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ORISSA FORESTRY SECTOR DEVELOPMENT PROJECT
SFTRI Campus, Ghatikia,
Bhubaneswar-751 003

Letter No.1819/OFSDP-110/2007

Date: 06.07.2009

From

A.K. Bansal, IFS
Project Director
& Member Secretary, OFSDS

To

All Members
Governing Body of
Orissa Forestry Sector Development Society (OFSDS)

(Commissioner-cum-Secretary to Govt. forest & Environment Department
Principal Chief Conservator of Forests, Orissa
Principal Chief Conservator of forests & Chief Wildlife Warden, Orissa
Special Secretary to Govt. Forest & Environment Department
Secretary, Nature, Environment and Wild Life Society, Angul)

Sub: Eighth Governing Body Meeting of OFSDS.

Ref: This office letter No.1680 date 26.06.2009

Sir,

A copy of the Approved Proceedings of the 8th Meeting of the Governing Body of OFSDS held on 29th June, 2009 chaired by Shri S.P. Nanda, IAS, Agriculture Production Commissioner and Chairperson of the Governing Body of OFSDS is enclosed herewith.

Yours Faithfully

Enclosure: As above

Project Director
& Member Secretary, OFSDS

Copy forwarded to P.S. to Agriculture Production Commissioner, Orissa & Chairperson of Governing Body of OFSDS along with a copy of the approved proceeding of the 8th meeting of Governing Body of OFSDS for kind information of the Agriculture Production Commissioner and Chairperson of the Governing body of OFSDS.

Project Director
& Member Secretary, OFSDS

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Proceedings of the 8th meeting of the Governing Body of Orissa Forestry Sector Development Society (OFSDS) held on 29th June, 2009 at 16.00 hrs. in the office chamber of the Agriculture Production Commissioner & Chairperson, Governing Body

The 8th meeting of the Governing Body of the Orissa Forestry Sector Development Society (OFSDS) was chaired by Sri S.P. Nanda, IAS, Agriculture Production Commissioner and Chairperson of the Governing Body of the Society. The list of members present is at Annexure-'A'.

At the outset the Project Director introduced Shri Prasanna Kumar Behera, Chief Functionary, NEWS (Natural Environment and Wildlife Society), Angul nominated as the NGO Representative member of the Governing Body. The Chairperson welcomed the new member and all other members and the special invitees to the meeting and requested the Project Director and Member Secretary to initiate the discussion.

The following agenda items were discussed:

Agenda Item No.1: Confirmation of proceedings of last Governing Body meeting:

The Project Director informed that the proceedings of the last Governing Body meeting held on 18th March, 2009 was communicated to all Members of the Governing Body vide letter No.808/OFSDP/110/2007, dated 26.03.2009. Since no comments have been received, the minutes of the last meeting were confirmed.

Agenda Item No.2: Compliance of decisions of last Governing Body meeting:

The Project Director informed that the following are the compliance of the decisions of the last Governing Body meeting:

- a. The Forest & Environment Department vide their letter no 7856 dated 28.04.2009 has sent the scheme for working old mature plantation and taking up re-plantation in Balasore and Bhadrakh WL Division to PCCF, Orissa for his comments.

The Special Secretary, F & E Department said that in the scheme there is an anomaly in the sequence of felling and planting operation and the scheme does not have a financial analysis. The Chairperson requested the Special Secretary to give his comments to the PCCF (WL), so that the Scheme will be resubmitted.

- b. The Chairperson had requested the Commissioner-cum-Secretary to write a letter to all DFO-cum-DMU Chiefs instructing them to achieve the project target of raising teak

plantation over 19,000 Ha. Accordingly a proposal, with draft, was sent to Government vide Letter No. 1127/OFSDP-22/07 dated 2.05.2009.

The Commissioner-cum-Secretary, F & E Department, said that clear felling and burning the area to raise teak plantations may attract the provisions of the Forest Conservation Act. Hence the matter will be referred to the MoEF, GOI. It was also decided that the Commissioner-cum-Secretary, F & E Department will hold a meeting of the DMU Chiefs on this matter as well as on the matter of availability of suitable area for raising 19000 Hect. of teak plantation. He was also of the opinion that the provision for watering in the plantations during summers will increase survival & growth. The chairperson was of the view that this may be a difficult proposition in the plantations raised inside the forest, and possibly a more intensive soil & moisture conservation measure in the site will improve the soil moisture regime and solve the purpose. The Commissioner-cum-Secretary suggested that watering may be tried on an experimental basis in a few sites in order to ascertain the feasibility and the cost norm.

- c. The matter regarding sites for Community/Conservation Reserves and Heritage sites to be developed under the Project was discussed in a meeting chaired by PCCF WL on 4th June 2009, wherein the following sites have been agreed for further action. Project Director informed that a detailed action plan will be prepared with the assistance from the General Consultant Experts, before initiating the interventions.

Heritage Sites –

- (i) Red Sanders in Lavanyakote RF of Parlakhemundi Division,
- (ii) Gupteswar caves in Koraput district,
- (iii) Mahendragiri in Parlakhemundi Division,
- (iv) Malyagiri in Deogarh division,

Conservation Reserves – Elephant Corridor between Kuldiha & Hathgarh Sanctuaries.

In addition, the following candidate sites for Community / Conservation Reserves have been listed have been suggested for further exploration and short listing for preparation of action plans:

- (i) Natural Mangrove area in the Subarnarekha river mouth in Balasore District,
- (ii) Caves with pre-historic painting in Sundargarh district,
- (iii) Daringbadi area for conservation of orchids and vandas,
- (iv) Betanoi Black buck area in Ganjam district as a Community Reserve,
- (v) Ghodahada Dam adjoining areas – [Crocodiles and other aquatic fauna Conservation,
- (vi) Chilka mouth region including some islands within the lake,
- (vii) Bhimkund area in Similipal Tiger Reserve.

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Agenda Item No.3: Progress of Activities

The Project Director highlighted the following regarding the progress of the activities since the last meeting of the Governing Body:

i) Second General Body Meeting of OFSDS was held on 30.04.2009 under the Chairmanship of Chief Secretary, Orissa and President OFSDS. The Annual Report approved by the Governing Body was placed before the members of the General Body which was adopted by the General Body. Two posters titled "Rooting sustainability" and "laying foundation of convergence" meant for the DMUs and FMUs were released. In pursuance of the discussion at the meeting, instructions have been issued to the DFO-cum-DMU Chiefs to identify mature Casuarina plantations over private lands for harvest and replanting.

ii) Rehabilitation of Degraded Forest:

Micro Plans of 652, 2nd batch JFM sites have been completed, encompassing a total area of 64,573 ha and planned interventions over an area of 48,396 ha., including block plantation over 5003 ha. Preparatory works – Nursery, pitting, site preparation etc., have been taken up. Construction of VSS meeting hall, EPAs are in progress.

The matter of shortfall in project target in respect of Block Plantations in JFM mode was discussed at length. The Commissioner cum Secretary suggested that the DMU Chiefs should make all out efforts to achieve the project target for block plantations. PD informed that the areas for block plantations are being decided in the course of Micro Planning by the VSS communities being facilitated by the Range staff and the NGO teams, and the DMU Chiefs have been instructed to revisit the Micro Plans to ascertain availability of additional areas for block plantations. The Project Director opined that if sufficient area for block plantation is not available inside the treatment area of a VSS, then the area outside need to be considered for the purpose.

2nd year maintenance of the last years' (2008-09) plantation interventions in 610 first batch JFM sites is under progress. The list of 3rd batch VSSs has been finalized and preliminary works for Micro Planning (community mobilizations and demarcation and mapping) have been initiated. Reorientation Training for Facilitators has been planned to be held during July/August 2009.

Consequent ^{on} the Agriculture Department's decision of extending subsidy on procurement of agriculture implements to VSSs/SHGS, subsidy of Rs.3.75 lakhs have been availed in 15 VSSs of Deogarh DMUs.

iii) Coastal Plantations:

2nd year maintenance over 320 Ha of Mangrove plantations and 50 Ha of Casuarina plantations raised during last year is in progress. Preliminary operation including Nursery site preparation for raising 636 Ha of Mangrove plantations is under progress. Based on the experience of last year four models for restoration of Mangrove plantations have been evolved. Guidelines for Facilitators for preparation of EDC Micro Plans for community participation in Restoration of Mangroves and Micro Plan Format have been brought out and circulated. EDCs have been

formed in six of the 8 villages adjoining mangrove restoration areas. Micro plans have been prepared in 2 EDCs. Balance Micro Plans will be prepared by August 2009, and implementation started. Special efforts are being made during Micro Planning to address the problems of fuel-wood and grazing.

iv) Bio-Diversity Conservation:

Final frame work for Bio-diversity Conservation and Eco-development in Satkosia Wildlife Division is completed. Formation/revival of EDCs and preparation of Micro Plans have been completed in 5 villages of Purunakote cluster in Satkosia Wildlife Division, and cluster plan has also been discussed with the representatives of the EDC in the cluster. Funds for preliminary activities aiming at community mobilization have already been released.

v) Artificial Regeneration:

The 2nd year maintenance of the 625 Ha of Teak Plantations raised during last year is being carried out. Preparatory works for planting of 2400 Ha during this rainy season is under progress. DFOs have been instructed to select further areas. As mentioned above, the matter will be discussed with the DFO-cum-DMU Chief in a special meeting to be taken by the Commissioner-cum-Secretary.

vi) Capacity Building:

- (a) The training calendar for the year 2009-10 for VSSs and SHGs has been finalized.
- (b) National level training calendar for the year 2009-10 for officers of different level is being finalized.
- (c) Exposure-cum-Training on Eco-tourism concept principle and development of business modules was organized at Periyar Tiger Reserve, Kerala, where 7 senior officers participated from 12th May to 16th May, 2009.
- (e) Training on specific IGA, from OFSDP perspective was conducted at Bhubaneswar from 26th to 30th May, 2009. 31 Forest officers participated.
- (f) Training on Livelihood visioning and its promotion strategy was organized at CYSD, Bhubaneswar from 26th to 30th May, 2009. 29 Officers participated in the training.

vii) Income Generating Activities (IGA):

A detailed livelihood opportunity analysis (LOA) has been conducted by MART and a business plan for 20 focused products has been developed for the DMUs. Based on the findings of LAO and experience gained during pilot IGAs grounding plan for focused IGAs has been evolved and implementation is slated to be initiated from July 2009.

viii) Livelihood Improvement (LLI):

Strategy for livelihood improvement in project villages through convergence is being evolved. In the meanwhile, a workshop was organized in Balda FMU of Koraput DMU at which 100 participants from district, block and other field level officials, from various departments/schemes like ICDS, NRHM, RESS, PRIs, DWSM, NGO etc., participated and a plan to address some of the issues through convergence was chalked out. Similar discussions are planned in other

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districts. To a query from the Special Secretary F&E, PD informed that this component is related to "basic needs" in the Project VSSs – i.e. health care (medical & health camps, water borne diseases, reproductive and child, Primary Educations, Fuel Efficient devices, and efforts are being made to address then through convergence with the respective line departments.

ix) Base-line Survey:

First phase house hold level socio-economic base line survey has been conducted in 218 villages (207 project villages and 11 control villages) by NABARD Consultations Services (NABCONS). NABCONS has been asked to rectify the deficiencies in the data base and the report. They will be submitting the report soon.

x) Independent 3rd Party Verification:

The independent 3rd party verification of the assets created under the project at PMU/DME/FMU and VSS level has been completed, and their reports have been received few days ago and are under scrutiny at PMU. PD informed that from a quick study of the findings, it is seen that in general survival % is good, except in some sites where it is low. The Chairperson observed that the DFOs should be asked to immediately go the root cause of poor survival, and to verify the survival in other sites supervised by the concerned officer, and take immediate follow up action.

xi) Management Information System (MIS) :

The formats for collection of data from the VSSs and transmitting through FMU and DMU to PMU have been finalized in respect of plantation interventions, and are under print for adoption in the field from next quarter.

xii) Publicity & Awareness:

Posters on 'laying foundation of convergence', 'rooting sustainability', 'addressing livelihood vulnerability' were printed and sent to DMUs and FMUs for display. Oriya posters are under preparation for display at VSSs. The regular quarterly news letters are published both in Oriya and English. The project web site is being maintained. On the occasion of World Environment Day, a special speaker meeting of the Forest Advisory Group was held on 4th June 2009 at which Dr B.M. Faruque, retired Director Geological Survey of India, made a presentation on "Fluvio-Marine Process along Orissa Coast"

Special Secretary observed that achievement under the Project should be publicized through documentaries and CDs.

xiii) Forest Research:

Funds have been released to Silviculturist, for improving the Teak seed production areas. It is proposed to take up the study of growth and yield of Phasi (*Anogeissus acuminata*) for which detailed research plan is under preparation. PMU is also associated with R&D related uses of 'sponge fly ash' in forestry', funded by DST, Govt. of India to be implemented by IMMT, Bhubaneswar.

Additional research topics suggested at the meeting of the Forest Advisory Group held on 4th June 2009 are being analyzed to develop research plans.

Agenda Item No. 4: Annual Action Plan and Budget for 2009-10:

The Annual Action Plan and Budget for the year 2009-10 were placed before the Governing Body. The Governing Body approved them and authorized the Project Director to incur the expenditure accordingly. The budget abstract for the year 2009-10 is enclosed at Annexure – B.

Agenda Item No. 5: Audit of Accounts of Orissa Forestry Sector Development Project by Controller and Auditor General of India (Reference from Forest & Environment Department):

The Project Director brought to the notice of the members that , Forest and Environment Department in their letter No.7932 dated 29.04.2009 have requested to place the terms and conditions suggested by the Controller and Auditor General of India for undertaking audit of Orissa Forestry Sector Development Project, before the Governing Body.

- i. Any expenditure incurred in connection with the audit will be payable by the body to the C&AG of India.
- ii. The C&A.G of India or any person appointed by him in connection with the audit shall have the same rights, privileges and authority as the C&AG has in connection with the audit of Government accountants.
- iii. The result of audit will be communicated by the C&AG or any person appointed by him to the Governing body who shall submit a copy of the report along with its observations to the government. The C&AG will also forward a copy of the report direct to the Government.
- iv. The audit entrusted to the C&AG in public interest will be for period of 5 years accounts from the year 2006-07 to 2010-11 in the first instance subject to review of the arrangement after that period.
- v. No other auditor will be appointed for any purpose whatsoever in connection with the accounts of the body (except with the prior approval of the Comptroller & Auditor General)
- vi. The scope, extent and manner of conducting audit shall be as decided by the Comptroller and Auditor General.
- vii. The Comptroller & Auditor General will have the right to report to State Legislature the results of audit, as his direction.

Project Director also mentioned the following facts before the Governing Body:

- a. Orissa Forestry Sector Development Society has its Accounting Procedure duly approved by the State Government after concurrence by the Finance Department vetting by the Accountant General, Orissa. Under Item No.18.9 of the approved Accounting Procedure of Orissa Forestry Sector Development Society, the accounts of Orissa Forestry Sector Development Society shall be audited by Controller and Auditor General.

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- b. C &AG of India in their letter No.103-Audit (EAP)/17-2007 date 04.04.2007 addressed to the Ministry of Finance, Department of Economic Affairs, New Delhi, (received along with Letter No.4F(S)-42/2007-11762 date 24.07.2007 of Forest and Environment Department) has requested the Principal Accountant General (Civil Audit), Orissa to undertake audit and issue audit certificate in respect of JBIC assisted Orissa Forestry Sector Development Project as per procedure applicable to Externally Assisted Projects. Accordingly the Principal Accountant General (Civil Audit), Orissa in his letter no. CASS-IA/CC/2-15/2006-07/6 date 26.04.2007 has informed Principal Secretary to Government, Finance Department to undertake audit and certify accounts of Orissa Forestry Sector Development Project.
- c. The Accountant General Orissa has taken up audit of Orissa forestry Sector Development Project for the year 2006-07 and has issued audit certificate. Audit for the year 2007-08 is in progress.

The Governing Body took a view that Government may decide the matter considering the practice in other similar cases, and if C&AG raises a demand towards audit fee, the same may be paid by the Project.

Agenda Item No.6: Revision of Remuneration of staff deployed through service provider:

The Chairperson was of the opinion that a case be made out taking into consideration the remuneration of similar staff working in other organizations, so that decision may be taken on this matter.

Agenda Item No.7: Draft Operation Manual:

The Draft Operation Manual was put before the Governing Body for scrutiny. The PD apprised the members that, the Society already has an 'Accounting Procedure' and a 'VSS Management Manual', which also deals with the accounting procedure to be followed by the VSS & SHGs, in place. Thus the Draft Operational Manual mainly covers the administrative aspects.. The Chairperson requested the Special Secretary, Forest & Environment Department and other members to give feedback / suggestions within a fortnight, so that the draft Operation Manual may be revised and placed in the next meeting of the Governing Body.

The meeting ended with a vote of thanks to the Chair.

S. P. Nanda
4.7.07
(S. P. Nanda)

Agriculture Production Commissioner-cum-
President, OFSDS &
Chairperson, Governing Body

LIST OF PARTICIPANTS

S.No	Name	Address	Designation
1.	Shri S. P. Nanda, IAS	Agriculture Production Commissioner, and Vice President, OFSDS	Chairperson
2.	Shri U.N. Behera, IAS	Commissioner-cum-Secretary, Forest & Environment Department.	Member
3.	Shri B. K. Patnaik, IFS	Principal Chief Conservator of Forest (WL), Orissa	Member
4.	Shri P.K. Parida, IFS	Addl. Principal Chief Conservator of Forest, Orissa, O/o PCCF, Orissa.	Nominee of PCCF, Orissa
5.	Shri P. N. Padhi, IFS	Special Secretary to Govt., F&E Department.	Member
6.	Shri P.K. Behera	Chief Functionary, NEWS, Angul	Member
7.	Shri A. K. Bansal, IFS	Project Director, OFSDP	Member-Secretary
SPECIAL INVITEES :			
1.	Mr. M.G. Gogate	Team Leader, General Consultants.	
2.	Dr. J.P. Singh, IFS	Addl. Project Director, OFSDP	
3.	Shri Ajit Bharthuar, IFS	Jt. Project Director (IME), OFSDP	
4.	Shri D. Biswal, IFS	Jt. Project Director(A&F), OFSDP	
5.	Shri R. N. Sahoo, IFS	Dy. Project Director(A&F), OFSDP	

OFSDP BUDGET PROPOSAL FOR THE YEAR 2009-10

Sl.No	Particulars	Amount (Rs. In million)
I.	ELIGIBLE PORTION :	
1.	Preparatory work	84.24
2.	Strengthening of Executing Body	12.22
3.	Capacity Building of VSSs	152.77
4.	Community / Tribal Development	285.19
5.	Biodiversity Conservation	36.52
6.	Forest Management under JFM Mode	449.34
7.	Forest Management under Non-JFM Mode	97.21
8.	Farm Forestry Development	5.67
9.	Infrastructure Development	49.49
10.	Forest Research	4.12
11.	Publicity and Communication	2.91
12.	Monitoring and Evaluation	9.63
13.	Phase-out and Phase-in Activities	0
		1189.31
14.	Price Escalation	109.46
15.	Physical Contingency	0
16.	Total (Excluding consultancy)	1298.76
17.	Consultancy Services	78.52
18.	Base cost	77.74
19.	Price Escalation	0.78
20.	Physical Contingency	0
21.	Total JBIC Loan	1377.28
II.	NON ELIGIBLE PORTION :	
22.	Administration Cost	191.91
23.	VAT	6.00
24.	Service Tax	14.91
25.	Govt. Share	212.82
26.	Interest during construction	10.00
	Grand Total :	1600.10