



## Chapter - 2

### THEME: AFFORESTATION

*Forests are critically important habitats due to the ecological functions they serve and the biodiversity they contain. However, the process of development is destroying our forests and the needs of our development have to be balanced with the necessity of protection and preservation of our valuable forest resources. The total forest cover of the country, as per the 2007 assessment constitutes 21.02 per cent of the geographic area of the country. India is making vigorous efforts to increase the geographical area under forest cover to 33 per cent and the Green India Mission, under the National Action Plan for Climate Change plans to double the area to be taken up for afforestation/eco-restoration in India in the next 10 years.*

## 2.1 Failure of a scheme for increasing tree cover

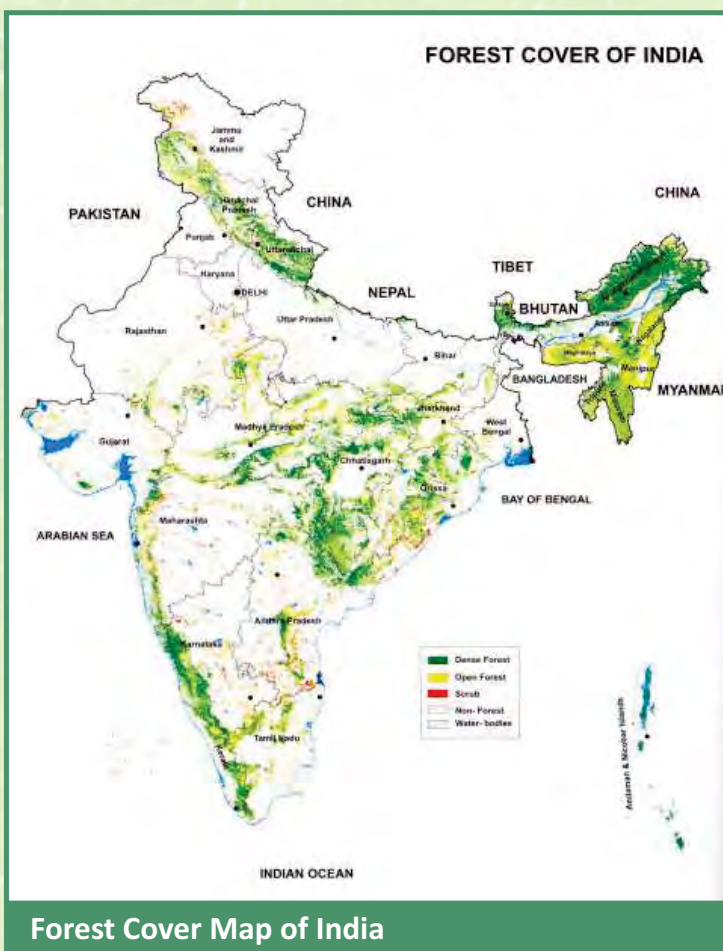
National Afforestation and Eco-Development Board (NAEB) released ₹47.03 crore to Voluntary Agencies (VAs) and State Forest Departments (SFDs)/Forest Development Agencies (FDAs) for implementing 647 afforestation projects. Audit observed that only 3.57 per cent of the projects sanctioned to VAs and 23 per cent of the projects sanctioned to SFDs/FDAs could be completed. As these agencies did not come back to NAEB for release of further installments, the possibility of misutilisation/fraud could not be ruled out. More than 93 per cent of the projects did not achieve their targeted objectives; thereby seriously impacting the efforts to increase tree cover in India.

### 2.1.1 Introduction

Planning Commission, in its Approach Paper in September 2001, had fixed the target of increasing the forest/ tree cover in India to 25 per cent of the geographical area of the country by the end of Tenth Five Year plan (2002-07) and 33 per cent by 2012. Further, it had also observed during discussions for the Tenth Five Year Plan that availability of land and quality planting material were major gap areas.

National Afforestation and Eco-Development Board (NAEB), under the Ministry of Environment and Forests (MoEF), is responsible for promoting afforestation, tree planting, ecological restoration and eco-development activities in the country.

Recognising these constraints, NAEB decided to restructure the existing 'Grants-in-Aid Scheme'<sup>15</sup>



<sup>15</sup> Introduced in 1987.

providing assistance to voluntary agencies for tree planting' (VA Scheme) to meet the identified constraints. The restructured scheme, renamed as 'Grants-in-aid for Greening India' (Greening India Scheme), was approved by Expenditure Finance Committee (EFC) in March 2005 at a total cost of ₹49.50 crore to be implemented during the Tenth Five Year period (upto March 2007). While approving the modified scheme, Planning Commission had expressed its reservations and suggested that the lessons learnt from the VA Scheme be incorporated in the new scheme.

### (i) Objectives of the schemes

The broad objective of the VA Scheme was to financially assist Voluntary Agencies for taking up afforestation, tree planting and eco-development activities. Greening India Scheme further extended these objectives by including components for setting up nurseries, training, evaluation activities etc. The main components of the scheme to achieve the overall objectives set out for the programme were:

- a) Tree planting;
- b) Production of quality planting material through hi-tech and satellite nurseries; and
- c) Awareness generation, extension and training.

### (ii) Funding pattern

Funds under these schemes were to be given to the VAs<sup>16</sup> (for tree planting projects) in three installments and SFDs<sup>17</sup>/FDAs<sup>18</sup> (for production of quality planting material and awareness generation programmes) in two installments. The first installment was to be released immediately after the sanction of the project. After the UCs and progress reports for the first installment were received, NAEB was required to carry out midterm evaluation of the project through Principal Chief Conservator of Forests (PCCF) of the concerned state. Based on this, NAEB was to release the second installment. The third installment was payable after receipt of UCs for the second installment and final evaluation report by concerned PCCF. Thus, project completion was contingent on VAs/SFDs/FDAs getting all the three installments and submitting UCs, projects reports and evaluation reports to NAEB.

## Audit Findings

### 2.1.2 Poor completion rate of projects under the scheme

During 2003 to 2008, NAEB had sanctioned 647 projects at a cost of ₹59.48 crore of which, 560 projects (87 *per cent*) were sanctioned to VAs and 87 projects (13 *per cent*) to FDAs/SFDs under the three components<sup>19</sup>. The total amount released during 2003-09 was ₹47.03 crore.

Audit observed that the project completion rate under the scheme was very poor and there was no assurance that the funds released to VAs and other agencies had been actually utilized by them for the purpose for which these were sanctioned.

Audit findings in respect of the 647 sanctioned projects are given in table below and discussed thereafter:

<sup>16</sup> Voluntary agencies could be Non Government Organisations (NGOs), Registered Societies, Non-Profit Organisations, Cooperatives, Charitable Trusts etc. Only those agencies who had been registered at least for last five years and who had requisite experience in the field of environment/social sectors, were considered for financial assistance.

<sup>17</sup> State Forest Departments (SFDs).

<sup>18</sup> Forest Development Agencies (FDAs): These are registered under Society's Registration Act and consist of district level officers of relevant line departments of state departments and panchayat raj institutions, including private citizens.

<sup>19</sup> (1) Production of quality planting material through hi-tech and satellite nurseries, (2) tree planting and (3) awareness generation, extension and training.



Table - 8

(Amount: ₹ in crore)

Audit findings in respect of the 647 sanctioned projects										
	Release of installments						Projects Dropped		Total	
	One Installment		Two Installments		All Installments					
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Projects sanctioned to VAs	352	13.64	185	15.92	20	1.77	3	0.22	560	31.55
Projects sanctioned to FDAs & SFDs	47	3.59	35	3.20	NA*	NA*	5	0.50	87	7.29
Total	399	17.23	220	19.12	20	1.77	8	0.72	647	38.84

\* Funds under these schemes were given to the SFDs/FDAs in two installments

#### (a) Projects sanctioned to Voluntary Agencies:

- Out of 560 projects sanctioned to VAs, in 352 projects (62.85 *per cent*) costing ₹30.70 crore, only first installment amounting to ₹13.64 crore was released but remaining two installments were not released as NAEB did not receive necessary documents viz., UCs and progress reports from the VAs concerned or the mid-term evaluation reports from concerned state government/PCCF. Thus, implementation of all of these projects was incomplete as VAs did not come back to NAEB for release of the second and third installments. This casts doubt on whether the VAs actually spent the funds released to them in the first installment and the possibility of misutilisation/ fraud cannot be ruled out.
- In 185 projects (33.04 *per cent*) involving ₹18.15 crore sanctioned to VAs, first and second installments were released (₹15.92 crore) but final installment (₹2.23 crore) was not released by NAEB due to non-receipt of final evaluation report and UCs from concerned state government/PCCF or necessary documents from VAs. Thus, these projects also remained incomplete.
- Only in 20 projects (3.57 *per cent*) costing ₹1.79 crore sanctioned to VAs, all the installments of grants were released (₹1.77 crore).
- Three projects (0.54 *per cent*) involving ₹22.44 lakh were dropped.

#### (b) Projects sanctioned to Forest Development Agencies and State Forest Departments:

- Out of 87 projects sanctioned to FDAs and SFDs, in 47 projects (54.02 *per cent*) involving ₹4.91 crore sanctioned to FDA/SFDs, only first installment amounting to ₹3.59 crore was released but remaining installments were not released as NAEB was yet to receive necessary documents/ progress reports from FDAs/SFDs. Thus, project implementation was incomplete in 54.02 *per cent* of the projects sanctioned to FDAs/SFDs.
- In 35 projects (40.23 *per cent*) involving ₹3.20 crore all the installments of grants were released. However, only in 20 projects (23 *per cent*) final progress report and UC were received.
- Five projects (5.75 *per cent*) involving ₹50 lakh were dropped.

Thus, only 3.57 *per cent* of the projects sanctioned to VAs were actually completed. In financial terms, only 5.65 *per cent* of the total funds were spent on these completed projects. The possibility of mis-utilisation/fraud is not ruled out as majority of the VAs neither came back to NAEB for the next installments after release of first installment nor did they furnish UCs/progress reports. NAEB also failed



to ensure recovery of funds from these VAs and it did not initiate any action against the defaulting VAs. In case of projects sanctioned to FDAs/SFDs, only 23 *per cent* of the sanctioned projects could be completed. As such, more than 93 *per cent* of projects did not achieve their targeted objectives, thereby affecting the overall objective of afforestation.



Afforestation project targeting degraded land

NAEB replied in December 2009 that it had filed seven FIRs and was in the process of filing another one and that suspected cases of mis-utilisation/fraud were being dealt with timely/appropriately with the SFDs taking action. NAEB also replied that in Chhattisgarh, two FIRs had been filed, Meghalaya had sent an enquiry report and was initiating further action and in Orissa, one VA had returned the money in November 2009. Further, it stated that SFDs were now submitting more evaluation reports, hence facilitating release of subsequent installments to more project implementing agencies. It further stated that number of tree planting projects receiving only one installment had come down to 270 (47.50 *per cent*), the number of second installment cases had increased to 250 (43.90 *per cent*) and that of the completed projects had increased to 49 (8.60 *per cent*).

### 2.1.3 Mid Term Evaluation of the Greening India Scheme

The Mid Term Evaluation of the Greening India Scheme carried out by Society for Social Services Madhya Bharat Chapter in November 2007 also revealed that the Society had mailed questionnaires to 170 VAs, out of which 15 questionnaires were returned due to unavailability of addresses and only 33 VAs responded to the questionnaires. In addition, the Society also selected 59 projects for field verification and evaluation. From the scrutiny of the 33 responses received and 59 cases inspected, following facts emerged:

- i. Out of these 59 projects inspected, eight VAs had misappropriated funds and 10 VAs had tried to avoid inspection.
- ii. Micro-plans were not prepared for any of the projects and the project proposals were treated as micro-plans.
- iii. In none of the cases, the expected benefits have been quantified.

In December 2009, NAEB replied that the action in doubtful cases had been initiated timely in consultation with the respective SFDs. The process would continue till its logical conclusion. It further stated that the on-going audit had accelerated the pace of follow up action.

Thus, the audit findings and the independent evaluation of the scheme revealed that the scheme failed to achieve the desired objectives and the funds released to various implementing agencies were also misappropriated by them.

#### Recommendation - 2

A thorough investigation into the utilisation of funds may be conducted by the ministry and appropriate action taken against the defaulting agencies.

**Component wise implementation of the VA scheme and Greening India scheme is discussed below.**

#### 2.1.4 Tree planting

As per the guidelines, financial assistance was to be provided directly to VAs, farmers, societies, tree growers' cooperatives, etc., for plantation of trees in degraded government and private lands, abandoned mines and quarries, community land, road sides etc. Government agencies like urban and rural local bodies etc., would be provided money for tree plantation through SFDs.

In this regard, Audit observed the following:

#### (a) Non-achievement of targets for tree planting

According to information collected by Audit, it was observed that during the period 2003-05, NAEB had sanctioned 369 projects and released ₹17.39 crore under VA Scheme for tree planting. Further, during 2005-08, NAEB had sanctioned 194 projects and released ₹18.43 crore under the Greening India scheme for tree planting.

**Table - 9**

Performance of the Greening India scheme					
Year	2003-04 (VA Scheme)	2004-05 (VA Scheme)	2005-06 (Greening India Scheme)	2006-07 (Greening India Scheme)	2007-08 (Greening India Scheme)
Grant released (in crore)	8.42	8.97	7.60	4.24	6.59
Targeted Cover	No target set	No target set	6000 hectares (advance planting) and 7000 hectares (creation)	7000 hectares (advance planting) and 7000 hectares (creation)	No target set
Sanctioned Cover	8724 hectare	8510 hectare	4714 hectare	2481 hectare	1950 hectare
Achievements	NAEB could not provide the figures in respect of actual tree cover achieved under these schemes.				



It can be observed from the Table 9 that:

- No targets for tree planting were set by NAEB for the period 2003-05 and for 2007-08. As such it was impossible to assess the achievement of the extent of afforestation through tree plantation.
- During the period 2005-07, against the target of 27000 hectares of plantation, projects covering only 7195 hectares (26.65 per cent) of plantation were sanctioned.
- The actual area to be covered under tree plantation considerably declined from 8724 hectares covered in 2003-04 (under VA Scheme) to merely 1950 hectares of plantation done in 2007-08 (under Greening India Scheme). Thus, the success of the new scheme, despite setting up of high-tech nurseries, was doubtful.

In March 2009 and in December 2009, NAEB replied that the scheme was demand driven, subject to the submission of sound proposals by the SFDs and availability of funds. The reply was not acceptable as NAEB failed to take appropriate steps to generate adequate demand for tree plantation projects so as to achieve the prescribed targets.

#### (b) Inadequacies in project implementation and monitoring under the tree planting component

Audit examined 54 projects sanctioned during 2003-05 under the VA Scheme and 11 projects sanctioned during 2005-06 under the Greening India Scheme for detailed scrutiny of implementation as well as monitoring of the projects. The sanctioned cost of these 65 projects (out of 563 projects) was ₹5.58 crore and amount released was ₹3.92 crore. The sanctioned duration of each of these projects was three years and all of these were expected to be completed by March 2009. However, only 12 projects were completed wherein all installments were released by NAEB. The remaining 50 projects (excluding 3 dropped projects) could not achieve their objectives and remained incomplete due to following reasons:

- NAEB did not initiate any correspondence with defaulting VAs and SFDs after the release of first installment of grant (9 cases).
- SFDs did not send mid-term evaluation reports to enable the release of second installment of grants to VAs by NAEB (7 cases).
- Though mid-term evaluation reports were received from SFDs, no action was initiated by NAEB to release second installment to these VAs (7 cases).
- SFDs did not send the final evaluation reports to enable the release of final installment of grants to VAs (13 cases).
- In projects where final evaluation reports were received from SFDs, no action was initiated to release final installment of grants to VAs as the file was not processed further (7 cases).



Monitoring of Projects

- (vii) NAEB did not take any action to blacklist the VAs as required under GFRs who failed to abide by the terms and conditions of grants (7 cases). On this being pointed out by Audit, NAEB stated in December 2009 that four VAs have been blacklisted, one VA was referred to the SFD for evaluation and follow-up was pending for two VAs.

Thus, all these findings pointed to improper planning and lack of monitoring on part of NAEB to ensure successful and timely implementation of the projects taken up under the VA Scheme and Greening India Scheme with respect to tree planting. Most of the projects sanctioned to the VAs were not complete and no action was taken up against the defaulting VAs. Thus, the overall objective of increased afforestation could not be achieved.

### 2.1.5 Production of quality planting material through hi-tech and satellite nurseries

As per the guidelines, financial assistance was to be given to SFDs for facilitating production and availability of Quality Planting Material through establishment of hi-tech nurseries<sup>20</sup> and satellite nurseries<sup>21</sup>. SFDs were the nodal agencies for enabling production and making available Quality Planting Material. SFDs had to either produce the Quality Planting Material on its own or through collaborative arrangements with forestry/ agricultural research organisations/ FDAs/ farmers below poverty line/ tree growers' cooperatives and Panchayats. Individuals/ private entrepreneurs including farmers below poverty line interested in setting up their own nurseries were to be encouraged to set up satellite nurseries provided they were registered under provisions of relevant local acts and rules at the time of application.



High-tech Nursery

<sup>20</sup> High-tech nursery would have seedling capacity of 1 lakh with features of improved technology such as mist chamber, root trainers, sprinkler irrigation etc. These were to be set up by SFDs on their own or in collaboration and the project cost was ₹10 lakh.

<sup>21</sup> Satellite nurseries had a seedling capacity of 1 lakh and were to be set up using locally available material like thatch shades, can sprinklers, vermi-compost etc., at a cost of ₹ 1 lakh. In addition to SFDs, these could be set up by individuals (including farmers below poverty line and private entrepreneurs).



Audit findings relating to setting up of satellite and hi-tech nurseries are discussed below:

#### (a) Non-fulfillment of targets for production of Quality Planting Material

In the approved EFC Memo, NAEB had targeted to spend ₹ 5.80 crore and ₹ 4.64 crore in 2005-06 and 2006-07 on establishment of high-tech and satellite nurseries respectively for production of Quality Planting Material. The details are mentioned in the table below.

Table - 10					
Non fulfillment of targets for production of Quality Planting Material					
Year	2003-04	2004-05	2005-06	2006-07	2007-08
Grant released (₹ in crore)	0	0	2.88	1.36	1.81
Target (Number of nurseries)	Component not included	Component not included	Hi-tech: 29 Satellite: 290	Hi-tech: 29 Satellite: 174	Hi-tech: No target sets Satellite: No target sets
Sanctioned (Number of nurseries)	Not Applicable	Not Applicable	Hi-tech: 29 Satellite: 0	Hi-tech: 17 Satellite: 0	Hi-tech: 21 Satellite: 0

It can be observed from the above table that:

- In 2005-08 there was no achievement under setting up of satellite nurseries, even though 464 such nurseries were targeted to be set up during 2005-06 and 2006-07. In December 2009, NAEB replied that no sound proposal for satellite nurseries was received and hence, none was approved. The reply illustrates that targets were fixed without any preliminary survey and NAEB also did not take adequate steps to generate demand for quality planting material.
- Targets were not set for 2007-08, making it difficult to assess achievement in that year.
- Out of 28 states, in 7 states, high-tech nurseries were not sanctioned at all and in 11 states, only one high-tech nursery each was sanctioned.

Thus, NAEB could not ensure adequate production of Quality Planting Materials throughout the country and the objective of generating quality planting material to serve as a source of genetically diverse quality planting material for encouraging afforestation was not achieved.

In December 2009, NAEB agreed that the objective of generating quality planting material to serve as a source of genetically diverse quality planting material for encouraging afforestation could be only partially achieved, even though, due emphasis was given to sanction maximum number of hi-tech/satellite nurseries.

#### (b) Inadequacies in project implementation and monitoring of projects for production of Quality Planting Material

Out of the 67 sanctioned projects, Audit examined 13 projects sanctioned for setting up hi-tech and satellite nurseries (10 projects sanctioned during 2005-06 and 3 sanctioned during 2006-07) in detail regarding project implementation and monitoring. These had a sanctioned cost of ₹1.20 crore and the amount released under these projects was ₹1.04 crore. The sanctioned duration of each of these projects was one year.

The audit findings in respect of these 13 projects are discussed below:

- NAEB was unaware of the actual progress of the work as neither the FDA had submitted the quarterly report and annual report, nor NAEB had reminded them to submit such reports.

- Midterm corrections could not be carried out under these projects as the projects were not monitored either by the SFDs or NAEB.



**Quality Planting Material**

Thus, against the target of setting up 58 high-tech nurseries, NAEB could sanction only 46 nurseries and released ₹4.24 crore during 2005-07. Also, though satellite nurseries were envisaged to be set up in every district of the country, no such nursery has been set up so far. Thus, the main objective of the modified scheme i.e., addressing inadequate supply of Quality Planting Material to encourage afforestation remained unachieved.

On this being pointed out in Audit, NAEB replied in December 2009 that concerted efforts were being made to obtain requisite reports from the SFDs and this issue had been highlighted at every available opportunity like the state nodal officers meetings or their visits to the Ministry. NAEB also stated that UCs had now been received in 3 out of the 13 projects.

#### **2.1.6 Awareness generation, extension and training**

As per the operational guidelines for the Greening India Scheme, financial assistance was to be provided to the SFDs through FDAs for:

- a) Creating awareness through printing and circulation of pamphlets on nursery/ planting techniques, economics and marketing of important tree species and guides on establishment of hi-tech/ satellite nurseries, assessment of species (type and quantum), and land availability;
- b) Training on production of Quality Planting Material, tree planting, micro planning;
- c) Estimation survey to ascertain the extent of availability of non-forest land and forest land/species for location of central/high-tech nursery.

Audit examination, however, disclosed the following:

##### **(a) Non fulfillment of targets**

In the approved EFC Memo, NAEB had targeted spending ₹2.32 crore in 2005-06 to generate awareness about the Scheme. However, it was observed in audit that only 12 projects were sanctioned and ₹88 lakh released during this period. Even during three years period (2005-08) NAEB could sanction only 18 projects and released ₹1.21 crore to 15 states. Further, in 13 out of 28 states NAEB did not sanction any project for awareness generation.



NAEB also did not receive any feedback from the concerned FDAs regarding effectiveness of the awareness and training programmes taken up under the Scheme.

Thus, NAEB did not spend adequately on projects for awareness generation, extension and training, which was one of the important components of the scheme. Consequently, the scheme failed in generating public interest to further the cause of afforestation in the country.

In December 2009, NAEB replied that the targets laid down in EFC memo were only indicative and hence might not be taken as basis for assessing the achievement. The reply of NAEB indicated that the targets were fixed without any realistic assessment and the fact remained that it failed to create adequate awareness about the scheme.

#### **(b) Inadequacies in project implementation and monitoring under the awareness generation component**

Out of the 18 sanctioned projects for awareness generation, Audit examined six projects sanctioned during 2005-06 involving ₹48 lakh. The amount released under these projects was ₹46.50 lakh. The sanctioned duration of each of these projects was one year.

The audit findings in respect of these six projects are discussed below:

- Comprehensive Quarterly Reports were neither submitted by the FDAs nor had NAEB reminded them to submit such reports.
- Periodic monitoring by SFDs and the officials of NAEB was not done despite the terms and conditions of the grant.
- Though the sanctioned duration was over, NAEB had not received completion report from the concerned SFDs.

Thus, there was total lack of monitoring of the projects sanctioned under the scheme for generation of public awareness.

#### **2.1.7 Monitoring of the Greening India Scheme**

**(a)** During EFC meeting held in March 2005 to approve Greening India Scheme, the Adviser, Planning Commission had suggested that evaluation reports and findings of projects/ scheme should be shared with the Planning Commission to update their feedback. In this regard, Audit requisitioned records relating to preparation of said evaluation reports and their submission to Planning Commission. In March 2009, NAEB replied that outcome of evaluation of all NAEB schemes, including this one had been communicated through progress reports and duly shared with Plan Coordination Division of MoEF. The reply needs to be viewed in the light of the fact that NAEB was required to share these reports with Planning Commission. Further, it did not provide any documentary evidence in support of its reply.

**(b)** NAEB failed to incorporate any clause in the sanction to ensure the direct monitoring of the scheme and left the monitoring solely at discretion of SFDs, whose role was only restricted to verifying the ground realities before recommending the same for second installment. In December 2009, NAEB replied that the scheme guidelines do not necessitate direct monitoring by NAEB but provide it through independent agencies. Accordingly, it has been carried out by the independent agency as well as SFDs. It further stated that visits of NAEB officers to the states are being contemplated for speeding up the process and monitoring the projects case by case.

**(c)** As per the instructions of Ministry of Finance, the Financial Adviser (FA) of the Ministry was to associate himself with the evaluation of progress/performance in case of projects and other continuing

schemes and to see that the results of such evaluation studies were taken into account in budget formulations. FAs were to be the nodal points for all activities relating to plan, budget and programme/project evaluations and any unit of the Ministry undertaking such evaluations etc., was to function under the overall supervision and control of the FA.

Further, as per Rule 64 of GFRs 2005, the Secretary of the Ministry was required to exercise duties and responsibilities as Chief Accounting Authority of the Ministry. The Secretary was responsible for ensuring efficient, economical & transparent utilisation of resources of the Ministry in achieving the objectives of a project whilst complying with performance standards. The Secretary was also required to review and monitor the performance of programmes and projects assigned to his Ministry to determine whether the stated objectives were achieved.

In this regard, the audit findings as mentioned above clearly indicated that the schemes did not achieve the stated objectives and NAEB was not aware of the extent of utilisation of funds released by it to the VAs/SFDs/FDAs for the purpose for which they were sanctioned. NAEB also failed to get the utilisation certificates/unspent funds from the defaulting VAs/SFDs/FDAs. It did not initiate any action for recovery of government funds from these agencies. All this pointed to the need for enhanced supervision and monitoring of the scheme/projects both by the FA and Secretary of the Ministry.

In December 2009, NAEB admitted that the scheme objectives had been only partially met. It further stated that, keeping in view the financial propriety, seemingly unsound projects were not approved. NAEB also stated that subsequent installments were not released unless UCs and related progress reports duly verified by SFDs were received.

### 2.1.8 Conclusion

The scheme of “Grants-in-Aid to voluntary Agencies” implemented by NAEB since 1987 and modified in 2005 as 'Grant in Aid for Greening India' by incorporating additional components of quality planting, material production facilities and creation of mass awareness, did not have the desired impact. In absence of specific monitorable targets for tree planting, achievement of overall aim of afforestation suffered. Only 3.57 *per cent* of the projects sanctioned to VAs and 23 *per cent* of the projects sanctioned to SFDs/FDAs could be completed and more than 93 *per cent* of projects did not achieve their targeted objectives. The possibility of misutilisation/fraud is not ruled out as majority of VAs/SFDs/FDAs neither came back to NAEB for the next installment after release of first installment nor did they furnish UCs/progress reports.

Though NAEB modified the VA scheme, it failed to address the implementation level problems as objectives of Greening India scheme also remained largely unachieved. Thus, after continuing with a scheme for increasing the tree cover right from 1987 and modifying it in 2005, NAEB finally closed it. NAEB again launched a new scheme in July 2008 “Gram Van Yojna” by more or less subsuming the objectives of earlier scheme at a total cost of ₹900 crore, to be implemented during Twelfth Plan period.

### Recommendation - 3

Deficiencies in the implementation of Greening India Scheme should be addressed effectively in the new Scheme, so that the desired objectives of afforestation and increasing tree cover in India could be achieved.



## 2.2 Non achievement of objective of developing forest resources

National Afforestation and Eco-Development Board (NAEB) released ₹64 lakh to three Forest Development Agencies (FDAs) in Goa under the National Afforestation Programme for treating 1250 hectares of degraded forest land. However, only 85 hectares of land could be treated during the Tenth Plan period. NAEB could neither ensure successful implementation of the programme in the state nor recover the entire grant of ₹64 lakh and interest of ₹32 lakh from the concerned FDAs under the state government.

National Afforestation and Eco-Development Board (NAEB), under Ministry of Environment and Forests (MoEF), operated a pilot scheme Samanvit Gram Vanikaran Samridhi Yojna (SGVSY) in the Ninth Five Year Plan (1997-2002), utilising the delivery mechanism of Forest Development Agencies (FDA) and Joint Forest Management Committees. With the good experience observed under this scheme, MoEF initiated the National Afforestation Programme (NAP) Scheme in the Tenth Five Year Plan (2002-07) by scaling up SGVSY project experience and converging all afforestation schemes of the Ninth Plan Period.

The overall objective of the NAP scheme was to develop the forest resources with people's participation, with focus on improvement in livelihoods of the forest-fringe communities, especially the poor. The scheme aimed to support and accelerate the ongoing process of devolving forest protection, management and development functions to decentralised institutions of Joint Forest Management Committees at village level and Forest Development Agencies at forest division level.



Afforestation projects in degraded land

For implementation of the NAP scheme in the state of Goa, NAEB sanctioned three projects to three Forest Development Agencies<sup>22</sup> in March 2004 at a total cost of ₹2.39 crore. These projects were to be implemented during 2004-07 by South Goa FDA, North Goa FDA and Goa Wildlife FDA for treating 1250 hectares of degraded forest land. The scheduled date for completion of all the three projects was March 2007. NAEB released ₹64 lakh to the three FDAs in March 2004.

It was observed in audit that as of July 2009, only 85 hectares of degraded forest land had been treated under the programme. Goa Wildlife FDA had reported no progress and the entire fund of ₹22 lakh was lying unspent with them. South Goa FDA utilised only ₹9.20 lakh as of March 2009 and had treated 85 hectares of forest land and North Goa FDA had spent only ₹5.05 lakh during 2004-09 and had reported no progress. Thus, out of a target of treating 1250 hectares of degraded forest land, only 7 per cent of the target was actually achieved and an amount of ₹49.75 lakh was still lying unspent with these societies.



Forest in degraded land

It was observed in audit that all the three FDAs were constituted in February/March 2004 and the money was transferred to these FDAs in March 2004 itself. Achievement under the scheme was zero per cent as of March 2005 and NAEB requested the Goa State Government in May 2005 to review the scheme urgently and report the action taken to improve the performance. In view of no further progress under the project, in May 2006, NAEB directed the Chief Conservator of Forests, Government of Goa to direct these FDAs to immediately return the grants in whole along with interest thereon as per rate on government securities. The entire grant of ₹64 lakh along with ₹32 lakh as interest<sup>23</sup> has not been recovered as of October 2009 from these FDAs inspite of the following enabling provisions which could have aided NAEB in recovering the funds:

- The FDAs had furnished a bond wherein they agreed to the terms and conditions of the sanction of funds by NAEB. The sanction for the project stipulated that in case the FDAs failed to execute the projects within stipulated time, NAEB may in its discretion require the FDAs to refund the grant in whole or in such part along with interest thereon.

<sup>22</sup> These are registered under Society's Registration Act and consist of district level officers of relevant line departments of state governments and panchayati raj institutions, including private citizens.

<sup>23</sup> Calculated at the rate of 10 per cent for 5 years.



- According to General Financial Rules 2005, in the event of the grantee failing to comply with the conditions or committing breach of the conditions of the bond, the signatories to the bond should be jointly and severally liable to refund to the President of India, the whole or a part amount of the grant with interest at 10 *per cent* per annum thereon or the sum specified under the bond.
- NAEB did not initiate action against the FDAs even though it directed the FDAs to return the funds way back in May 2005.

After being pointed out in audit in April 2009, all the three FDAs submitted their revised work programme for approval of NAEB in July 2009. However, these were not approved by NAEB and in October 2009, NAEB again requested the FDAs to refund the entire amount of ₹64 lakh along with the interest accrued thereon.

Thus, NAEB failed to ensure that NAP scheme was successfully implemented in the state. It also could not recover the entire grant of ₹64 lakh and interest thereon from these FDAs by enforcing the conditions of the sanction order.

#### Recommendation - 4

Funds should be released to the implementing agencies in installments and before entrusting funds, MoEF should adequately assess the capacity of agencies in project implementation so that achievement of project objectives can be ensured.