

CHAPTER VI: ECONOMIC SECTOR

Good infrastructure is the key for enhancing the growth potential of the District and bridging the gap between the urban and rural areas. It will also bring remote and backward areas closer to the District Headquarters and bring about growth of the economy. Infrastructure includes provision of good all weather roads, adequate electricity for households, industrial and irrigation needs, Railway connectivity, air services and reliable communication facilities.

6.1. ROAD CONNECTIVITY

There is no flight or rail connectivity in the District. However, there is one Helipad in Old Ziro, and the nearest airport (Lilabari) and Railway Station is in North Lakhimpur, Assam, which is about 120 km. away. Ziro Town is connected by road to the State Capital (Itanagar), about 167 km. away. The roads in Lower Subansiri District from Kimin to Raga Block via Ziro-II Block were constructed and maintained by the Border Roads Organisation (BRO). A review of road development in the District revealed that 75 per cent villages were connected by road up to March 2011. The total length of roads constructed by different construction agencies is as given in Table 16.

Table – 16

(in km.)

Agency	Black Topped	Water-bound Macadam	Unsurfaced	Total Length of Roads
APPWD	67.72	70.48	243.73	381.94
BRTF	276.00	-	-	276.00
RWD	-	7.14	123.21	130.35
Total	343.72	77.62	366.94	788.29

Source: Statistical Handbook.

Distance of various places from the District Headquarter is as under: -

Table - 17

Block	Circle	Distance from HQs (Ziro)
Ziro-I	Sadar Circle	0 km
	Old Ziro	7 km
Ziro-II	Yachuli	23 km
	Pistana	64 km
	Pitapool	54 km
Tamen Raga	Raga	74 km
	Dollungmuk	145 km
	Kamporijo	61 km

Out of 226 villages in the district, up to March 2005, Only 104 villages were provided road connectivity (APPWD = 55 and RWD = 49), which increased to 195 as of March 2011 (APPWD = 72 and RWD = 123).

The District Rural Road Plan (DRRP) indicating the entire existing road network in the District and the core network identifying the roads required to assure each eligible habitation with a basic access (single and weather road connectivity) to essential social and economic services was required to be prepared. Records showed that DRRP had not been prepared by the department as a result; the entire existing and the required road network to be constructed in the District could not be ascertained. Construction and maintenance of roads in the district is mostly done by Public Works Department and Rural Works Department.

6.1.1 Public Works Department

The Division/Department had no Perspective Plan, however, Annual Operative Plans were prepared. In the absence of a Perspective Plan, there is always possibilities of haphazard execution of the schemes due to improper prioritisation of the project causing delay in completion of the project or projects remaining incomplete for long time leading to blocking of funds, wasteful expenditure, etc. Such instances noticed during the audit scrutiny of the records of the division are discussed in the subsequent paragraphs.

During 2005-11, the PWD has constructed only 27.5 km of road (25.5 km under CRF and 2 km under NABARD) in the district.

(a) It was seen in audit that between 1987-88 and 1998-99, the Division had taken up “Formation Cutting” at an estimated cost of ₹ 1.04 crore in different locations and between 40 and 100 per cent work was physically completed, with an expenditure of ₹ 1.07 crore as of March 1999. Thereafter, no further work was taken up on those roads. As a result, earthwork already done on incomplete roads may become waste due to landslips, vagaries of weather, etc.

(b) Six major road works were taken up between 2001 and 2008 in the district, but none were completed till date as detailed below: -

Table - 18

Year taken up	Name of the Road	Funded from	Estimated cost (₹ in Lakh)	Expenditure (₹ in lakh)
2007	Pai to Pine Grove	CRF	500.00	289.25
2008	Raga Township Road	CRF	448.60	118.80
2007	Yazali Mangio Road	RIDF	4224.43	3715.13
NA	Road from 20 Camp Daporijo to Chambang	RIDF	713.80	629.81
2001	Pine Grove to Siro	RIDF	1882.38	1882.90
2008	Yallap to Yom	RIDF	400.00	139.25

Source: As per Progress Report

Further, scrutiny revealed that construction of RIDF funded road from Pine Grove to Siro (3 to 44 km.), which was administratively approved in February 2001 at ₹ 18.82 crore, was to be completed by March 2002. The work commenced in 2001 and only 74.53 per cent of work was executed after incurring an expenditure of ₹ 18.81 crore. Thereafter no progress in the work was made till August 2011. However, a revised estimate for ₹ 36.65 crore was prepared and submitted to the Chief Engineer for approval. The same has not been approved yet.

Meanwhile, 6.05 km. formation cutting was damaged due to floods, but the actual occurrence of damage was not on record. As a result, the expenditure became unproductive, as shown in the photographs below:



It was also seen that though the Division did not maintain any Asset Register, ₹ 26.48 crore was incurred towards maintenance of internal roads during the last six years. Neither was any survey conducted nor any estimate prepared for the repair work. Physical verification revealed that there was no or very poor maintenance of internal roads, as seen from the photographs below: -



Creation of new PWD Division

The Ziro PWD Division was bifurcated and Yazali PWD Division was created in August 2009. The handing and taking over of assets of Yazali took place on 15th October 2009, and records such as Measurement Books, Site Accounts and Estimates were transferred to Yazali Division. But other records like APRs, Vouchers, Work Orders, etc;. were still in the custody of PWD Division, Ziro. Though the Department said it would transfer these records to Yazali Division, they were still with PWD Division, Ziro as of August 2011. However, some shortcoming/lapses were noticed during the test check of the records maintained by the PWD divisions in the District which is indicative of deficient internal control mechanism in the department that fraught with the risk of fraud, misappropriation and wasteful expenditure, etc.. For example: -

- ❖ Works valued at ₹ 2.50 crore was awarded to 18 contractors on the basis of about 43 Work Orders, keeping each Work Order within the financial power of the Executive Engineer. Payments were made to the contractors on Hand Receipts (142 cases) for ₹ 0.64 crore.
- ❖ Construction of a Foot Suspension Bridge over Dollungmukh river at a cost of ₹ 0.26 crore was awarded to a single contractor by issuing 24 Work Orders.

- ❖ ₹ 0.15 crore was paid to contractor for repair and maintenance of internal roads in Ziro without measurement of the work done.
- ❖ Basic records like Work Registers, Deposit Registers and T&P Ledgers were not maintained by the Division.

To sum up, in the absence of a Perspective Plan, works were taken up without assessing their immediate requirement. Some works remained incomplete for long time resulting in wasteful expenditure as such incomplete works became useless due to long delays in completion of work. Internal control system prevalent in the department was weak.

Recommendations

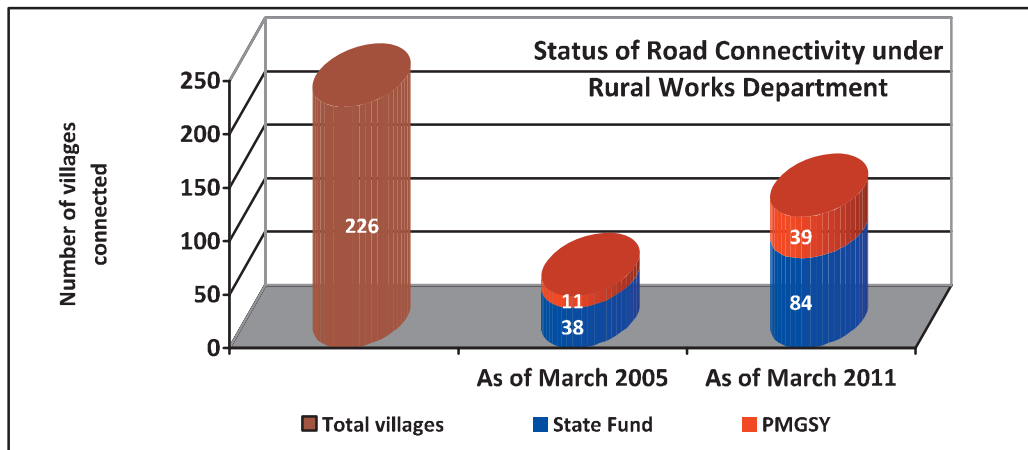
Steps should be taken to prepare a perspective plan and prioritise the work. All incomplete work should be completed without further loss of time to avoid already completed work becoming wasteful due to long delays.

Internal mechanism should be strengthened and it should strictly be ensured that no codal provisions are violated. All prerequisite before the commencement of work such as survey, soil testing, etc should be invariably carried out.

6.1.2 Rural Works Department

Under Rural Works Department, 49 villages were connected by road up to March 2005 (under State Fund - 38 and PMGSY - 11). 74 more villages were provided with road connectivity by the department during 2005-11 (State Fund - 46 and PMGSY - 28) bringing the number of villages connected by roads to 123 (State Fund – 84 and PMGSY – 39) as depicted in the following chart.

Chart 5



It was noticed in audit that the Division neither prepared a Perspective Plan nor Annual Operative Plans (AOPs). Further, the Division did not maintain Asset Registers of the roads constructed under State or PMGSY funds.

As a result oversight, no action was taken/initiated to complete works in respect of 18 Rural Link Roads (RLRs) in different locations, which were taken up between 1993-94 and 1999-2000 at an estimated cost of ₹ 3.85 crore and were partially completed after incurring an expenditure of ₹ 1.39 crore (March 2001). Thus, the entire expenditure of ₹ 1.39 crore became unproductive.

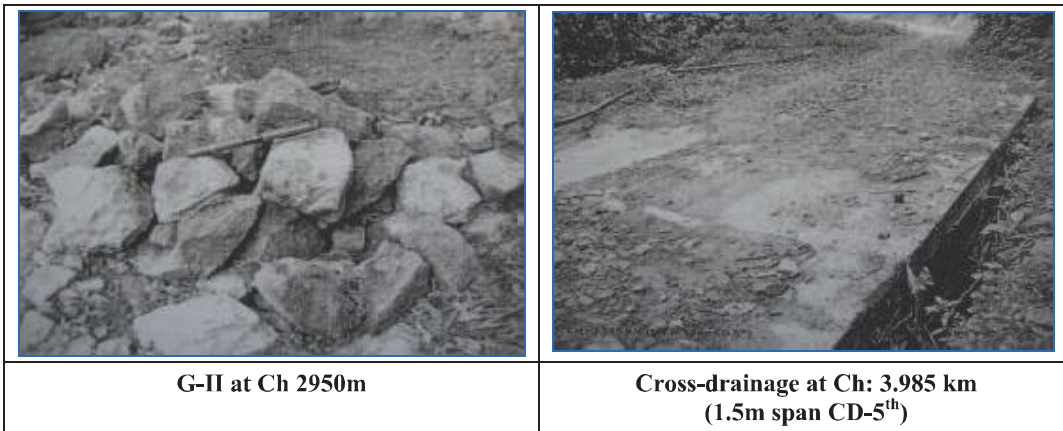
Deficiencies noticed in the two works undertaken in the district are discussed in detail in the subsequent paragraphs.

(a) The work “Construction of Road from Pitapool to Sagalee Road to Kebi (5.01 km)” was approved at an estimated cost of ₹ 2.44 crore (₹ 2.09 crore for construction and ₹ 0.35 crore for maintenance) to cover a population of 289 persons. In response to Notice Inviting Tender (NIT) of July 2007, four tenders were received, out of which three were rejected on technical grounds. The work was awarded to a contractor on single tender basis at his tender value of ₹ 2.32 crore by entering into an agreement in November 2007. The work, due to be completed by November 2008, was extended up to February 2009.

The work was commenced in November 2007 and payment of ₹ 74.34 lakh was made to the contractor in February 2009 for the items of works completed (Physical Progress: Preparation Work – 100 *per cent*, Earth Work – 100 *per cent*, Drainage – 8 *per cent*, Base Course – 49 *per cent* and Base Wearing Coarse (Bituminous) – 0 *per cent*). Thereafter neither was any further progress of work made nor was work withdrawn and awarded to another contractor at the risk and cost of the original contractor.

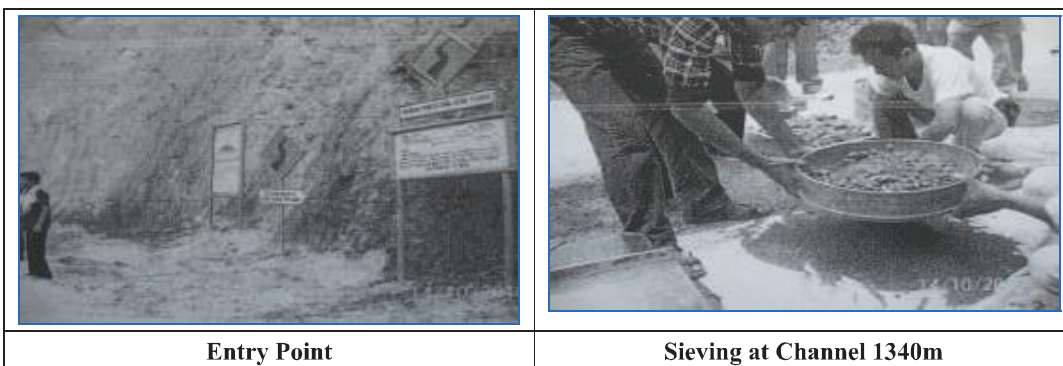
Further, it was revealed from the report of the National Quality Monitor (NQM) dated 13-10-2010, that the thickness of each WBM was not adequate and the aggregate did not conform to the grading, and that the same was oversized and the thickness provided was inadequate, as can be seen from the photographs below: -

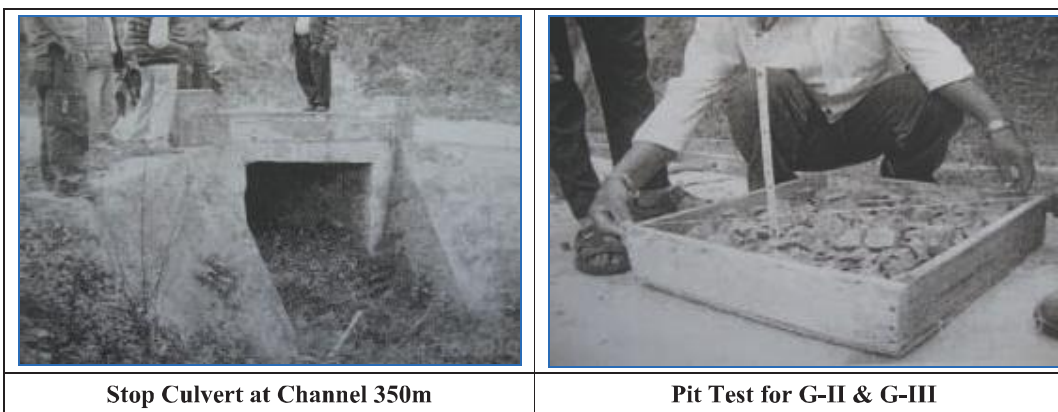




(b) The work “Construction of Road from Deed to Radhpu - 5.25 kms.” was approved at an estimated cost of ₹ 2.26 crore (Construction Work - ₹ 1.96 crore and Maintenance Work - ₹ 0.30 crore) to cover a population of 302 persons. In response to NIT (July 2007) three tenders were received, of which two tenders were rejected on technical grounds. The work was awarded to a contractor on single tender basis at his tender value of ₹ 2.25 crore, by entering into an agreement in November 2007. The work was stipulated to be completed by February 2009. The work commenced in November 2007 and 66 per cent of the work was executed, for which ₹ 1.30 crore was paid to the contractor in September 2009 (Physical Progress: Preparation Work – 100 per cent; Earth Work – 100 per cent; Cross Drainage – 100 per cent; WBM 1 – 100 per cent; Shoulder – 25 per cent Base Course – 70 per cent; Wearing Course – 0 per cent and Marking & Road Side Furniture – 25 per cent), though the stipulated date of completion was already over in February 2009. Thereafter, no progress of the work was noticed. Further, it was revealed from the State Quality Monitoring (SQM) Report dated 5th April 2009, that the aggregates in base course were oversized, geometrics and side slope were not maintained, thickness of base course was not as per specifications and highly plastic soil was used as filler material. The contractor was recommended for blacklisting.

Further, NQM recommended (14-10-2010) that all mandatory tests were not conducted. Super elevation was not as per specifications and the aggregate did not conform to the grading. A few photographs of the road are shown below:





Again in two completed works, viz. construction of road from Bamin to Nanchalaya (₹ 1.40 crore) and road from Tamen to Phokho Yokar (₹ 2.35 crore) ₹ 3.75 crore, including 4 per cent VAT component of ₹ 0.15 crore, was paid to contractors. As such an excess payment was made to the contractor due to non-deduction of statutory dues of ₹ 0.15 crore.

Recommendations

Steps need to be initiated to prepare a Perspective Plan identify the gap in the road connectivity and a broad action plan to provide connectivity to all eligible habitations in the district within specified period of time.

Annual operational plans should be framed in line with the perspective plan and specific milestones be drawn to ensure timely completion of the projects planned for execution during the year.

Timely completion of work taken up should be ensured by adhering to codal and other formalities required for the execution of the work.

Asset registers should be maintained properly and timely maintenance of the road constructed should be ensured.

6.2 IRRIGATION

The total agricultural land is 15,000 hectares. There were no Major or Medium Irrigation Projects in the District. Only Minor Irrigation Projects with open trench weir type headwork were established in the district.

The District did not prepare any Perspective Plan, but works were executed on the basis of Annual Operative Plans (AOPs).

127 minor irrigation schemes were completed up to 2005, but the irrigation potential created in terms of hectares was not on record. During 2005-11, total allotment of ₹ 55.05 crore made was spent in the respective year as indicated in Table 19.

Table - 19

Year	Allotment	(₹ in crore)
		Expenditure
2005-06	2.38	2.38
2006-07	6.00	6.00
2007-08	8.93	8.92
2008-09	7.66	7.59
2009-10	4.91	4.91
2010-11	25.16	25.16
Total	55.05	55.05

Source: Departmental Figures

During 2005-10, out of 291 targeted minor irrigation schemes, 155 schemes were completed and the irrigation potential created was 931 hectares against a target of 1171.66 hectares. During 2010-11 no target was fixed, nor was there any construction.

Information in respect of creation of Irrigation Potential (hectare) was never reported to the District Agriculture Officer (DAO) or the Director of Agriculture, Naharlagun. As a result, the Agriculture Department had no information on the irrigational potential created by the Irrigation Department.

Test check also revealed that the WRD Division projected Benefit Cost Ratio (BCR) between 5 per cent and 400 per cent in respect of 31 completed schemes taken up in 2006-07 and completed during 2007-09. But WRD did not have any mechanism to assess the achievement in respect of production as per projected BCR in the Estimate/DPR. Information furnished by the District Agricultural Officer regarding area coverage and production/yield in respect of paddy, maize and millet during the period 2005-11 is given in the following table.

Table – 20

(Area covered in hectares, Production in MTs)

Year	Paddy		Maize		Millet	
	Area covered	Production	Area covered	Production	Area covered	Production
2005-06	9500	11160	1672	2189	2504	3602
2006-07	9643	1174	1697	2222	2542	3656
2007-08	7685	9221	558.78	1117	1850.08	1341.31
2008-09	7838	9406	569.96	1122.82	1887.08	1358.70
2009-10	10193.18	12231.28	620.04	1221.48	1924.08	1443.06
2010-11	8154.54	15982.91	624.75	1230.75	1529.00	1441.31

Source: - Departmental Figures

From the above table it could be seen that total area covered under paddy, maize and millet cultivation has declined from 13882 ha in 2006-07 to 10308.29 ha in 2010-11, despite creation of additional irrigational facility for 931 ha land during the period. Land under cultivation of paddy, maize and millet declined by 14.16 per cent, 62.63

per cent and 38.94 per cent respectively. Barring production of paddy, there was a shortfall of 44 per cent in production of maize and 60 per cent in production of millet in comparison of 2005-06, even though certified and hybrid seeds were issued to the farmers as per the agriculture calendar as claimed by DAO.

6.2.1 Execution of minor irrigation schemes

Test check revealed that five schemes covering five villages¹ were taken up in March 2009 at an estimated cost of ₹ 40 lakh through contractors by issuing work orders without calling for tenders. The works were shown to have been completed in July 2009, and a Utilization Certificate for ₹ 40 lakh was submitted to the Chief Engineer.

Audit scrutiny, however, revealed that in four out of five schemes (at Habong, Bas Camp, Pat Sepa Boa and Kemliko Villages) were completed without constructing 'head works', though provided in the estimates. As a result, expenditure on those schemes, amounting to ₹ 25 lakh became unfruitful.

6.2.2 Handing-over of completed irrigation schemes/realization of water charges

Revised scheme guidelines (April 2004) provided for the following economic reforms:

- Revision of the Water Rates to ₹ 225/ha within a period of three years.
- Meeting the full operational and maintenance cost from the water charges collected.

The Department stated that no water charges were collected from the users as no Water User Association (WUA) was constituted (September 2010). But Audit scrutiny revealed that the Division had paid ₹ one lakh each to Yachuli WUA and Raga WUA.

Test check revealed that during January to March 2009 the Division incurred ₹ 0.70 crore towards repairs and maintenance of irrigation schemes, for which no funds were provided. Maintenance work was carried out on work order basis without recording the names of the schemes/works or their locations either in the work orders, bills or measurement books.

6.2.3 Internal Control

The Division did not introduce the system of calling for tenders for awarding works. Rather works were split and awarded to contractors. 616 Work Orders, valued at ₹ 5.56 crore were issued to 74 contractors (average 8 WOs to each) during 2009-10. Moreover, the completed works were not measured to assess whether the works were completed as per specifications. Asset Register was not maintained by the Division. As a result, assets created could not be ascertained.

¹ [MIP at Radum (₹ 15 lakh); Habong (₹ 10 lakh); Bas Camp (₹ 5 lakh); Pat Sepa Boa (₹ 5 lakh) and Kemliko (₹ 5 lakh)]

In Tamen Raga Block, six Minor Irrigation Channels (MIC), constructed under Hariyali Scheme at a cost of ₹ 18 lakh without prerequisite 'head works', became unfruitful.

To sum up, no Perspective Plan was prepared. Completed schemes were not handed over to the beneficiaries with intimation to the Agriculture Department. There was no assessment of achievement in production as per BCR projected in the DPR. There was lack of proper internal control, Asset Register were not maintained and also monitoring of schemes was not carried out.

Recommendations

A perspective plan be framed with detail of irrigational potential required to be created in the district with identification of the source of water detailing the time frame and funds required for implementation of the irrigation schemes so planned.

Completed irrigations schemes should be handed over to the beneficiaries, under intimation to the agriculture department. An impact assessment of the completed schemes should be carried out to assess whether BCR projected has been achieved or not. Efforts should be made to collect water usage charges from the recipients.

Asset register should be maintained properly. Internal control mechanism should be strengthened and the department should introduce the system of awarding works by calling for tenders. The execution of projects/scheme should be appropriately monitored.

6.3 Employment Generation

The GOI and the State Government initiated numerous measures to make a dent on poverty, unemployment and the slow pace of progress in rural economy. In addition, provision of food security, especially to the poor and vulnerable sections of the society, was envisioned as one of the important components for intensive growth of the economy. One of the most important schemes sponsored by the Central Government for providing employment in the rural areas as a means of poverty alleviation was Sampoorna Grameen Rozgar Yozana (SGRY). The Programme was to be closed on 31st March 2008, with the introduction of another rural employment guarantee oriented scheme, viz. MNREGP (Mahatma Gandhi National Rural Employment Guarantee Programme) under an Act of Parliament, which envisaged to cover all Districts throughout the country in phases *w.e.f.* April 2008.

6.3.1 Sampoorna Grameen Rozgar Yozana (SGRY)

The Programme was done through participatory planning at the Gram Panchayat (GP) level, Anchal Samitee (AS) level and District level. The works to be taken up were finalized in the Gram Sabha at GP levels and reviewed at AS and District levels. Important works not included in the list of works finalized in the Gram Sabhas are included in the AS and District levels.

Fund allotted vis-à-vis expenditure under the programme in the district as per information provided by during the years from 2005-06 to 2007-08 were as follows:

Table – 21

(₹ in lakh)

Year	Opening Balance	Funds Received			Total	Funds Utilized	Unspent Balance
		Centre	State	Misc. Receipts			
2005-06	11.41	61.28	11.32	0.65	84.66	66.46	18.20
2006-07	18.20	76.43	2.64	39.77	137.03	65.50	71.53
2007-08	71.53	52.76	12.00	3.62	139.91	137.41	2.50

6.3.1.1 Employment Generation under SGRY

Details of employment generation under this scheme as furnished by the blocks during 2005-08 were as under: -

Table – 22

(Mandays in lakh)

Year	Total ST Population	Mandays Generated			
		Men	Women	Others	Total
2005-06	0.94	0.57	0.37	NIL	0.94
2006-07	0.72	0.44	0.28	NIL	0.72
2007-08	1.32	0.63	0.69	NIL	1.32
Total	2.98	1.64	1.34	NIL	2.98

Source: figures furnished by the Blocks

During 2005-06 & 2007-08, 347 works were sanctioned, of which how many works were executed were not on record nor stated to audit. Details of works sanctioned were as shown in Table 23.

Table – 23

(Value of work - ₹ in lakh)

Year	Block-wise Number of Works Sanctioned						Total	
	Ziro-I		Ziro-II		Raga		No. of Works	Value of Works
	No. of Works	Value of Works	No. of Works	Value of Works	No. of Works	Value of Works		
2005-06	210	49.80	22	9.54	51	11.87	283	71.21
2006-07	-	-	46	13.03	18	11.37	64	24.40
Total	210	49.80	68	22.57	69	23.24	347	95.61

Sources: Departmental Figures

Test check revealed that the foodgrains component of 3 kg per manday was not given to the Muster Roll labourers. They were paid in cash instead. It may be pointed out here that during 2005-08 the three Blocks of Lower Subansiri District had not drawn or issued any foodgrain component to the MR labourers, which amounted to non-issue of 894 MTs of rice (2,98,000 mandays x 3 kg.). The concerned district authorities stated that *Government of India, Ministry of Rural Development has exempted Arunachal Pradesh for lifting of food grains.*

6.3.1.2 Shortcoming in works executed under SGRY

Under SGRY, 8 works such as CC footpaths, CC drains, etc. were sanctioned for ₹ 30.71 lakh. The works were started in November 2007 and completed in December 2007, at a cost of ₹ 30.58 lakh.

Test check of the accounts of Ziro-I Block revealed that for execution of works, 4071 bags of cement, 568 *cum* of sand and 1076.74 *cum* shingles were required, against which 3129 bags of cement were procured and utilized, resulting in short utilization of 942 bags of cement. Further, sand and shingles were not at all utilized in the work. Moreover, the rice component valued at ₹ 6.74 lakh, was also not issued to the labourers. They were paid in cash instead, and the quantum of work done by unskilled labourers was also not recorded in the MR Bills.

In view of the above, the expenditure of ₹ 30.58 lakh seemed doubtful.

6.3.2 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Following the decision of Government of India to extend National Rural Employment Guarantee Act (NREGA) to all the rural areas of all the remaining district of the country with effect from 01 April 2008, the SGRY programme in the districts was to be discontinued on starting of NREGA programme (renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGREGS)). This programme was implemented in Lower Subansiri District from 2008-09. The basic objective of the scheme is to ensure security of livelihood in rural areas by providing at least 100 days of guaranteed wage employment in a year to local rural household if it demands wage employment and is willing to do unskilled manual work.

The cost of the scheme was to be shared between the Centre and the State in the ratio of 90:10. The Central Government would bear the entire cost of wages for unskilled manual workers, 75 *per cent* of the cost of material and wages for skilled and semi-skilled workers and administrative expenses, which will include, inter alia, the salary and allowances of Programme Officers and their support staff and work site facilities. The State Government would bear 25 *per cent* of the cost of material and wages for skilled and semi-skilled workers besides unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application.

For effective implementation of scheme, time bound activities had to be discharged at the Gram Panchayat, Block and District levels. For this purpose appointment of key personnel was imperative. At district level, a District Programme Coordinator is responsible for overall coordination and implementation of the scheme in the District. Programme Officer (PO) is a key functionary in the scheme and coordinates the NREGA works undertaken by Gram Panchayat and implementing agencies at the block level. A full time dedicated PO was necessary. The success of the programme, to a large extent, depend on him. Full time Programme Officers were not appointed in

the district till date. Officers of the DRDA and Blocks prepared the estimates and measured the works.

6.3.2.1 Fund Management

The year-wise fund position and expenditure there against during 2007-08 to 2009-11 were as indicated in Table 24.

Table – 24

(₹ in lakh)

Year	Opening Balance	Fund Received			Total fund available	Expenditure	Unspent Balance/ (%)
		Centre	State	Other Misc. Receipts			
2007-08	-	54.50	-	-	54.50	39.57	14.93 (27%)
2008-09	14.93	66.78	-	0.60	82.31	23.91	58.40 (71%)
2009-10	58.40	125.00	2.93	1.39	187.72	81.05	106.67 (56%)
2010-11	106.67	59.37	-	-	166.04	110.80	55.24 (33%)

Source: Departmental Figures

As per information furnished by three blocks of the district, there was a balance of ₹ 75.68 lakh with the Blocks. (Ziro-I : ₹ 16.61 lakh; Ziro-II : ₹ 36.54 lakh and Raga Block : ₹ 22.53 lakh).

6.3.2.2 Employment Generation under MGNREGS

Details of employment generation under this scheme from 2008-09 to 2010-11 as furnished by the DRDA are as under: -

Table - 25

(Man days in lakh)

Year	Mandays Generated (ST)		
	Total	Men	Women
2008-09	0.14	0.09	0.05
2009-10	0.65	0.42	0.23
2010-11	0.83	0.55	0.28
Total	1.62	1.06	0.56

Sources: figures furnished by the DRDA

Out of 18800 Job-card holders, during 2008-09, 2009-10 and 2010-11 only 460, 10155 and 9851 job cardholders were provided with the employment. Only 69 job cardholders were provided with minimum guaranteed 100 days employment during 2009-10.

Details of employment generated from 2007-08 to 2010-11 as furnished by the Blocks are as indicated in the following table.

Table - 26

(Mandays in lakh)

Year	Mandays Generated (ST)		
	Total	Men	Women
2008-09	0.53	0.27	0.26
2009-10	0.30	0.09	0.21
2010-11	0.73	0.43	0.30
Total	1.56	0.79	0.77

Sources: Figures furnished by the Blocks

It can be seen from the Table 25 and 26 that there is discrepancies in between the two reports on quantum of generation of mandays. This indicates lack of credibility in the information furnished.

6.3.2.2 Works executed under MGNREGS

During 2010-11, 68 works were completed. An analysis revealed that out of 68 works completed during the year, six works related to water conservation/harvesting; 11 works belonged to the category of Micro Irrigation; seven works was in connection with land development; 10 work was in connection with flood control and majority of 34 works (50 per cent of total completed work) belonged to the category of rural connectivity. There were 16 incomplete work (Seven - rural connectivity, five – flood control, one – land development and remaining three – Micro Irrigation). This indicates that the greater emphasis was on rural connectivity, which is also main focus of PMGSY. There is a need to have more balanced approach in this regard and durable assets needs to be created for greater benefit of the rural population.

6.3.3 Swarnayanti Gram Swarozgar Yojana (SGSY)

The objective of the SGSY was to bring the assisted poor families above the poverty line by ensuring an appreciable sustained level of income over a period of time by organizing the rural poor into Self Help Groups (SHGs) through a process of social mobilization, their training and capacity building and provision of income generating assets through a mix of bank credit and subsidy.

Each District Rural Development Agency may incur expenditure on the following items from funds available under the Scheme: (i) Infrastructure Development, (ii) Training, (iii) providing Revolving Funds to SHGs (10 per cent of the total fund) and (iv) providing subsidies through Bank Loans. Providing infrastructure support under SGSY is primarily to bridge the gaps in available infrastructure (maximum 25 per cent of the total fund).

Further, the process/performance of the SHG/Individuals in management of assets for generation of incremental income has to be continuously followed up, monitored and evaluated. The follow-up of Projects taken up by the Swarozgaries should be done by the DRDA/Block Officials and Bankers to assess the capacity to generate the projected income.

Funds received and expenditure during 2005-11 are indicated in the following table.

Table – 27

Year	Opening Balance	Funds Received		Other Receipts	Total	Expenditure Incurred	Closing Balance
		Centre	State				
2005-06	68.41	29.78	-	1.80	99.99	39.56	60.43
2006-07	60.43	8.55	-	1.64	70.62	9.75	60.87
2007-08	60.87	27.51	6.47	1.89	96.74	64.55	32.19
2008-09	32.19	65.03	11.24	1.72	110.18	21.27	88.91
2009-10	88.91	121.62	15.13	1.30	226.96	160.11	66.85
2010-11	66.85	31.3	28.65	1.94	128.74	37.86	90.88
Total		283.79	61.49	10.29		333.10	

Sources: Figures furnished by the DRDA and audited accounts

During 2005-11, 47² Self Help Groups and 678³ individual Swarozgaries were assisted by the Blocks. But no mechanism was evolved to evaluate the impact of implementation of the programme. As such, whether the Swarozgaries assisted under SGSY fund were uplifted to APL or not, could not be assessed.

To sum up, while SGRY could generate 2.98 lakh mandays employment in three years (2005-08), 1.62 lakh mandays were generated under MGNREGS during the period 2008-11. The district authority has failed to generate enough employment which could provide assured minimum wage employment of 100 days per household having job-cards, there by defeating the objective of security of livelihood of needy rural populace. The extent of poverty alleviation achieved through implementation SGSY remains unassessed as no evaluation of the impact of the programme has been carried out.

Recommendations

Ensure proper utilization of funds so that minimum guaranteed wage employment is provided to each job-card holders who demand wage employment.

The authorities should take up steps to monitor and evaluate projects undertaken under SGSY schemes to assess the progress/performance of swarozgaries.

6.4 Housing Schemes (Indira Awas Yojana)

Indira Awas Yojana (IAY) is a flagship scheme to provide housing to the rural poor. The objective of the scheme is primarily to help construction/up-gradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and

² SHGs- 47(Ziro-I – 20, Ziro-II – 20 and Raga – 7)

³ Individual Swarozgaries 678 (Ziro-I - 298, Ziro-II – 319 and Raga – 61)

other below-poverty-line non-SC/ST BPL rural households by providing them lump sum financial assistance. Under the scheme, 60 *per cent* of the total allocation should be spent for SC/ST BPL households and a maximum 40 *per cent* should be spent for non-SC/ST BPL households. In the District, the entire unit cost is utilized for providing household materials, *i.e.* CGI Sheets only.

6.4.1 Identification of Beneficiaries

Beneficiaries were selected by Gram Panchayats, as per targets fixed by the DRDA and the targets are fixed entirely for ST families.

6.4.2 Funding

The IAY is a centrally sponsored scheme, funded on cost sharing basis in the ratio of 75:25. Funds received and expenditure incurred during 2005-11 are shown below:

Table 28

(₹ in lakh)

Year	Opening Balance	Fund Received		Other Receipts	Total Funds	Expenditure Incurred	Closing Balance/%
		Centre	State				
2005-06	0.04	67.53	9.80	0.41	77.78	75.80	1.98 (2.55%)
2006-07	1.98	32.86	16.53	0.11	51.48	38.64	12.84 (24.94%)
2007-08	12.84	104.60	-	2.07	119.51	118.17	1.34 (1.12%)
2008-09	1.34	196.52	48.52	0.16	246.54	243.62	2.92 (1.18%)
2009-10	2.92	100.51	-	0.78	104.21	99.55	4.66 (4.47%)
2010-11	4.66	281.96	18.93	2.96	308.51	281.88	26.63 (8.63%)
Total		783.98	93.78	6.49		857.66	

Source: Figures furnished by DRDA

As per the information furnished by the district authorities, 2995 units of houses (new constructions - 2154 units; and up-gradations - 841 units) were constructed in three Blocks during 2005-11. But monitoring reports on the implementation of the programme were neither on record nor was produced to audit on request. As such, whether the beneficiaries actually utilized the CGI Sheets for housing purposes, could not be ascertained.

Further, test check revealed that in Ziro-I Block, CGI Sheets were issued to 385 families (234 new constructions and 151 up-gradations) at the rate of 0.53 MT per head for new construction and 0.20 MT for up-gradation. 173 families of Ziro-I (new constructions - 94 units; and up-gradations - 79 units) were non-BPL, so 173 bona fide BPL families were deprived of benefits under IAY.

Recommendations

Selection of beneficiaries under IAY should be done from BPL list and it should be ensured that non-BPL persons are extended the benefit of the scheme.

A mechanism should be evolved to ascertain the actual utilization of CGI sheets for housing by beneficiaries.

6.5 Schemes for other Development Activities

Other development activities like extension and construction of hostel of government schools, construction of concrete cement (CC) footpaths, CC steps, rural link roads, play grounds, etc;. were taken up in the District under Untied Fund and Member of Legislative Assembly Local Area Development Fund (MLALADS) Scheme.

6.5.1. Untied Fund

As per guidelines, an Untied Fund was placed with the DC and the ADC (with independent charges) for execution of works of very urgent nature directly benefiting the community as a whole.

During 2005-11, ₹ 4.86 crore was spent on works like CC footpaths (09), compound/boundary/protection walls (14), suspension bridge (01), CC culverts (14), approach roads (11), link road (04), land development (07), etc. These works were executed through various agencies.

6.5.2 MLALADS

Lower Subansiri District has three Members of Legislative Assembly (Ziro-I, Ziro-II and Raga). Under MLALADS, ₹ 50 lakh was released to each MLA during 2005-06 to 2008-09 and ₹ 70 lakh to each MLA from 2008-09 onwards for execution of developmental works in their respective constituencies, including housing assistance, like roofing materials, cement, etc.

During 2005-11, the DC received ₹ 9.67 crore, of which ₹ 5.99 crore was spent on the execution of works like minor irrigation channels, drainage, hanging bridges, land development, CC footpaths, waiting sheds, etc. through various implementing agencies like the Circle Officer, DRDA, Block, etc;. The remaining ₹ 3.68 crore was spent by the District Planning Officer for procurement and distribution of CGI Sheets (650.51 MT) to 1,332 beneficiaries.

Audit scrutiny revealed that the work “Construction of Retaining Wall to protect Quarters of the Power Department” was executed during March 2010 at a cost of ₹ 8.5 lakh. The work was not within the purview of the scheme, as such the expenditure of ₹ 8.5 lakh was unauthorized.

Test check of the records revealed that there were no storage facilities for the CGI Sheets and they were distributed through an unidentified party. The same was countersigned by the MLA, DC and the District Planning Officer. Out of the total 1,174 beneficiaries, APRs from 892 beneficiaries were not produced to audit for verification. In view of this the distribution of CGI Sheets to these beneficiaries was doubtful. Detail of CGI Sheets in respect of which receipts of beneficiaries were wanting is tabulated below.

Table – 29

Year	Constituency					
	Ziro-I		Ziro-II		Raga	
	No. of Beneficiaries	Qty. (MT)	No. of Beneficiaries	Qty. (MT)	No. of Beneficiaries	Qty. (MT)
2005-06	160	NA	-	-	-	-
2006-07	160	NA	12	5.69	-	-
2007-08	267	105.27	-	-	42	22.02
2008-09	142	53.68	-	-	-	-
2009-10	-	-	-	-	109	72.72
Total	729		12		151	

6.6 Power

There are 226 inhabited villages in the District, out of which 196 (87 per cent) were electrified and energized as of March 2011. Out of a total of 7,553 BPL households, 4,756 were provided regular service connections, and the average energy consumption per household per day was 0.9832 units (approx. one kwh per day).

6.6.1 Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Rajiv Gandhi Grameen Vidyutikaran Yojana RGGVY, which is a component of the Bharat Nirman Programme, was launched by the GOI in April 2005, to provide electricity to all rural households within a period of six years. The Executive Engineer, Ziro Electrical Division, is the implementing agency in the District.

During 2005-10, 11 KV line work to cover 134 villages was taken up in June 2008 at an estimated cost of ₹ 34.67 crore and stipulated to be completed by December 2009. As of March 2011, work in 110 villages was completed and work in remaining 24 villages was yet to be completed. Of the 110 villages where the work was completed, 107 villages were energized. A total amount of ₹ 20.30 crore was spent till March 2011.

6.6.2 Realisation of Electricity charges

About 40 per cent of the consumers in the district paid their electricity bills regularly, but the rest paid them only when revenue realization drives were conducted or when lines were disconnected due to defaults in payment. Revenue realization during the last six years was ₹ 7.23 crore, whereas the outstanding electricity dues stood at ₹ 8.25 crore. The Department had not taken/initiated any action to realize the outstanding dues from defaulting consumers.

To sum up, as of March 2011, 27 villages (20 per cent) were yet to be covered under RGGVY which should have been electrified by December 2009.

Recommendation

The department should take steps to complete the project without further delays and electrified uncovered villages, so that benefits of programme is extended to villagers living in those uncovered villages.

Revenue on electricity should be realised as and when due and also efforts should be made to collect the revenue arrears on account of electricity charges.

6.7 Tourism



View on the way to Ziro

The topography of the District is mostly mountainous terrain, where the elevation varies from approx. 1000 to 1600 metres above sea level. A greater part of it falls within the Higher Mountain Zone, consisting of tangled peaks and valleys. The heartland of the district, where the District Headquarters, Ziro, is situated, is in the form of a magnificent plateau at about 1564 metres above sea level. It is famous for its Paddy-cum-Fish Culture cultivation, which attracts tourists from different parts of the country.

Other places of interest are Tale Valley, located about 30 km from Old Ziro, which is



almost an eco-system in itself, and a repository of many unique and endangered flora and fauna.

A Shiva Lingam, about 25 feet high and 22 feet wide was discovered in Kardo, in July 2004. Many devotees visit and worship Lord Shiva in this area.

For the welfare of the devotees the work, 'Construction of Wayside Amenities at Shiva Lingam Site,' was taken up under the Secretariat Economic Scheme at a

cost of ₹ 15 lakh in January 2008. The work was shown completed by February 2008 and ₹ 15 lakh was paid to contractors in March 2008.

A joint physical verification (June 2010) revealed that the work, valued at ₹ 6.32 lakh was not executed. Moreover the wayside building was not ready for use as it was found closed till date (July.2011).



For tourist accommodation, the construction of a Mini Resort and Cottage at Old Ziro was taken up at an estimated cost of ₹ 177.89 lakh through WRD. The work commenced in March 2008 and was stipulated to be completed in March 2009. But only 80 *per cent* of the work was completed till November 2010, though the entire sanctioned cost of ₹ 191.23 lakh was expended. The view of the Resort may be seen from the photographs below: -



Similarly, to facilitate tourism, construction of Trekker Huts at Dosu Katu at Hari Village Forest (with a view of the whole Ziro Valley) was taken up by the Tourism Department at a cost of ₹ 17 lakh in October 2010. The work was completed in November 2010 and ₹ 16.93 lakh was paid to contractors in January 2011.

On physical verification (July 2011), it was revealed that just a wooden house with CGI Sheet roofing was constructed, though the entire allotted fund was expended. There were no CC footsteps for easy access and the house was closed till date (July 2011). Photographs of the hut are shown below:



To sum up, proper Tourist amenities could not be created in spite of a large amount of expenditure.

Recommendation

The government should take effective steps to complete pending works and create conducive environment to attract tourist and generate income for the district.

6.8 Fisheries

Paddy-cum-Fish Cultivation

A famous innovative cultivation practice followed in the Apatani Plateau, where fishes are reared along with paddy cultivation. In wet rice cultivation, after transplantation of paddy from the Nursery to the main paddy field (W.R.C), fish fingerlings are put in mulled (knee-deep channels in the paddy field for drainage) and kept for 2/3 months before they could be harvested.



Fish being harvested from Paddy Field



High altitude fish farm at Ziro

Year wise area covered, fingerlings distributed and production of fish are shown below: -

Table - 30

Year	Area Covered (in hectares)	Fingerlings distributed to farmers (in lakh)	Fish Production (in MT)
2005-06	193.50	3.63	108.90
2006-07	97.34	1.71	50.50
2007-08	221.20	2.72	74.60
2008-09	140.00	1.20	36.00
2009-10	205.00	2.66	79.86
2010-11	32.33	17.74	96.99

It can be seen from the above table that there is no particular trend and correlation with area under cultivation, fingerling distributed to farmers and fish production. A study should be conducted to analyse the huge variations and formulate a scientific approach to increase the productivity so that farmers could benefit from it.

Recommendation

The causes of low production of fish may be investigated and remedial action taken to increase production

6.9 Horticulture

The soil and climatic conditions of the District are favourable for growing of large cardamom and kiwi fruit.

Large Cardamom

In Lower Subansiri District, land cultivated for large cardamom during the last five years varied between 20 and 30 hectares. The yield was between 8 to 10 MTs. But cultivation has not increased as the farmers did not have access to proper marketing facilities and they were not getting support price for their produce.

Kiwi Fruit

Kiwi, an exotic fruit which contains starch, soluble sugar, ascorbic acid (Vitamin C), soluble solids, tendering enzymes, etc. has been a large success in the district.

Details of area covered for plantation and production of Kiwi are as follows: -

Table - 31

Year	Area Covered (in hectares)	Production (in MT)
2005-06	10	38
2006-07	25	94
2007-08	40	150
2008-09	70	262
2009-10	50	187
2010-11	50	50

Source: Departmental Figures

The area covered and production declined during the years 2009-10 and 2010-11 as there were no marketing facilities. However, a marketing board was constituted, in July 2010, under the Chairmanship of the Commissioner and Secretary (Horticulture), but the Board is yet to start functioning (July 2011).

Recommendation

Proper marketing infrastructure should be created so that kiwi fruit and large cardamom growers get attractive prices for their produce to safeguard economic interest of the growers. This would encourage other farmers to take up cultivation of these cash crops and contribute towards economy of the district as well as the State.