.)	CA Plantations raised (in ha.)	Cost of CA collected (₹ in crore)	Expenditure incurred as of March 2022 (₹ in crore)	Expenditure for the period from 2017-18 to 2021-22 (₹ in crore)
1	Visakhapatnam	453.00	152.00	9.58	1.08	0.30
2	Narsipatnam	420.07	60.00	2.77	0.79	0.08
Total		873.07	212.00	12.35	1.87	0.38

Source: Records of DFOs concerned

From the table it can be seen that:

- Against 873 ha., plantations were raised in 212 ha., thus fulfilling only 24 per cent of the statutory obligation of raising CA during a period of more than a decade.
- Out of ₹ 12.35 crore, only ₹ 1.87 crore was expended for raising of plantations to the end of March 2022 which constitutes only 15 per cent of total CA amount collected.

¹⁵³ Degraded forest is a secondary forest, that has lost through human activities the structure, function, species composition or productivity normally associated with a natural forest type expected on that site

The reasons for tardy implementation of CA were as follows:

In Visakhapatnam division, 453 ha. of land for CA was handed over to the Forest Department at four locations¹⁵⁴ in the district. Joint physical verification (June 2022) of the areas¹⁵⁵ revealed that-



Rough terrain in Kandipudi CA

- Major portion of Kandipudi area is rough terrain/ hilly area;
- No plantation activity was taken up as on date of audit in 50 (out of 80) ha. of land at Tatiparthi as the area was hilly terrain having huge boulders and rocks;
- Majority of area at Pedagantyada is a hillock with red soil and limestone; and
- Natural vegetation already existed in these hilly areas.



Hilly terrain with boulders and rocks in Tatiparthi CA



Hillock with red soil and limestone in Pedagantyada CA

In Narsipatnam division an extent of 420.07 ha. of land for CA was handed over at four locations¹⁵⁶ in Visakhapatnam district. During joint physical verification (June 2022) of the following two CA areas, Audit observed that -

- The land (93.20 ha.) at Robbasingi is located on hilltop having good vegetation. Further, from the records it was observed that 3/4th of the area has been occupied by the local villagers and remaining area was predominantly rocky.
- No plantation activity was taken up at Kondasantha except 20 ha. of bamboo plantation (during 2015-16) as the area (292.59 ha.) was occupied by local villagers and rocky terrain.



Hillock CA of Kondasantha

From the above, it is evident that the authorities had accepted lands having unsuitable conditions (hilly and rough terrain with boulders and rocks) for CA contrary to the stipulations which resulted in non-utilisation of the lands for the purpose of CA activities.

¹⁵⁴ Gudivada (12 ha.), Kandipudi (61 ha.), Pedagantyada (300 ha.) and Tatiparthi (80 ha.)

¹⁵⁵ Kandipudi, Pedagantyada and Tatiparthi

¹⁵⁶ Chodyam (20 ha.), Kondasantha (292.59 ha.), Kothapalli (14.28 ha.) and Robbasingi (93.20 ha.)

Audit further noticed that the CF, Visakhapatnam submitted (October 2014) a five-year action plan (2014-15 to 2018-19) for the remaining CA works in the divisions, including Polavaram CA area. The CCF, Visakhapatnam (in respect of Polavaram), submitted (May 2019 and November 2020) a revised CA scheme with various activities like raising and maintenance of plantations, tending and cultural operations, Soil and Moisture Conservation (SMC) works, *etc.*, to the PCCF for a six-year period (2019-20 to 2024-25). However, PCCF had not responded to the proposals. As such, in all these years, there was no progress in the implementation of CA scheme -in Polavaram. This can be primarily attributed to unfavoured land conditions for implementation of CA and non-responsiveness of the PCCF to the revised proposals submitted by the functional office.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

5.4.2 Chintalapudi lift irrigation scheme

Ministry accorded Stage-I (November 2017) and Stage-II (November 2018) approvals for diversion of 347.64 ha. of forest land of Eluru division for Chintalapudi Lift Irrigation Scheme (Packages I and II), in favour of the Chief Engineer, Godavari Delta System, Dowleswaram. For raising CA, 520.09 ha. non-forest land at five locations¹⁵⁷ was handed over (June 2018) to DFO, Visakhapatnam. The DFO, Visakhapatnam prepared (June 2018) a scheme for CA in 520.09 ha. of non-forest land and in 480 ha. of degraded forest area.

Audit observed (June 2022) that:

- CA work was not taken up within a period of three years though specified in Stage-I and Stage-II approvals.
- Joint physical verification (June 2022) of three CA areas¹⁵⁸ revealed that the proposed CA areas were hilly terrain and located at a height of about 150 mtr. above plain area. As observed from the inspection report of DFO, the allotted land was not suitable for semi-mechanical plantation as there is good natural growth and removal of this natural forest would lead to excessive soil erosion.



CA area at Seemanapalli



CA area at Rayapurajupeta

¹⁵⁷ Bhogapuram (62.38 ha.), Gandhavaram (60.72 ha.), Rayapurajupeta (140.28 ha.), Seemanapalli (54.08 ha.) and Thummapala (202.63 ha.)

¹⁵⁸ Gandhavaram, Rayapurajupeta and Seemanapalli

- Field inspection (May 2017) reports of Tummapala (202.63 ha.) and Bhogapuram (62.38 ha.) revealed that these CA areas are also located on the hilltop at a height of about 50 mtr. to 150 mtr.
- Good natural vegetation pre-existed and any attempt to work on it would lead to excessive soil erosion.



CA area at Gandhavaram

In view of the unsuitable site conditions and presence of good natural forest growth, scope for planned CA was remote. Reply (July 2022) of the DFO, Visakhapatnam did not address the issues brought out by Audit.

Government in the Exit Conference (December 2022) accepted non-fulfilment of CA requirement and stated that the CA area has not been disturbed since ecological value of the area is very high due to presence of good natural vegetation. It was further added that a revised proposal for CA duly considering 1,000 trees/ha. in another location is underway. The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

5.4.3 Encumbered land cases

In the following cases, the Forest Department had accepted encumbered lands.

- i) In Srikakulam division, from the letter (February 2022) of DFO addressed to the District Collector, Audit noticed that an extent of 3.75 ha. of forest land was diverted for formation of reservoir across Peddagedda near Jamparakota village. The Irrigation Department handed over (April 2000) 3.75 ha. non-forest land (in Sy No. 12/2 of Jamparakota village) to Forest Department and paid ₹ 1.32 lakh towards the cost of CA. Audit observed (July 2022) that despite receipt of cost of CA, plantations could not be taken up, even after lapse of more than two decades, due to encroachments of the non-forest land and non-allotment of alternative land by the Revenue authorities.
- ii) The Ministry of Environment, Forest & Climate Change, in the case of 7.49 ha. of encroached non-forest land taken over by the State Forest Department for CA in lieu of 6.49 ha. of forest land diverted in Giddaluru Division for construction of irrigation channel under Motupalli Lift Irrigation Scheme, instructed (September 2017) the State Forest Department to reclaim the non-forest land or to get suitable non-forest area allotted adjacent to the forest area since pattas were issued to the encroachers.

It is pertinent to mention that Stage-II approval for this work was accorded way back in July 1984 and Forest Department had also collected an amount of ₹ 0.35 lakh for CA purpose. This indicated the Forest Department did not make any efforts to get the land records updated, which resulted in encroachments in CA lands.

The above instances clearly indicate that the State Forest Department did not exercise due diligence while taking over land for CA. Thus, the Department was not being able to carry out CA though amount was collected from the user agencies.

Government in the Exit Conference (December 2022) stated that DFOs are in touch with local administration and encroachments would be evicted or alternate land would be sought for CA. The PCCF informed (October 2023) that the divisions are pursuing the issue with the Revenue Authorities. Further progress is awaited (December 2024).

Recommendation 5.2: The State Government should put in place proper mechanism for ensuring afforestation in degraded forest/ alternate land in the cases where plantation works could not be taken up by the Forest Department in CA lands due to unsuitable site conditions like rocky/ hilly area, existence of natural vegetation, etc.

5.5 Non-reclamation of closed/ inoperative mines

As per Para 4.15(iv) of Ministry guidelines (June 2004), in case of opencast mining, it should be the responsibility of the Forest Department to ensure that all necessary inputs like creation of nursery, storage of topsoil for reuse and methodology for its reforestation, choice of species, etc., are so planned and implemented that the mined area is fully afforested by the time mining operations are completed. Further, the Ministry while according approvals for forest clearance instructed the user agencies to take up reclamation works concurrently with the mining operations.

Audit verification of the status of the mining leases (as of May 2022) in two (*viz.*, Guntur and SPSR Nellore) of the sampled divisions, revealed that out of 28¹⁵⁹ mining leases in 483.16 ha.¹⁶⁰ (renewed/ approved by GoI/ GoAP during the period 1996 to 2017¹⁶¹), 17¹⁶² (61 *per cent*) mining leases involving 350.99 ha.¹⁶³ (73 *per cent*) were either inoperative or closed. There was no evidence for reclamation of those forest lands.

Government in the Exit Conference (December 2022) stated that compliance with the provisions is practically difficult. It was further stated that they are proposing for collection of additional security deposit of ₹ 2.50 lakh/ha. from the lessees for ensuring reclamation by them.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

5.6 Other observations

(A) Land bank not created: Para 2.7 of Ministry's guidelines (March 2019) stipulated creation of land bank for CA for speedy disposal of the forest clearance proposals under FC Act 1980. In addition to non-forest land, degraded forest land with crown density up to 40 *per cent* would be made available for CA.

In the Steering Committee meeting held on 29 April 2019, the Chief Secretary to Government of Andhra Pradesh had also directed to create land bank for various projects under CA. Further, in the next meeting held on 03 July 2019, it was decided

¹⁵⁹ Guntur: 18 and SPSR Nellore: 10

¹⁶⁰ Guntur: 367.00 ha. and SPSR Nellore: 116.16 ha.

¹⁶¹ Guntur: 1996-2017 and SPSR Nellore: 1998-2000

¹⁶² Guntur: 14 and SPSR Nellore: 3

¹⁶³ Guntur: 293.18 ha. and SPSR Nellore: 57.81 ha.

to constitute a committee under Chairmanship of PCCF with wildlife warden and representatives of Revenue Department. It was also decided to identify degraded forest land having up to 40 *per cent* crown density through geographical information system (GIS) by the Forest Department.

Audit observed that land bank could not be created due to non-furnishing of relevant details by the district authorities. Regarding identification of degraded forest, the Department did not offer (June 2022) specific remarks.

Government in the Exit conference (December 2022) stated that information would be obtained from the Revenue Department.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

Recommendation 5.3: Government should take immediate action for creation of land bank of Government lands and degraded forest lands.

(B) Avenue plantation not done: In Guntur division, GoI accorded (June 2017) Stage-I approval for diversion of 0.941 ha. of forest land for 'Formation of road to All India Institute of Medical Sciences (AIIMS) at Mangalagiri from NH-16 from Km 0.000 to 1.600'. One of the stipulated conditions of Stage-I approval was raising of avenue plantation along roadside. During joint physical verification (June 2022) it was, however, observed that no avenue plantation was raised by the Department even after a lapse of five years despite an amount of ₹ 9.50 lakh being collected (September 2017) from the user agency (Roads & Building Department) towards the purpose.

On this being pointed out, the DFO, Guntur stated (June 2022) that avenue plantation could not be taken up due to non-release of funds by the Forest Department and assured to take up the work after getting the funds.

The PCCF informed (October 2023) that provision for first year maintenance has been projected for the financial year 2023-24. The reply is however, silent about raising of avenue plantation. Further progress is awaited (December 2024).

(C) Retaining wall not constructed: In Visakhapatnam division, GoI, accorded Stage-I (July 2018) and Stage-II (January 2022) approvals for diversion of 1.85 ha. of forest land for relaying road of Visakha Valley School Road from NH-16 junction to Beach Road. As per condition laid down in approvals of Stage-I, the user agency (Visakhapatnam Urban Development Authority) is to construct retaining walls and check walls wherever required in consultation with the DFO at the cost of user agency.



AIIMS road without avenue plantation



Zoo park compound wall without retaining wall

However, during joint physical verification (June 2022), it was observed that retaining walls were not constructed. For obtaining Stage-II approval from the Ministry, the State Government assured that necessary undertakings from the user agency was obtained to construct retaining walls and check walls wherever required. Thus, the State Government did not adhere to the assurances given by it for obtaining Stage-II approval.

On this being pointed out, the PCCF stated (October 2023) that necessary action would be taken for construction of retaining wall. Further progress is awaited (December 2024).

5.7 Implementation of CA works

5.7.1 Inflated/ overstated Quarterly Progress Reports in two Divisions

Review of the status of implementation of CA works, as per quarterly progress reports (QPRs) of June 2022 submitted by DFOs to PCCF, showed that CA has been carried out in 36,567.24 ha. (85 per cent) of land against stipulated 42,945.31 ha. in the State. Status in the sampled divisions is shown in **Table-5.4**.

Table-5.4: Details of CA implemented against stipulated area in the sampled divisions

(in ha.)				
Sl. No.	Division	CA stipulated	CA Implemented	To be implemented
1	Chittoor East	1031.56	943.41	88.15
2	Giddalur	3048.41	3040.42	7.99
3	Guntur	663.88	660.33	3.55
4	Narsipatnam	449.42	449.42	0.00
5	SPSR Nellore	8451.53	8352.56	98.97
6	Rajampet	1760.35	1753.95	6.40
7	Srikakulam	380.59	380.59	0.00
8	Tirupati	95.83	96.00	-0.17
9	Visakhapatnam	513.31	513.31	0.00
	Total	16,394.88	16,189.99	204.89

Source: Quarterly Progress Reports

It can be seen that the implementation rate was 98.75 per cent (16,189.99 ha.) against stipulated area of 16,394.88 ha. However, in Visakhapatnam and Narsipatnam divisions, though the achievement was shown as 100 per cent in the QPRs, during scrutiny of records and joint physical verification of the works in these divisions, Audit noticed that there was huge shortfall in implemented area under Polavaram and Chintalapudi Lift Irrigation projects due to unsuitable site conditions as pointed out in Paragraph 5.4 *supra*. Thus, the details in QPRs were not depicting actual progress.

The PCCF informed (October 2023) that due to non-release of funds and non-eviction of lands CA could not be implemented in Guntur and Giddalur divisions. Specific remarks were not furnished about non-implementation of CA in 98.97 ha. of SPSR Nellore division. Regarding other Divisions, the PCCF stated that reports would be submitted in due course. Further progress is awaited (December 2024).

Further, scrutiny of QPRs furnished by PCCF for the years 2017-18 to 2021-22 revealed the following:

- a) In the year 2017-18, shortfall in physical achievement was 84 per cent and 75 per cent and in financial achievement was 78 per cent and 52 per cent for Assisted Natural Regeneration (ANR) and Block Plantation respectively against stipulated coverage.
- b) In the year 2018-19, there was no shortfall in financial and physical achievements.
- c) In the year 2019-20, shortfall in physical and financial achievements of ANR/Block plantations was 51 per cent and 86 per cent respectively.
- d) In the year 2020-21, achievement in terms of both physical and financial was tardy. Shortfall in physical achievement was 75 per cent, 82 per cent, 63 per cent and 87 per cent and in the financial achievement was 84 per cent, 85 per cent, 93 per cent and 92 per cent for CA, ACA, ANR and Artificial Regeneration (AR) plantations respectively.
- e) Similarly, in the year 2021-22, the shortfall in physical achievement was 70 per cent, 100 per cent, 18 per cent and 60 per cent and in financial achievement was 82 per cent, 76 per cent, 73 per cent and 51 per cent respectively for CA, ACA, ANR and AR plantations.
- f) During the year 2020-21 and 2021-22, in respect of PCA, Safety Zone Afforestation (SZA) and CAT schemes, though there was 'NIL' physical progress an amount of ₹ 3.29 crore has been shown as incurred under these components.

Government in the Exit Conference (December 2022) stated that release of funds since 2019-20 is an issue which leads to unpredictable situations. It was further stated that in cases where full scale plantation *i.e.*, 1,000 trees/ha. was not possible, the shortfall would be compensated by taking up activities in degraded forest land for the year 2022-23.

- g) From the compliance report on diversion of forest land of 37.50 ha. for construction of Vamsadhara Project submitted (April 2019) by the DFO, Srikakulam to CCF, Visakhapatnam, Audit noticed that despite collection of ₹ 55.15 lakh towards raising plantations for CA an extent of area of 7.50 ha. (against stipulated 125.10 ha.) has only been raised.

The DFO attributed (July 2022) non-implementation to rocky patches and big boulders in the CA lands.

- h) In SPSR Nellore division, scrutiny of quarterly progress report to the end of June 2022 revealed that CA plantations had been raised only in 1.73 ha. out of stipulated 14.10 ha., even after a lapse of 42 to 55 months from Stage-II approvals (between

04 August 2017 and 06 September 2018) despite collection of cost (₹ 1.02 crore) towards CA in three projects¹⁶⁴.

The DFO assured (July 2022) to raise plantations in 2022-23.

5.7.2 Non-implementation of CAT plan

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/ hydro-electric project through site-specific biological and engineering measures for conservation of soil, moisture and management of water regime. Among other provisions, the measures should focus on arresting soil erosion, improving effective drainage in the area and rejuvenation of the degraded eco-system in the catchment.

As per Paragraph 9.2 of Ministry's guidelines (March 2019), proposals for diversion of forest land for irrigation/ hydro-electric projects should invariably be accompanied by a detailed CAT plan, which includes check dams, gully plugging, gabion dams, contour trenches and vegetative structures, plantation of local indigenous tree and shrub species, including rare/ medicinal plants, fodder development, socio-economic component to the project affected families.

During test check of records in Srikakulam division, from the compliance report on diversion of forest land of 37.50 ha., for construction of Vamsadhara Project submitted (April 2019) by the DFO to CCF, Visakhapatnam, Audit noticed that despite specific instructions from Regional Office, MoEF&CC at Chennai (August 2016) to implement CAT plan at the earliest in cooperation with the irrigation officials, no action has been taken in this regard even after lapse of six years.

The PCCF informed (October 2023) that necessary correspondence was being made with the user agency for submission of detailed CAT plan. Further progress is awaited (December 2024).

5.7.3 Maintenance of CA works

As per Rule 2.8(ii)(e) of Ministry's guidelines (March 2019), scheme for CA should be site specific and include detailed work schedule and maintenance of plantations for 10 years. Further, as per Paragraph 2.8(i) of the guidelines number of plants to be planted over non-forest land identified for CA shall be at least 1,000 plants per ha. In case it is not possible, the balance plants should be planted on degraded forest lands.

It was however, noticed that the special conditions of forest schedule of rates (FSRs of the year 2017) of the Department authorised the DFOs for maintenance including watch and ward of CA plantations up to seven years instead of 10 years in contravention to Rule 2.8(ii)(e) above. Further, from the records made available to audit,

¹⁶⁴ (i) Diversion of 2.26 ha. of forest land for upgradation of NH-67 from Km 707+500 to Km 708+880 (non-raising in targeted area of 5 ha., 55 months lapsed since Stage-II approval), (ii) Diversion of 3.80 ha. of forest land for quarrying of Road metal (non-raising in targeted of 4.10 ha., 42 months lapsed since Stage-II approval) and (iii) diversion of 4.59 ha. of forest land for quarrying of road metal (raised in 1.73 ha. out of targeted 5 ha., 51 months lapsed since Stage-II approval)

it was noticed that in the sampled divisions CA plantations were maintained up to five years only as shown in **Table-5.5**.

Table-5.5: Shortfall in maintenance period of CA plantations

(in years)

Sl. No.	Division	Stipulated period of maintenance	No. of years maintained	Shortfall in maintenance period
1	Chittoor East	10	4	6
2	Giddalur		5	5
3	Guntur		3	7
4	Narsipatnam		3	7
5	SPSR Nellore		5	5
6	Rajampet		4	6
7	Srikakulam		2	8
8	Tirupati		3	7
9	Visakhapatnam		3	7

Source: CA Plantations Journals and details furnished by the Divisions

Thus, the practice being followed by the Department in maintenance of plantations is contrary to extant guidelines.

On this being pointed out, the DFOs of Tirupati and SPSR Nellore, while accepting (July 2022) the audit observation, attributed non-maintenance of plantations up to 10 years to non-release of funds. DFO, Rajampet assured (July 2022) to maintain the plantations beyond four years. DFO, Srikakulam replied (July 2022) that necessary instructions were being issued to field officers concerned.

DFOs of Guntur and Giddalur replied (June/ July 2022) that plantations had been maintained up to 7 to 10 years. DFO, Chittoor East replied (July 2022) that all plantations raised under CA scheme were maintained as per the approved scheme/APOs. DFO, Visakhapatnam replied (July 2022) that based on field conditions CA schemes were maintained from one to seven years. The reply confirms non-maintenance of plantations as per stipulated period of 10 years.

Replies of DFOs, Guntur, Giddalur and Chittoor East are not acceptable, as proof of extended period of maintenance beyond actual period was not furnished. DFO, Narsipatnam did not furnish any reply.

Government in the Exit Conference (December 2022) assured to revise the maintenance period to 10 years for CA plantations duly incorporating in the FSRs.

Further, test check of records in two (out of 12) sampled DFOs revealed (June/July 2022) that in two¹⁶⁵ (out of 18) CA projects, the number of plants per ha. was 200 and 625 plants respectively instead of 1,000 plants per ha. Plantation of balance number in degraded forest lands was also not on record.

¹⁶⁵ Relaying road of Visakha valley school road from NH16 to beach road (Visakhapatnam) and Sri Suryam Granites (Chittoor East)

DFO, Visakhapatnam replied (July 2022) that number of plants was reduced due to existing good canopy density¹⁶⁶. However, specific authority for allowing the DFO to reduce number of plants based on canopy density was not mentioned. DFO, Chittoor East did not furnish reply. The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

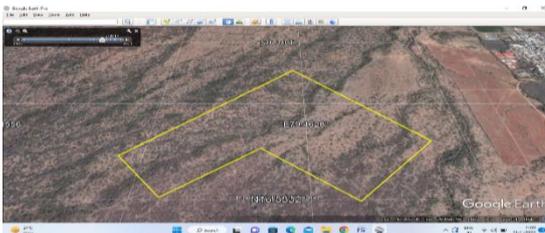
5.7.3.1 Status of plantations after maintenance period

State Forest Department had fixed¹⁶⁷ (March 1998) the norms of 70 per cent and 50 per cent survivals for considering a plantation as successful for Andhra and Rayalaseema regions respectively.

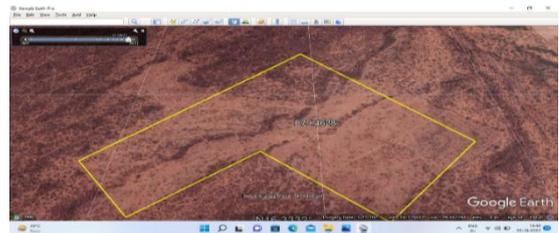
A test check of 30 plantations (selected randomly), as detailed in **Appendix-5.1**, raised during 2014-15 in the territorial divisions of Chittoor East, Guntur and Srikakulam carried out with the aid of Google Earth Pro revealed (August/ October 2022) that:

- Survival percentage was below 10 in respect of two¹⁶⁸ plantations ('zero' in one plantation and three per cent in the another) even after incurring an expenditure of ₹ 12.25 lakh.
- Survival percentage was above 10 and below 20 in three¹⁶⁹ plantations even after incurring an expenditure of ₹ 18.67 lakh.
- Survival percentage of six¹⁷⁰ plantations ranged between 20 and 50 (23 to 46 in Andhra region and 24 to 33 in Rayalaseema region) even after incurring expenditure of ₹ 84.22 lakh.

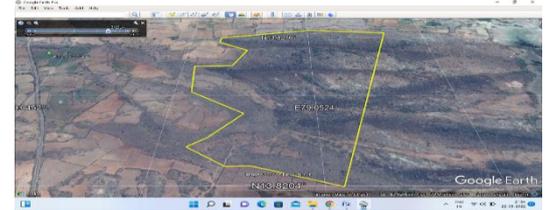
Illustrative pictures of failed plantations are shown below.



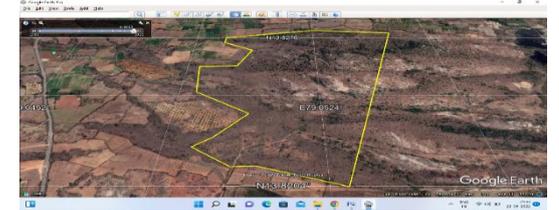
Nehrunagar Thanda, Guntur Division in 2014



Nehrunagar Thanda, Guntur Division in 2022



Usthakayalapenta, Chittoor East Division in 2014



Usthakayalapenta, Chittoor East Division in 2022

¹⁶⁶ per cent area of land covered by the canopy of trees which is expressed as a decimal coefficient; Dense forest: having tree canopy density of 70 per cent and above; moderate forest: having tree canopy density of 40 to 70 per cent

¹⁶⁷ circular No.6/98, dated 27 March 1998

¹⁶⁸ in Macherla (i) GPS ID-12318 (expenditure: ₹ 4.93 lakh) (ii) GPS ID-11419 (expenditure: ₹ 7.32 lakh)

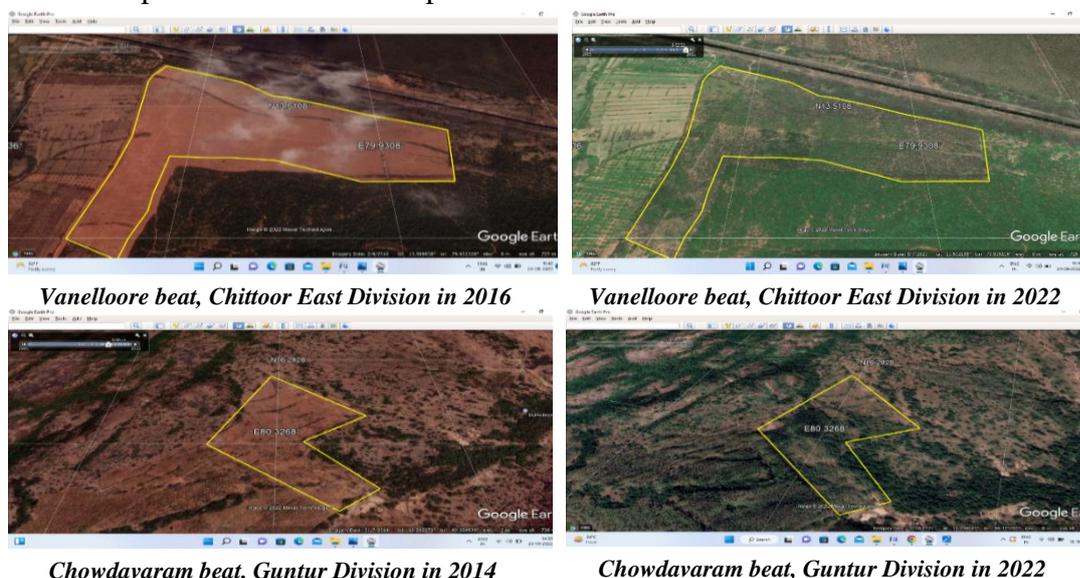
¹⁶⁹ in Piler (i) GPS ID-12648 (expenditure: ₹ 9.77 lakh) (ii) GPS ID-1223 (expenditure: ₹ 4.04 lakh)

(iii) GPS ID-1776 (expenditure: ₹ 4.86 lakh)

¹⁷⁰ (i) In Chittoor East: GPS ID-19072 (expenditure: ₹ 7.18 lakh); (ii) in Piler: GPS ID-11182 (expenditure: ₹ 15.04 lakh); (iii) in Puttur: GPS ID-12376 (expenditure: ₹ 16.58 lakh); in Vinukonda (iv) GPS ID-11286 (expenditure: ₹ 15.10 lakh); (v) GPS ID-12191 (expenditure: ₹ 15.37 lakh); (vi) GPS ID-12192 (₹ 14.95 lakh)

- In respect of 11 plantations, audit found that the survival percentage is more than the norm and ranged from 70 to 90 in Andhra and 71 to 96 in Rayalaseema area.

Illustrative pictures of successful plantations are shown below:



The summarised status of plantations is given in **Table-5.6**.

Table-5.6: Status of test-checked plantations after maintenance period

Status of plantations	No. of plantations		
	Andhra Region	Rayalaseema Region	Total
Successful	2	9	11
Failed	5	6	11
Not quantified due to reasons like variation in extent of area, two polygons for one GPS ID, unclear image, etc.	3	5	8
Total	10	20	30

Source: Google Earth pro maps

Thus, success rate after actual maintenance period *i.e.*, three to five years is only 50 per cent (in 11 out of 22 plantations).

On this being pointed out, the PCCF replied (September 2022) that the field offices submitted proposals in the APOs for carrying out the maintenance of CA plantations as per the scheme of respective project. It was also stated that provision for watch and ward, *etc.*, even after third year maintenance, would be taken note of as suggested by Audit.

Recommendation 5.4: The Department should evolve a periodical reporting mechanism for ensuring maintenance of plantation for stipulated 10 years period for better survival rate.

5.8 Financial management

Funds for CA are collected from the user agencies based on the rates fixed by the Forest Department from time to time. The user agencies deposit the amounts with the *Ad hoc* CAMPA. Up to the year 2018-19, the *Ad hoc* CAMPA released funds directly to the State Forest Department based on approved APOs. From the following year,

funds were transferred to the State CAF under the control of the State Government to the account head specifically opened for the purpose (Reserve Fund (interest bearing): 8121-00-129: Compensatory Afforestation Fund).

In view of the change in accounting procedure from 2019-20, the expenditure on CA is to be initially met by the State Government through budget support under account head 2406-04-103. The expended amount is recouped from the above Reserve Fund by adjustment at the end of the year. Further, a total expenditure of ₹ 433 crore was incurred in all the circles/divisions/units during the five-year period of 2017-22 and the expenditure in the sampled divisions was ₹ 180 crore.

5.8.1 Irregular adjustment from CAMPA Reserve Fund

It was observed from the year-wise details that ₹ 43.89 crore was expended by the APCAMPA during the year 2020-21. It was, however, noticed (June 2022) that ₹ 84.46 crore was recouped from the CAF Reserve Fund towards APCAMPA activities instead of ₹ 43.89 crore expended.

While confirming that the actual expenditure was ₹ 43.89 crore only, the PCCF stated (July 2022) that ₹ 84.46 crore was shown in Comprehensive Financial Management System (CFMS) in view of release of ₹ 50 crore through green channel PD account¹⁷¹.

In this connection, Audit noticed that ₹ 50 crore released (March 2021) by the GoAP through green channel PD account, had actually been withdrawn by the DDOs and parked in the PD accounts¹⁷² concerned without expending during the year 2020-21. Payments from Reserve Fund without incurring any expenditure in the service head was not in order.

The PCCF stated (October 2023) that due to freezing of CFMS, bills could not be claimed in 2020-21 and the amounts were parked in DDOs accounts. The reply is not acceptable as actual expenditure of ₹ 43.89 was to be recouped from CAF Fund.

Further, out of the ₹ 50 crore drawn, an amount of ₹ 37.80 crore was provided to field units during the period 2020-22 (in 2020-21: ₹ 27.94 crore and in 2021-22: ₹ 9.86 crore) and an amount of ₹ 12.17 crore was transferred (July 2021) to Bio-Diversity Conservation Society of Andhra Pradesh towards repayment of loan taken for remuneration of outsourcing staff.

5.8.2 Irregular utilisation of CAMPA funds

As per section 6 of CAF Act 2016, read with minutes of meeting of the National CAMPA Advisory Council held on 25 January 2012, the monies available in the State Fund shall be utilised towards CA activities like raising of CA, additional/ penal CA, CAT plan, forest management, wildlife protection and management, *etc.* The interest

¹⁷¹ funds from Central assistance to the State development schemes and matching share of the State should be adjusted to the Green Channel PD Accounts (facilitates to ensure that expenditure is carried-out in direct beneficiary transfer mode) and such PD Accounts are authorised to be exempted from Treasury scrutiny / intervention for fund clearance which means the bills under such Green Channel PD Accounts do not come up for Treasury scrutiny or clearance of funds by Finance Department, irrespective of the amount (*Source: GO Ms. No. 99 dated 14 August 2019*)

¹⁷² Account No.: 8443001061627175001VN under Compensatory Afforestation Fund Deposits

accrued on funds available in the State Fund shall be used for conservation and development of forest and wildlife and non-recurring and recurring expenditure for the management of the State Authority including the salary and allowances payable to its officers and other employees. Further, expenditure of administrative nature, Petrol, Oil & Lubricants (POL), repairs and renovation of office, *etc.*, are not permissible to incur from the CA Fund.

Rule 5(4) of the CAF Rules 2018 stipulated that the monies received under NPV component shall not be used for construction of residential and official buildings for officers above the level of FRO, purchase of vehicles or staff cars and heavy vehicles and machines and purchase of furniture, office equipment, fixtures, air conditioners, and generator sets, *etc.*

Audit scrutiny revealed that in the following instances the Department incurred expenditure on non-permissible activities.

- An amount of ₹ 12.20 lakh was paid (August 2018) out of NPV component as consultancy fee to an agency for the proposed construction of PCCF Camp Office at Vijayawada. As official buildings for officers above level of FRO is not to be booked under NPV, the expenditure paid out of NPV for construction of PCCF Camp Office, Vijayawada was not in order.
- During 2017-20, DFO, Guntur utilised ₹ 6.55 lakh¹⁷³ on the items like PCCF office expenditure, Advance to FRO for awarding 'Vana Samrakshana' meritorious medal, *etc.*

The PCCF replied (October 2023) that the expenditure was incurred as per the instructions of Government/ PCCF. Reply is not acceptable as these items of expenditure are not permissible under CAMPA provisions.

- In Chittoor East Division, ₹ 7.44 lakh was incurred from NPV component for extension of dining hall at forest guest house.

The DFO replied (July 2022) that the amount was expended as per the approved APOs. Reply is not acceptable. Incorporation of non-permissible items of expenditure in APOs is a violation to the stipulations. The PCCF stated (October 2023) that the audit observation is noted for future guidance.

Audit further observed that the Department had utilised ₹ 58.56 lakh¹⁷⁴ (during the period 2017-2019) towards 'Vanamahotsavam', renovation of Aranya Bhavan and National Bamboo Mission (NBM) scheme, *etc.*, from interest funds on reimbursement basis. The amounts were, however, not paid back to the interest fund (July 2023).

PCCF replied (July 2022) that ₹ 10 lakh was reimbursed (April 2019) by the DFO, Guntur and ₹ 4.56 lakh¹⁷⁵ was part of the expenditure. It was further stated that action is being taken for reimbursement of the balance amount.

¹⁷³ Rentals for keeping APAT records ₹ 1.26 lakh, transformer at PCCF ₹ 1.25 lakh, drinking water to PCCF office ₹ 0.63 lakh, Payments of dues for PCCF expenditure ₹ 2.28 lakh and Advance to FRO for awarding Vana Samrakshana meritorious medal ₹ 1.13 lakh

¹⁷⁴ Vanamahotsavam: ₹ 4 lakh; Renovation of Aranya Bhavan: ₹ 10 lakh; Rent of OSD law section: ₹ 0.41 lakh; Oil charges: ₹ 4.15 lakh; and National Bamboo Mission: ₹ 40 lakh

¹⁷⁵ ₹ 0.41 lakh paid to the law section OSD and ₹ 4.15 lakh oil charges of head office

Reply is not acceptable as the amount of ₹ 10 lakh, stated as reimbursed by the DFO, Guntur was not found in the cash book of PCCF. Treating ₹ 4.56 lakh as expenditure is also not justifiable as the amount was released on reimbursement basis.

Government in the Exit conference (December 2022) stated that component-wise details would be verified and detailed reply would be furnished in due course.

Regarding NBM scheme, the PCCF informed (October 2023) that the DFOs were unable to make reimbursement due to non-receipt of funds under NBM. The details would be furnished soon after reimbursement of the amount. Further progress is awaited (December 2024).

5.8.3 Short collection of NPV

As per para 3.1 & 3.4 of Ministry's guidelines (March 2019), NPV for forest land diverted for non-forest purpose is to be recovered from user agencies for undertaking forest protection, other conservation measures and related activities. The rates of NPV recoverable from the user agency depends upon the type (Eco Classes I to VI) of forest and forest cover of the diverted forest land *i.e.*, very dense (more than 70 per cent canopy density¹⁷⁶), dense (40 to 70 per cent canopy density) and open forest/ scrub jungle (less than 40 per cent canopy density).

Scrutiny (June 2022) of records of the diverted forest lands revealed that while computing the cost of NPV for seven (out of 100) projects, the DFOs of Visakhapatnam and SPSR Nellore divisions did not adopt applicable rates as per classification of forest type which resulted in short collection of NPV of ₹ 26.32 lakh (as detailed in *Appendix-5.2*).

Government in the Exit Conference (December 2022) accepted the audit observation and assured to issue revised demand.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

Recommendation 5.5: Government may review utilisation of budget/ CAMPA funds periodically to avoid diversion of funds/ utilisation of funds towards inadmissible activities.

5.9 Monitoring and evaluation

Evaluation of plantation works and monitoring at regular intervals duly assessing the utilisation of funds released by APCAMPA are essential for ensuring effective implementation of CA schemes.

5.9.1 Shortfall in conducting meetings of statutory bodies

In accordance with the Ministry guidelines (July 2009) on State CAMPA read with Sections 17, 18 and 19 of CAF Act 2016, the State Government had notified (October 2018) the constitution of (i) Governing Body - to lay down the broad policy framework

¹⁷⁶ Per cent area of land covered by the canopy of trees

for the functioning of the State CAMPA and review its working from time to time, (ii) Steering Committee - to approve the APOs and monitor the progress of utilisation of funds and (iii) Executive Committee - to prepare the APOs and supervise the CAMPA works.

The Governing Body has to meet at least once in six months and the other two committees have to meet at least once in every three months. The status of meetings of these committees during the audit coverage period *i.e.*, 2019-22 is shown in **Table-5.7**.

Table-5.7: Shortfall in conducting meetings by the committees

Year	Meetings of Governing Body			Meetings of Steering Committee			Meetings of Executive Committee		
	To be held	Held	Short fall (per cent)	To be held	Held	Short fall (per cent)	To be held	Held	Short fall (per cent)
2019-20	2	Nil	100	4	3	25	4	3	25
2020-21	2	Nil	100	4	1	75	4	1	75
2021-22	2	Nil	100	4	1	75	4	1	75
Total	6	Nil	100	12	5	58	12	5	58

Source: Information received from PCCF

It can be seen from the above table that the Governing Body did not meet even once during the three-year period 2019-22. The other two committees had met only five times each against the norm of 12 times. Thus, meetings of the bodies were not held at regular intervals. No meetings by the Governing Body resulted in non-fulfilment of the envisaged purpose (*i.e.*, policy framework and review of policies) of its formation.

Government in the Exit conference (December 2022) stated that one meeting of Steering Committee was held after the Audit and next is due to be convened. Specific response regarding meetings of Governing Body was however, not given.

The PCCF stated (October 2023) that meetings would be conducted timely in future.

Recommendation 5.6: Government should ensure that monitoring at higher levels is strengthened through regular meetings by the statutory bodies at stipulated intervals and by formulating policy framework for State CAMPA.

5.9.2 Non-preparation of annual reports

As per Ministry's guidelines (July 2009) on State CAMPA read with Section 28 of CAF Act 2016 and State Government orders (October 2018), the Annual Report of the State CAMPA is to be forwarded annually to the State Government, to the Ministry and to the *Ad hoc* CAMPA. Further, Section 29 of CAF Act 2016 stipulated that the State Government had to arrange to submit the Annual Report to the State Legislature.

The Executive Committee of State CAMPA shall prepare Annual Report by the end of June for each financial year with the details which *inter alia* include various works done, the amount spent and amount received by the State CAMPA from various sources, *etc.*

It was, however, observed that Annual Reports for none of the years covered in audit were prepared by the Department which is contrary to the stipulations. Thus, the State

Legislature was not informed of the annual activities undertaken by CAMPA as the annual report was not prepared and laid in the State legislature.

Department in the Exit Conference stated (December 2022) that the reports are under preparation and assured their submission to the Government.

The PCCF in the reply (October 2023) attributed non-furnishing of annual reports to non-receipt of interest details from the State Government. Further progress is awaited (December 2024).

Recommendation 5.7: Ensure timely preparation and submission of annual reports to State Legislature.

5.9.3 Independent system for monitoring and evaluation of works

Under the CAF Act, 2016, independent and concurrent third-party monitoring and evaluation of the works undertaken by the State CAMPA is an important requirement. Accordingly, the PCCF had invited (May 2021) expression of interest from four institutions to submit their willingness for third party monitoring of works carried under CAMPA from 2016-17 to 2020-21. The Institute of Wood Science and Technology, Bengaluru (IWST) informed (May 2021) its willingness to take up the work. Relevant details about CAMPA plantations raised, forest protection activities *etc.*, sought for (June 2021/ December 2021) along with draft MoU by the ISWT were forwarded in the months of June 2021 and July 2022.

Audit observed (August 2022) that MoU was however, not entered as of date of audit. Thus, concurrent monitoring of works carried out during the period 2016-17 to 2021-22 had not materialised.

On this being pointed out, the PCCF replied (October 2023) that MoU has been entered with IWST. However, no documentary evidence in support of the reply was furnished.

5.9.4 Non-updation of e-Green watch portal

e-Green Watch portal, maintained by Forest Survey of India (FSI), is designed and developed as a web-based workflow application and integrated information system. This enables effective online monitoring of works executed through the State CAF. The portal shows details of CA, diverted forest land, other plantations and assets, *etc.* As per the directives issued by Ministry (November 2020), the details of plantations undertaken with CAMPA funds on the e-Green watch portal shall be uploaded in a timely manner. The details include polygons of the plantations, photographs of plantation sites 'before' and 'after' planting, species planted, works progress reports/ photographs, *etc.*

A sample check of 30 plantations (*i.e.*, 10 from each of three¹⁷⁷ (out of 10) selected divisions as detailed in **Appendix-5.3**) on a random basis was carried out in the e-Green watch portal to verify the details of the plantations uploaded. The status (August 2022) of uploading is summarised in **Table-5.8**.

¹⁷⁷ Chittoor East, Guntur and Narsipatnam

Table-5.8: Non-updated cases in e-Green watch portal

Sl. No.	Details	No. of cases
1	Details of Diverted Forest Land (3) and Details of Land received from user agency for CA (3)	3
2	Details of the amount demanded from user agency against the FCA Project (14), Details of amount received from user agency against the FCA project (13), Plantation site details (6), Work estimate details (6), Photographs (13), Species details are to be carried out under the registered plantation works (15), Plantation Progress details (10)	6 to 15
3	No GPS (20), Activities to be carried out under the registered work-Estimate (22)	20 to 22
4	Reports about details of plantation done (28), Health of Plants (27), Inspection Details (29), Evaluation Details (29)	27 to 29

Source: e-Green watch portal

It can be seen from the table that in 90 per cent of test-checked plantations vital details like plantations done, health of plants, inspections and evaluation particulars were not uploaded.

In the e-Green watch monthly report (June 2022), the Ministry reported (July 2022) that out of a total 10,237 polygons uploaded by the State Forest Department, 8690 polygons were checked till June 2022. Of the 8,690 polygons checked, 3381 were considered to be deficient and 1,834 were unascertainable and under review till June 2022. Further, FSI cell had not been established till date, despite instructed (January 2021) by the Ministry to help the Forest Department to undertake all activities related to e-Green Watch.

On this being pointed out, the PCCF replied (September 2022) that instructions have been issued from time to time to field staff to update the plantation details in the web portal and the data updation is being monitored regularly from Head office. Regarding establishment of FSI cell in the State, the Department stated that an FRO was deputed to coordinate with FSI.

Government in the Exit Conference (December 2022) assured to complete the backlog, pointed out in the audit observation, shortly.

Recommendation 5.8: The Department should establish Forest Survey of India (FSI) cell immediately to undertake e-Green Watch portal related activities to assist Forest department in managing the portal effectively.

5.10 Conclusion

Audit of APCAMPA was taken up, covering a period of five years from April 2017 to March 2022, to assess compliance with the extant laws and other conditions stipulated for diversion of forest land for non-forest use. Implementation of compensatory afforestation (CA) works and its maintenance were also reviewed.

Audit observed that the Department had not notified non-forest land accepted for CA as reserve/ protected forest even after lapsing of 15 to 452 months from Stage-II

approval, though approvals of the Ministry stipulated completion of this activity within six months. Verification of encumbrance certificates on random basis revealed in six (out of eight) cases 16.03 acre of forest land was registered in the names of private parties. This indicates lack of coordination between Forest and Revenue Departments. In the cases of Polavaram and Chintalapudi lift irrigation projects CA was adversely affected due to acceptance of lands having unsuitable conditions for CA implementation. CA schemes were not maintained up to 10 years as stipulated in the guidelines. Monitoring and evaluation about CAMPA fund utilisation and implementation of CA schemes was inadequate as there were no meetings of the Governing Body and shortfall in holding of Steering Committee/ Executive Committee meetings during the period 2019-22. Thus, the objective of formation of Governing Body (*i.e.*, formulation and review policies of the CAMPA) was not fulfilled. Annual Reports of the State CAMPA for none of the years covered in audit were prepared by the Department contrary to the stipulations. There were instances of utilising CAMPA fund for inadmissible activities and non-reimbursement of amounts given for various purposes on reimbursement basis.

The matter was referred to the Government (December 2022 and May 2024); their reply has not been received (December 2024).

Vijayawada
The 28 July 2025


(SARAT CHATURVEDI)
Principal Accountant General (Audit)
Andhra Pradesh

Countersigned

New Delhi
The 29 July 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India