Chapter-V

Performance Audit of "Implementation of Swarna Jayanti Shahari Rojgar Yojana"

Executive Summary

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched on 01.12.1997 with the key objective to provide gainful employment to the urban unemployed or underemployed through setting up of self-employment ventures or provision of wage employment. SJSRY has been restructured renaming it as National Urban Livelihood Mission (NULM) since the year 2014-15 as per OM issued by Government of India (GoI) on 24th September 2013.

There were 93 Urban Local Bodies (ULBs) in Assam during 2010 to 2015. A total of 6974 group beneficiaries and 40312 individual beneficiaries were covered under three components of SJSRY viz., Urban Self Employment Programme (USEP), Urban Women Self Help Programme (UWSEP) and Skill Training for Employment Promotion amongst Urban Poor (STEP-UP) for which physical targets were fixed.

Performance Audit (PA) of SJSRY revealed that out of a total release of ₹149.30 crore (₹129.88 crore of Central Share and ₹ 19.42 crore of State Share) for the period 2010-11 to 2014-15, only ₹80.81 crore was utilised (54.13 per cent) resulting in targets under various components of the Programme not being achieved. Besides short utilisation of funds, other reasons for not achieving the targets were short allocation of funds to some ULBs, delay in selection and approval of beneficiaries, lack of proper planning and community structure {viz., Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDSs)} for implementation of the Schemes under SJSRY and inadequate monitoring and evaluation of the implementation of the Schemes.

Highlights

Proper planning was lacking both at the State and ULB level which resulted in improper utilisation of fund, short achievement of targets and lacunae in implementation of the schemes.

(Paragraph: 5.7)

State Urban Development Agency (SUDA) *cum* Director of Municipal Administration (DMA) had irregularly retained ₹ 10.44 crore in their custody without allocating it to the Implementing Agencies (IA).

(Paragraph: 5.8.2)

ULBs failed to utilise the available funds of ₹ 140.29 crore leaving a balance of ₹ 59.48 crore resulting in physical targets remaining unachieved.

(Paragraph: 5.8.3)

SUDA furnished UCs to GoI for the entire GoI share of ₹ 129.88 crore by showing inflated expenditure amounting to ₹ 58.83 crore, although ULBs furnished UCs for ₹ 71.05 crore only against release of GoIs share of ₹ 125.29 crore.

(Paragraph: 5.8.5.2)

The ULBs could not achieve even 50 *per cent* of the targets under Urban Self Employment Programme (USEP) and Urban Women Self-help Programme (UWSP) component of the SJSRY indicating very poor physical performance by ULBs.

(Paragraph: 5.9.1)

Sixteen selected ULBs paid ₹ 697.87 lakh to 107 training intuitions being full payment for providing training to 9401 beneficiaries under Skill Training for Employment Promotion amongst Urban Poor (STEP-UP) without any placement. This was in violation of model agreement issued by the DMA to be executed between ULBs and the training institutions which stipulated that 20 *per cent* of the payment to the training institutions was to be made only after placement of all the training beneficiaries.

(Paragraph: 5.9.4.1)

Out of sixteen selected ULBs, twelve ULBs did not adhere to the prescribed material labour ratio of 60:40 while executing works under Urban Wage Employment Programme (UWEP) and excess material cost amounting to ₹ 84.82 lakh was incurred over the prescribed limit which led to less generation of 61,729 man days.

(Paragraph: 5.9.5.1)

Excess expenditure of ₹ 45.94 lakh was incurred by nine out of 16 test checked ULBs against execution of 137 works departmentally under UWEP as 10 *per cent* contractor's profit was not deducted from the bill.

(Paragraph: 5.9.5.3)

The poorest urban beneficiaries were not selected under USEP and STEP-UP as random survey of 169 beneficiaries conducted revealed that none of the beneficiaries fell under the top priority category. This indicated that the poorest urban beneficiaries were deprived of the benefits of SJSRY.

(Paragraph: 5.9.7)

5.1 Introduction

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched on 01.12.1997 after subsuming the earlier three schemes for urban poverty alleviation, *viz.,* Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP). The scheme SJSRY has been restructured renaming it as National Urban Livelihood Mission (NULM) since the year 2014-15 as per OM issued by GoI on 24th September 2013. However, guideline for implementing the new programme NULM was yet to be issued (August 2015) by the GoI. Neither did the Government of Assam (GoA) receive any fund from the GoI nor was any scheme under NULM implemented in Assam till August 2015.

The objectives of SJSRY are as indicated below:

- Addressing urban poverty alleviation through gainful employment to the urban unemployed or underemployed poor by encouraging them to set up self-employment ventures (individual or group), with support for their sustainability; or undertake wage employment;

- Supporting skill development and training programmes to enable the urban poor have access to employment opportunities opened up by the market or undertake self-employment; and
- Empowering the community to tackle the issues of urban poverty through suitable self-managed community structures like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHC), Community Development Society (CDS), *etc.*

SJSRY had five major components, namely:

(i) Urban Self Employment Programme (USEP);

(ii) Urban Women Self-help Programme (UWSP);

(iii) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP);

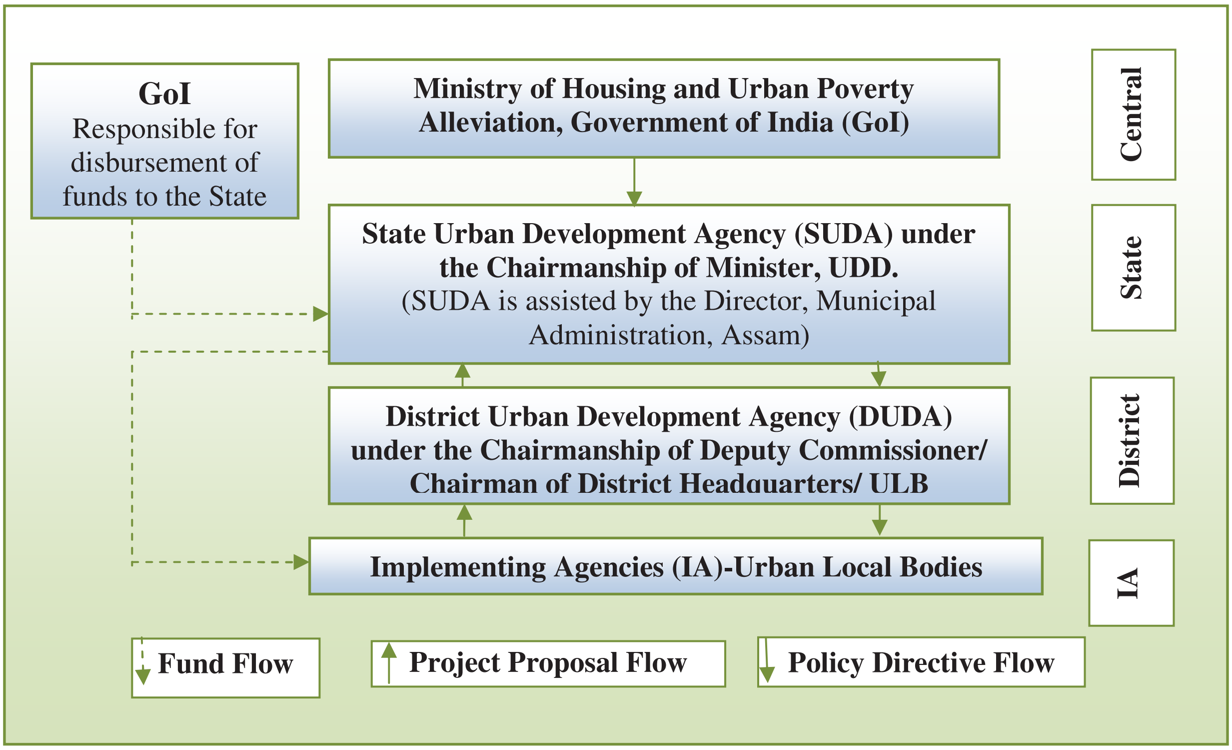
(iv) Urban Wage Employment Programme (UWEP); and

(v) Urban Community Development Network (UCDN).

5.2 Organisational Set up

The organisational set up, fund flow and policy directive flow is given in **Chart 5.1.**

Chart 5.1: Organisation set up, fund flow chart and policy directive flow



State-wise annual physical targets under the Scheme are fixed on the basis of the all India targets decided by the Ministry of Housing & Urban Poverty Alleviation.

At the State level, State Urban Development Agency (SUDA) under the Chairmanship of Minister, Urban Development Department (UDD) is the State Nodal Agency (SNA) responsible for implementation of SJSRY. SUDA is assisted by the Directorate of Municipal Administration (DMA). State-wise progress is monitored against annual physical targets fixed by GoI and therefore, the State was required to prioritise the flow of funds to different components of the scheme so that the annual targets are achieved.

At district level, the Programme is implemented by the District Urban Development Agency (DUDA) under the Chairmanship of Deputy Commissioner and by the ULBs at implementing agency level.

5.3 Audit Objective

The audit objective of the PA was to assess whether:

- ❖ there were adequacy in the system for the proper planning and identification of beneficiaries;
- ❖ adequate financial outlay was earmarked for the scheme and funds were released timely, utilised economically and efficiently in accordance with the provisions of the schemes;
- ❖ gainful employment was provided to the urban unemployed or underemployed through setting up of self employment ventures or wage employment or skill training and suitable community structures; and
- ❖ an effective monitoring mechanism system was in place and evaluation done to assess the impact of the programme.

5.4 Audit Criteria

The audit criteria for assessing the implementation of SJSRY were:

- The SJSRY/NULM scheme guidelines and instructions issued by the GoI.
- The guidelines of Reserve Bank of India for administration of subsidy.
- Instructions/circulars issued by the State Government and Nodal agencies at State and District level.
- General Financial Rules.

5.5 Audit Scope and Methodology

The PA covering the period from 2010-11 to 2014-15 was conducted during May-August 2015. The PA commenced with an Entry Conference on 19 May 2015 with the Joint Secretary, UDD, DMA and other officials of the Government of Assam (GoA) wherein audit objectives, criteria, methodology *etc.*, were discussed. The field audit involved collection of data from Secretariat, Directorate cum SUDA and selected ULBs and concerned DUDAs *etc.*

All the districts within the State were stratified into different strata geographically. From each of the stratum, 30 *per cent* of the districts were selected by Probability Proportional to Size Without Replacement (PPSWOR) with size measurable as the total amount of fund released under SJSRY during the last five years. Within each selected district, 25 *per cent* TC/MB (subject to minimum of 1 MB and 1 TC) were selected by using Simple Random Sampling Without Replacement (SRSWOR) method.

Accordingly, 16[52]out of 93 ULBs were selected for detailed scrutiny. The field audit also involved beneficiary surveys. The report was forwarded (November 2015) to the GoA. Exit conference was held in December 2015 with the Director, Municipal Administration and other officials wherein the audit findings were discussed. The Department's replies to various audit observations have been suitably incorporated in the Report.

[52] *Guwahati Municipal Corporation (GMC), North Guwahati TC, Rangia MB, Palashbari MB, Silchar MB Lakhipur (Cachar) MB, Dokmoka TC, Hamren TC, Nagaon MB, Dhing TC, Sivasagar MB, Simaluguri TC, Udalguri TC, Tongla TC, Tezpur MB and Biswanath Chariali TC.*

5.6 Acknowledgement

The office of the Accountant General (Audit), Assam acknowledges the co-operation and assistance extended by UDD, GoA, Director of Municipal Administration, Assam, and concerned ULBs during the course of conducting this audit.

Audit findings

5.7 Planning

Scheme guidelines stipulate that the State is to prescribe detailed procedural guidelines for the implementation of SJSRY in the State based on the guidelines issued by the GoI. The State Nodal Agency (SNA) is to guide and monitor the programme, provide suitable policy directions, facilitate the convergence of policies and programmes impacting on the urban poor and liaise with the State Level Bankers' Committee.

Similarly at District level, a District Urban Development Agency, i.e. DUDA is to coordinate the scheme and undertake capacity building activities for all ULBs within the District, coordinate with the District Planning Committee set up in the District in accordance with the 74th Amendment Act of the Constitution and liaise with Line departments for implementing urban poverty alleviation and related programmes effectively.

At the ULB level, a Town Urban Poverty Alleviation Cell (UPA Cell) is to be set up under the Executive Officer or Commissioner of the Municipal Corporation/Municipality, supported by a Project Officer (PO)/Assistant Project Officer (APO) who shall be responsible for coordinating the activities of all the Community Development Societies (CDSs) and Community Organiser (COs) under the ULB.

Audit observed that:

(a) Though GoA vide notification (September 2006) re-constituted SUDA to give policy direction and monitor the programme of SJSRY, the State did not prescribe any detailed procedural guidelines for implementation of SJSRY. Neither were any community based organisations/Non Government Organisations (NGOs) involved in implementation of the scheme nor was any target fixed to set up community structures to cover the targeted urban poor population within a specified period of time. State Resource Centre was also not identified by the State to coordinate capacity building and training activities for employees and stakeholders.

(b) Although, GoA constituted DUDA in July 2003 (reconstituted in August 2011), none of the DUDAs in the eight selected districts were associated with planning activities as UPA cell was not formed in the selected 16 ULBs under the said districts.

(c) None of the selected ULBs formed UPA Cell for identifying urban poor clusters and areas for setting up of community structures. No action plan was prepared setting component wise target under the Programme. As the UPA cell was not formed, identification of target groups and beneficiaries could not be carried out. Further, there was no convergence between activities of the CDSs, the ULBs and Line departments.

It is evident from the above that proper planning was lacking both at the State and ULB level which resulted in improper utilisation of fund, short achievement of targets and lacunae in implementation of the schemes as discussed in the succeeding paragraphs.

In reply, the Department stated that SJSRY Scheme was implemented as per guidelines of Government of India. The Department also stated that SUDA and DUDA implemented the Scheme at State and District level respectively.

The reply is not tenable as Scheme guidelines stipulate that the State is to prescribe detailed procedural guidelines for the implementation of SJSRY in the State based on the guidelines issued by the GoI and State Resource Centre was to be identified by the State to coordinate capacity building and training activities for employees and stakeholders, which was not found done.

5.8 Financial Management

As per guidelines of SJSRY, funding for the State of Assam under SJSRY will be shared between the Centre and the States in the ratio of 90:10. SJSRY fund to the State are released as a whole, without segregating into components, thereby giving flexibility to the State for utilising funds. The DMA, while releasing funds, releases the fund to ULBs based on the population and physical targets set by GoI.

Lacunae found in the financial management of SJSRY fund are discussed in succeeding paragraphs.

5.8.1 Receipt and Utilisation of funds by DMA

The positions of funds released by GoI and GoA during 2010-11 to 2014-15 towards implementation of SJSRY are given in **Table 5.1.**

Table 5.1: Details of funds released by GoI and GoA during 2010-15 towards implementation of SJSRY

(₹ in crore)

Year	OB	Fund received by DMA			Total fund available	Funds released to ULBs	C.B	Balance (*Per cent*) (Col.8 ÷ Col.6 ×100)
		Central Share	State Share	Total Fund Received				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(10)
2010-11	13.52	28.70	8.20	36.90	50.42	35.35	15.07	29.89
2011-12	15.07	16.37	3.00	19.37	34.44	34.34	0.10	0.29
2012-13	0.10	50.51[53]	4.43	54.94	55.04	45.10	9.94	18.06
2013-14	9.94	34.30	3.79	38.09	48.03	25.50	22.53	46.10
2014-15	22.53	0	0	0	22.53	0	22.53	100
Total		**129.88**	**19.42**	**149.30**	**210.46**	**140.29**		

Thus, 0.29 to 46.10 *per cent* of fund remained undisbursed with DMA due to less allocation of fund to ULBs as well as late receipt of fund from the GoI as a result of which the funds could not be used for implementation of SJSRY. During the period from April 2014 to August 2015, no fund was released due to closure of SJSRY.

5.8.2 Short allocation of funds by DMA

While releasing the funds, GoI instructed to allocate five *per cent* of the funds for Administrative and Other Expenses (A&OE) and three *per cent* for Information Education and Communication (IEC). The balance available fund was to be allocated in the ratio of 20:20:30:20:10 for USEP:UWSP:STEP-UP:UWEP:UCDN respectively. DMA was required to allocate ₹ 149.31 crore (Central and State share) to ULBs during 2010-11 to 2013-14. However, DMA allocated only ₹ 138.87 crore to ULBs ignoring GoI's instruction resulting in

[53] *₹ 50.51 crore includes ₹ 16.37 crores pertaining to the year 2011-12.*

short allocation of fund of ₹10.44 crore against different components as shown in **Table 5.2** below.

Table 5.2: Statement showing short allocation of fund by DMA cum SUDA to ULBs during 2010- 2014

(₹ in crore)

Year	Total Available Fund including CS and SS	Allocation to be made	Allocation made	Short allocation
2010-11	36.91	36.91	34.06	2.85
2011-12	35.75	35.75	32.89	2.86
2012-13	38.56	38.56	37.79	0.77
2013-14	38.09	38.09	34.13	3.96
Total	**149.31**	**149.31**	**138.87**	**10.44**

Thus, the SUDA/DMA had irregularly retained ₹10.44 crore in their custody without allocating it to the Implementing Agencies (IA). Moreover, no fund was allocated against A&OE and IEC during the years 2010-11 and 2011-12.

In reply, the Department stated that as per GoI instructions, the fund was to be transferred to NULM and as such the fund was kept in SUDA account and was allocated under A&OE.

The reply is not tenable as there was short allocation during the whole period of 2010-11 to 2013-14 while Government of India instructed to transfer fund to NULM in June 2014 only. No evidence of allocating fund under A&OE during the years 2010-11 and 2011-12 could be furnished.

5.8.3 Receipt and Utilisation of fund by ULBs

ULBs reported expenditure of ₹80.81 crore against ₹140.29 crore released by DMA during 2010-15 leaving a balance of ₹59.48 crore. Thus, financial progress of the ULBs was 57.60 *per cent* despite availability of fund. Thus, even after having available funds, ULBs failed to utilise funds resulting in not achieving of physical targets.

An expenditure of ₹18.16 crore was reported by 16 test checked ULBs against receipt of ₹31.86 crore from DMA during the period 2010-15, as shown in **Table 5.3** below:

Table 5.3: Position of fund released to selected ULBs by DMA and its utilisation during 2010 to 2015

(₹ in crore)

Sl. No.	Name of ULBs	Amount released	Expenditure	Balance	Percentage of utilisation
1	Nagaon MB	3.09	0.58	2.51	18.77
2	Dokmoka TC	0.98	0.20	0.78	20.41
3	B N Chariali	1.07	0.31	0.76	28.97
4	Tezpur MB	2.12	0.82	1.30	38.68
5	GMC	8.16	3.21	4.95	39.34
6	Sivasagar MB	2.26	1.05	1.21	46.46
7	Rangia MB	1.39	1.04	0.35	74.82
8	Silchar MB	3.45	2.67	0.78	77.39
9	Lakhipur MB	1.59	1.26	0.33	79.25
10	Simaluguri TC	0.98	0.78	0.20	79.59
11	Tangla TC	1.17	0.97	0.20	82.91
12	Dhing TC	1.33	1.15	0.18	86.47
13	North Guwahati TC	1.10	1.01	0.09	91.82
14	Hamren TC	1.03	0.98	0.05	95.15
15	Udalguri TC	1.17	1.16	0.01	99.15
16	Palasbari MB	0.97	0.97	0	100.00
Grand Total		**31.86**	**18.16**	**13.70**	**57.00**

The overall percentage of utilisation of funds under 16 selected ULBs was merely 57 *per cent* whereas six ULBs could not utilise even 50 *per cent* of the available fund. Only Palashbari MB reported 100 *per cent* utilisation of funds. ULBs stated that failure to utilise the available fund was due to delay in submission of Scheme proposals and beneficiary list and consequent delay in according approval by DUDA. This has hampered the achievement of physical targets and thereby deprived the beneficiaries of the intended benefit of the Schemes.

5.8.4 Refund of unspent SJSRY fund by ULBs

Consequent upon launching of National Urban Livelihood Mission from 2014-15, Director of Municipal Administration, Assam instructed (March 2014) all the ULBs to close SJSRY accounts w.e.f. 01.04.2014 and refund the unspent balance as on 31.03.2014 to SUDA. Positions of fund refunded/retained out of unspent balance by the ULBs are shown in **Table 5.4** below:

Table 5.4: Position of fund refunded/retained out of unspent balance by the ULBs

(₹ in crore)

Sl. No.	Particulars	No. of ULBs	Unspent Fund	Amount refunded	Fund retained
1	Funds fully utilised	7	-	-	-
2	Funds returned in full	23	6.87	6.87	-
3	Funds partially returned	44	36.71	13.04	23.67
4	Funds not at all returned	19	15.90	-	15.90
	Total	**93**	**59.48**	**19.91**	**39.57**

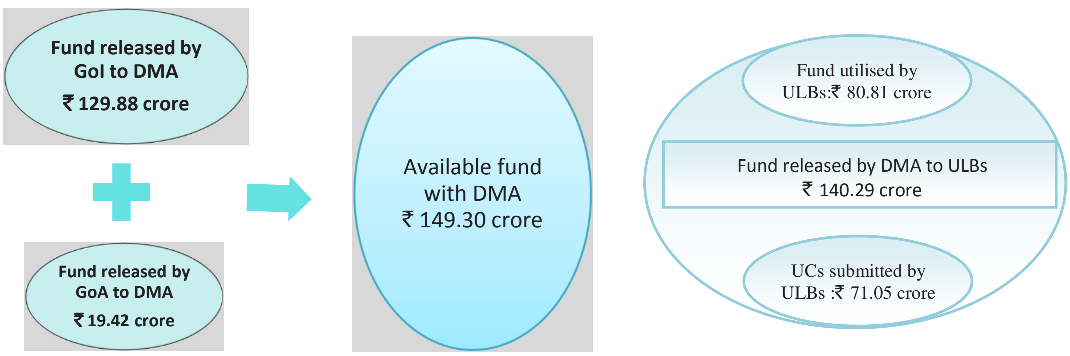
Source: Information furnished by the DMA.

Out of test checked 16 ULBs only Palasbari MB had utilised the entire amount available with them whereas six[54] ULBs have partially refunded ₹ 1.95 crore, whereas seven[55] ULBs to whom ₹ 15.42 crore was released, did not refund ₹ 8.32 crore which remained unspent with them. ₹ 9.01 crore of SJSRY fund was yet (December 2015) to be refunded by the test checked ULBs. This indicated poor monitoring by SUDA to recover the unspent money lying with the ULBs resulting in blockade and possibility of misappropriation of Government fund as the programme had already closed.

5.8.5 Submission of Utilisation Certificates

Utilisation Certificate (UC) is to be furnished by ULBs to DMA through respective DUDAs against the fund received from DMA. Further, DMA needs to furnish UCs to GoI against the Central share received. The position of release and utilisation of fund by DMA and ULBs is depicted in the **Chart 5.2** below:

Chart 5.2: Chart depicting position of release and utilisation of fund by DMA and ULBs



Note: *Visual representation of figures but not as per scale.*

[54] *Dhing MB, Tezpur MB, Biswanath Chariali TC, Tangla TC, Sivasagar MB and Simaluguri TC.*
[55] *GMC, Rangia MB, Lakhipur MB, Udalguri TC, North Guwahati TC, Hamren TC and Dokmoka TC.*

Following irregularities were noticed in submission of UCs by ULBs and DMA:

5.8.5.1 Submission of UCs by ULBs

Out of ₹140.29 crore received by ULBs, UCs for only ₹71.05 crore were submitted to SUDA by the ULBs till August 2015 although ₹80.81 crore had been utilised by them.

In 16 test checked ULBs it was found that the ULBs received ₹31.85 crore during 2010 to 2015 against which expenditure of ₹18.17 crore was incurred. However, 14 of the 16 ULBs submitted UCs for ₹23.16 crore against an expenditure of ₹16.96 crore incurred by them resulting in submission of inflated UCs by ₹6.20 crore whereas two ULBs Dokmoka TC and North Guwahati TC had not submitted any UCs for the expenditure of ₹1.21 crore incurred out of the amount of ₹2.08 crore received by them. Thus, disproportionate submission of UCs by the ULBs indicated poor monitoring by SUDA.

5.8.5.2 Submission of UCs by SUDA to GoI

Although ULBs furnished UCs for ₹71.05 crore against release of GoI share of ₹125.29 crore, SUDA submitted UC to GoI for the entire GoI share of ₹129.88 crore received during 2010-15. This even included ₹4.79 crore which was not actually released to the ULBs. Thus, SUDA furnished UCs by showing inflated expenditure amounting to ₹58.83 crore (₹129.88 crore - ₹71.05 crore). As UCs were submitted for the entire fund received from GoI, it was not clear how the unspent fund refunded by the ULBs would be treated by the SUDA.

It is evident from above that there were lacunae in monitoring of receipt and utilisation of fund at State as well as ULB level indicating poor financial management. The Department did not furnish any specific reply in this regard.

5.8.6 Irregular release of fund

During 2010-11 to 2012-13 ₹8.16 crore was received by DUDA, Kamrup Metro from DMA out of which ₹1.63 crore remained un-disbursed till May 2014. Following closure of SJSRY in March 2014, DMA issued instruction to all ULBs and DUDAs to refund the unutilised/un-disbursed money. However, violating the instructions issued by GoA, the DUDA, Kamrup Metro irregularly released ₹1.63 crore to GMC in June 2014 without specifying any purpose.

5.8.7 Other Irregularities

5.8.7.1 Single account for SJSRY not maintained

As per GoA notification dated 27.09.2006, a separate bank account shall be operated by the Director, Municipal Administration, ex-officio Member Secretary of SUDA for funds received from the State Government and the Central Government against State Share and Central Share allotted for SJSRY and finally amounts are to be disbursed to District Urban Development Authorities (DUDAs) with approval of SUDA. However, one Savings Bank Account was maintained by the DMA in the name of Member Secretary, SUDA wherein funds received under various schemes *viz.,* SJSRY, 10 *per cent* pool fund[56], Entry Tax,

[56] *Central Ministries are to utilise 10 per cent of their budgetary allocations each year in the North Eastern Region. In this connection high level commission of the Planning Commission, GoI decided to create the Non Lapsable Central Pool of Resources for the North Eastern States and Sikkim from the year 1998-99.*

13th Finance Commission Award, Infrastructure Development *etc.,* were deposited and disbursed to DUDAs, suppliers, contractors *etc.* Thus, DMA cum SUDA did not maintain a separate bank account for SJSRY in violation of Scheme Guidelines and instructions issued by GoA. It was observed that a total of ₹4.08 crore accumulated (August 2015) on account of interest accrued for the deposited funds of all the scheme could not be segregated scheme wise due to maintenance of single account for all the scheme funds.

5.8.7.2 Suspected misappropriation of fund

As per Assam Treasury rule 16 read with Supplementary Order 50 thereunder, Government money should not be drawn from Treasury/Bank unless it is required for immediate disbursement. However, it was found that:

5.8.7.2.1 Chairman, Dokmoka TC withdrew ₹8,43,757 between April 2014 and August 2014 through four self cheques for implementation of approved Schemes under UCDN (₹3,50,000) and construction of waiting shed (₹1,05,450). The rest of the amount of ₹3,88,307 was drawn without any specific purpose. However, neither the Chairman furnished any details of expenditure nor any records *viz.,* Actual Payee Receipts (APRs), vouchers, *etc*., in support of actual expenditure. The present Chairman stated that the then Chairman neither submitted any bills, vouchers or APRs in support of the expenditure nor there was any evidence of execution of any work out of the drawn fund. Thus, misappropriation of ₹8,43,757 drawn from SJSRY fund cannot be ruled out.

5.8.7.2.2 Similarly, Chairman, Hamren TC withdrew ₹4.00 lakh through self-cheque on 11.8.2014 without any specific purpose. He neither submitted any expenditure details nor any records *viz.,* APRs, vouchers *etc.,* in support of expenditure of the said amount. Evidence of execution of any work out of the drawn fund was also not available in the records. Thus, misappropriation of ₹4.00 lakh cannot be ruled out. However, the present chairman neither called for the expenditure details from the defaulting Chairman nor reported these facts to the higher authority.

5.8.7.3 Diversion of fund

SJSRY Scheme guidelines neither provides for incurring expenditure for unproductive purposes such as procurement of TVs and accessories *etc*., nor it provides for utilisation of accrued interest for any activity other than SJSRY. However, it was found that:

5.8.7.3.1 During February 2012 to December 2014 the Chairman, North Guwahati TC irregularly diverted ₹3.84 lakh being accrued interest from SJSRY fund to Own Fund and utilised for maintenance of office activities such as procurement of stationeries, printers, cartridges *etc.* This deprived SJSRY beneficiaries of the benefit of the Programme to that extent.

5.8.7.3.2 In October 2014, ₹3.99 lakh was diverted by GMC from SJSRY fund for procurement of TVs and DTH accessories including payment made to Officer on Special Duty, Jawaharlal Nehru National Urban Renewal Mission (OSD, JNNURM) Cell. This deprived SJSRY beneficiaries of the benefit of the Programme to the extent of diversion made.

5.9 Programme Implementation

Shortcomings observed in the implementation of SJSRY are elaborated in the succeeding paragraphs:

5.9.1 Position of achievement of target

Position of targets and achievements of the ULBs under various components of SJSRY Scheme are shown in **Table 5.5** below:

Table 5.5: Statement showing targets and achievements of ULBs under various components of SJSRY during 2010-11 to 2014-15

Sl. No.	Component	Target (no. of beneficiaries)	Achievement (no. of beneficiaries)	Achievement (in *per cent*)
1	USEP	3815	1613	42.28
2	UWSP (Loan & Subsidy)	2691	811	30.14
	UWSP (Revolving Fund)	12747	6163	48.35
3	STEP-UP	40642	38699	95.22
4	UWEP	Physical target was fixed neither by GoI nor by GoA		
5	UCDN			
6	IEC			
7	A&OE			

Source: Figures furnished by DMA.

Thus, the ULBs could not achieve even 50 *per cent* of the targets under USEP and UWSP component of the SJSRY. This indicated very poor physical performance by ULBs. Position of achievement of targets by all the 16 test checked ULBs is shown in following **Table 5.6**:

Table 5.6: Position of achievement of targets by selected ULBs under various components of SJSRY during 2010-11 to 2014-15

Sl. No.	Component	Target (no. of beneficiaries)	Achievement (no. of beneficiaries)	Achievement (in *per cent*)
1	USEP	1246	860	69.02
2	UWSP (Loan & Subsidy)	728	426	58.52
	UWSP ((Revolving Fund)	4012	458	11.42
3	STEP-UP	9490	7472	78.74

Source: Figures furnished by DMA.

Thus, achievement of targets by the selected ULBs under USEP and UWSP was less than 70 *per cent.* In UWSP (Revolving Fund), the achievement of target was only 11.42 *per cent.* The ULBs attributed the shortfall in achievement of targets to delay in selection of beneficiaries and subsequent approval thereof.

5.9.2 Implementation of Urban Self Employment Programme (USEP)

5.9.2.1 Blockade of fund due to not releasing of loan and subsidy

For providing loan and subsidy to the beneficiaries under USEP, ULBs forward the list of selected beneficiaries to the bank. The bank after scrutiny, sanctions loans to the beneficiaries and claims subsidy from ULBs. ULBs then release the subsidy amount as per bank's claim. Finally the bank disburses the loan amount including subsidy to the beneficiaries. It was found that subsidy amounting to ₹5 lakh was released (July 2014) to United Bank of India, Simaluguri Branch against 10 beneficiaries under Simaluguri TC and ₹2 lakh was released to Central Bank of India, Tongla Branch under Tongla TC against 10 beneficiaries. However, the banks did not release loan to the beneficiaries thereby blocking the subsidy amount. No action was initiated by the ULBs to ascertain why loan to the beneficiaries were not released and to take remedial action thereof. This deprived 20 beneficiaries of the loan amount besides blockade of ₹ 7 lakh with the bank.

5.9.2.2 Micro-Business Centers (MBCs) not established

The functions of MBCs are to provide Small Enterprise Advisory Services (SEAS) which may be equipped with specialists covering 5 key areas: (1) Community Mobilisation including Survey and Identification of Beneficiaries, Cluster Development, *etc.* (2) Capacity Building including Skill & Entrepreneurship Development, (3) Business Development, (4) Finance & Credit and (5) Marketing. The MBCs & Small Enterprise Advisory Services (SEAS) will specially focus on handholding the urban poor micro-entrepreneurs who have opted for self employment, with a view to enhancing the success rate of micro-enterprises. Operative guidelines for MBCs and SEAS will be issued by the respective States/UTs adopting a cluster-based approach.

As per Para 4.3 of SJSRY Guidelines, Micro-Business Centers (MBCs) were to be established at cluster level (e.g. handlooms/handicrafts, food processing, construction, glass & ceramics, electrical and electronics, mechanical engineering, auto driving & mechanics, metal works, *etc.*) supported with one-time capital grant subject to the concerned State Government/ULB providing the required land free of cost. Though financial support not exceeding ₹ 80 lakh per MBC (one time capital grant of ₹ 60 lakh + ₹ 20 lakh for running cost on a tapered scale[57] to sustain them) was to be provided, the source of this fund was not specifically mentioned in the guidelines. As such, no MBC was established in any of the ULBs and no financial support was provided for the same either by the GoI or by GoA. Thus, the urban poor were not provided with technology, marketing, infrastructure, knowledge & other support in setting up their enterprise and marketing their products.

In reply, Department stated that funds were provided to ULBs for construction of *Suvidha Kendras*. The reply is not tenable as *Suvidha Kendra* can only provide logistic supports for servicing of trades while MBCs are to support development of business through marketing, finance and credit and capacity building *etc.*

5.9.3 Implementation of Urban Women Self-Help Programme (UWSP)

The UWSP scheme is distinguished by the special incentive extended to urban poor women who decide to set up self-employment ventures in a group as opposed to individual effort. Under this Scheme, groups of urban poor women may take up an economic activity suited to their skill, training, aptitude and local conditions. As per para 5.2.3 of the SJSRY guidelines, the UWSP group shall be entitled to a subsidy of ₹ 3 lakh or 35 *per cent* of the cost of project or ₹ 60,000 per member of the Group, whichever is less. The remaining amount will be mobilised as Bank Loan and Margin Money. Groups will contribute five *per cent* of the project cost as margin money in cash.

ULBs prepare the list of beneficiaries on the basis of Scheme proposals submitted by the beneficiaries which are submitted to respective DUDAs for approval. The approved list is forwarded to the bank through the Lead Bank Officer of the respective district by the ULBs for sanction of loan. The concerned bank, on sanction of loan, claims subsidy from the ULBs

[57] *This term is taken from the Scheme Guidelines. Tapered means on a reducing scale.*

against the selected beneficiaries. On payment of subsidy by the ULBs, loan is disbursed to the selected and approved beneficiaries.

5.9.3.1 Lacunae in providing subsidy under UWSP

(i) As per SJSRY guidelines 35 *per cent* of the total project cost was to be paid to the Women Self Help Groups (WSHG) as subsidy. However, during the years 2010-11 and 2011-12, Guwahati Municipal Corporation (GMC) paid 50 *per cent* subsidy of total project cost to 40 WSHG in violation of provisions of Guidelines resulting in an excess payment of ₹ 14.50 lakh which deprived other beneficiaries from the benefit of the Scheme to that extent as detailed in following **Table 5.7**:

Table 5.7: Statement showing the details of payment of excess subsidy to SHGs under UWSP

(₹ in lakh)

Sl. No	No. of SHGs	Project cost submitted by SHGs	Total project cost submitted by SHGs (2) × (3)	Subsidy to SHGs		Loan paid by Bank	Excess payment made to SHGs (5) - (6)
				Paid 50 *per cent* of project cost	Admissible 35 *per cent* of project cost		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	35	2.50	87.50	43.75	30.63	43.75	13.12
2	1	1.50	1.50	0.75	0.53	0.75	0.22
3	1	1.25	1.25	0.63	0.44	0.62	0.19
4	1	2.00	2.00	1.00	0.70	1.00	0.30
5	2	2.20	4.40	2.20	1.54	2.20	0.66
Total	**40**		**96.65**	**48.33**	**33.84**	**48.32**	**14.49**

Source: Figures furnished by test checked ULBs.

(ii) Three out of the 16 selected ULBs paid subsidy amounting to ₹ 15.59 lakh to 55 Women Self Help Groups instead of paying to bank without any Scheme proposal submitted by the Groups as shown in following **Table 5.8**:

Table 5.8: Details of subsidy paid directly to the SHG

Sl No.	Name of ULB	Nos. of SHG/members	Rate of subsidy paid	Amount of subsidy paid (₹ in lakh)
1	Nagaon MB	32 SHG	₹ 15,000 per group	4.80
2	North Guwahati TC	16 SHG	₹ 60,000 per group	9.60
3	Lakhipur MB	7 SHG (99 members)	₹ 1200 per member	1.19
	Total	**55**		**15.59**

Source: Figures furnished by test checked ULBs.

Neither the Self Help Groups applied for bank loans nor the concerned ULB authorities took any initiative for arranging bank loan for the groups.

Thus, without any Scheme proposal and bank loan, mere payment of subsidy could not create any opportunity for regular income or self employment to the members of the SHGs. Hence, ₹ 15.59 lakh paid as subsidy to 55 Women Self Help Groups could not reap any gainful result. The Department did not furnish any specific reply in this regard.

(iii) Subsidy of ₹ 6.75 lakh paid to Central Bank of India, Tongla Branch under Tongla TC against 11 groups remained blocked with bank as the bank did not sanctioned the loan. No reason was cited by the banks for not sanctioning the loans against subsidy released. This deprived 11 Women Self Help Groups of the loan facility besides blockade of ₹ 6.75 lakh with the banks. No action was initiated even by the concerned ULBs to recover the subsidy amount from the banks. The Department did not furnish any specific reply in this regard.

5.9.4 Skill Training for Employment Promotion amongst Urban Poor (STEP-UP)

This STEP UP component of SJSRY Scheme was to focus on providing assistance for skill formation/upgradation of the urban poor to enhance their capacity to undertake self-employment as well as access better salaried employment. STEP-UP also intended to provide training to the urban poor in a variety of services, business and manufacturing activities as well as in local skills and local crafts so that they could set up self employment ventures or secure salaried employment with enhanced remuneration.

5.9.4.1 Placement of beneficiaries was not ensured by the ULBs

As per model agreement issued by the DMA, which was supposed to be executed between ULBs and the training institutions, 20 *per cent* of the payment to the training institutions was to be made only after placement of all the training beneficiaries. However, scrutiny of records of the test checked ULBs revealed the following:

(i) 16 selected ULBs paid ₹697.87 lakh to 107 training institutions being full payment for providing training to 9401 beneficiaries as detailed in the following **Table 5.9**.

Table 5.9: Statement showing the placement of beneficiaries not being done after imparting training under STEP UP

No of test checked ULBs	No of training institutes entrusted for training of beneficiaries	No of beneficiaries trained	Amount paid to the institutions (₹ in lakh)	Placement provided to the trained beneficiaries
16	107	9,401	697.87	Nil

Further, survey of 116 beneficiaries who were imparted training under STEP-UP revealed that none of them was able to acquire self employment from the training imparted to them under STEP-UP. Thus, the main objective of STEP-UP of equipping the beneficiaries with required skills to set up self employment ventures and secure salaried employment with enhanced remuneration remained unachieved.

(ii) 11 out of 16 selected ULBs made no agreement with training institutions (70 nos.). No terms of payments were drawn up so as to ensure post training placement of beneficiaries in violation of model agreement issued by SUDA and full amount of ₹243.16 lakh was paid for imparting training to 3379 trainees as shown in **Table 5.10** below:

Table 5.10: Details of amount paid to Institutions for imparting trainings

(₹ in lakh)

Sl. No.	Name of ULB	Nos. of Institutions	Nos. of Trainees	Total amount paid
1	Dokmoka TC	3	187	18.70
2	Hamren TC	4	108	2.07
3	Dhing MB	5	453	34.03
4	Sivasagar MB	1	29	2.90
5	Simaluguri TC	3	235	23.50
6	Tongla TC	14	492	29.62
7	Udalguri TC	20	542	24.36
8	North Guwahati TC	5	329	32.90
9	Palashbari MB	2	65	5.85
10	Biswanath Chariali MB	2	313	19.15
11	Tezpur MB	11	626	50.08
	Total	**70**	**3379**	**243.16**

In absence of any agreement, these institutions could not be compelled to provide placements to the trainees. Thus, the main objective of STEP-UP of providing salaried employment to beneficiaries could not be achieved.

(iii) Only six[58] out of 16 test checked ULBs entered into agreement with training institutions citing conditions of payment that final 20 *per cent* of contract value would be paid after placement of at least 70 *per cent* trainees as per model agreement issued by SUDA. Five out of the six ULBs (except Silchar MB) paid full amount of ₹316.57 lakh to 26 training institutions for providing training to 3787 beneficiaries without deducting ₹63.31 lakh being 20 *per cent* of contract value although no placement was provided by these institutes as shown in following **Table 5.11**:

Table 5.11: Details of 20 *per cent* of the contract value paid to institutions without placement

(₹ in lakh)

Sl. No.	Name of ULB	Nos. of Institutions	Nos. of Trainees	Amount paid	20 *per cent* of the amount paid without any placement of beneficiaries
1	Rangia MB	6	463	46.30	9.26
2	Palashbari MB	1	175	17.50	3.50
3	Lakhipur MB	3	211	19.21	3.84
4	Nagaon MB	5	1587	130.79	26.16
5	GMC	11	1351	102.77	20.55
6	Silchar MB	11	2224	132.56	Not yet paid
	Total	**37**	**6011**	**449.13**	**63.31**

Thus, the amount of ₹63.31 lakh was paid to 26 training institutions irregularly in violation of contract agreements. Further, the training institutions could not be compelled to provide placement to the beneficiaries as full amount was disbursed to them.

5.9.4.2 Selection of Training Institutions

As per Scheme Guidelines, skill training may be linked to Accreditation, Certification and preferably be taken on Public-Private-Partnership (PPP) mode with the involvement of reputed institutions like IITs, NITs, ITIs, Industry Associations, reputed Engineering Colleges, Management Institutes, Foundations and other reputed agencies.

SUDA did not involve any reputed institutions like IITs, NITs, Industry Associations, reputed Engineering Colleges, Management Institutes, Foundations and other reputed agencies in the empanelled list of training institutions except some[59] local private technical and management institutions. Further, all the test checked ULBs involved local Private Beauty Parlours and Tailoring and Embroidery Institutions which were not included in the empanelled list of SUDA. Thus, SUDA as well as ULBs failed to involve reputed institutions for imparting training to beneficiaries under STEP-UP thereby depriving the beneficiaries of required skill training to set up self employment ventures and secure salaried employment with enhanced remuneration.

In reply, the Department stated that institutions were identified for Skill Training Component by SUDA following the guidelines of SJSRY. The reply is not tenable as reputed institutions were to be involved for Skill Training as per Scheme guidelines.

[58] *Rangia MB, Palshbari MB, Lakhipur MB, Nagaon MB, GMC and Silchar MB.*

[59] *21 Private Beauty Parlours,24 Tailoring and Embroidery Institutions, 19 Private Technical and Management Institutions, 34 Motor Driving Institutes and 19 Computer Institutes (Total 107 institutes).*

5.9.5 Urban Wage Employment Programme (UWEP)

This programme seeks to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of ULBs by utilising their labour for construction of socially and economically useful public assets.

5.9.5.1 Prescribed material labour ratio not adhered to

As per Scheme Guidelines, the material labour ratio for works under this programme shall be maintained at 60:40. However, States/UTs can relax this material:labour ratio up to 10 *per cent* (either way), wherever absolutely necessary. The prevailing minimum wage rate, as notified from time to time for each area, shall be paid to beneficiaries under this programme. Out of 16 selected ULBs, 12 ULBs did not adhere to the prescribed material-labour ratio of 60:40 while executing works under UWEP and excess material cost amounting to ₹ 84.82 lakh was incurred over the prescribed limit which led to less generation of 61,729 mandays as detailed in the following **Table 5.12**:

Table 5.12: Statement showing the excess expenditure on material and less generation of mandays under UWEP

(₹ in lakh)

No of test checked ULBs	No of works executed by test checked ULBs	Amount to be incurred as per estimate (based on 60:40 formula)			Actual expenditure incurred			Excess expenditure on material (6) – (3)	Total mandays generated	Less generation of mandays[60]
		Material	Wages	Total	Material	Wages	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
16	209	376.82	251.21	628.03	461.64	161.80	623.44	84.82	85,877	61,729

Thus, due to less generation of mandays, the objective of providing wage employment to the beneficiaries was under achieved by 61,729 mandays.

5.9.5.2 Works executed through contractors

Para 7.5 of the scheme guidelines stipulate that works are to be executed by Community Development Societies (CDSs) under supervision of ULBs. However, Dhing MB ignored the scheme guidelines and executed 15 works under UWEP through contractors incurring expenditure of ₹ 58.03 lakh. As such, benefit of wage employment to the extent of 16,891 mandays[61] as per prevailing wage rate prescribed by Government was not ensured to the urban poor.

5.9.5.3 Contractor's profit not deducted

As per existing norms, Plan and Estimates (P&E) are prepared based on 'Schedule of Rates' (SOR) published by Assam Public Works Department (Roads & Bridges, Building), Assam Public Health Engineering Department, Central Public Works Department *etc.,* from time to time on the basis of market survey of the materials normally used in civil constructions. It would be pertinent to mention here that item wise rates categories under the SOR are inclusive of all leviable Government Taxes including 10 *per cent* contractor's profit.

60 *₹ 84,82,146 ÷ 137.41 (prevailing wage rate) = 61,729 mandays*

61 *₹ 58.03 lakh× 40 % (minimum prescribed wage ratio) = ₹ 23.21 lakh*
₹ 23.21lakh ÷ ₹ 137.41 (prevailing wage rate) = 16,891 mandays

As such, it is mandatory to prepare the P&E of those schemes which are proposed to be executed departmentally and 10 *per cent* contractor's profit is to be deducted from the estimated value of the work.

However, excess expenditure of ₹45.94 lakh was incurred by nine out of 16 test checked ULBs against execution of 137 works departmentally under UWEP as 10 *per cent* contractor's profit was not deducted from the bill as detailed in the following **Table 5.13**:

Table 5.13: Details of 10 *per cent* contractors profit not deducted against execution of works/schemes departmentally for the years 2010-11 to 2014-15

(in ₹)

Sl No	Name of ULB	Total No of works /schemes executed	Estimated amount inclusive of contractors profit	Expenditure permissible when works done departmentally	Expenditure actually incurred on the works	Avoidable excess expenditure as 10 *per cent* contractor's profit not deducted (6) – (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Nagaon MB	33	8165,000	73,48,500	81,62,730	8,14,230
2	Simaluguri TC	23	41,42,926	37,28,633	40,51,414	3,22,781
3	Hamren TC	7	17,52,000	15,76,800	17,51,760	1,74,960
4	Dokmoka TC	23	77,42,456	69,68,210	77,20,486	7,52,276
5	Udalguri TC	13	65,50,000	58,95,000	65,88,037	6,93,037
6	Tangla TC	10	74,18,000	66,76,200	73,82,976	7,06,776
7	Tezpur MB	14	64,00,000	57,60,000	63,30,096	5,70,096
8	Biswanath Chariali TC	5	16,50,453	14,85,408	16,44,333	1,58,925
9	Rangia MB	9	40,00,000	36,00,000	40,00,757	4,00,757
Total		**137**	**4,78,20,835**	**43,03,875**	**4,76,32,589**	**45,93,838**

Thus, beneficiaries were deprived of wage employments besides effecting creation of public assets under UWEP to the extent of ₹45.94 lakh as 10 *per cent* contractor's profit was not deducted.

5.9.6 Urban Community Development Network (UCDN)

UCDN implies existence of community based orgainisations *viz.,* Neighborhood Groups (NHGs), Neighborhood Committees (NHCs) and Community Development Societies (CDSs) for providing foundation for community development and empowerment.

As per Scheme Guidelines, SJSRY shall rest on the foundation of community development and empowerment. Rather than relying on the traditional method of top-down implementation, the Scheme shall rely on establishing and nurturing community organisations and structures that facilitate sustained urban poverty alleviation. Towards this end, community organisations like NHGs, NHCs and CDSs shall be set up in the target areas. The CDSs will be the focal points for purposes of identification of beneficiaries, preparation of loan and subsidy applications, monitoring of recovery and generally providing whatever other support is necessary for the programmes. The CDSs will also identify viable projects suitable for the area. Promotion of women self-help groups would be an important activity to be pursued by CDSs. Following lacunae in implementation of UCDN were found:

5.9.6.1 Neighbourhood Groups and Neighbourhood Committees not formed

Nine[62] out of 16 selected ULBs did not form any NHG and NHC which are the formal association of poor women living in an urban locality. As such, these ULBs failed to set up the required community structures to facilitate sustained urban poverty alleviation.

5.9.6.2 Community Development Society (CDS) not setup

The CDS is a formal association of all the Neighbourhood Committees at the town level based on common goals and objectives. The Community Development Society (CDS) should be registered under the Societies Registration Act or other appropriate Act to provide access to grant-in-aid under various schemes and for a wider financial and credit base.

Out of 16 selected ULBs, only 10 ULBs[63] set up CDS. Out of 10 CDSs set up, although five[64] CDSs were stated to have been registered under the Societies Registration Act, only one ULB (Rangia MB) could produce the copy of Registration Certificate in support of registration. Further, there was no evidence of involving the CDSs with selection of beneficiaries, coordinating with bank and the beneficiaries and identification of viable projects *etc.*

In absence of CDS, six ULBs did not have community structures to facilitate sustained urban poverty alleviation through activities of community development and empowerment like promotion of Self Help Groups, identification of beneficiaries, preparation of loan and subsidy applications, monitoring of recovery and identification of viable projects suitable for the area.

5.9.6.3 Irregular utilisation of fund under UCDN

As per Scheme Guidelines, funds may be released separately under UCDN component, for strengthening of Community Structures and Community Development Networks. These can be utilised for meeting the expenditures on allowances/honorarium to Community Organisers (CO); community mobilisation machinery including animators; holding of awareness camps/workshops/seminars/conferences/meetings involving COs; Community-Based Organisations (CBOs); NGOs and other stakeholders; miscellaneous daily activities of the CDS, *etc.;* any other activity/project connected with community development; and empowerment such as surveys, preparation of Urban Poverty Reduction Strategy, Slum Development Plan, Community level Micro-plans, Mini-plans and Social Audit *etc.*

(i) Palashbari MB diverted an amount of ₹4.23 lakh on Ward Meetings organised for Old Age Pensioners as expenditure on Packet Lunch, fee for announcement, Auto fare and Microphone hire *etc.,* out of fund released under UCDN.

(ii) Lakhipur MB diverted a total amount of ₹13.01 lakh towards construction of meeting hall, purchase of generator set and furniture for the said hall out of the funds released under UCDN.

(iii) Dhing MB procured office furniture such as Steel Almirah, Office Table, Curtains, Screens, Executive Chairs and File Racks worth ₹7.37 lakh out of fund received under UCDN component.

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[62] *GMC, Biswanath Chariali MB, Lakhipur (Cachar) MB, Nagaon MB, Rangia MB, Dokmoka TC, North Guwahati TC, Simaluguuri TC and Tongla TC.*

[63] *Udalguri TC, Sivasagr MB, Dhing MB, Hamren TC, Dokmoka TC, Lakhipur MB, Silchar MB, Palashbari MB, Rangia MB & GMC.*

[64] *Udalguri TC, Sivasagr MB, Dhing MB, Rangia MB & GMC.*

Due to diversion of funds from UCDN component, vital activities of community development and empowerment such as surveys, preparation of Urban Poverty Reduction Strategy, Slum Development Plan and community level Micro-plans and Mini-plans, Social Audit *etc.,* were neglected.

5.9.7 Selection of Beneficiaries

As indicated under the SJSRY Guidelines, top priority should be given to those who are poorest of the poor amongst the persons living below the poverty line. Certain non-economic parameters may also be considered for identifying a genuine beneficiary amongst the urban poor for income-generating special loan schemes under this programme. Seven non-economic parameters have been identified for this purpose. These relate to living conditions, comprising the following attributes: (i) Roof of Dwelling Unit, (ii) Floor of Dwelling Unit, (iii) Access to Water, (iv) Access to Sanitation, (v) Education Level, (vi) Type of Employment, and (vii) Status of Children in Household based on which categorisation is to be done as shown in the **Table 5.14** below:

Table 5.14: **Non-economic norms/criteria for identifying a beneficiary from amongst the urban poor***

Sl. No.	Weightage Score[65]	Priority Category
1	80-100	I (Highest Priority)
2	60-80	II
3	40-60	III
4	20-40	IV
5	0-20	V (Lowest Priority)

* *This is in addition to the norms based on income parameters which envisage top priority to the household which is below poverty line.*

Out of 8332 beneficiaries covered by 16 selected ULBs under USEP and STEP-UP a random survey of 169 beneficiaries (minimum 10 beneficiaries from each selected ULBs) was conducted which revealed the following as shown in **Table 5.15** below:

Table 5.15: Findings of survey of USEP and STEP-UP beneficiaries

Beneficiaries surveyed	Category I Beneficiaries	Category II Beneficiaries	Category III Beneficiaries	Category IV Beneficiaries	Category V Beneficiaries
169	0	1	66	102	0

The above table shows that none of the beneficiaries fell under the top priority category and 168 out of 169 beneficiaries were from the III & IV priority category. On being queried, the ULBs stated that the beneficiaries were selected on the basis of their monthly income only and no categorisation was done during selection. Thus, the ULBs neither considered the non-economic parameters while identifying the beneficiaries nor was any categorisation done for the selected beneficiaries. This indicated that the poorest urban beneficiaries were deprived of the benefits of SJSRY.

5.9.8 Information, Education and Communication (IEC)

States/UTs can utilise up to three *per cent* of their total annual allocation for IEC activities, including research & training, seminars and workshops, Slum/BPL/Livelihood surveys, support to dedicated cells to look after IEC activities in the State Nodal Agency, State Resource Centers/Training Institutes, market research, evaluation studies, publicity of the

[65] *Average Weightage score has been assigned on the basis of non-economic parameters as prescribed in the SJSRY Guideline.*

Scheme *etc*. Audit observed that IEC activities in the State were hampered as SUDA did not released/short released the funds.

Though there was an allocation of ₹ 2.18 crore during 2010-11 and 2011-12 for IEC, SUDA did not release any funds to ULBs. During 2012-13 and 2013-14, against allocation of ₹ 2.30 crore under IEC, SUDA released only ₹ 1.89 crore resulting in short release by ₹ 41.31 lakh.

Thus, due to short release of funds, IEC activities including research & training, seminars and workshops; Slum/BPL/Livelihood surveys; support to dedicated cells to look after IEC activities in the State Nodal Agency; State Resource Centers/ Training Institutes; market research; evaluation studies; publicity of the Schemes; *etc.,* were affected. The Department did not furnish any specific reply in this regard.

5.9.9 Innovative/Special Projects

The objective of each innovative/special project was to implement a time-bound programme for bringing a specific number of BPL families above the poverty line through self employment/skill upgradation programmes or demonstrating an approach that is likely to have wide implications for sustaining urban poverty alleviation efforts. State Government was required to forward proposal for such projects to GoI.

However, State Government had not forwarded any proposal for Innovative/Special Projects to GoI. Thus, the State Government lacked initiative for undertaking a time-bound programme for bringing a specific number of BPL families above the poverty line through this project.

5.10 Monitoring and Evaluation

5.10.1 Submission of Quarterly Progress Reports (QPR) by ULBs

SJSRY accords utmost importance to monitoring of various components and sub-components. The States/UTs were required to send Quarterly Progress Reports (QPRs) in prescribed formats with regard to targets and achievements. Apart from QPRs, the Government of India may prescribe other progress reports as may be considered appropriate from time to time.

Although, DMA cum SUDA instructed the ULBs to submit QPRs showing achievement of targets and financial progress while releasing funds, none of the selected ULBs covered in audit submitted QPRs to SUDA.

It is evident from above that no monitoring and evaluation of implementation of the Schemes under SJSRY was conducted at any level. Due to lack of monitoring, targets under various components remained unachieved. It also led to slow physical and financial progress thereby depriving the beneficiaries of the intended benefits of the programme.

5.10.2 Monitoring by SUDA

As per Scheme Guidelines, the States/UTs will establish suitable monitoring mechanisms and monthly reporting from the ULBs regarding the progress of various components of SJSRY.

Although SUDA was reconstituted in September 2006 to monitor and give policy direction for implementation of SJSRY, no monitoring and evaluation of the scheme was carried out by SUDA. Thus, suitable monitoring mechanism was lacking at the State Level.

5.10.3 Submission of QPR to GoI

Out of 16 QPRs due for submission to GoI by the DMA cum SUDA during the period 2010-11 to 2014-15, only 10 QPRs were submitted to GoI as shown in **Table 5.16** below:

Table 5.16 Details of submission of QPR by DMA to GoI

Year	Nos. of QPRs due for submission	Nos. of QPRs submitted	Shortfall in submission of QPRs
2010-11	4	4	Nil
2011-12	4	3	1
2012-13	4	3	1
2013-14	4	Nil	4
Total	**16**	**10**	**6**

Above table shows that no QPR was submitted by the DMA/SUDA during 2013-14. By not submitting regular QPRs, the Directorate failed to report the financial and physical progress regularly to GoI.

In reply, Government stated that QPRs were submitted upto 31 March 2013 and thereafter monthly progress reports were furnished online. The reply is not tenable as during 2011-12 and 2012-13 there were shortfalls in submission of QPRs.

5.11 Conclusion

Proper planning was lacking both at the State and ULB level which resulted in improper utilisation of fund, short achievement of targets and lacunae in implementation of the schemes. Scheme fund remained undisbursed due to short allocation of fund to ULBs by DMA which adversely affected the implementation of the scheme. ULBs also failed to utilise the available fund resulting in blockade of Government fund. As the scheme had been closed, the unspent money had to be refunded. There was also irregular and improper utilisation of funds by ULBs. ULBs also failed to furnish UCs for the entire amount spent. There were lacunae in monitoring of receipt and utilisation of fund at State as well as ULB level indicating poor financial management. Benefits of the Programme in the State could not be fully extended to targeted beneficiaries as targets under various components of the Programme remained unachieved leading to loans remaining undisbursed to beneficiaries under USEP; lack of proper skill development under STEP-UP; less generation of mandays under UWEP and neglect of IEC activities. State Government also lacked initiative for undertaking Inovative and Special Projects so that a specific number of BPL families may be brought above the poverty line under a time bound programme. Thus, sustained urban poverty alleviation through setting up self-employment ventures, skill development and training programme to enable urban unemployed to secure employment or provision of wage employment could not be achieved under SJSRY.

5.12 Recommendations

The Department should consider implementing the following recommendations:

- ❖ There should be a database of category-wise urban poor for efficient planning.
- ❖ The planning should be done with involvement of community organisations and other stakeholders for fruitful implementation of the scheme.
- ❖ Fund should be disbursed by SUDA and utilised by ULBs in time and should be duly supported by Utilisation Certificates.

- Implementation of scheme may be ensured as per Scheme guideline *viz.,* proper selection of beneficiaries, coordination with the bank, providing wage employment, self employment and balanced utilisation of funds under all component of the programme *etc.*
- Suitable monitoring and evaluation mechanism should be in place and regular periodic reporting to higher authorities should be ensured.