

Local Biodiversity Fund

Operation and Maintenance

A Community Dialogue



National Biodiversity Authority

Government of India

Compiled by

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Disclaimer

Every attempt was made to provide information as accurately as possible, any error or lapse is purely unintended.

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This booklet “Local Biodiversity Fund (LBF) Operation and Maintenance – a Community Dialogue” has been developed by the National Biodiversity Authority (NBA) under UNEP-GEF-MoEF ABS Project to help Biodiversity Management Committees (BMCs) at local body/panchayat level to open and maintain Local Biodiversity Fund as per the Sections 42 to 47 of Biological Diversity Act (2002) and thereby implement and strengthen the ground level operation of the Act. In addition to NBA and SBBs, the BMCs are one of the important operational bodies that take care of biodiversity related matters at their level. The booklet has been presented in the form of a dialogue with an intention to reach out more effectively to the local community. The booklet creates a scenario of a BMC meeting during which the BMC members have a dialogue. The dialogue between the seven committee members and an invited expert serves to clarify/explain the relevant provisions of the Act relating to LBF. The name of the BMC and its constitution, names of committee members, date and venue of the Gram Sabha meeting and the resolution number given in the booklet are fictitious and are used for purposes of illustration and given for better understanding. The explanations given during the discussion are based on the text provided in Guidelines for Operationalization of BMC and its operational toolkit under the BD Act. The main objective of this dialogue with relevant illustrations is to motivate BMCs to operationalise and maintain a Local Biodiversity Fund within their territorial jurisdiction, to help conserve and sustainably use the biological resources. This document serves as a self-learning material among the BMC members, across India.

The Scenario :

The scenario presents a meeting of the Malgudi Panchayat BMC. During this dialogue among the committee members, the Chairman of the Malgudi Panchayat BMC, **Mr. Rajesh** extends a warm welcome to all and he introduces two women members **Mrs. Sudha** and **Mrs. Amuda**, followed by Secretary, **Mr. Sundar**. Other committee members are **Mr. Joseph**, **Mr. Chinnaya** and **Mr. Kathar Ali**. The Chairman, **Mr. Rajesh** specially introduces and welcomes the expert, **Mr. Kamal** to participate in the meeting and requests him to explain the essence of the BD Act in the context of Local Biodiversity Fund.



Mrs. Amuda



Mr. Rajesh



Mr. Joseph



Mr. Sundar



Mr. Kamal



Mr. Chinnaya



Mrs. Sudha



Mr. Kathar Ali

ANNEXURES

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Name of BMC : **Malgudi Panchayat BMC**

Date of Constitution : **30-03-2013**

Venue of the Gram Sabha meeting : **Malgudi**

Resolution No : **001**

Date of Gram Sabha meeting : **31-03-2013**

Committee Members :

Member 1 : **Mr. Rajesh**, Chairman, BMC

Member 2 : **Mr. Sundar**, Secretary, BMC

Woman Member 3: **Mrs. Sudha**

Woman Member 4: **Mrs. Amuda**

Member 5 : **Mr. Joseph**

Member 6 : **Mr. Chinnaya**

Member 7 : **Mr. Kathar Ali**

Expert : **Mr. Kamal**, (non member)





Rajesh: I welcome you all for the first meeting of our BMC. I extend my special welcome to *Mr. Kamal* the expert who has come here to participate in our deliberations and to help, clarify some of our doubts. After all our members introduce themselves we will begin our informal interactive session on the constitution, operation and maintenance of “Local Biodiversity Fund”, we call it as “LBF”.

Joseph: Sir... What is this LBF?...



Rajesh: As per Section 43(1) of the Biological Diversity Act (2002), Local Biodiversity Fund (LBF) is a fund created at every area notified by the State Government where any institution of self-government (like Panchayat/ other local bodies) is functioning. So, with reference to the Act we are empowered to create/ constitute this fund for the people.



Amuda: Can you explain it again, please? ...



Rajesh: I think our expert could throw more light on this than me. Let us hear from him. Sir please...

Kamal: Hello everybody! Thank you for allowing me to participate in your BMC meeting. Before answering the question about LBF, I would like to make you all aware of the importance of recording all your meetings and maintaining documents. I appreciate your committee for



framing an agenda for this meeting and circulating it. I can see the agenda items in your hands. Just like this, for every meeting you will need to frame the agenda and after the meeting, prepare minutes of the meeting which should include the names and signature/thumb impression of the members present at the meeting. I have brought some of the important formats related to LBF. Let me circulate the format for recording minutes of BMC meeting (**Annexure 1**). You need to fill all the required information in detail and this should be signed by the Chairperson and Secretary of your BMC. This should be kept safely in your office for future use.

Now let me explain about LBF.

For your better understanding, Indian Biological Diversity Act (2002) elaborates on three kinds of funds to be used at

different levels., These are National Biodiversity Fund (NBF), State Biodiversity Fund (SBF) & Local Biodiversity Fund (LBF) as described in Sections 27, 32 & 43 respectively. Local Biodiversity Fund can be constituted as per Section 43, at local level, and it can be used for the purpose of conservation and promotion of biodiversity in your area. Are you able to understand better now?



Sudha: Thank you sir... I think this fund could be useful not only for us, but for our children too!

Kamal: Yes! Their good life for the future is in your hands now.



Kathar Ali: That is good! Please tell us, how to create this fund!





Rajesh: To the best of my knowledge, the BMC can create a LBF through collecting fees and charges levied by us from any person for accessing or collecting any biological resources for commercial purposes from our territorial jurisdiction; LBF could also be created through grants and/or loans credited from State Government (under Section 42), NBA and SBB.

Kathar Ali: Really! Can anyone tell us more about our part in this?



Kamal: There are two ways through which the fund can be built. As BMC you are empowered to collect fees and charges from any person for accessing or collecting any kind of biological resources for commercial purposes within your area. On the other hand, State Government, Central Government, State Biodiversity Board or National Biodiversity Authority may also provide grants or loans to you. The register giving information about the details of access to biological resources and associated traditional knowledge; collection fee imposed, benefits/grants received and the mode of their sharing will have to be maintained by the Chairman of BMC or any person authorized by him/her.

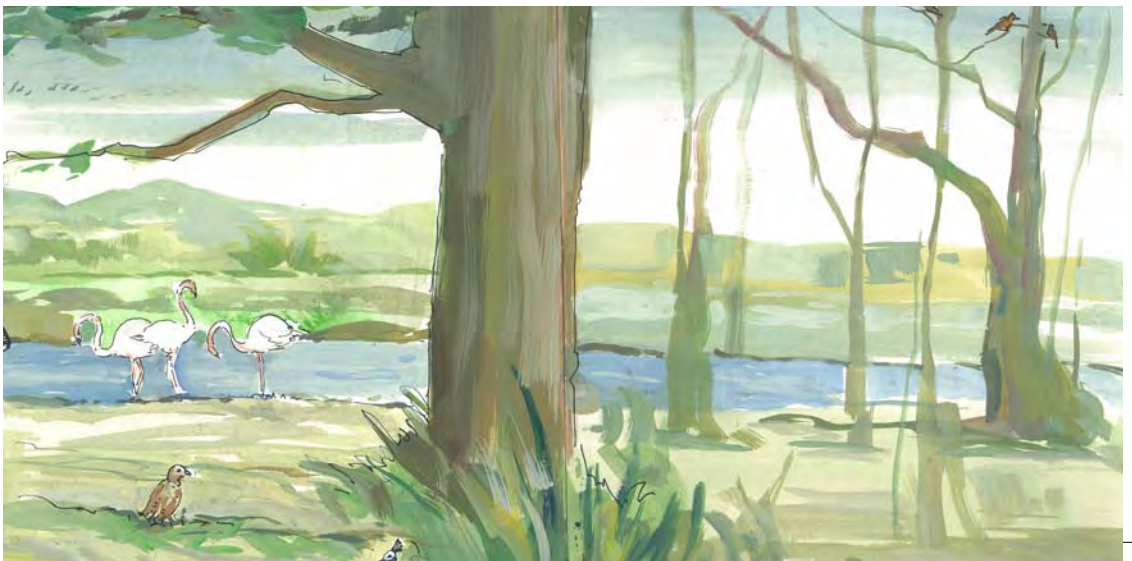


Joseph: Biological resources means...

Kamal: Generally all plants, animals and micro-organisms present in your area are said to be biological resources. Section 2(c) of the Biodiversity Act says “plants, animals and micro-organisms or parts thereof, their genetic material and by-products (excluding value added products) with actual or potential use or value...”. Remember, this does not include human genetic material.



Joseph: How do we know who is collecting what?





Rajesh: Traditionally we have gained so much knowledge on how to use these biological resources based on our needs. For example, we know the medicinal uses of neem and turmeric plants. Neem has been used to treat various human diseases and root portion of turmeric is known for its wound healing property. Therefore, you know without our knowledge no one can access/collect valuable biological resources with actual or potential use. Based on our knowledge we can monitor the collectors of biological resources.

Amuda: How much can we charge from the collectors of these resources?



Kamal: The collection fee could be based on the current market price of each biological resource. Do remember that, information regarding persons (community person/ outsiders) who access/collect biological resources and traditional knowledge has to be documented as per the formats given in BMC Operational Toolkit. I have also brought these with me (**Annexures 2 and 3**).

Amuda: What is to be done with this fund?



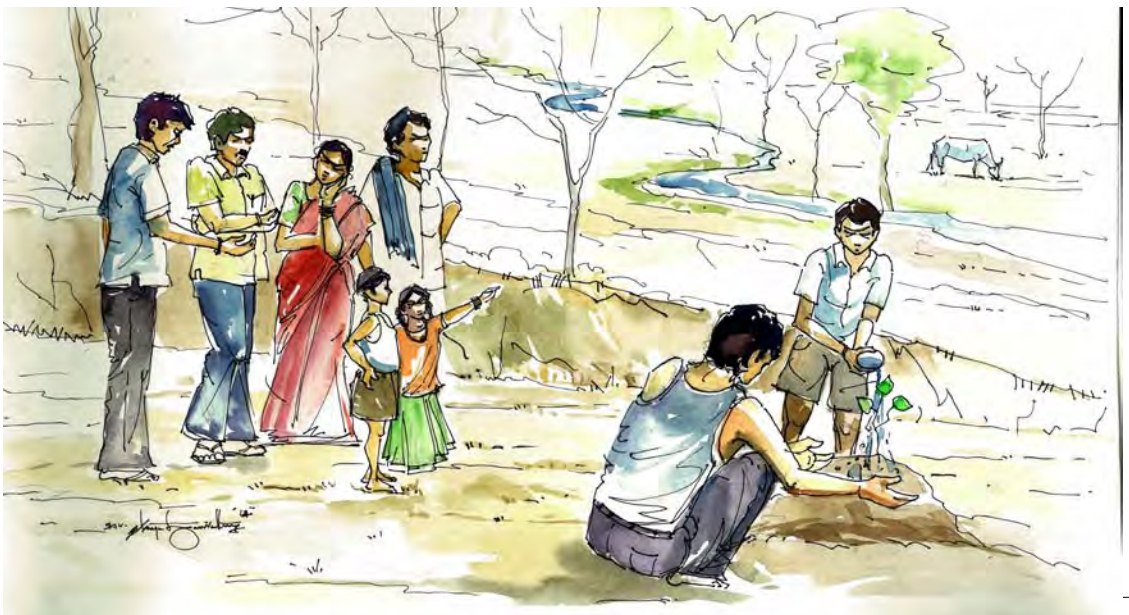


Kamal: Good question!.. The BD Act, Section 44(2) says that this “fund shall be used for conservation and promotion of biodiversity in the areas falling within the jurisdiction of the concerned local body, and for the benefit of the community in so far such use is consistent with conservation of biodiversity”. In short, the fund could be used for conservation and promotion of all life forms, that means plants, animals and microorganisms, in your area.

Chinnaya: That is a good idea!



Joseph: As BMC, how we can open a Local Biodiversity Fund?



Kamal: As far as my knowledge goes, being a statutory body, you can convene a BMC meeting chaired by your Chairperson. At the meeting a resolution regarding willingness to open LBF account should be passed, and endorsed with signatures of all the BMC members. The resolution may be submitted to your Panchayat for its information and knowledge.



Chinnaya: In the absence of the Chairperson, who...

Kamal: Any member from your committee assigned by the Chairperson could chair the meeting.



Sudha: Ok fine. In which bank can this fund be opened?

Rajesh: This account can be opened by us in any nationalised bank situated in our geographical area.



Sudha: What if there is no bank in our immediate area?

Kamal: As per guidelines for operationalization of BMC, you can approach your State Biodiversity Board (SBB) directly or through district nodal officer, with an enabling letter. Your SBB would help your committee to open a bank account with an enabling letter saying that your BMC has been formed in accordance with the BD Act (2002).



Kathar Ali: Who will operate LBF account?...

Kamal: The fund shall be operated jointly by the Chairperson and Secretary of your BMC. The Secretary will maintain the books of accounts on day-to-day basis.



Sundar: Sir, are there any specific formats for maintaining LBF account?



Kamal: Yes. These have been given in the BMC Operational Tool Kit. I have also brought some formats. Please take a look at them and keep them for your reference (**Annexures 4 to 13**).

- ☞ **Annexure 4** is for making receipt,
- ☞ **Annexure 5** is for expenditure register certificate,
- ☞ **Annexure 6** is for cheque/draft register,
- ☞ **Annexure 7** is for bill register,
- ☞ **Annexure 8** is for cash payment certificate,
- ☞ **Annexure 9** is for cheque payment certificate,
- ☞ **Annexure 10** is for certificate register,
- ☞ **Annexure 11** is for cash book,
- ☞ **Annexure 12** is for bank reconciliation statement and
- ☞ **Annexure 13** is for journal register.



If you have any doubt about how to fill these you could ask your concerned SBBs/NBA for help.



Chinnaya: Regarding the Resolution Copy of the meeting, should we keep a copy of the document?

Rajesh: Yes. The resolution made in the BMC meeting shall be endorsed at the BMC level with signature of Chairman, BMC, or in his/her absence, Secretary, BMC.





Sudha: I think it would be nice if we could see a sample resolution copy from another BMC to get a clear idea.

Kamal: The Resolution Copy must have a subject line which says 'Opening LBF Account' and include details of committee members like full name and address, age, category and signature. The same resolution may be submitted to your Panchayat.



Kathar Ali: Ok Sir. Tell us about Cash Book maintenance and Account Statement related matters.



Kamal: A cash book is to be maintained by your BMC. It should contain cash payment/bank transaction receipts/payment certificates along with page numbers. As per Section 45 of BD Act, "the person holding the custody of the Local Biodiversity Fund shall prepare, in such form and during each financial year at such time as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the concerned local body". So, you need to record all the activities for this year, as per the formats given to you and submit a copy to the concerned local body in the next financial year.



Rajesh: All these documents are important for us because at the closing of every financial year the full account of our activities done during the previous financial year need to be documented in our annual report, and a copy of this report will need to be submitted to our local body. For this we will need to keep records of all receipts of grants and/or loans received from State Government, NBA and SBB and any fee collected during the previous financial year.



Kamal: Yes. Moreover, after the accounts are passed by you, these would be audited annually by an Auditor especially appointed for the purpose and then these will be given to the local body and the SBB. More importantly, the BMC members, including Secretary of your committee, should be trained for preparing Utilization Certificate (UC) and for accounting procedures including preparation of Annual Report and utilization of the resources in accordance with the Action Plan drawn up by your BMC, prioritizing the conservation of the local biodiversity.



Sundar: Sir... do you have a sample copy of a model annual report for our reference?

Kamal: I have got a model annual report format for you (**Annexure 14**). You need to provide detailed information under each heading. Signature of the Chairperson and Secretary should be included at the end.



Rajesh: Ok! Once we have got the money in LBF account, we are mandated to use this fund for conservation and promotion of biodiversity in our area as per the Act. So, let us identify the key issues relevant to biodiversity in our area.

Sudha: I think we alone can't decide about this; we need to get opinions from more people in our area. We could prioritise the issues later and decide how to allocate the funds.



Rajesh: Good suggestion. I think we could start by listing some of the basic conservation and sustainability related issues/activities and then we could elaborate further. What do you all feel?

Joseph: That is fine! I feel we can fund protection of plants and animals of our area. For the benefit of our village people, action could be taken continuously to conserve and promote biodiversity. Based on our needs, options from activities like plantation of trees, establishment of seed banks, conservation and sustainable harvesting techniques etc., could be selected for funding.



Chinnaya: To create awareness and to provide better ecosystem to our children, I think we need to talk and discuss with local bodies, land owners, farmers and others to make them understand these important matters.



Kamal: After our discussion, and seeing your interest and participation. I am sure that you all will be successful in creating and using LBF effectively. I wish all the best to your committee.

Rajesh: On behalf of all the members I would like to specially thank our expert for his enthusiastic participation in this meeting. Thank you very much for all your guidance and support. Let us begin our action from now on!



Seed bank maintained at Kaigal, AP
by Krishnamurthy Foundation





ANNEXURES

Annexure - 1

Format for recording minutes of BMC meetings

Minutes of the _____ Biodiversity Management Committee Meeting held on _____ Venue of the meeting: _____

Agenda items of the meeting :

- i)
- ii)
- iii)
- iv)
- v)

Proceedings including key issues discussed and decisions made :

- i)
- ii)
- iii)
- iv)

List of members present and their designation and signature :

- a)
- b)
- c)
- d)
- e)
- f)

Signature of the Chairman

Signature of the Secretary

Annexure - 2

Format for *vaid*s and practitioners making use of biological resources

List of *vaid*s, *hakims* and traditional health care (human and livestock) practitioners residing, and/or using biological resources occurring within the territorial jurisdiction of the village panchayat.

Name:

Age:

Gender:

Address:

Area of specialization:

Location from which the person accesses biological material:

Perception of the practitioner on the resource status:

Name:

Age:

Gender:

Address:

Area of specialization:

Location from which the person accesses biological material:

Perception of the practitioner on the resource status:

Name:

Age:

Gender:

Address:

Area of specialization:

Location from which the person accesses biological material:

Perception of the practitioner on the resource status:

Annexure - 4

Receipt

Name of BMC: _____

Book No.: _____

Receipt No: _____ Date: _____

Mr./Ms./Office: _____

Address: _____

Received cash / cheque/ draft of bank _____ No. _____

Dated: _____

Received amount entered under _____ accounting
head.Received Rupees (in figures) _____ accounting head.
(in words) _____ Receipt of
payment made cheque is issued subject to realization of the cheque.Signature
Secretary BMC /
Drawing & Disbursement Officer

Annexure - 5

Expenditure Register Certificate

Name of BMC: _____

Bill Serial No.: _____ Date: _____

Certificate Serial No.: _____ Date: _____

Amount mentioned in the aforesaid bill is debited / credited in the following accounts.

S. No.	Account Name	Amount Debited	Amount Credited
	Total		

Rs.: _____ (in words) _____

Entry of the certificate done in register number _____

on page number _____

Signature of officer

Annexure - 6

Cheque / Draft Register

Name of BMC: _____

S.No.	Bank Draft Cheque Payee Name	Bank Draft/ Cheque No.& Date	Name of Bank	Category	Amount (Rs.)	Remark
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Annexure - 7
Bill Register

Name of BMC: _____

Date	Bill Number	Bill Type	Bill Amount	Drawing Secretary BMC/ Disbursement Officer Signature	Payment Mode	Cheque Number or Certificate Number	Cheque Number or Date	Amount (Rs.)	Drawing Secretary BMC/ Disbursement Officer Signature	Remark
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Note:-

1. Mention cash or Bank in column no. 6
2. Bill serial number should be mentioned on bill also. Bill serial number will be according to financial year's end digits.

Annexure - 8

Cash Payment Certificate

Name of BMC _____
Certificate Serial No. _____
Department/Branch Name _____
Date _____ Bill serial _____
Date _____
Rs. _____ (in words) _____

Be paid in cash. The payment amount should be entered under _____ accounting head.

Payment particulars recorded on cash book page number _____ dated _____ Payment of the concerned done and receipt of the same kept in records.

Signature
Secretary BMC/Drawing & Disbursement Officer

Annexure - 9

Cheque Payment Certificate

Name of office _____
Certificate Serial No. _____
Department/Branch Name _____
Date _____ Bill Serial _____ Date _____
Rs. _____ (in words) _____

Be paid through following cheque.

S. No.	Name	Cheque Number	Date	Amount
(i)				
(ii)				

The above payment amount should be entered under _____ accounting head.

Signature
Secretary BMC/Drawing & Disbursement Officer

Annexure - 10

Certificate Register

S.No.	Bill Serial No. & Date	Amount	Cash Payment Certificate No.	Cheque Payment Certificate No.	Signature Secretary BMC/ Drawing Disbursement Officer	Remark
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Annexure - II
Cash Book

Name of BMC _____

Receipt Side					Payment Side						
Receipt Date	Receipt No.	Particulars (Name of Depositor etc.)	Amount		Accounting Date	Payment Date	Certificate No.& Date	Particulars	Amount		Accounting Head
			Cash	Bank					Cash	Bank	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
								Closing Balance			
		Total						Total			

Bank Reconciliation Statement

For the Month of _____

Name of Office : _____

S. No	Particulars	Amount
1.	Add: Issued Cheques but not presented for payment	
2.	Add: Issued cheques but handed over to concern	
3.	Add : Issued cheques but dishonoured	
4.	Add: Maturity addable cash credited by bank but not recorded in cash book	
5.	Add: Interest paid by bank or payments received directly through bank	
6.	Deduct: Payment done directly through bank but not recorded in cash book	
7.	Deduct: Bank charges, bank service charges levied by bank not recorded in cash book	
8.	Deduct: Received unaccounted cheque	
Balance in bank according to pass book		

Signature
Secretary BMC/ Drawing & Disbursement Officer

Annexure -14

Model Annual Report Format For Biodiversity Management Committee

- a. The Name of the Committee
 - Name of the Village
 - Name of the Block / Taluk / Mandal
 - Name of the District
 - Name of the State
- b. The period to which the report relates (Financial Year)
- c. The incumbency of office for the period (Names of the Chairperson and Secretary)
- d. Detailed statement of programmes of action for the year
- e. Detailed report on the activities performed during the year
- f. A brief account of financial position of the committee
- g. Map of jurisdiction
- h. Progress of work in Peoples' Biodiversity Register (PBR):
 - Documentation
 - Updation
 - Validation in consultation with the SBB
 - Details of Technical Support Group(TSG)
- i. Minutes Book recording resolutions and decisions made by BMC
- j. BMC Annual Financial Report with resolutions of the BMC
- k. List of Visitors to BMC area for referring PBR and Bio prospecting etc.
- l. List of persons provided access to biological resources and traditional knowledge by BMC
- m. Important communications, if any held between BMC-SBB-NBA
- n. Photographs, News clippings (if any)

Signature of the Chairman

Signature of the Secretary