

# CHAPTER I

## INTRODUCTION



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## 1.1 Introduction

Government of India (GoI), Ministry of Housing and Urban Affairs (MoHUA<sup>1</sup>), launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) on 25 June 2015 with the aim to provide basic services to urban households and build amenities in cities which will improve the quality of life for all especially the poor and the disadvantaged.

The purpose of AMRUT was to ensure that

- every household has access to a tap with assured supply of drinking water and a sewerage connection;
- increase the amenity value of cities by developing greenery and well-maintained open spaces e.g. parks and
- reduce pollution by switching to public transport or constructing facilities for non-motorized transport e.g. walking and cycling.

MoHUA had selected nine cities in the State viz., Thiruvananthapuram, Kollam, Kochi, Thrissur, Kozhikode and Kannur municipal corporations and Alappuzha, Guruvayur and Palakkad municipalities for the implementation of the scheme. Fifty *per cent* of the total project cost as grant was the central share and the remaining project cost was to be met by the State and mission cities in the ratio 30:20. The period of AMRUT was initially for five years from the financial year 2015-16 to 2019-20 and was extended four times up to December 2024.

The thrust areas of the mission were

- water supply,
- sewerage facilities and septage management,
- storm water drains to reduce flooding,
- pedestrian, non-motorized and public transport facilities, parking spaces, and
- enhancing amenity value of cities by creating and upgrading green space, parks and recreation centers, especially for children.

The mission also aimed at improving governance through a set of reforms and capacity building.

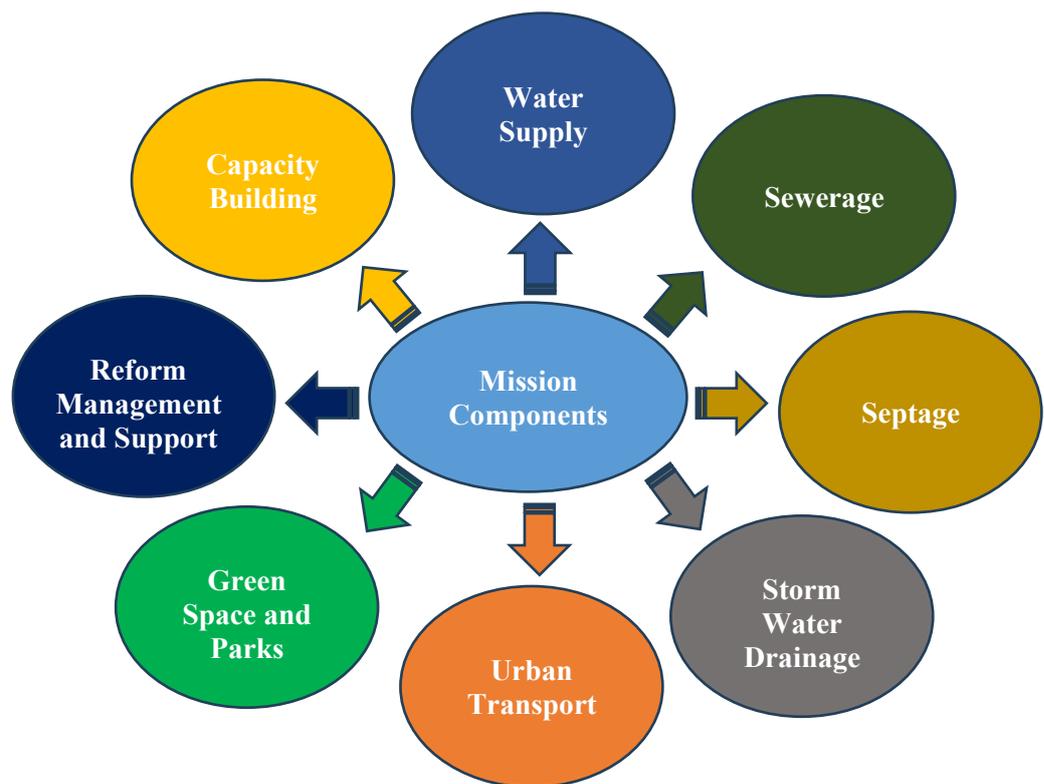
## 1.2 Mission components

The components of AMRUT Mission are given in **Chart 1.1**.

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<sup>1</sup> The Ministries of Urban Development (MoUD) and Housing and Urban Poverty Alleviation (MoHUPA) were merged to form the Ministry of Housing and Urban Affairs (MoHUA) with effect from 6 July 2017.

Chart 1.1: Mission Components

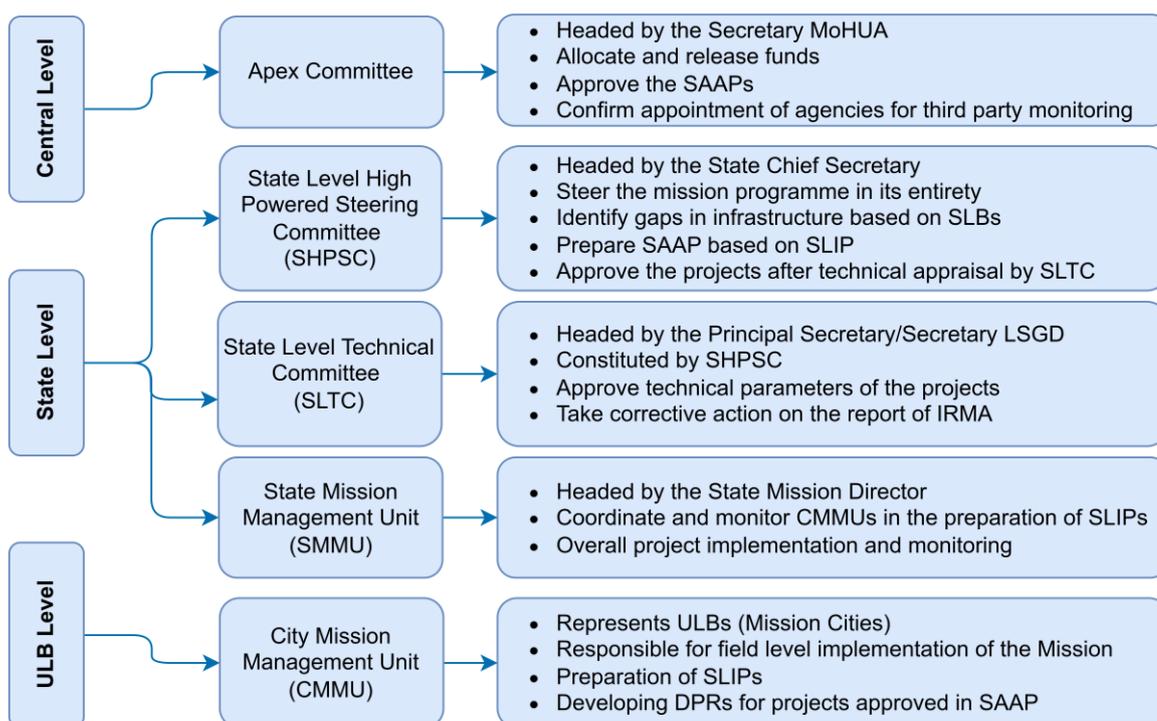


(Source: The Mission Guidelines)

### 1.3 Organisational set up

The scheme was implemented by GoI through MoHUA. An Apex Committee chaired by the Secretary, MoHUA supervised the Mission at national level. A State Level High Powered Steering Committee (SHPS) chaired by the State Chief Secretary steered the Mission Programme in the State. The State Mission Management Unit (SMMU) headed by State Mission Director was responsible for overall project implementation and monitoring in the State. The Urban Local Bodies (ULBs) were responsible for implementation of the Mission at city level. The mission management structure is depicted in **Chart 1.2**:

Chart 1.2: Mission management structure



(Source: The Mission Guidelines)

## 1.4 Audit Objectives

Objectives of the Performance Audit were to assess whether:

- planning of projects for cities was effective in terms of assessment of requirement and scope of timely execution,
- financial management, execution and monitoring of projects was efficient and effective, and
- there was an adequate and effective system in place to ensure that the assets created were managed properly.

## 1.5 Audit Criteria

The Audit observations included in the Report were benchmarked against the criteria derived from:

- AMRUT Guidelines issued by MoHUA.
- Service Level Improvement Plans (SLIPs) and State Annual Action Plans (SAAP I, SAAP II and SAAP III), prepared for the years 2015-16, 2016-17 and 2017-2020.
- Minutes of meetings of the State Level High Powered Steering Committee and State Level Technical Committee.
- Kerala Public Works Department Manual, 2012.
- AMRUT projects operational guidelines issued by Local Self Government Department (LSGD), Government of Kerala
- MoHUA Notifications, Government Orders releasing Central and State shares for the Mission.
- Indian Road Congress Guidelines, etc.

## **1.6 Audit Scope and Methodology**

The Performance Audit was conducted from April 2023 to December 2023 covering the period from 2015-16 to 2022-23. An entry conference with Additional Chief Secretary, Local Self Government Department was held on 27 March 2023 in which audit objectives, criteria, scope and methodology were discussed. Audit methodology included examination of records maintained in Local Self Government Department, State Mission Management Unit, City Mission Management Units, Kerala Water Authority and other offices involved in the implementation of project. Audit also adopted Joint Physical Verification (JPV) of sites for substantiating the audit findings. Exit conference was conducted on 12 September 2024, wherein the audit findings were discussed in detail. Remarks offered by Government on the audit findings have been suitably incorporated in this Report.

## **1.7 Sampling**

All the nine mission cities in the State (Thiruvananthapuram, Kollam, Alappuzha, Kochi, Thrissur, Guruvayur, Palakkad, Kozhikode, and Kannur) were selected for the Performance Audit. As part of implementation of AMRUT, Government of Kerala (GoK) had taken up 1095 projects up to 31 March 2023 under the components water supply, sewerage, septage, stormwater drainage, urban transport and green space and parks. Of these, audit grouped the projects into three categories such as completed projects, partially completed projects and abandoned/cancelled projects. Audit selected all the partially completed and abandoned/cancelled projects for detailed scrutiny. Moreover, 25 per cent of the completed projects in each sector in each ULB subject to a maximum of 10 projects and a minimum of two projects under each component of the mission were subjected to detailed scrutiny. The number of projects taken up by nine mission cities and selected by audit for detailed scrutiny are detailed in **Appendix 1.1**.

## **1.8 Acknowledgement**

Audit acknowledges the cooperation extended by the Department of Local Self Government, State/City Mission Management Units and Kerala Water Authority in the conduct of the Performance Audit.

## **1.9 Audit findings**

The audit findings are summarised under the following chapters:

- Chapter II: Planning the Mission
- Chapter III: Financial Management
- Chapter IV: Project Implementation and
- Chapter V: Project Monitoring.