

Press release

C&AG's Audit Report No. 22 of 2018 on 'Accelerated Irrigation Benefits Programme' – Water Resources, River Development & Ganga Rejuvenation tabled in Parliament today.

Report No. 22 of 2018 of the Comptroller and Auditor General of India- on 'Accelerated Irrigation Benefits Programme: Union Government Ministry of Water Resources, River Development & Ganga Rejuvenation' was tabled in Parliament today.

This Report of the Comptroller and Auditor General of India contains the observations of Performance Audit of Accelerated Irrigation Benefits Programme for the period 2008-17; matters relating to the period subsequent to 2016-17 have also been included, wherever necessary.

The Accelerated Irrigation Benefits Programme (AIBP) was launched during 1996-97 as a Central Assistance (CA) programme for accelerating the implementation of large projects which were beyond the resource capability of the States and completion of other irrigation projects which were at an advanced stage but were delayed due to resource constraints faced by State Governments. Initially, the primary goal of AIBP was to speed up completion of Major and Medium Irrigation (MMI) projects. The coverage under AIBP was gradually expanded over the years to include drought prone area of KBK districts of Odisha and Minor Irrigation (MI) schemes of Special Category States (SCS); Extension, Renovation, Modernization (ERM) projects and MI schemes of Special Areas¹(SA) of non-SCS. Ministry of Water Resources, River Development and Ganga Rejuvenation (MoWR,RD&GR/Ministry) is responsible for framing policy guidelines for implementation while State Governments are primarily associated with planning and implementation of irrigation projects and schemes.

¹ The Special Areas denote Drought prone areas, Tribal areas, Desert areas, Flood prone areas.

A Performance Audit of AIBP covering the period the 2008-2017 was carried out to examine the progress of the projects undertaken for their speedy completion. The Key facts and key findings on the scheme are as under:

	Major and Medium Irrigation (MMI) Projects	Minor Irrigation (MI) Schemes
Key Facts		
Number of projects under implementation during 2008-17	201	11,291
Number of projects completed during 2008-17	62	8,014
Number of projects ongoing as on 31 March 2017	139	3,277
Total sanctioned cost of projects undertaken (excluding National Projects) during 2008-17	₹ 2,22,799.98 crore	₹ 16,800.78 crore
Central Assistance released to AIBP projects (excluding National Projects) during 2008-17	₹ 28,334 crore	₹ 12,809 crore
Number of sampled projects/schemes	118 (59 percent of total MMI Projects)	335 (Three per cent of total MI schemes)
Sanctioned cost of sampled projects/schemes	₹ 1,80,145.79 crore	₹ 1,680.55 crore
Expenditure on sampled projects/schemes	₹ 62,801 crore	₹ 1,591.71 crore
Number of sampled projects/schemes completed	30	213
Central Assistance released to sampled projects/schemes	₹ 19,184 crore	Not available ²
Target for creation of Irrigation Potential for sampled projects/schemes	85.41 lakh ha	1.50 lakh ha

Key Findings of sampled MMI projects/MI schemes		
Number of projects with time overrun (in completed and ongoing projects/schemes)	105	153
Extent of time overrun (in completed and ongoing projects/schemes)	Up to 18 years	Up to 12 years
Extent of cost overrun	₹ 1,20,772.05 crore	₹ 61.61 crore
Irrigation Potential created	58.38 lakh ha (68 per cent)	0.58 lakh ha (39 per cent)
Irrigation Potential utilised	38.05 lakh ha (65 per cent)	0.33 lakh ha (72 per cent)
Non-submission of Utilisation Certificates	₹ 1,455.71 crore (32 per cent of CA released)	₹ 731.69 crore (52 per cent of CA released)

²Central Assistance is released for cluster of MI schemes.

Key Findings of sampled MMI projects/MI schemes		
Projects/Schemes irregularly included under AIBP	30	41
Diversion of funds	₹ 1,572.31 crore	₹ 6.24 crore
Short-realisation/loss of revenue	₹ 1,251.20 crore	₹ 0.19 crore
Fictitious and fraudulent expenditure	₹ 4.54 crore	₹ 3.04 crore
Financial implications due to poor works management	₹ 1,572.63 crore	₹ 68.54 crore

The Performance audit of the AIBP revealed several deficiencies in the planning, implementation and monitoring of the programme. Projects and schemes were included under AIBP in violation of the programme guidelines, resulting in irregular release of ₹ 3,718.71 crore. Deficiencies in preparation and processing of Detailed Project Reports (DPRs) such as inadequate surveys, inaccurate assessment of water availability, Irrigation Potential (IP) and Command Area, lack of activity wise construction plans, etc. and incorrect calculation of Benefit Cost Ratio of the projects led to modifications in design and scope of work and revision in cost estimates after commencement of work, also adversely affecting the schedule of implementation of the projects.

Financial management for AIBP was inefficient, as there were cases of non/short release of funds, delays in release of funds at various levels, releases at the fag end of the financial year and non-adjustment of unspent balances of funds in the subsequent releases. Utilisation Certificates for funds amounting to ₹ 2,187.40 crore, constituting 37 per cent of the total CA received by the State agencies were not submitted to the Ministry in time. Other financial irregularities such as diversion of funds amounting to ₹ 1,578.55 crore, parking of funds amounting to ₹ 1,112.56 crore and fictitious and fraudulent expenditure amounting to ₹ 7.58 crore were also observed. There were also instances of short/non-realisation of revenue amounting to ₹ 1,251.39 crore.

Implementation of projects under AIBP was tardy, with delays in completion of projects ranging from one to 18 years. Out of the sampled 118 MMI projects and 335 MI schemes, only 30 MMI projects and 213 MI schemes were completed as of March 2017. The delays were attributed to shortfall in land acquisition, inability to obtain statutory clearances in advance, changes in design and scope of work, etc. The delays in implementation of projects together with inefficient works management led to cost overrun in the projects. The total cost overrun in 84 MMI projects, including 16 completed and 68 ongoing projects was ₹ 1,20,772.05 crore which was 295 per cent of their original cost. The realization of envisaged benefits in terms of Irrigation Potential (IP) creation was only 68 per cent in MMI projects and 39 per cent in MI schemes. The utilization of IP created was 65 per cent and 72 per cent respectively for MMI projects and MI schemes.

There were deficiencies in works management such as delays in award of work, splitting of works, incorrect phasing of project implementation, execution of sub-standard work, undue benefits to contractors, etc. The extra financial implications seen in audit were to the extent of ₹ 1,337.81 crore towards irregular/wasteful/avoidable/extra expenditure and ₹ 303.36 crore due to undue favour to the contractor.

Monitoring by Central and State agencies was lax. There were shortfalls in number of monitoring visits by Central Water Commission (CWC) and reports were not

prepared in all projects evaluated. Further, compliance to issues highlighted in the CWC reports were also pending. State Level Monitoring Committees were not formed in all the States. Monitoring through Remote Sensing Technology by National Remote Sensing Centre, Hyderabad (NRSC) was very limited due to the low resolution of imageries and other limitations attributed by the Ministry. There were gaps in IP highlighted by NRSC and variance in IP data of the NRSC and the Ministry. Participatory irrigation management through Water Users Associations suffered from serious limitations due to limited number, status and the resources at their command affecting the Operation & Maintenance of projects.