

**Proceedings of Second Meeting of the Governing Body  
of Orissa Forestry Sector Development Society (OFSDS)  
(Held at Rajiv Bhavan on 17<sup>th</sup> May, 2007 at 11 A.M.)**

The Meeting was chaired by Sri S.P. Nanda, Agriculture Production Commissioner & Chairperson of the Governing Body of the Society.

The list of the members present is at **Annexure-1**

Initiating the deliberations, the Chairperson welcomed all the members and special invitees. Thereafter, the agenda items were discussed one by one.

**Agenda Item No.1:-Progress of works up to 31 March, 2007.**

The Project Director and Member Secretary OFSDS gave an overview of the activities undertaken by the Society since its inception up to March, 2007, amount spent, and progress of reimbursement by JBIC. The members expressed satisfaction on the progress of works. Thereafter, the Member Secretary presented the compliance on the decisions taken at the first meeting held in July 2006.

**Agenda Item No.2:- Annual Plan for the year 2007-08.**

The Project Director and Member Secretary explained the activities planned to be taken up during the current year 2007-08 as per the provisions made in the Project.

(i) The Principal Secretary, Forest and Environment opined for pre-scheduling the Income Generation Activities to the current year. He suggested the IGA can be initiated through dairy development in project divisions like Jeypore, Bhadrak and Balasore where OMFED is already promoting/implementing dairy through milk cooperatives in some CD Blocks. The Chairperson opined to promote cultivation of banana and papaya in collaboration with Regional Plant Resources Centre where tissue culture technology has been successfully adopted for these species.

After detailed discussion, it was decided to promote dairy activities in Jeypore, Bhadrak and Balasore Division in collaboration with OMFED, and banana/papaya cultivation in one project division in collaboration with Regional Plant Resources Centre during the current year through the participating VSS. Such a step would facilitate enlisting people's support for the project.

(ii) PCCF Wild Life mentioned about initiating activities under coastal plantation as some suitable areas have already been identified in Bhadrakh division. After detailed discussion, it was decided that PCCF, Wild Life will send a detailed action plan in accordance with the provision of the Project to the Project Director for taking up implementation during the current financial year. Similar action plan is also to be prepared by PCCF, Wild Life for the component "Biodiversity Conservation". This should include labour intensive components.

(iii) PCCF Wild Life also observed that there is a lot of demand for seedlings in Bhadrak and Balasore districts which may be facilitated under the Project. Project Director informed that for this purpose, one permanent nursery in Bhadrak is being improved from project funds and it is proposed to set up a mist chamber facility also. The DFO Balasore has intimated that one nursery is being set up in the division by the State Silviculturist. It was decided that project will facilitate raising of seedlings for distribution on cost plus basis under the Farm Forestry component of the Project and PCCF Wild Life was requested to send a detailed work plan for the same so that funds can be provided to Bhadrakh and Balasore DFOs.

7/30/07

### Agenda Item No.3:-Budget for 2007-08

The Project Director placed the budget proposal for the financial year 2007-08 at Rs70.43 Crores (Annexure 2). After elaborate discussion, the proposed Budget was agreed to with stipulation that efforts should be made to enhance the level of expenditure to achieve the projected expenditure up to the year 2007-2008.

### Agenda Item No 4.

#### (A) Engagement of Chartered Accountant Firms for Audit of Society Accounts:-

After detailed discussion on Proceedings of the Committee for selection of Chartered Accountant Firm for internal audit and other professional service, the Governing Body authorized the Project Director to negotiate with (i) SRB and Associates and (ii) Patro and Co. and finalize the firm offering lower overall costs.

#### (B) Extension of OFD Building for PMU Office:-

After detailed discussion, Governing Body deferred the decision in view of the fact that the actual requirement of funds for the construction is higher by about 70% compared to the project provision and will be still higher with the inclusion of the provision for lift (required for the five storey building). The project may be considered only after Forest & Env. Deptt. has located additional funds.

The following additional items were discussed with the permission of the Chairperson.

#### (i) Payment of Advertisement Bill:-

The Governing Body approved payment of advertisement bill amounting to Rs.338559/- towards display of advertisements for generating/creating awareness regarding plantation programme in the state published in Dharitri, Samaja, Anupam Bharati and Sambada during July, 2006.

#### (ii) Engagement of Private Secretary to Project Director:-

The Governing Body approved engagement of Private Secretary to Project Director through service provider at Rs.9,000/- per month.

(iii) Engagement of personnel at PMU on contractual basis: The Governing Body observed that a more specific proposal along with required qualification/experience commensurate with the job requirement be prepared and placed before the Chairman. They can be taken on deputation also.

Concluding the discussion, the Chairperson emphasized upon the need for more frequent meetings of the Governing Body and observed that the next meeting may be held after 2-3 months.

The Meeting ended with the vote of thanks to the Chairperson and the participants.

S. P. Nanda  
(S. P. Nanda) 30.5.07

Agriculture Production Commissioner  
& Chairperson, Governing Body  
Orissa Forestry Sector Development Society

**Annexture-1****List of participants:**

1. Sri S.P Nanda, APC
2. Dr. H.K Panda, Principal Secretary,  
Forest and Environment Dept.
3. Sri P.R Mohanty, PCCF
4. Sri S.C Mohanty, PCCF (W.L.)
5. Sri A.K. Bansal, PD OFSDP
  
6. Dr. A.K Mohapatra, JPD, OFSDP
7. Sri R.N Sahoo Dy.PD, OFSDP
8. Sri R.C Mohapatra, Dy.PD, OFSDP

Chair Person

Member

Member

Member

Member Secretary

Special invitee

Special invitee

Special invitee

**Budget for the year 2007-08**

	Amounts in Million Rs.	Total Project Cost	2006-07		2007-08			Total Projected for 2007-08	Proposed for 2007-08
			Approved by HPC	Expenses					
					FC	Local	Total		
	<b>Eligible PORTION</b>								
I	Preparatory Work	345.07	54.95	10.37		113.63	113.63	217.62	91.48
II	Strengthening of Executing Body	109.23	76.61	44.95		9.49	9.49	55.37	51.92
III	Capacity Building of VSSs	367.16	0.00	0.00		83.84	83.84	83.84	76.65
IV	Community/Tribal Development	859.77	0.00	0.00		176.56	176.56	176.56	166.74
V	Biodiversity Conservation	126.34	0.00	0.00		0.00	0.00	0.00	1.00
VI	Forest Management under JFM Mode	2189.31	0.00	0.00		66.42	66.42	66.42	66.33
VII	Forest Management under Non-JFM Mode	525.57	10.00	0.00		16.09	16.09	16.09	16.09
VIII	Farm Forestry Development	14.67	0.00	0.00		0.00	0.00	0.00	0.00
IX	Infrastructure Development	114.26	0.00	0.00		24.62	24.62	24.62	22.51
X	Forest Research	16.50	0.00	0.00		5.50	5.50	5.50	1.00
XI	Publicity and Communication	6.62	0.15	0.12		3.52	3.52	3.40	3.52
XII	Monitoring and Evaluation	107.03	0.00	0.00		15.33	15.33	27.10	5.30
XIII	Phase-out and Phase-in Activities	1.00	0.00	0.00		0.00	0.00	0.00	0.00
		<b>4782.53</b>	<b>141.71</b>	<b>55.44</b>		<b>514.99</b>	<b>514.99</b>	<b>676.52</b>	<b>502.55</b>
	Price escalation	184.76	4.31			10.29	10.29	12.83	20.10
	Physical contingency	248.36				26.12	26.12	38.93	25.13
	<b>Total (Excluding consultancy)</b>	<b>5215.65</b>	<b>146.02</b>	<b>55.44</b>		<b>551.40</b>	<b>551.40</b>	<b>728.28</b>	<b>547.78</b>
	Consulting services	207.30	1.20	0.05102	13.71	33.95	47.66	65.16	38.74
	Base cost	190.87	1.20		12.72	31.70	44.42	60.90	35.54
	Price escalation	6.56			0.33	0.64	0.97	1.16	1.42
	Physical contingency	9.87			0.65	1.62	2.27	3.10	1.78
	<b>Total JBIC Loan</b>	<b>5422.95</b>	<b>147.22</b>	<b>55.49</b>	<b>13.71</b>	<b>585.36</b>	<b>599.07</b>	<b>793.44</b>	<b>586.52</b>
	<b>NON ELIGIBLE PORTION</b>								
	Administration cost	813.44	2.10	2.83		89.42	89.42	132.41	89.43
	VAT	37.45	3.74			6.02	6.02	6.76	6.02
	Service Tax	150.00	0.20			22.34	22.34	30.25	22.34
	<b>Govt. Share</b>	<b>1000.90</b>	<b>6.04</b>	<b>2.83</b>		<b>117.78</b>	<b>117.78</b>	<b>169.42</b>	<b>117.79</b>
	Interest during construction	174.03			6.72				
	<b>Grand Total</b>	<b>6597.88</b>	<b>153.26</b>	<b>58.32</b>	<b>20.43</b>	<b>703.14</b>	<b>716.85</b>	<b>962.86</b>	<b>704.31</b>
	Expenditure during 2006-07 does not include administrative expenses in the DMUs/FMU s								