

[Commentary] Can CAMPA compensate for the loss of forest land?

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- *The Compensatory Afforestation Fund Management and Planning Authority (CAMPA) manages funds collected from forest land diversion to compensate for the loss of forests through afforestation and conservation activities.*
- *Questions regarding the extent that compensatory afforestation can achieve the restoration of degraded forest have been frequently raised.*
- *The Odisha CAMPA audit highlighted poor implementation, with low plantation survival rates, mismanagement of funds, and non-maintenance of afforestation efforts.*
- *The views in this commentary are that of the authors.*

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The Supreme Court of India in October 2002 directed that a “Compensatory Afforestation Fund’ (CAF) shall be created, where money is collected from user agencies towards compensatory afforestation (CA) under the Forest Conservation Act, 1980 for accelerating activities for the preservation of natural forests, management of wildlife, and infrastructure development.

In this spirit, the Odisha State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) was constituted and operationalised in September 2018 to compensate

for the loss of tangible and intangible benefits from the forest lands which were to be diverted for non-forest purposes. However, the process of “compensatory afforestation” is pointed out as devoid of logic by many environmentalists as the plantation can never compensate for the loss of natural forests.

On 11 September 2024, four audit reports from India’s national audit office – the Comptroller and Auditor General of India (CAG) – were tabled in the Odisha state assembly. One of these reports devoted an entire chapter reviewing the functioning of Odisha’s Compensatory Afforestation Fund Management and Planning Authority. The audit findings that emerged from this detailed compliance audit reveal glaring deficiencies in the implementation of the code of management’s plan procedure, non-maintenance of plantation, diversion of CAMPA funds and so on.



Afforestation. Image by BemanHarish via Wikimedia Commons (CC BY-SA 4.0).

Records show that from 2016-17 to 2019-20, the survival rate of plantation was only 7.5 percent due to non-maintenance. The plantation activity costing Rs. 15 lakh (Rs. 1.5 million) for Aided Natural Regeneration (ANR) – a method of restoring forests – over 95 hectares in five Reserve Forest (RF) under the Site Specific Wildlife Conservation Plan (SSCWP) was proposed in two wildlife habitats. However, while Rs. 34.42 lakh (Rs. 3.4 million) was allotted for the maintenance of plantation, the entire amount has been surrendered by the Division

Forest Officer during 2020-21. This implies the maintenance of plantation has not been undertaken by the department and thus it has led to wasteful expenditure of Rs.15 lakhs. Earlier, the state of Odisha followed the National Forest Policy, 1988 to manage, conserve and protect forest and wildlife resource. [A performance audit](#) of “Assessment of Plantation Activities” from the period 2013-14 to 2017-18 revealed unreasonable shortfall in the plantation activity – 191 out of 485 plantation were not successful due to lack of maintenance and improper selection of plantation sites.

Similarly, in the period 2016-2022, audit reveals significant shortcoming in the implementation of Code of Management Plan Procedure (CMPP), 1990. Out of 34 plantation sites across 12 divisions, 13 were categorised as ‘failed’ with only 7 to 36 percent survival rate, 5 plantations were ‘partially successful’, with survival rates of 42 to 56 percent. The plantation activities costing Rs. 5.38 crore have not yielded the expected outcomes. This not only indicates a failure in effective management and oversight of plantation efforts but also raises concerns about sustainability and accountability of resource allocations for the compensatory afforestation.

Findings reveal that the forest department could not gather the land information to create a land bank, which is a crucial requirement when forest land is diverted for non-forest purposes. As per Section 2.1 and 2.3 of the Forest (Conservation) Act, 1980, Compensatory Afforestation aim is to offset the loss of forest resources by ensuring that every unit of land lost, an equivalent area is reforested, or in the case of degraded forest, twice the area of the diverted land is restored. In Odisha, despite the 1998 decision of the State Forest Department to establish a task force in each district to identify suitable non-forest and degraded lands for Compensatory Afforestation, till date there is no information system in place. The Odisha Space Application Center (ORSAC) has only managed to identify 13 out of 51 divisions, across 30 districts in Odisha. This program has failed to make substantial progress over the past 24 years. Interestingly, the reply by the state to the audit observations stated that plantations were undertaken in wild elephant habitat and were damaged due to wild elephant movement and not due to creation of land banks to avoid such incidents in the first place.

The Ministry of Environment, Forest and Climate Change specifies in the Stage -II approval that CA must be initiated within three years from the approval for diversion of forest land and should be maintained as per the approved plan. Ideally the process is important for mitigating the environmental impact of forest land diversion. The review of record from the Principal Chief Conservator of Forests (PCCF) and Head of Forest Force (HOFF) revealed that a target of 77,745.78 hectares (777 sq. km) was set from the year 1980, out of which 70,749.81 hectares (707 sq. km.) of compensatory afforestation could be achieved, implying a shortfall of 6,995.97 hectares (69 sq. km.) of compensatory afforestation even after more than three years had passed since the approvals were granted.

CAMPA funds have also been used to forcibly ‘relocate’ communities from Protected Areas. The glimpse can be found from audit findings as well. Records from the Rayagada division indicate 233.34 hectares of non-forest land had been earmarked for Compensatory Afforestation activities across four villages, which had been formally transferred to the Divisional Forest Officer. However, the physical possession of 87.23 hectares on ground has not been with the Tahsildar due to local “encroachments”, even 18 years after enactment of Forest Rights Act, 2006. It is sad to come across this term being wielded around to refer to forest dwelling communities.

Fund management and diversion of CAMPA funds

The Odisha State CAMPA did not release the entire amount received from the National Authority to the field units. Similarly, the field units could not utilise the entire grant received from the State CAMPA. Refer Table 1 for the details.

Details of Funds demanded, received and allocated by the Odisha State CAMPA and expenditure incurred during 2019-22 (in crores)

Financial year	Annual Plan Operations	Funds received from the National CAMPA Authority	Funds release to field units	Funds utilised	Funds utilised (in percent)	Funds surrendered by field units
2019-20	618.52	610.56	597.07	556.33	93.17	40.74
2020-21	803.65	773.39	709.35	674.99	95.16	34.36
2021-22	903.03	901.03	887.19	843.12	95.03	44.07
Total	2,325.20	2,284.98	2,193.61	2,074.44	94.57	119.17

Source: Detailed Compliance Audit on State Compensatory Afforestation Fund Management and Planning Authority

According to Rule 5 of the Compensatory Afforestation Fund, 2018 the fund received for afforestation and related activities should not be allowed with any other state schemes. However, it was found that an amount of 248.06 crore has been diverted from CAMPA funds 2019-20 to 2021-22 to Ama Jangala Yojana (AJY), this scheme is a flagship programme of the Government of Odisha. This activity was in violation of Rule 5 as this scheme is to be implemented through the state budget.

Another such violation of CAMPA Rules, 2018 was that 47,84,180 seedlings costing 8.13 crores, were procured for the purpose of CAMPA plantation under CAMPA out of which 15,45,945 has been distributed/utilised in other plantation schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme, Odisha Forestry Sector Development Project, Green Mahanadi Mission.

There needs to be a litmus test to see if special purpose funds like CAMPA are achieving the purpose that these funds were meant to achieve.

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Banner image: Audit reports by the Comptroller and Auditor General of India (CAG) tabled in the Odisha state assembly found deficiencies in the implementation of the code of management's plan procedure, non-maintenance of plantation, diversion of CAMPA funds and so on. Image by Path slopu via Wikimedia Commons (CC BY-SA 4.0).

Source: <https://india.mongabay.com/2025/01/commentary-can-campa-compensate-for-the-loss-of-forest-land/>