

Executive Summary

Government of India in order to strengthen the Public Distribution System in India introduced (June 1997) the Targeted Public Distribution System (TPDS) to provide foodgrains to rural poor at subsidised prices by issuing special cards to families Below Poverty Line (BPL). Under the TPDS, the States were required to formulate and implement foolproof arrangements for identification of the poor, delivery of foodgrains to Fair Price Shops (FPS) in a transparent and accountable manner at the FPS level to enhance the food security for the poor. Antyodaya Anna Yojana (AAY) launched in December 2000 was a part of TPDS which focused on the poorest of the poor to provide more substantial benefit and nutrition to reduce hunger among the poorest segment of the BPL population through issue of distinctive ration cards.

The Performance review on the Public Distribution System in Nagaland was undertaken to review the systems adopted by the Department and the efforts of the State Government to bridge the gap in distribution, to highlight the deficiencies and issues of public concern which remained unaddressed and to recommend remedial measures to enable achievement of the essence and objectives of public distribution system. This performance audit also covered Wheat Based Nutrition Programme, Nutritional Programme for Adolescent Girls implemented by the Department of Women Development and the Mid-Day Meal scheme implemented by the Department of School Education.

The State Government did not conduct any baseline survey for identification of beneficiaries but relied on the identification of BPL families as provided by the Union Ministry of Rural Development. The Department also did not carry out periodical revision of beneficiary list for addition/deletion of eligible/ineligible beneficiaries. As a result, 41 per cent of the households in the State remained outside the PDS since 2005. As the Department failed to comply with the scheme guidelines, eligible beneficiaries were deprived of benefits whereas ineligible beneficiaries continued to enjoy the benefits for years together.

(Paragraph 4.1 &4.2)

Recommendation

Beneficiary list should be reviewed annually for the purpose of deletion of ineligible families and inclusion of eligible families through the designated authorities.

Excess ration cards were issued by the Directorate to the district offices without any requisition which resulted in misuse of 5069 ration cards.

(Paragraph 5.2)

Recommendation

Steps should be taken to weed out bogus ration cards already issued. Effective control mechanism should also be formulated to prevent issue of bogus ration cards in future.

The Department did not monitor the pricing pattern of foodgrains sold at different levels. As such, both the Department-authorized stockist and the Fair Price Shops charged higher rate than the Government notified rate putting extra burden on the beneficiaries.

(Paragraph 6.2 & 6.3)

Recommendation

The pricing pattern as notified by the Government should be strictly monitored. Periodical reviews of TPDS by the Vigilance Committees should be conducted.

There were many instances of short allocation, partial receipts and non-lifting of foodgrains at different levels with cascading effect on the scale of delivery to the beneficiaries. The possibility of diversion of excess foodgrains with an estimated value of ₹ 479.49 crore to the open market and resultant unintended benefit of ₹ 201.60 crore to the state stockists cannot be ruled out

(Paragraph 7.3;7.4;7.5;7.6.2;7.7.1;7.7.2;7.8 & 7.10)

Recommendations

The Department should conduct periodical verification and monitor the distribution of essential commodities under PDS to ensure that the commodities are not misused or diverted to open market.

The possibility of diversion of foodgrains requires thorough investigation.

The Department was not adequately equipped with storage facility for foodgrains. As a result, against the off-take of 11774 MT foodgrains per month from the FCI, the Department could store only 7300 MT per month.

(Paragraph 8.2)

Recommendation

There is an urgent need to augment the storage capacity to avoid pilferage of foodgrains.

The implementation of convergence programmes in the State fared badly as the public was not aware of such schemes being implemented in the State. Besides, assistance was given to non-existent institutions, hostels and Village Grain Banks. The achievement of Mid-Day Meal Scheme and Wheat Based Nutrition Programme in the State was also insignificant.

(Paragraph 9.1 to 9.3; 9.4.1.3; 9.4.1.4 ;9.4.2.5;9.4.2.6 & 9.4.3.2)

Recommendation

Selection of non-existent institutions, hostels and VGBs needs to be reviewed immediately.

The quality of foodgrains distributed to the beneficiaries remained doubtful in the absence of quality control mechanism.

(Paragraph 11.1)

Recommendation

Government should develop a mechanism to gauge and ensure equitable distribution of foodgrains without compromising the quality.

Conclusion

Public Distribution System is one of the most important functions which help in providing food security to the needy and the poorest sections of the society especially in the rural areas. However, performance of the PDS in the State for the last six years suffered due to non-finalisation of beneficiaries after conducting baseline survey to ascertain the actual number of households/beneficiaries, periodic revision of beneficiary list to weed out ineligible beneficiaries and addition of eligible beneficiaries. The Department also randomly issued ration cards. As a result, ration cards were misused. Short allocation and short lifting of foodgrains, delayed distribution of foodgrains, charging of higher rates, undue benefits to handling agents and inadequate infrastructure affected the implementation of PDS in the State. Implementation of convergence programmes in the State was not encouraging as the public were not aware of the schemes and also the Department allocated foodgrains to non-existent institutions, hostels and VGBs. Absence of quality control mechanism in the State also adversely affected the implementation of PDS as the quality and the scale of distribution were compromised. Mandatory inspections by district level officers, Vigilance Committees, Departmental Officers and the Special Area Officers were not carried out.