



EXECUTIVE SUMMARY

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Why CAG did this audit

Government of India launched Atal Mission for Rejuvenation and Urban Transformation (AMRUT) in June 2015 with the intention to provide basic services to households and build amenities in cities which would improve the quality of life for all, especially the poor and the disadvantaged. Government of India selected nine cities in Kerala (Thiruvananthapuram, Kollam, Kochi, Thrissur, Kozhikode and Kannur Corporations and Alappuzha, Guruvayur and Palakkad Municipalities) for the implementation of the scheme. The period of AMRUT scheme was initially for five years from 2015-16 to 2019-20 and was then extended four times up to December 2024. Government of India released ₹1161.17 crore as project fund during 2015-2024. In addition to project fund, GoI released ₹103 crore towards administrative and office expenses, reform incentive, GIS based master plan and preparation of Local Area Plan/Town Planning Scheme. Performance Audit on Implementation of AMRUT in Kerala, covering the period from 2015-16 to 2022-23, was undertaken to evaluate the extent of achievement of the objectives of the scheme by mission cities, through an analysis of the various stages of implementation namely, planning, financial management, execution and monitoring of projects.

Major Audit Findings

Audit noticed that though the primary purpose of the Mission was to achieve universal coverage in the water supply sector, State did not plan for achieving universal coverage. Delay in finalising agencies for project development and implementation resulted in delayed implementation and non-completion of projects especially water supply and sewerage sector projects, even after a lapse of nine years from commencement of the mission. In the absence of sufficient expertise, Kerala Water Authority (KWA) could not plan for adequate and timely implementation of sewerage/septage sector projects. Preparation of Detailed Project Reports (DPRs) by empanelled agencies without proper site investigation, public consultation etc., resulted in extensive revision of estimates, cost overrun and abandoning of 27 projects with project cost of ₹233.55 crore. Audit noticed delays ranging from 43 days to 15 months (average 5.9 months) in release of GoI funds by the State. Parking of funds with the implementing agency, KWA in violation of GoI instructions was also seen.

None of the mission cities could achieve the objective of providing 135 lpcd drinking water to the households. Coverage of household water supply among the nine mission cities ranged from 9.39 *per cent* (Guruvayur Municipality) to 89.16 *per cent* (Kochi Corporation). 100 MLD Water Treatment Plant constructed expending ₹40.62 crore at Vasoorchira in Kollam was idling due to non-completion of laying of raw water pumping main. Four Overhead Service Reservoirs constructed by KWA expending ₹31.51 crore in Kochi and Thrissur Corporations and Palakkad Municipality remained idle due to non-laying of pumping mains, distribution lines, leakage in distribution line, etc.

Mission cities except Thiruvananthapuram, Kochi and Kannur could not establish any sewage collection and treatment systems. Kochi and Kannur

Municipal corporations had a negligible coverage of three *per cent* and one *per cent* respectively. Thiruvananthapuram Corporation, which treated 34 *per cent* of the sewage generated at the commencement of the scheme could not expand the coverage of sewage network. Failure of KWA/Kollam Corporation to establish network to bring sewage to the treatment plant under construction at Kureepuzha resulted in non-completion of the Plant and idling of the infrastructure created expending ₹ 16.84 crore.

Reducing pollution by switching to public transport or constructing facilities for non-motorised transport was one of the objectives of AMRUT. Audit noticed that 47 *per cent* of footpaths test checked were constructed without clearing obstacles such as electric posts, stay wires, telecom boxes, etc. 37 *per cent* of foot paths test checked were not disabled friendly and 53 *per cent* foot paths test checked had no tactile pavement to facilitate visually challenged persons.

Construction and maintenance of storm water drains was expected to reduce and ultimately eliminate, flooding in cities, thereby making cities resilient. Kochi Corporation utilised scheme funds of ₹45.43 crore without preparing a definite plan to prevent sewage mixing and flooding. Scheme funds were utilised for routine maintenance activities including desilting and root causes of flooding during rains remained unaddressed. Thiruvananthapuram Corporation constructed a drain in Plavarcod-Ulloorpookam-Andoorpooka road without establishing connectivity to primary drain leading to flooding in the area.

Under the Green Space and Parks component, mission cities constructed 30 new parks and 36 parks were renovated. Out of the 27 parks test checked, nine parks in five Urban Local Bodies (ULBs) were not opened to public. An amount of ₹27.92 lakh expended towards construction of musical fountain in Nehru Park, Thrissur Corporation remained unfruitful as the fountain became non-functional. Construction of park on the banks of Chilavannur lake by Kochi Corporation had to be abandoned due to lack of permission from Kerala Coastal Zone Management Authority, rendering expenditure of ₹28.22 lakh incurred towards the project unfruitful.

Though guidelines stipulated the State Level Technical Committee (SLTC) to ensure compliance of the DPR to the checklists issued by GoI, the SLTC did not ensure availability of land, clearance from other departments/agencies etc., which resulted in delay in implementation and abandoning of the projects. Mission guidelines insisted on grant of Technical Sanction by SLTC. However, State Level High Powered Steering Committee (SHPS) allowed implementing agencies themselves to grant technical sanction for the projects. SLTC did not convene meetings for 29 months during the period September 2018 to January 2021 and the technical parameters of 38 projects were not subjected to mandatory appraisal by the SLTC.

What CAG recommends

The following nine recommendations have been made in this report.

- ***Government should ensure that adequate public consultation meetings are conducted and documented by ULBs at the planning stage to enable them to make informed decisions.***

(Recommendation 1)

- ***Government should ensure that empanelment of agencies for the preparation of Detailed Project Reports is based on a thorough evaluation of previous projects executed by the agencies.***
(Recommendation 2)
- ***Government should ensure that scheme funds are not diverted and do not remain parked with implementing agencies.***
(Recommendation 3)
- ***Government should ensure that distribution networks are also planned and executed along with the construction of Water and Sewage Treatment Plants, so as to avoid idling of such plants.***
(Recommendation 4)
- ***Government should ensure that KWA/ULBs undertake adequate measures for operation and maintenance of the assets created to yield benefits on a long-term sustainable basis.***
(Recommendation 5)
- ***Government should conduct a comprehensive study to analyse reasons for frequent flooding in Kochi Corporation and initiate appropriate rectification measures.***
(Recommendation 6)
- ***Government should design a definite plan to complete all incomplete projects and ensure that benefits of the completed projects are provided to the public without delay.***
(Recommendation 7)
- ***Government should design a definite plan and strive towards achievement of Service Level Benchmarks especially in Water Supply and Sewerage Sectors.***
(Recommendation 8)
- ***Government should ensure that committees and bodies supervise and monitor the implementation of projects in accordance with the terms of the responsibilities entrusted under AMRUT.***
(Recommendation 9)